Summary

The Universal Child Benefit (Asignación Universal por Hijo - AUH) is the most relevant child-oriented social protection policy in Argentina, representing 0.6% of Gross Domestic Product (GDP) and reaching 3.9 million children. Although substantial government efforts to improve the targeting in the lowest quintiles of income, the programme faces challenges related to inclusion and coverage which results in over one million eligible children being excluded from the programme (including almost 30% of children in the lowest income decile without coverage).

The barriers and bottlenecks to extending coverage are mostly related to rigid eligibility criteria, dropping out due to failure in the fulfillment of co-responsibilities or conditions, and difficulties in meeting the requirements for specific population groups. Ensuring access can be particularly challenging for migrants, children without parental care and families with non-traditional structures. Also, the AUH covers up to 5 children in a family. The 6th child is not covered, but if the family has seven children or more they are covered by a specific programme called “Pension for mother of seven children”. There are also administrative constraints such as delays in birth certification.

To overcome these barriers, UNICEF has been supporting the government at two levels. At the macro policy level, by generating evidence and recommendations to review the design of the programme and explore the softening of eligibility criteria and the compliance of co-responsibilities. Moreover, efforts have been made to encourage cross-sectorial and cross-jurisdictional dialogue to improve programme implementation. At the micro policy level, UNICEF has supported the development of technical tools to facilitate field operations and conduct census in remote rural areas, promote database exchanges and conduct field searches to expand coverage.

As a result, since 2017 more than 12,000 children, adolescents and pregnant women from remote rural areas in three provinces were enrolled in the AUH and are now receiving the benefit. Furthermore, this initiative is being scaled-up nationwide in 2019 and UNICEF’s recommendations to protect and expand AUH were included in National Government Action Plan.

Background and Context of the Child Benefit

Argentina’s population consists of 12.9 million children, representing almost one third of the total population (44.5 million in 2018). Economic and social vulnerabilities, poverty and inequality are central concerns that call for social policies and the expansion of coverage of social protection schemes (contributory and non-contributory). 47.2% of children and adolescents live in monetary poverty, compared with 32% of adults, and 11.1% live in extreme poverty (UNICEF, 2019).

In Argentina, social protection schemes to ensure monetary income for families and children have different components. First, workers employed in the formal market (private & public sectors) with income below a minimum threshold established by Law (Act 24.714) receive a contributory family allowance. Second, formally employed workers with earnings above this minimum threshold can claim tax deductions for each child living in the household. Third, the Universal Child Benefit (AUH) is the non-contributory conditional cash transfer programme, paid to households with children, that extend income protection to children and adolescents whose parents are unemployed or work in the informal sector. Table 1 below neatly summarizes some key information regarding the various components of social provision for children in Argentina.
### Table 1. Family Allowances System in Argentina

<table>
<thead>
<tr>
<th></th>
<th>Contributory(^1)</th>
<th>Non-Contributory</th>
<th>Tax Deductions for high-earners</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Transfer amount</strong></td>
<td>$2,301 is paid for each child, for the population decile with lowest incomes and then decreases progressively. Depending on geographic location there may be additional amounts.</td>
<td>$2,652 is paid for each child and $8,642 for a child with disability. Depending on the geographic zone there may be additional amounts. Twenty percent is retained and payed once a year provided the fulfillment of conditions is verified</td>
<td>Annual deduction of $40,361, per child, equivalent to $3,363 monthly.</td>
</tr>
<tr>
<td><strong>Coverage</strong></td>
<td>Wage earners from the formal public or private sector; beneficiaries of unemployment, retirees with children, and small tax payers (“monotributistas”) that fall below a certain income threshold.</td>
<td>Unemployed or workers of the informal sector who earn less than the minimum wage; inactive population without a pension, small tax payers (“monotributistas sociales”), temporary workers and domestic workers.</td>
<td>Wage earners that can be autonomous or work in the public or private sector.</td>
</tr>
<tr>
<td><strong>Eligibility Criteria</strong></td>
<td>Monthly earnings between $3,621 and $107,658 per family (Family Group Income)</td>
<td>Monthly earnings under the minimum wage in the case of informal workers and legal residence for more than 3 years.</td>
<td>Monthly earnings over the non-taxable minimum of earnings ($38,300)</td>
</tr>
<tr>
<td><strong>Administrator</strong></td>
<td>The ANSES (National Social Security Agency) for national contributory system (public and private).</td>
<td>The ANSES.</td>
<td>The AFIP (Federal Administration of Public Incomes)</td>
</tr>
</tbody>
</table>

\(^1\) All this information in this column refers to the national contributory system (Family Allowance). Eligibility criteria, transfer amount, regulation, etc. in the case of subnational systems (that covers provincial public workers for example) varies according to each regulation.
As a whole, the contributory and non-contributory social protection schemes cover 87.4% of children and adolescent population, reaching 11.4 million, but still over 1 million children remain uncovered and are effectively left behind (see Figure 1).

**Figure 1. Description of the Argentine family allowance and income tax deduction system**

![Graph showing the distribution of the Argentine family allowance and income tax deduction system]

When the AUH was first established, there were three conditional cash transfer programmes in place in Argentina. Each had different characteristics, target populations and were managed by different agencies, and with overlapping coverage and coordination challenges. There were several draft bills presented to Congress to replace these separate but closely related CCT programmes and create a universal child benefit. In this context, in October of 2009, the National Government issued an executive order (No. 1602) to create the universal child benefit, which assumed the form of a conditional cash transfer of national scope. This constitutes the non-contributory component of the Social Protection System (Act. No. 24.714). In 2011, through Executive Orden No. 446 it was further amended to include pregnant women as AUH rights’ holders too.
Since mid-2018, the country has been facing an emerging-market sell-off and a sharp economic downturn that is damaging the Argentinian currency and increasing consumer price inflation. In response, the government has been obliged to seek an IMF lending agreement (equivalent to USD50 billion) to help to ease market concerns and support the ability of government to function. As a consequence, fiscal deficits will reach USD6 billion. However, the budget allocated for universal child benefit will be protected and, in addition, two additional discretional extraordinary payments of USD30 and USD38 were be transferred (September and December 2018) to the covered population to avoid major economic shocks on households and help bolster resilience. It is interesting to note, that the AUH has been used as an automatic countercyclical stabilizer to offset and soften the impact of the economic downturn. Having a fairly comprehensive system in place, means additional support can easily be disbursed at times of crises. In this sense, the Government announced during the Congress Opening Session on March 1st 2019, that the projected 46% annual increase of the AUH amount was approved and this total increase amount was paid upfront in March, making use of a specific clause of the IMF agreement that preserved funds for social inclusion reasons.

Grant Description

The AUH is implemented by the National Social Security Agency (ANSES) and targets pregnant women and children whose parents are unemployed, work in the informal sector (and earn less than the minimum wage) or are employed as domestic workers. Parents or the designated caregivers of children younger than 18 years receive a monthly payment of around $57 USD per child ($2,652 pesos) and $187 in the case of a child with a disability ($8,642 pesos) up to the 5th child (UNICEF, 2018). Eighty per cent of that amount is transferred monthly to a bank account and 20% is accumulated and paid once a year following certification of the child’s attendance at school and medical check-ups and vaccinations as key conditions. Coverage has been expanded over the past few years to include pregnant women and people in other work categories (such as small tax-payers or “monotributistas”/self-employed).

The Universal Child Benefit (Asignación Universal por Hijo – AUH) summary

Coverage: Vulnerable residents of Argentina.

Number of Children covered: Up to 5.

Financing: Tax-financed by government.

Cost: In 2017, 0.6% of the GDP, equating to US$ 3,222 million for 2018.

Qualifying conditions: Paid to informal workers with income below the legal monthly minimum wage (12,500 pesos in March 2019); unemployed persons without coverage; seasonal workers; persons who are incarcerated; domestic workers; and certain categories of self-employed workers. Foreign residents must have at least three years of residence immediately before claiming the allowance.

Benefit description: The benefit is paid to designated care giver for each child younger than age 18 (no age limit if disabled), for up to five children. USD57/2,652 pesos a month (3,448 pesos in some provinces), according to the region, is paid for each eligible child; USD187 /8,642 pesos a month for a child with a disability (11,235 pesos in some provinces).

Conditionalities: The beneficiaries must fulfill certain health and education requirements such as school attendance for compulsory ages and compliance with the official vaccination calendar and medical checkups. Beneficiaries must not receive other benefits.

Administrative Organization: National Social Security Administration (https://www.anses.gob.ar/) supervises and administers the social insurance and social assistance programmes.

In 2017, the AUH budget represented approximately 0.6% of the GDP, reaching 3.9 million children about 30.3% of the total population. Still, for many reasons, 1.6 million children are excluded from receiving the AUH.

The AUH is becoming more accurate in targeting low-income families and children. However, it fails to cover around 32% of children in the lowest decile and 25% in the second lowest decile as illustrated by Figure 2 below.

**Figure 2. Distribution of households by income deciles according to type of social security coverage**

![Figure 2](image)

**Source:** ENAPROSS (2015)

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**Monitoring the implementation of the Child Grant**

The Universal Child Benefit (AUH) covers 3.9 million children and approximately 1.6 million households (equivalent to 15% of total population). Of those, 85% belong to the lowest income deciles. 40% of the population covered by the UCB is located in Gran Buenos Aires, where 41% of Argentinean children live. The most recent administrative records from June 2018 captured the following data:

**Figure 3. Period February 2019**

<table>
<thead>
<tr>
<th>Beneficiaries</th>
<th>Girls</th>
<th>Boys</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number</td>
<td>1,924,852</td>
<td>1,987,490</td>
<td>3,912,342</td>
</tr>
<tr>
<td>%</td>
<td>49.2%</td>
<td>50.8%</td>
<td>100.00%</td>
</tr>
</tbody>
</table>

**Source:** ANSES, Boletin Mensual “Asignación Universal por Hijo para Protección Social: Febrero 2019.”
### Figure 4. Transfer amounts of non-contributory Universal Child Benefit (Amounts are expressed in Pesos-ARS)

<table>
<thead>
<tr>
<th>Type of individual</th>
<th>Total Amount</th>
<th>80%</th>
<th>20% paid upon fulfillment of conditions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pregnant Women</td>
<td>2,652</td>
<td>2,121.60</td>
<td>530.40</td>
</tr>
<tr>
<td>Child</td>
<td>2,652</td>
<td>2,121.60</td>
<td>530.40</td>
</tr>
<tr>
<td>Child with disability</td>
<td>8,642</td>
<td>6,913.60</td>
<td>1,728.40</td>
</tr>
<tr>
<td>School Support (paid annually)</td>
<td>1,701</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>

**Source:** ANSES, Information, Amounts for Universal Child Allowance effective from March 1, 2019. Available at: [https://www.anses.gob.ar/informacion/montos-de-asignacion-universal-por-hijo-y-por-embarazo-para-proteccion-social/](https://www.anses.gob.ar/informacion/montos-de-asignacion-universal-por-hijo-y-por-embarazo-para-proteccion-social/)

### Impact evaluations of the Child Grant

Evaluations and research carried out by experts in UNICEF Argentina’s flagship publication: “Analysis and Opportunities to expand the Universal Child Allowance” has shown interesting findings regarding the AUH. Firstly, results show that the AUH is gradually becoming more accurately targeted as 85% of beneficiaries belong to the lowest deciles of income. However, exclusion and errors persisted, leaving an important number of households from the first quintiles without any kind of coverage: around 30% in the lowest quintile and 25% in the second.

The study also demonstrated that AUH had a positive impact in alleviating poverty in 12.5% of households versus households without the AUH. The main impact is related to reducing extreme poverty, given that the AUH covers two thirds of the Basic Food Basket (extreme poverty line, as defined by the National Institute of Statistics and Census) but only 27% of the Total Basic Basket (poverty line). Therefore, according to calculations made by UNICEF, in 2017 a total of 1.8% of GDP (which means and additional 1.1%) was needed to eliminate extreme income poverty in households with children eligible to the AUH and a total of 3.2% (which means an additional 2.1%) of GDP to eliminate income poverty.

Regarding the conditional aspects of the AUH, it has been shown that conditions in health and education have a limited impact. The study shows a strong positive impact in attendance rates for male adolescents between 15 and 17 years old but no significant impact in the case of female adolescents. One speculated explanation for this could be related to the absence of a public care system.

The last child labour survey showed that the main type of work teenagers perform is intense domestic activities, such as household chores and caring for other children and other members of the family. However, there is evidence that shows that the AUH is improving the trajectories of those female adolescents already in the education system.

Also, a low correlation between non-certification of school attendance and school drop-out was identified. Regarding health, the study showed that households covered by the AUH had more access to free medicines. In terms of labor market participation, no conclusive evidence was found regarding disincentives in terms of labor-market inclusion for AUH recipients.

On the supply side, the study highlighted a number of administrative barriers and bottlenecks to certify the compliance of conditions (information barriers regarding requirements and procedures, geographical barriers such as long distances to ANSES offices, etc), which results in drop-outs from the AUH. Every year, around 300,000 children are at risk of losing the AUH due to lack of certification of compliance with education and health conditions. Also, evidence shows challenges low coverage rates among children under 1-year-old (53%), due to challenges in early birth certification (mainly delays of a year or longer in enrolling).
Current Developments

In 2016, the Government announced the intention to extend the scheme to include 1.6 million children and adolescents (12.6 percent of the country’s total). Although eligible, they had been excluded because of access and procedural barriers.

The main challenges remain around:

- Fulfilment of conditions: every year there is a massive exclusion from the AUH due to the non-demonstration of the conditions (around 300,000 children each year). High exclusion has been a perennial challenge for the AUH as is illustrated by Figure 4 below.

- Eligibility criteria bottlenecks has also been an issue, with the exclusion of households with over 5 children and children without parental care.

- Adequacy continues to pose a problem with the need for adjustments in AUH value in order for it to have a significant impact in reducing poverty.

The Ministry of Social Development and the National Social Security Agency have begun to step up efforts to identify excluded children, particularly through local initiatives, including household surveys and geo-referencing survey data to identify excluded children in remote rural areas, as well as field campaigns to enroll excluded children on the spot.

UNICEF will continue to engage in advocacy efforts and provide technical assistance to advance an agenda aimed at improving policy-design, expanding coverage and increasing adequacy and continuity of income transfer through the AUH.

The main efforts will be oriented towards these key challenges:

- **Eligibility criteria:** To promote the removal of the cap on covering a maximum of five children per household; include children without parental care; and review the criteria for immigrant children, who at present, must have been residents for at least three years.

- **Analyze** the negative effects of conditionalities (including transaction costs, stigma, gender burden and deepening vulnerabilities) and **evaluate how they might be softened** and what the impact would be.

- **Access barriers:** expand the coverage of newly born children and babies by working with civil registries and continuing specific active search operations to reach vulnerable children living in scattered rural areas.

- **Adequacy:** Provide arguments to maintain the continuity and increases in allowances indexed to inflation through the consumer price index and other macroeconomic variables, to allow for households with children to exit poverty.

- **Joined-up Management Information Systems** to share information in registries and databases to identify excluded populations and facilitate continuity

- A concerted **communication strategy** to reduce information barriers
Lessons learned

The ANSES, in partnership with UNICEF, has identified key lessons that could be potentially useful for other Universal Child Benefit programmes. First, it is crucial to generate solid evidence to facilitate political and technical dialogue to improve policy design and implementation of programmes. Second, in federal countries, like Argentina, it is necessary to generate political ties and engagement at subnational level to coordinate and eventually create partnerships with other key actors working in this issue. This exposes the key role of provincial and local governments to facilitate information, support in following-up projects at field level and identify populations at risk or emerging needs in communities. This re-enforces the need to foster cross-sectorial and inter-governmental alliances to share and match administrative data with field operations.

Finally, the added value in carrying out field projects has been proven. These may include active search operations to look for eligible populations out of the programme, especially those from vulnerable communities in scattered rural areas that need tailored fit approaches, as these projects show concrete results and have the potential of scaling-up.

Useful links & Sources


UNICEF. 2018. Information on AUH in Tableau

This country profile was written by Carolina Aulicino and Sebastian Waisgrais of the UNICEF Argentina country office and Ian Orton of UNICEF’s social protection team in New York. It builds on presentations and discussions at the International Conference on Universal Child Benefits in February 2019 hosted by UNICEF, ILO and ODI and is an output of a larger project on universal child benefits lead by UNICEF and ODI.