

Education And Work In Argentina.
After more than a decade of neo-liberal reforms,
will hemispheric integration help solve social exclusion ?

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1) Introduction

In order to approach the issue of education and labor in Argentina it is necessary to refer to the recent history of the relationship between the State and the educational system : from the 50's to the 90's, the State in Argentina has gone from the performing of policies tending to reinforce and guarantee political and social equity whose final objective was the legitimation of the allotment of material and symbolic goods in the society, to the subsidizing of the proposals - somewhat endogenous to the State itself - built and supported by groups of interests that benefit with the free operation of the market and by international financing banks.

During this period, the provision of education was a rather efficient service provided by the State in terms of a wide distribution to most social sectors all over the country. Education or, rather, the formal public educational system, has historically performed a crucial role in Argentina in the selection for and the distribution of the young in the labor market and, up to the 90's, it maintained this function.

Of course, this process of selection is not neutral, we do not mean to sustain a naïve social view where equality of educational possibilities is the same for everyone; but, within the limits of capitalist reproduction, there was in the country a certain flexibility to allow a considerable amount of upward mobility, especially in individual terms, within the labor market. And this mobility was, undoubtedly, due to the action of the public educational system.

In the last decade of the century, the State has showed more passion and coherence in applying the internationally dictated neoliberal macro economic politics than in planning and developing democratic measures toward the population; thus, the disastrous social effects of those politics went unbalanced and provoked a deep crisis in society, with an unprecedented uprise of extreme poverty, exclusion and social unrest and, even, crime rates. Just as deep is the political crisis, both at the level of legitimacy and of representativity of political proposals and of political leaders as well.

The educational system suffered during the last decade in Argentina as every social sector did, from retirement funds for the old to health provisions for children; from financial allotments for the Arts and for scientific research to devaluated teacher salaries. But in this sector also took place the blindfold application of the educational measures dictated by the World Bank, most of which required monetary loans that increased the already huge external debt.

This set of measures, under the appearance of a modernization process -certainly overdue in Argentine education- had a definite trend toward

privatization of the sector and, in spite of its claims of decentralization, it strengthened the central power of the national State in educational terms.

Concerning the recent scenary of the labor market changes, they evolve within little and even diminishing, competitiveness of producing and exporting firms; weak balance of the fiscal budget; problems in the distribution of income; increasing rigidities and an overall diminishing of the growth potential of the economy; these negative trends have shrunken the labor market as never before in the history of the country provoking an increasingly unequal distribution of income, specially for the poorest population sectors in society, who are nowadays subject to increasing exclusion from social rights and goods that they have already earned through their action many decades before.

Argentina, as well as every country, evolves in an international setting of increasing interdependence that is not, obviously, equal or even equitable, for every country or every region in the world. Social scientists have been, during the last two decades, discussing the ways and effects of the globalization, category which is used to refer to this interdependence in the specific setting created by the fall of the Wall dividing Berlin east and west sides, the huge increase of international trade and transnational enterprises and the development of the new technologies of information and communication.

It is posible to find reflexive thought and hard reasons and arguments in every side of the discussion, the one that shows critically the undesirable effects of globalization and tries to propose alternative ways of growth as well as the opposite side that legitimates whichever effect there might be since the present organization of world society is claimed as the only possibility.²

Hemispheric integration is one of the possibilities of globalization within many forms of integration, such as the coexistence of subregional, regional and world levels. In the case of Argentina we have to account for:

- i) Mercosur - the alliance of Cone Sur countries : Argentina, Brasil, Uruguay, Paraguay -,
- ii) FTAA - Free Trade Alliance for the Americas - and
- iii) the secondary, indirect, relationships between Mercosur and the European Community and the other Latin American groups.

² When we think about globalization and neoliberalism in this chapter, we mainly rest on the ideas and the works of the following authors: Castells, Manuel (1996) "The information age: economy, society and culture" (3 vols.), Blackwell Publishers Inc., Massachusets; Noam Chomsky's critical writings; New Left Review (in Spanish) (2000) Number 5, "

bienestar e incremento de la desigualdad", Ediciones Akal, Madrid; Minsburg, Naom & H.W.Valle (eds.). (1995) "El impacto de la globalización. La encrucijada económica del Siglo XXI". Ediciones Letra Buena, Buenos Aires; Bourdieu, Pierre (1998) "Contre-feux. Propos pour servir a la resistance contre l'invasion neo-liberale". Liber Raisons d'Agir, Paris; Berry,

FTAA has undoubtedly produced a harsh debate in regional politics; some authors think that this is the strongest in the decade ³, probably because it has unveiled many interests and rivalries among the involved social actors both corporate and pertaining to various groupings in civil society, many of whom sustain very vocal points of view for and against this Treaty.

In Argentina one can find a wide range among skeptical illustrated opinions, from the critical Alberto Methol Ferré ⁴:

“The essence of FTAA for the United States consists of generating the necessary elements to desarticulate Mercosur and have it end up in a sound failure (...) Once it has become a terrible failure, FTAA will dissolve itself in the air.” (p. 49)

to the articulate corporative voice of the Association of Banks from Argentina, Riordan Roett ⁵:

“The discussion about North American foreign policy, about FTAA and Mercosur, is a classical oxymoron or an evolving process that will, finally, adopt a given form and rind its fruits? At the moment, in the mid 99’s it is neither one nor the other, but it (p. 115), to quote just a couple of significant examples.

The question that worries progressive politicians and academics alike in North, Central and South America is whether the joint action of these associations is going to be able to revert the negative social tendencies shown by countries such as Argentina, after a decade on neo-liberal reforms.

In other words: Are these integration efforts only a means to build more efficient ways to trade marketable goods in favor of central countries interests? Or is there a possibility to build joint alternatives for legitimate growth for peripheric countries?

In this chapter, we shall provide some elements to enter this discussion, especially about education, labor and the relationships between them vis a vis

Albert (no date, found in the web), “ Globalization and marginalization” , Toronto, among other influential authors.

³ In Argentina, many publications deal with it, for instance: Fundación Foro del Sur (2001) “Archivos del Presente. Revista latinoamericana de temas internacionales”, año 6, número 23. enero a marzo, that has a multi- political-party Editorial Council, devotes a good part of its last number to the subject. The same does the Argentine edition of Le Monde Diplomatique, that has devoted at least an article in every number in 2001.

⁴ Fundación Foro del Sur (2001) “Archivos del Presente. Revista latinoamericana de temas internacionales”, año 6, número 23. enero a marzo, A. Methol Ferré “Paradojas de la política sudamericana” (In Spanish in the original). Similar views can be found in Stahringer de Caramuti, Ofelia (ed.) (1998) “El mercosur en el siglo XXI”, Ediciones Ciudad Argentina, Bs. As.

⁵ Roett, Riordan, La política estadounidense: el futuro del ALCA y del Mercosur, en de la Balze, Felipe(2000), “El futuro del Mercosur. Entre la retórica y el realismo”, CARI-ABA, Bs. As.

the proposals made by FTAA, which seems to be a future strong influence in national politics of the countries of the region.

II) FTAA on Education and Labor

Several documents emanated from the various moments of the FTAA process deal with labor and with education, although it is interesting to note that FTAA arrived after the effects of both the “lost decade” of the 80’s for Latin America and the reforms on social policies proposed and implemented by World Bank and Washington Consensus at the beginning of the 90’s⁶.

These reforms were the second step after the privatizations justified by the allegedly many constraints that affected the State in Latin America and prevented it from being able to compete as a productive agent.

Thus, it was better, they said, to free the State from the pressure and let the private sector take charge of production and the State will be allowed to perform its role in the newly defined social policies, very far from the ones implemented by the keynesian Welfare State and even farther away from any form of social justice, these social policies were in fact :

- i) defined as “market friendly” as opposed to population friendly, and
- ii) working under the assumption that the money spent in the social sector was an expenditure rather than an investment.⁷

What is understood as “social policies” in the 90’s is, then, a somewhat undetermined field that comprises education, health, special programs such as the creation of jobs for specific sectors or the solving of particular problems, such as urban or agricultural ones. To sum up, it can be affirmed that these are neo-assistential social policies, since they are based upon the under investment of the 80’s and are supposed to lessen down the potential social conflict emanated from increasing poverty and exclusion.

This is, then, the context to understand the labor and the educational components in the documents emanated from the Summit of the Americas and the FTAA meetings.

II.1. The proposals about labor policies

⁶ See, for instance, World Bank (1991) World Development Report, Oxford University Press

⁷ The social policies of the 90’s have been described by many authors, see, for instance, the Argentine economist Coraggio, José L. (1999) “Política social y economía del trabajo. Alternativas a la política neoliberal para la ciudad” , UNGral. Sarmiento/Miño y Dávila eds., Buenos Aires/Madrid and the international organism CEPAL/UN, (2000) “Growth. Employment and equity: the impact of economic reforms in Latin America and the Caribbeans”, Brookings Institution Press, Washington, D.C., who share views on the subject.

In the Tenth Meeting of the Permanent Technical Committee on Labor Matters (COTPAL) ⁸, the Ministers of Labor of the Americas quoted and supported the Declaration of Principles of the (First) Summit Meeting of the Americas, held in Miami in 1994, where the chiefs-of-state present had declared:

“Free trade and increased economic integration are key factors for raising standards of living, improving the working conditions of people in the Americas and better protecting the environment”.

They added that any form of unlawful employment “informal labor, underground or black market labor” should be discouraged because it “upsets” the labor market balance and unanimously agreed to promote the rights of the workers.

It is extremely interesting both the candor with which they acknowledge the possibility of social problems because of the free trade agreement and the neo-assistential solutions they promote, as if they were the only possibility:

“The labor force and the general public throughout the Hemisphere must be properly informed of how their lives will be affected by this and of the steps that the governments are taking to keep up labor standards and assist those who might be adversely affected.”

And, indeed, in the context of neoliberal one-track-thinking, it is, unfortunately, the only possibility as we shall see in the Plan of Action, product of The Second Summit of the Americas, where there is a section on “Modernization of the State in Labor Matters”. Good intentions continue to appear and they propose –again in a neo-assistential policy way- to help the development of micro, small and medium size enterprises “as a means to combat poverty” as well as to defend the “basic rights of workers”, implying that there might be other rights not-so-basic that will not be sustained by the State at this particular moment in history.

The proposals about labor reform are completed by a calling to promote “stronger relations between the Ministries of Labor and Education” in order not only to improve educational qualifications of workers but also to “retrain those who have to be relocated as a result of economic restructuring” ; this is a very important statement since not only accepts the potentially adverse effects of this process, as before, but also provides with a concrete, specific, form of action from the State itself.

⁸ Declaration of the Tenth Interamerican Conference of Ministers of Labor. Presented at the

If the declarations about labor policies in this context appear rather idealistic, the declarations about education are made under the postulates of Human Capital Theories, as we shall see.

II.2. The proposals about education policies in the context of Human Capital Theories (HCT) of the 90's.

Even though HCT appear as a theoretical and political structure heir only to the postulates of classical economy as well as of durkheimian-parsonian structural functionalism, dating from the post II World War ⁹, an “archeological” approach ¹⁰ would lead to the finding of discourses about the importance of education for development of national human resources from the writings of J. Hales in 1540 y from G.de Malines in 1622, to the most frequently quoted by T. R. Malthus and J.S. Mill by XVIII y XIX centuries ¹¹.

The 60's produced the HCT that would become a theory of education ¹² perfectly matched to the needs of the historic moment in a bi-polar world . At the same time, they would be the basis for the development theories applied to peripheric countries (“desarrollismo”). These theories promised an educational system that would promote industrialization, impulse the sustitution of imports process, would create employment, build the modernizing managerial and professional elites, develop the modern cultural sector.

This “pedagogical optimism” was complemented by the seemingly technical and neutral formulas of educational planning in the 60's coming from international organisms such as UNESCO and Cepal and OECD, where an enormous amount of Latin American experts were socialized.

The 70's brought an even more “technical” approach to HCT ¹³, while during the 80's, studies about human resources with a strong emphasis on social and economic policies and, specifically, educational reforms, began to be

Meeting of Ministers of Trade, Belo Horizonte, Brasil.May 1997.

⁹ See Karabel, J. & A.J.Halsey (eds.) (1977) “Power and ideology in education”, Oxford University Press, New York.

¹⁰ See. Johnson, E.A.J. in UNESCO (1968) “Readings in the economics of education”, UNESCO, Paris.

¹¹ See, among the various secondary sources Blitz, R.C., in UNESCO (1968), op.cit.

¹² Some of the most influential works were Halsey, A.H, Jean Floud and C.Arnold Anderson(eds.) (1961) “Education, economy and society· The Free Press, New York ; Anderson, A.C. and M.J.Bowman (eds) (1965) “ Education and economic development”, Aldine Publishing Co., Chicago, as were the important works of the “ founding trilogy “ of HCT creators: Mark Blaug, Theodore Schultz and Gary Becker.

¹³ As the best example, we could mention here the series Praeger Special Studies in International Economics and Development that produced, translated and distributed, research on economics of education in the context of HCT in the Eastern countries as well as in Latin America.

produced by the International Institute for Educational Planning, UNESCO and, especially, by the World Bank ¹⁴.

During the 90's the HCT are still significant as social theory about the relationship between education and labor; maybe even more than before, because of the new globalized scenary that requires a strong legitimating discourse. As proof of its strength, Gary Becker obtains the Nobel Prize in Economics, Theodore Schultz continues publishing about these subjects and, from the field of educational neoliberal policies, appears very strongly the discussion about the notion of "competence" emanated from the Scan's Report, a clear intervention of corporative interests in the school system. This discussion is implemented nowadays within Ministries of Education and educational reforms are planned, evaluated and financed from the international financing banks ¹⁵ in the context of globalization in almost every South American and Caribbean country.

Human Capital Theories were from the beginning a conservative social theory that developed, thirty years later, into theoretical support and legitimation of neoliberal educational discourse and reforms. Thus, it is important to assess them nowadays because of its persistence in time and the influence they exerted along the last half a century within the context of the deep changes suffered by capitalism in central as well as in peripheric countries all over the world in the path to internationalization and globalization of economy .

Within the contex of HCT we can now present the role played by the education sector in the most recent integration efforts performed by NAFTA - North American Free Trade Agreement - ; APEC - Asia Pacific Economic Cooperation - and FTAA.¹⁶ . Where NAFTA does not provide for the preservation of education and labor as social rights, although there is a "side agreement" on the last, but, rather adresses to the rights of corporations, APEC explicitly identifies education as a strategic economic development activity after the fashion of HCT.

As to the Summit of the Americas, where the educational initiatives are designed by the Ministries of Education themselves, it is developing a complex web of approaches to education within this hemispheric trade bloc:

¹⁴ One good sample of this neo – human capital approach was Psacharopoulos, G. & M. Woodhall (1986) " Educación para el desarrollo. Un análisis de opciones de inversión", Tecnos, publicado para el Banco Mundial, Madrid.

¹⁵ See documents produced by the World Bank and UNESCO as well as their many translations and adaptations to every country. However, there are very scarce documents about the theory and the actual problems of the interfase between education and work in the specific moment of political and economic development that every country is going through.

- i) They enroll other organisms (OAS –Organization of American States-, IDB – Inter American Development Bank- and World Bank.) in an strategic partnership called “horizontal and multilateral cooperation” that has as its main objective to financially support the actions proposed.¹⁷ As an example of this partnership, we read :

“ To this end, the IDB is encouraged to work with member countries to substantially increase the share of new lending for primary and secondary education, by more than doubling the quantity over the next three years compared to the previous three years” (p. 4) Any fresh ideas about the payment of these loans?

After several years of application of these measures, we now know that there is an inherent added problem, a very serious one, which are the conditions that countries have to meet to become loan recipients, such as decentralization of the school system, adoption of new and more precarious standards for teacher work, emphasis on institutional management of schools, among others, all of which have the potential to weaken public school systems in favor of a privatization trend.

- ii) OAS is implemented to establish the agenda in the education sector, through the Inter American Plan of Education that combines progressive proposals with others which final end is, to say the least, not completely clear but rather seems facilitating the mentioned privatization path for school systems.
- iii) An interesting feature of the Inter American Plan of Education is that it promotes civil society engagement for the development of the educative chapter of this integration proposal; its worst shortcoming is probably the vacuum of information that still remains about its existence and strategies and mechanisms of participation.
- iv) Among the specific goals we found quantitative ones in terms of access and completion of various educational levels and qualitative ones as well.
- v) About preparation for work, we can find some of the most specific statements and purposes, that will be transcrip because of its importance and relevance for our analysis:

“ Stregthen preparation, education and training for the world of work so that an increasing number of workers can improve their

¹⁶ See documents in the web, by CSNPEA –Civil Society Network for Public Education in the Americas- that articulates an interesting discussion about globalization and public education, from several social and educative actors.

¹⁷ See Second Summit of the Americas. Plan of Action, in the web page of SICE –Foreign Trade Information System– where Paragraph I is devoted to “ EDUCATION : THE KEY TO PROGRESS” as a somewhat not-very-creative title.

standard of living and together with the employers, have the opportunity to benefit from hemispheric integration. In this regard, consideration will be given to the adoption of new technology based on different options and alternatives. Special attention will also be paid to the establishment of mechanisms that permit workers to obtain certification of job-related competencies acquired through formal education and work experience” (p. 2/3).

Besides, other interesting aspects are mentioned such as the need and the possibility to acquire both specific occupational training and general employability competences, as well as entrepreneurial skills; one could guess that this specifications were made thinking about the needs of specific adversely affected sectors of the population as women and young people, both male and female.

Summing up, it is possible to conclude that the provisions made by the Second Summit of the Americas on the relationship between education and work are among the most important in its kind, since they take into account the interests of all the actors involved in the process and recognize the interaction found between these two social sectors and the economic measures adopted by the countries and their adverse effects. We shall see some of these effects in the next section of this chapter, in both sectors.

On the other hand, due to the dramatic social situation in some countries, such as Argentina itself, it is difficult to see whether and how these interesting proposals will, be implemented in the medium range. And this is probably the strongest criticism one can make to the quoted Plan of Action: it evolves its ideas and plans without even hinting to the shortcomings of the social situation.

III. Education and Labor in Argentina at the End of the Century

III.1. The context: society and school system during and after neo-liberal reforms

The 80's were a turning point in terms of impoverishment of the population in general; at the end of the decade, poor homes had grown out of reasonable expectationa, using any methodology, as well as un and sub-employment rates, especially concerning heads of households and young male and female. At the same time, statistics show a strong income concentration in the highest socio economic strata and an unforeseen heterogeneity of poverty, where we register worsening of working conditions and loss of acquisitive power of the salary.

This regressive distribution of wealth in the Argentine society has provoked the consolidation of differentiated circuits for the delivering of services such as education, health care, public housing and transportation, thus deepening social inequalities and fostering the building of differential identities of social actors.

Regarding education in the 80's, the Population Census of 1991 showed that the differences in education in the population were very important and probably growing. In spite of this, up to the 80's it was difficult to address this situation as a research subject, since there were and still are, to some extent, largely undiagnosed social and economic problems in Argentina where the social imaginary believes in the "glories" of a mistified past where the education system was one of the best of the world and the best of Latin America and this meant an overall school integration of children, no matter which their socioeconomic background or national origin was.

The first historical and empirical research carried out in some of the poorest areas of the Province of Buenos Aires when democracy returned to Argentina in 1984, showed otherwise, of course, that child labor and functional illiteracy were one of Argentina "invisible social problems", such as sexism and racism in the school system, although few research had been conducted on these subjects; also, the existence of informal circuits of different quality was identified within school systems.

Regarding teen agers and youth populations, qualitative and quantitative studies were conducted in the middle and late 80's, that showed on one hand, how extended the drop-out problem already was and, on the other, that the fit between educational achievement and employment was very far from perfect. Some differences were showed between the possibilities of high school graduates according to their educational branch: vocational school graduates were doing rather better; nowadays, with the near destruction of the productive system and the deep changes of the job structure, the graduates from high school suffer the "push up effect of the requirements for educational credentials" since this credential is required for even the most rutinary and exploitative of jobs.

This data was clearly showing the impotence of the public school system to democratize its influence on society, this was certainly something to worry about, especially after more than half a decade of the coming back to democracy; rather, it was showing all the negative potential to exclude and discriminate even after the end of the bloody dictatorial military process. A characterization of the neoliberal model applied in Argentina should include not only the fact of the creation of poverty at a macro level but also the

annulment of the historic mechanisms that allowed families to overcome it, and the school system was one of these mechanisms.

When democracy returned to Argentina, in 1984, the worst about neoliberal reforms was yet to come both in labor, education and the social sector in general.

Regarding employment¹⁸, the productive reform or “reconversión productiva” in Spanish, affected the levels of employment as well as the characteristics of the labor market¹⁹:

- i) Rise in total open unemployment for every economic activity,
- ii) Rise of disguised unemployment, workers working very few hours a day or very few days a week and of informal, “trash” and black market jobs,
- iii) Rise in ambiguity and uncertainty in the labor contracts (trash contracts) and regression of the labor legal system, workers almost totally unprotected.
- iv) Rise of workers accepting jobs well under their educational accomplishments, as the only way to avoid unemployment.

Regarding the educational reforms in the 80’s, the neoliberal globalized model began by decentralizing the service and having the schools transferred to the provinces with almost no economic support, thus deepening the regional inequalities in a country where federalism is and has historically been a fiction.

- i) One of the most important dispositives of educational policy, that formally began in 1989 but was a continuation of the measures of the 80’s is the Social Plan, or “Plan Social” in Spanish, that is a compensatory strategy rather than a transformative one²⁰.

¹⁸ Many authors in Argentina have researched and written about the problems of the labor market, some of the most representative research groups in Argentina, are : Beccaria, L. & N. López (1997) “Sin trabajo. Las características del desempleo y sus efectos en la sociedad argentina”, UNICEF/LOSADA, Buenos Aires; Alejandro Ferrari & Néstor López “Contratos de trabajo y precariedad laboral”.– Estudios del Trabajo N° 6 segundo semestre 1993 – Aset – Pag 137-153 ; Altimir, O. “Desigualdad, empleo y pobreza en América Latina: efectos del ajuste y del cambio en el estilo de desarrollo” en Desarrollo Económico, Revista de Ciencias Sociales, Nro. 145, Vol. 37. . (1997); Susana Torrado. “Vivir apurado para morir joven. Democracia, desigualdad, protesta, comunicación”. Revista Sociedad, Facultad de ciencias sociales (UBA) N° 7, Buenos Aires; Galin, P. & Novick, M. (1990^a) “La precarización del empleo en Argentina”, Centro Editor de América Latina, Buenos Aires; Monza, A. (1993) “La situación ocupacional en Argentina. Diagnóstico y perspectiva” , en Minujin, A. (ed.) Desigualdad y exclusión. Desafíos para la política social en Argentina de fin de siglo. UNICEF/LOSADA. Buenos Aires. A very valuable source of information are the publications of INDEC, the National Institute of Statistics and Census, that conducts and publishes not only the various kinds of Census, but also the Permanent Survey of Households (EPH - Encuesta Permanente de Hogares – in Spanish) that is taken twice a year in the most important cities in the country, as well as the reports elaborated by Equis, a private consultant that specializes in technical reports based on EPH data

¹⁹ See : Beccaria, L. & N. López (1997) op.cit.

²⁰ Disguised behind a facade of the elaboration of pedagogical projects to get specific financial help, schools are compelled to ask for the assistencialist help coordinated, in spite of the alleged

surviving measurement. It differs from the “poverty line”, that departs from the indigence line and adds up the cost of non-food components of the basket, such as transportation, shelter, clothing, and the like. Since the indigence line is about 220,90 \$, the poverty line gets to 496,10 \$, by household by month; obviously, both figures are extremely low when one considers that a typical household is composed by two adults and two children.

According to a recent technical report, the second belt of the Great Buenos Aires is affected by 61% more poverty than the first belt and by 81% more indigence; the percentages are 40% of poverty and 11% of indigence in the second belt; in other words, five out of ten people in these impoverished neighborhoods are either poor or indigent ²².

In order to be able to discuss alternatives to neo-liberal policies in the context of integration, one should find a way to study poverty in a prospective light. One possibility, is looking at the poverty line in households with children under 14 years of age, since there is a powerful uncontested hypothesis about the reproduction of poverty in capitalist society.

The data from Indec ²³says that the vulnerability of households under the poverty line and of households under the indigence line, grows when there are children under 14 years of age: in the Great Buenos Aires, in October 1999, there were 1.120.000 children under the line of poverty and about 300.000 children under the line of indigence, without access to a diet sufficient to meet their basic nutritional needs. If the State has already shrunk, as recent policies claimed it should, and there are no globalized plans to protect the vulnerable groups, it is not at all clear where the solution rests.

Regarding income distribution, the promise of the new economic policies was left unfulfilled as well, as we shall see in the next table.

Table 1
(City of Buenos Aires, August 1999)
Family income, population, social strata

Population %	Real medium income per person \$	Income participation %	STRATA
20	159	4.2	LOW
60	420	43.7	MEDIUM

²² Equis. Equipo de investigación social (March. 2000) “Desempleo y pobreza en el gran Buenos Aires. Evolución reciente de la pobreza y la indigencia y perfil ocupacional regional con datos de la EPH y la secretaría de Programación económica . 1992-1999. Mimeo. Buenos Aires.

²³ See López Artemio & M.Romeo (1999) Indigencia y desnutrición infantil. Ediciones Equus, Buenos Aires.

20	1.746	52.1	HIGH
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Source: Equis, Indec

As we can see in Table 1, 20% of the poorest population in Buenos Aires city participates with a meager 4.2% of income while the 20% richest participates with a 52.1%; the middle strata is very large in the city – 60% of the total population- but its share is only about 40%.

This distribution gives a hint about a strong hypothesis: the economic crisis provoked by the application of the model not only polarized the population but also affected adversely the middle classes desempowering them.

ii) Unemployment as a social problem and other indicators of decay

Table 2a. and 2b. will allow us to look deeper into that phenomenon, since they show the development of unemployment between 1992 and 1999 referred to the population by income quintils²⁴ in two urban conglomerates.

Table 2a.

Great Buenos Aires (1992 and 1999)

Unemployment by per capita income quintils

Quintil, per capita income	Unemployment '92 (%)	Unemployment '99 (%)
First	14,6	27,1
Second	8,4	19,2
Third	5,2	13,1
Fourth	3,4	6,2
Fifth	2,8	2,3
Total	6,7	14,4

Source : Equis, with data from Indec, SIEMPRO, Ministry of Economy

Table 2b.

Buenos Aires city (1998 and 1999)

Unemployment by per capita income quintils

Quintil, per capita income	Unemployment '98 (%)	Unemployment '99 (%)
First	17,5	18,4
Second	18,8	20,1
Third	4	4,9
Fourth	2	3,2

²⁴ The first and second quintil corresponds to the low class and low middle class population, while the third and the fourth corresponds to medium and high middle classes and the fifth, to the high class strata.

Fifth	1,1	1,1
Total	8,6	10,3

Source : Equis, with data from Indec, SIEMPRO

The unemployment as a social problem is recognized all over the world, even in the central countries, it responds to the new reality due to the transformations in the paradigm of work ²⁵, and its victims are counted by millions. In Argentina, though, it has a particular seal: this phenomenon has provoked the fall and rise of new social strata and the old categorías that described the stratification of the country are not useful any more. There has been a fragmentation of the old middle class and now only part of it remains as such, while a large part is becoming poor “by sliding” and another portion is poor by its low income although its basic needs are still satisfied.

In tables 2a. and 2b. we see that the social polarization is even more apparent than in table 1, since in Great Buenos Aires, unemployment doubled for the poorest population but grew more than 130% in the case of the middle classes of the second and third quintils, while it remained the same for the highest class; in 1999 about 60% of the poor by low household income belonged to former middle class homes.

Regarding Buenos Aires city, all values grew between both years although the third quintil is undoubtedly more protected than in Great Buenos Aires.

In the analysis of the labor market in Argentina we also have to account for hidden unemployment, we cannot keep from considering the particular situation of the group called by the specialists the “marginal ²⁶

We shall take a look at this phenomenon in table 3, with information from the city of Caleta Olivia, in Patagonia, where a team of University researchers lead a yearly Socio-Demographic Report.

²⁵ From apocalyptic visions of the end of work to illustrated studies like the socioeconomical approach of Robert Castel (1997) “La metamorfosis de la cuestión social. Una crónica del salariado”, the sociocultural approach of Stanley Aronowitz & William Di Fazio (1994) “The jobless future. Sci-tec and the dogma of work”, Gorz, Andre (1997) “Miserias del presente, riqueza de lo posible”, Paidós Estado y sociedad, Argentina, Morgenstern Sara “El reparto del trabajo y el reparto de la educación”, en V.V.A.A. (1995) Volver a pensar la educación. Política, educación y sociedad, editorial Morata, Madrid, among other important works, all coincide in the impossibility to turn back in the history of the centrality of work to society.

²⁶ We call “marginal inactives” to the population group that, although inactive at the moment, want to look for a job but, due to the visible lack of offer in the market has not been actively searching during the reference week of the Survey.

Indicators	Economically active population		Potentially economically active population	
	1998	2000	1998	2000
Activity rate	39,6	42,5	44,7	48,5
Employment rate	32,5	36,7	32,5	36,7
Unemployment rate	15,1	13,5	23,7	24,3

Source: Socio-demographic-occupational Survey UNPA/ UACO

Since in Caleta Olivia the researchers²⁷ have found a 10,5 % of marginal inactives, they conclude that if they were incorporated to the potential rate of activity, that would mean an increase of 4,56 points, as we can see in table 3.

Although according to this table there seems to be a slight reactivation in the employment rates, it is necessary to be careful about the implications of this finding, since, if there were to be a real reactivation of the market with a decrease of open unemployment, and if the marginal inactives were to pour into the market, the situation would turn difficult again.

But poverty is not only a function of open unemployment, it also depends upon some measures of stability and transparency of the labor market for those who are, and continue to be, incorporated to the market. One of these measures is the value of salaries and their possibility of sustained value along a given period of time. On the other end, one could talk of precarization, when the population who remains inside the market suffers from devaluated working conditions, this is the case in the great Buenos Aires, where salaries have lost

²⁷ See D'Amelio, María Elena, Galaretto, Marta & J.Romero.(2000) Informe de coyuntura sobre Caleta Olivia, Universidad Nacional de la Patagonia Austral-Unidad Académica Caleta Olivia, Prov. De Santa Cruz.

the 40,5% during the last 5 years. Between October 1998 and October 1999, according to information given by Indec, almost 130.000 persons pertaining to middle classes slid into poverty because of the low acquisitive power of their shrinking salaries. It still remains to be demonstrated that FTAA can, and will, account for the salary recomposition of these sectors who, on the other hand, are the ones with maybe the highest potential for making integration work for themselves and the country.

iii) Education and work in a complex relationship

The complexity of the relationship between education and work has for a long time now, been obscured by the Human Capital Theories that have applied an oversimplified and mechanized thought to its understanding. The following tables will show us some elements for the discussion:

Table 4a.
Unemployment by educational level
Great Buenos Aires, 1992 and 1999

Educational level	Unemployment 1992 (%)	Unemployment 1999 (%)	Variation 92-99(%)
No education / elementary incomplete	10,2	19,1	87,5
Elementary complete / secondary incomplete	7,4	15,4	108,1
Secondary complete / tertiary incomplete	5,4	13,9	157
Tertiary or higher education complete	3	6,7	123,3
T O T A L	6,7	14,4	114,9

Source: Equis, SIEMPRO, Ministry of Economy

Table 4b.
Unemployment by educational level
Buenos Aires city, 1998 and 1999

Educational level	Unemployment 1998 (%)	Unemployment 1999 (%)
No education / elementary incomplete	5,5	6,5
Elementary complete / secondary incomplete	9	10,9
Secondary complete / tertiary incomplete	10,8	12,1

Tertiary or higher education complete	4,2	5,7
T O T A L	8,6	10.3

Source: Equis, Indec, SIEMPRO.

These tables allow us to find new relationships between education and work; against what the common sense could dictate we can see that in Great Buenos Aires, even though in general, the open unemployment is lower in the higher education levels, the index of unemployment in the period 1992 - 1999 has grown more the higher the educational level, with the exception of the population with higher education complete. At the same time, the sector with the lowest rate of unemployment growth is, as unaccountably as it may seem, the one with the lowest educational achievement.

In other words, the persons with high school level complete were more likely to get expelled from the labor market than the ones with lesser educational levels.

As to Buenos aires city, a similar phenomenon is occurring : open unemployment grows in a direct relationship with educational level, the higher the educational level, the more likely to suffer unemployment, such as we had just seen in the other case.

In both cases, the ones who are most affected by this negative correlation between education and unemployment are those with high school complete, again the middle classes sliding down by the devaluation of the educative credentials given away by this school level. They could not, historically, graduate from the university and the jobs available to them are, in general, unskilled, rutinary and, especially, unsecure and unstable.

Table 5

Young ages 15 – 24 employed, by level of education and socioeconomic level
CALETA OLIVIA – OCTOBER 2000

	“Typical” middle class	Middle low class	Low class	Total
No education / elementary Incomplete	0,0	0,0	24,5	12,8
Elementary complete/ secondary incomplete	0,0	31,1	54,7	42,6
Secondary Complete/tertiary Incomplete	33,3	68,9	20,8	42,6
Higher education complete	66,7	0,0	0,0	2,0

Total	100	100	100	100
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Source: Socio-demographic-occupational Survey UNPA/ UACO

The analysis of table 5 is extremely interesting, since it shows that even among the employed population, the levels of education are a perfect match to what the perfect reproductivist would expect : namely, their Socio economic status. Thus, the strong correlation is traditionally found between these two categories and the fact of being employed seems to be rather independent from any of them; at least as far as these data might tell us.

The next table 6 is about education but not about labor, nonetheless, it seems interesting because it shows the effect of the financial, convertibility model, on the educational possibilities of poor children.

Table 6
High school dropouts among poor teen agers during the convertibility
Great Buenos Aires, 1991 and 1996

Y E A R	DROPPING OUT (%)
1991	39,0
1996	48,1

Source: Equis, Secretary of Programs

This table should not need any further comment, it is self explicative, really. In the Great Buenos Aires and in Patagonia as well the educational level of accomplishment of teenagers is quite low, with less than 50% completing high school in general terms; if one looks at poor teenagers, then the figures go down to less than 40%. This level of education is inadequate not only to be able to look for better jobs but even to be able to look for more specific job training on one's own. Thus, in this scenary of poverty and exclusion, to have macro economy intervening actively in the dropout rate is absolutly undesirable in terms of any social policy that intends to use the educational sytem as one of the means to integrate the society.

IV) Some Final Comments

- Argentina applied faithfully as well as completely, every recipe contained in the model of reforms and obtained a few changes at the macro economic level, but it was done at the expense of a deficitary social process.
- As it happened in other Latin American countries that applied the model, there was no satisfactory reform in the area of labor: the market did not expand, no jobs were created and the ones that appeared were of very low quality. Besides, the decay of working conditions was very marked for every sector in the market.
- The education sector experienced a very profound attempt of reform, but there is still an evaluation pending to see whether the goals were fulfilled and whether the actors at school and in the society judge the reforms with the same parameters that experts do.
- The goals that FTAA proposes for the sector education are very similar to those already planned by the World Bank and IDB during the last two decades, since they are the ones in charge of this sector within FTAA.
- Education is considered a commodity rather than a process, a participative one, and the legitimate actors are being alienated by control measures.
- The privatization trend is not likely to revert unless strong measures are taken and its inclusion in a trade agreement will only deepen this trend.
- The integration process should have among its goals to build and strengthen the possibility of multidisciplinary research and interventions teams on the area of education and labor as well as the possibilities of producing accurate diagnoses for the development of public policies relative to the local and regional reality, by fostering the production and acquisition of new knowledge on the basis of individual and group self-managed processes. Also, should ratify to the community, regional and local its commitment with Education and Labor related problems and offer services to the local education system in matters related to the field, either as advice for curriculum development, teachers' education and training, or in the development of alternatives in the field of nonformal education.