

**Information for the analysis of the current situation, 19 – 21 May 2018**

**Argentina:** *The IMF and the potential payment in bonds to retirees after amendments.* 21-May-2018, (BAE Negocios, by Christian González D'Alessandro)

**President Mauricio Macri has announced that Argentina has resumed discussions with the International Monetary Fund to ask for financial aid to strengthen the growth and development program and thus be able to address the new global scenario and avert crises like the ones they have experienced in the past.**

The return of the international credit agency to Argentina's public policy encourages us to look at the history of the country from the 1990's until the onset of the 2001 crisis and compare it with the performance of Macri's government during its two and a half years of social security management.

**The pension reform, adopted in December last year, was clear about the establishment of a plan tied to the IMF, whose recommendations include: changes in the pension requirements with an increase of the age and years of contribution; reduction of the initial pension amount, changes to the update formula of the law on mobility and transfer of the social programs of the National Social Security Administration (ANSES) to the Social Development department, among others points.**

**Such a fallback may lead to a dangerous, tortuous, and aimless path with a potential new curtailment of the rights of our retirees,** who expect the eternal dream of getting legal recognition of that which neither the legislative branch nor the executive branch have been able to solve over the past years. ([Full article](#))

**Mexico:** *8 out of 10 Mexicans lack access to pension.* 19-May-2018, (Edo Mex, by editorial department)

**About 80 percent of Mexicans do not have access to pension, and those who have access to it receive an amount that is insufficient to have a decent life and a decent old age, said Sergio Gaxiola Robles Linares, a professor of the Center of Research and Advanced Population Studies (CIEAP) of the Autonomous University of the State of Mexico.**

Ensuring decent pensions for Mexicans urgently requires reversing the reforms adopted in 1997, which amended the quota system, shifting from a collective to an individual system and thus contributing to a reduction of the replacement rate and directly impacting on the amount received by pensioners.

**The replacement rate was 25 – 30 percent — i.e. if a person's last monthly wage was 10 pesos, his or her pension would be 2.5 – 3 pesos per month. This is a catastrophic circumstance because it leads older adults to conditions of economic vulnerability.**

In this regard, **he claimed that it was necessary for authorities to look at the issue of pensions from a perspective of labor and people's rights, especially of older adults, rather than a perspective of public finances.** ([Full article](#))

**Mexico:** *Reducing informality requires a social security approach, and not just a tax collection approach.* 20-May-2018, (Plaza de Armas, by editorial department)

**About 58 percent of the Mexican population falls within the group of informal employment, a fact that reveals the failure of policy in reducing these figures, said Clemente Ruiz Durán, the author of the book " Informalidad: Implicaciones Legislativas y Políticas Públicas para Reducirlas" (Informal employment: Legislative implications and public policy aimed at reducing them).**

During the presentation of the book, held at the seat of the Senate of the Republic, **the author claimed that governments undertake employment formalization efforts only with a tax collection approach, but they have no plan to ensure that those people get access to social protection.**

**He noted that 47.7 percent of informal employment takes place in households, including domestic work and family businesses.** Reducing these figures requires providing support to farmers and ensuring that all federal, state, and municipal government employees are formally employed, among other factors.

**His proposed measures to reduce informal employment include the creation of a special social security scheme for self-employed workers, and a mandatory unemployment insurance plan to act as a "buffer" for those who are expelled from formal employment during crises, and to prevent them from "finding refuge" in informal economy.** They also include a universal social benefits system comprising a package of basic health services, disability and life insurance, a guaranteed minimum pension, and increased quality of the goods and services offered by the State. ([Full article](#))

**Paraguay:** *The country's social and economic developments commended at the OECD.* 20-May-2018, (La Nación, by editorial department)

**Member countries of the Organization for Economic Cooperation and Development (OECD) commended the developments achieved by Paraguay in economic issues including poverty reduction and wage growth, increasing quality of life and purchasing power for the population. Both achievements may be ascribed to the current administration.**

During the meeting, **OECD countries commended Paraguay's economic, fiscal, and social developments, highlighting its high level of economic growth and praising its high figures in terms of poverty reduction, moving from 54% to 26% in the past five years, and wage increase,** leading to an improvement in quality of life and consumption in the population.



**They also emphasized the country's economic stability and predictability, investment climate, and macro economic outcomes, resulting from an effective implementation of policy and strategies for development. ([Full article](#))**