

Abstract for “Implicit Redistribution within Argentina's Social Security System: a micro-simulation exercise”

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We assess intra-generational redistribution in the Argentinean pension and unemployment insurance programs on a lifetime basis. Using household surveys, we simulate lifetime declared labor income and flows of contributions and benefits, and compute the expected present values of income and net flows. The results show the PAYG-DB system appears to be regressive, specially for women in the private sector. Under the individual account option available until 2008, Social Security is regressive for private workers but not for those in the public sector. When we include income from informal jobs, the system becomes slightly progressive. A weak enforcement of the law makes the system less regressive. Assuming the removal of informal labor, the system becomes almost neutral, even showing a small level of progressivity.