

Urgent Action Office 3-1992 Yonge Street Toronto ON M4S 1Z7 Phone: (416) 363-9933 Fax: (416) 363-3103 urgentaction@amnesty.ca
First UA: 79/2024 AMR 13/8497/2024 Argentina of September 9, 2024

ARGENTINA

PENSION REFORM MUST MOVE FORWARD

On September 2, President Javier Milei vetoed a bill passed by Congress aimed at improving pensions for older adults. This bill was designed to address the significant loss of purchasing power they have experienced in recent months. We urge Congress to push for the approval of this law to ensure a dignified standard of living for older people.

Write to Members of Congress urging them to:

- Insist on the approval of the bill in Congress.

Write to:

H. Cámara de Diputados de la Nación Argentina
Av. Rivadavia 1864,
Ciudad Autónoma de Buenos Aires,
Argentina
Salutation: Honorable Congressman/Congresswoman,

And copy:

Her Excellency Maria Josefina MARTINEZ GRAMUGLIA
Ambassador
Embassy of the Argentine Republic
81 Metcalfe Street, 7th Floor
Ottawa, ON K1P 6K7
Tel: (613) 236-2351 Fax: (613) 235-2659
Email: ecana@cancilleria.gov.ar

ADDITIONAL INFORMATION

Argentina's pension system is contributory, funded by the employed workforce, and designed to provide income for the elderly, including those who were unemployed or worked in the informal sector. The system is based on redistribution and social protection, ensuring a minimum income for all.

However, investment in pensions has declined over the years. Official data shows that spending on social security as a percentage of GDP has fallen by nearly 3% in the last decade. In 2022 and 2023, pensions accounted for 7.6% of GDP, but by 2024, it had dropped to 6.5%. This decrease comes amid a severe economic crisis, with rising poverty and indigence rates. There is a pressing need for a sustainable pension system that guarantees the elderly an income that allows them to live in dignity.

In June 2024, nearly 3 million retirees received less than \$365 CAD, while the cost of essential goods and services was \$380 CAD. On August 22, 2024, the Senate passed a pension reform bill. This bill proposed adjusting pensions monthly according to inflation, with an additional 8.1% compensation in

January 2024 to address the loss of purchasing power. It also aimed to ensure that the minimum pension would cover essential living costs. However, this reform comes with an additional fiscal burden of 0.43% of GDP.

On September 2, 2024, President Javier Milei vetoed the reform, citing the need to maintain fiscal balance. The veto power, granted by the National Constitution, allows the president to block a bill passed by Congress. However, Congress can override this veto with a two-thirds majority vote in both chambers. No deadline exists for Congress to take action on the veto.

The debate over pensions is occurring in the context of Argentina's large loan from the IMF, which has pushed for fiscal austerity and a "zero deficit" policy. Since the new government took office, strong fiscal adjustments have been made, with pension cuts being a central part of these measures. The State has a responsibility to ensure older people can live with dignity by providing access to essential goods and services. Any reform to pension regulations should focus on improving the living conditions of the elderly and upholding their human rights, while balancing fiscal sustainability.

Please take action as soon as possible until October 30, 2024! The UA will be duly updated should there be the need for further action.