

Argentina Accession Report

Based on a survey of trade unions in Argentina undertaken by TUAC in Spring 2024, this note reports on the state of affairs regarding several core principles used by the ELSAC and the Investment Committee in the OECD's accession review of Argentina. The focus is on fundamental labour rights, social dialogue and industrial relations systems in line with the 2018 OECD Jobs Strategy, and commitment and effective measures to promote responsible business conduct.

Labour Rights

- Freedom of association and right to organise.

The freedom of association and the right to organise are legally recognised in Argentina. At the same time, these rights are restricted by:

- Government sometimes intervening in trade union actions, especially in strategic sectors or significant labour disputes.
- Excessively burdensome and slow procedures for union registration and recognition.
- Employers retaliating against workers organising or joining trade unions, including by dismissing them.

Moreover, the current government has taken or is proposing several actions or initiatives that violate the exercise of the right to freedom of association:

- A decree (DNU 70/23) that criminalises trade union action and social protest, eliminates the right to assembly and strike, and removes the right of dismissed trade union representatives to be reinstated. Trade unions filed appeals against this decree, which led the National Labour Court to suspend the labour chapter of the text.
- Proposals allowing federal security forces to disperse social protests.
- Imposing fines on the trade unions who participated in a march supporting the appeal against decree DNU 70/2023.

- Right to collective bargaining

Argentina also recognises the right to collective bargaining. Its Constitution states that working conditions should be just and equitable, which provides the legal basis for a national regulation of collective agreements (Law 14.250). However, platform economy workers and informal economy workers are not included in this framework. The Ministry of Labour (now downgraded to a Secretariat of Labour) is known to delay the validation

of collective agreements and unilaterally imposes ceilings that limit wage updates that have been agreed between employers and trade unions.

- Right to a safe and healthy workplace and effective labour inspection

Certain groups of workers are not covered by occupational health and safety standards or regulation (such as informal and platform economy workers). Labour inspection, having been devolved to local government, is unable to conduct regular and in-depth assessments due to a lack of resources. The brutal cut in public finances instigated by the current government intensifies this problem. Labour inspection is also struggling with corruption, while their decisions and recommendations are not always adequately implemented by employers. Moreover, by undermining the right to organise (see above), the current government is weakening trade unions, who are key to promoting and implementing the right to safe and healthy workplaces.

- Other labour rights

Cases of child labour still occur, especially in agriculture/rural areas. Increasing poverty, and rising unemployment resulting from the government's structural adjustment package agreed with the IMF (including the defunding of social protection), is expected to push child labour up further. There are isolated cases of forced labour, in particular among migrant workers and in less regulated sectors.

Gender equality, with the gender wage gap still reaching 21% at the end of 2022, is expected to come under even more pressure following a recent change in government policy. The National Ministry of Women, Gender and Diversity has been shut down; the *Programa Registradas* (where public finances cover the first six months of wages for registered domestic workers) was discontinued; the number of days of maternity leave was reduced; and the legal obligation to draw up teleworking schedules compatible with care tasks was revoked. Fiscal cuts and austerity are also blocking the necessary expansion of public care infrastructure.

Informal work is facing a similar dismal trend: the incidence of informal work in Argentina is huge, with around half of all workers estimated to be employed in the informal sector. Yet the current government is seriously undermining policies that promote the transition from informal to formal employment; tax benefits for businesses that formalise their economic activity are being questioned, while penalties for employers using informal workers have been removed. Campaigns to register informal workers and facilitate their access to social security are being wound down, and funding for training programs to improve informal workers' skills is being sharply reduced. Furthermore, the economic crisis resulting from current austerity policies will increase unemployment, leaving many workers with no other option but to join the ranks of informal workers.

Social dialogue and industrial relations in line with the 2018 OECD Jobs Strategy

The OECD's 2018 Jobs Strategy calls for the promotion of quality industrial relations systems based on inclusive collective bargaining, i.e. collective bargaining that achieves high coverage of workers. The Jobs Strategy considers the existence of well-organised social partners based on broad membership as the best way to achieve such high coverage and, in the absence of the latter, even refers to the extension of sectoral agreements to reach high coverage for collective bargaining systems.

Social dialogue in Argentina is facing significant challenges but it does have strong foundations; institutions exist such as the National Wage Council¹ and a legal framework providing governance of collective bargaining agreements, including the homologation of such agreements (Law 14250). These institutions, however, are not used effectively to facilitate social dialogue in a strategic manner. It is extremely worrying that the current government has a clear intention to put aside social dialogue by pushing through far-reaching labour law reforms without consulting and involving social partners.

According to trade unions, employers reportedly see value in the process of social dialogue, though further improvement remains necessary. Employer organisations are generally prepared to negotiate wage updates but appear far less committed when it comes to requesting that the national government enters into institutionalised social dialogue to reach a consensus on economic, public employment and other policies.

Obstacles to social dialogue, also as reported by trade unions, is the lack of mutual trust, including in government institutions to act as effective mediators. There is a lack of incentives for employers to fully engage in social dialogue, while, importantly, there are problems in implementing the homologation of collective agreements, with government administration imposing ceilings on wages instead of the negotiated update.

Argentina has the second highest unionisation rate in South America (46% in the public sector, 36% in the private sector). Collective bargaining coverage significantly depends on the region and the sector.

Promoting responsible business conduct

The National Contact Point was established by Government Decision, and it is a single agency with an advisory council where trade unions are represented.

Trade union responses refer to a quite poor functioning of the NCP: they believe its visibility could be improved, that extra, adequate resources are necessary, that there is a high turnover in its staff, and that its impact on the business community should be strengthened. Current government actions are not reassuring in this respect, as the NCP now comes under the responsibility of the Ministry of Foreign Affairs. The Ministry convened a brief and unexpected meeting, to inform only those stakeholders who could

¹ The National Council for Employment, Productivity, and the Minimum, Vital and Mobile Salary is a permanent institutional forum for dialogue between representatives of workers, employers, the National State and the Federal Council of Labor (provincial governments) to evaluate, among other, issues related to labour relations such as income redistribution, assistance to the unemployed, generation of genuine and decent employment and combating unregistered work. It sets the minimum wage, which has consequences for social benefits. It also sets a reference for remuneration of informal workers.

attend, that remit for the NCP was being transferred elsewhere. Neither has any action to promote RBC been undertaken.

- **Multinational Enterprise Activity and Specific Instances**

Following up on the state's responsibility to disseminate and implement the Guiding Principles on Business and Human Rights, and to establish an action plan, the previous administration involved and consulted with the three trade union confederations in Argentina. However, while the action plan on Business and Human Rights was adopted by decree, the current government is not ensuring a follow-up and has failed to provide information on the implementation of the plan.

Trade union also indicate that businesses in Argentina are only vaguely aware of the OECD Guidelines and RBC Due Diligence Standards. Actions undertaken by government to promote RBC and to assist trade unions and businesses to resolve issues are limited.

Key demands for the accession process of Argentina

Trade unions in Argentina consider the following key actions essential for Argentina to join the OECD:

- Provide guarantees for the full and effective exercise of the rights of freedom of association and collective bargaining.
- Establish a tripartite social dialogue, closely involving trade unions, with the objective of reaching a consensus on economic policy, social protection and labour market reform².
- Strengthen the National Wage Council and its regular functioning.
- Facilitate inclusive collective agreements that have wide coverage by ensuring their timely validation or homologation.
- Design and implement an effective policy package to fight undeclared and informal work, in close cooperation with trade unions and social partners.
- Reform social protection to ensure that social security covers and protects all workers.
- Move towards a fully tripartite NCP, with trade unions no longer limited to a consultative role. Raise awareness and promote training on the OECD Guidelines and RBC Due Diligence standards among Argentinian businesses. Establish robust monitoring and reporting mechanisms for business practices.

² To this end, the CGT has proposed an agenda for a new social pact in Argentina, see [here](#).