

# URGENT ACTION

## ARGENTINA: PENSIONS REFORM MUST PREVAIL

The President Javier Milei vetoed on 2 September a bill that had been passed by Congress to improve pensions for the older people given the large loss of purchasing power they have suffered in recent months. We urge the Congress to insist on approving the law as a measure towards the guarantee of a dignified standard of living for older people.

**TAKE ACTION: WRITE AN APPEAL IN YOUR OWN WORDS OR USE THIS MODEL LETTER**

*H. Cámara de Diputados de la Nación Argentina  
Av. Rivadavia 1864, Ciudad Autónoma de Buenos Aires, Argentina*

*Honorable Congressman/Congresswoman,*

*I am writing to express my deep concern about the veto of the President Javier Milei to the pension bill recently passed by the National Congress.*

*For several years, the purchasing power of pensions has been decreasing, reaching a critical low in January 2024, when the minimum pension was no longer sufficient to cover the total basic needs, including food, clothing, transportation, and other essentials. Today, over 3 million people receive pensions that fall below the poverty line.*

*Pensions are a key to the realisation of the right to social security. As per this right, social security benefits must be adequate in amount and duration so that people are able to access their right to an adequate standard of living. The cut in pensions has been one of the main drivers of the fiscal adjustment imposed by the national government. According to official data, the budget allocated to pensions fell by at least 25.8% by July 2024.*

*Even in times of economic crises and according to international standards, states must demonstrate that every effort has been made to use all resources at their disposal to meet human rights obligations, including robust assessments to ensure that the public policies adopted are not regressive and do not have a disproportionate effect on groups most vulnerable to discrimination and marginalization including older people, and must take deliberate and targeted measures to safeguard their rights.*

*As part of the Argentinian State, it is your duty to adhere to international obligations and standards by moving forward with reforms that reinforce comprehensive protection for older people. The enforcement of this eventual law will redress part of the daunting impact of the skyrocketing prices of essential goods and services in the country.*

***Therefore, I urge you to insist on the approval of the bill in Congress.***

*Sincerely,*

## **ADDITIONAL INFORMATION**

The Argentinean pension system is a contributory system, i.e. it is financed by the contributions of the employed labor force and is designed to guarantee the income of people in old age including those who have not been employed or have been employed in the informal sector, based on the principles of redistribution and social protection. Its objective is to guarantee a minimum income, with the State assuming a redistributive and palliative role for those who cannot guarantee their own welfare in their passive phase.

Argentina invests a declining percentage of its GDP in pensions. According to official data, the percentage of GDP allocated to social security has fallen by almost 3% [in the last decade](#). In 2022 and 2023, spending on pensions represented 7.6% of GDP. [Today it is 6.5%, more than 1 percentage point lower than in previous years](#). In a context of severe economic crisis, where poverty and indigence rates have increased in a worrying way, it is essential to think about a sustainable pension system that guarantees older people an income that allows them to live in dignity.

The decline in pensions has been one of the main sources of fiscal adjustment. According to official data, in the first 7 months of the year, allocations for pensions and retirement pensions [fell by at least 25.8% in real terms compared to the previous year](#). The fall in pensions was one of the main drivers of the fiscal adjustment carried out by the current government. according to the Argentine institute of fiscal analysis (IAAF), the total reduction of the national public administration's primary expenditure during the first two months of 2024 (Argentine pesos \$ 3,869,000 million) was 43% (\$ 1,682,000 million) explained by the reduction of expenditure on pensions and retirement, which was 33% compared to the first two months of 2023.

Today, a minimum pension is not enough to overcome the poverty rate. In June, nearly 3 million retirees received less than 270 USD, while the total cost of essential goods and services was set at 280 USD.

On August 22, the Senate approved the pension reform bill. This bill provides for the adjustment of pensions to the inflation rate each month, with an additional compensation of 8.1% for the loss of purchasing power in January 2024 and guarantees that the minimum pension covers the total cost of essential goods and services. This reform implies an additional fiscal cost of 0.43% of GDP. This is an important step towards improving the income of Argentinean pensioners.

On September 2nd, the President Javier Milei vetoed the law on the grounds of maintaining fiscal balance. The veto is the power granted by the National Constitution to the National Executive to prevent a bill that has already been approved by both Chambers of the Congress of the Nation from becoming law. According to the National Constitution, the National Congress can insist on the approval of a law vetoed by the president with a vote of two-thirds of its members. In other words, a two-thirds majority in each of the houses of the nation's Congress is required to make the veto ineffective. There is no constitutional deadline to override the veto.

The proposed changes to pensions are taking place in a context where Argentina has borrowed from the IMF [through the largest loan ever granted by the international financial institution](#). the IMF has included among the conditionalities for Argentina the achievement of a "zero deficit". Since the inauguration of the new government, this objective has been reflected in the adoption of strong fiscal adjustment and austerity measures.

Older people must be able to access goods and services that are fundamental to living a dignified life. Therefore, the State has the obligation of progressivity and non-regressivity and to use the maximum available resources to guarantee human rights. Within this framework, any regulatory reform must imply an improvement in the situation of older people.

**PREFERRED LANGUAGE TO ADDRESS TARGET:** Spanish. You can also write in your own language.

**PLEASE TAKE ACTION AS SOON AS POSSIBLE UNTIL:** October 30<sup>th</sup>, 2024.

Please check with the Amnesty office in your country if you wish to send appeals after the deadline.

**NAME AND PREFERRED PRONOUN:** They/them

**LINK TO PREVIOUS UA:** NA