



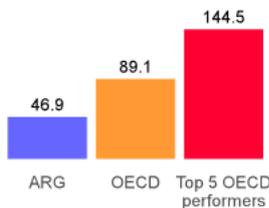
Performance gaps

Recommendations

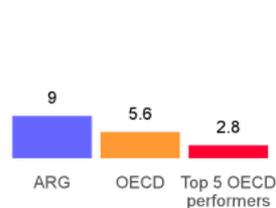
Product and labour markets functioning

- Productivity is low due to a lack of domestic and external competition in many markets. High trade barriers deprive the economy from the benefits of international competition. Product market regulation and administrative barriers restrict market entry and hamper competition.
- Argentina's corporate tax burden is among the highest in the region, and some business taxes are highly distortive.
- Lower trade barriers to reduce the cost of intermediate inputs and capital goods.
- Reduce domestic regulatory barriers to entrepreneurship and market entry, including at the level of provincial and local governments.
- Review business taxation, especially provincial taxes levied on firm turnover rather than income.

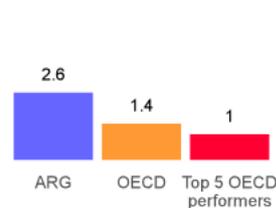
Labour productivity
GDP per employee, USD
2022



Unemployment rate
%, 2022



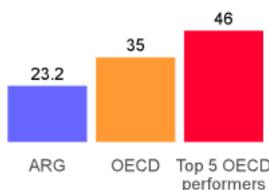
**Product Market Regulation
Economy-wide**
From least to most restrictive
Index of 0-6, 2018 or latest available



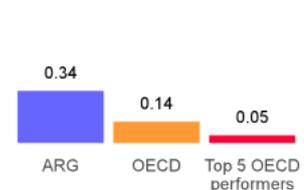
Digital transition

- Argentina has made efforts to enhance digital access and use for all. Internet users, active mobile broadband and fixed broadband subscriptions increased. The country has progressed in the digital transformation of government, but challenges remain in digital inclusion.
- Low student achievements suggest challenges in the quality of education, which hamper building up digital skills. Limited access to quality vocational training exacerbates skill shortages.
- Improve the quality of public education, including by strengthening teacher training and reducing school dropouts.
- Scale up active labour market programmes with training content, especially those helping to adapt digital skills to the needs of the private sector.
- Enhance the effectiveness of vocational education and training to reduce skill gaps in the labour market.

**Fixed broadband subscriptions
Per 100 inhabitants**
2021 or latest available



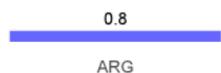
**OECD Digital Services Trade
Restrictiveness Index**
From least to most restrictive
Index of 0-1, 2022



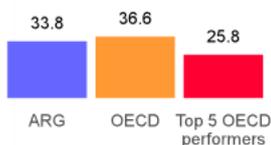
Inclusiveness, social protection, and ageing

- Poverty is persistently high and extreme poverty has been pushed up by rising inflation. One third of the labour force has an informal job with hardly any social protection, while formal jobs are subject to rigid employment protection legislation and high non-wage labour costs.
- Social spending is biased towards largely regressive energy subsidies, despite the existence of effective cash transfer programmes that could be expanded.
- Quality shortcomings in public education reduce equal opportunities and hamper social mobility.
- Shift the focus of social spending from energy subsidies towards conditional cash transfers. Lower social security contributions for low-income workers to strengthen formal job creation.
- Extend the unemployment insurance scheme with individual accounts used in the construction sector economy-wide while reducing severance costs.
- Improve public spending efficiency in education by merging fragmented teacher training institutions and directing more funds to early childhood and vocational education.

Poverty gap at \$3.65 a day
%, 2021 or latest available



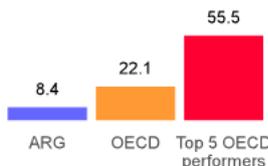
Impact of socioeconomic background in PISA reading score
%, 2018



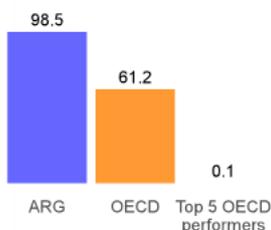
Climate transition

- GHG emissions and deforestation have declined, but more ambitious policies, especially in the development of renewable energy sources, are required. Fossil fuels remain prevalent in energy supply, accounting for 90% of the total.
- Expand renewable energy production and continue developing an automatic early warning system to halt deforestation.
- Implement measures to reduce air pollution, including taxing vehicles according to emissions.

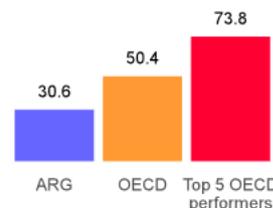
Share of renewables in the energy mix
%, Average over 2019-21 or latest available



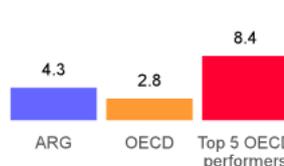
Share of population exposed to more than 10 µg/m3 of PM2.5
%, Average over 2017-19



Carbon pricing score
%, at EUR 30 per tonne CO2, 2018



Environmentally-related government R&D budget
% of total government R&D 2021 or latest available

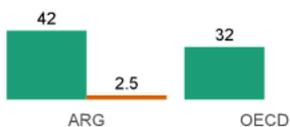


Overall performance

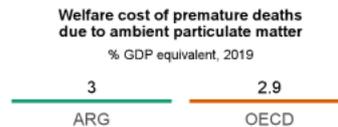
Economy
Thousands USD per capita 2022 or latest available
Gross Domestic Product



Inequality and poverty
2021 or latest available
Gini coefficient after taxes and transfers (index of 0-100)
Poverty headcount ratio at \$3.65 a day (%)



Environment and climate
1 unit of GDP, 2021
0.38 GHG emissions
0.24 (OECD)





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