



IMPACT OF THE *ALIMENTAR* FOOD CARD ON POVERTY AND INDIGENCE

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May 11, 2022

ISSN 2683-9598

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Executive Summary

The *Alimentar* Food Card is a monetary transfer policy aimed at promoting and guaranteeing adequate nutrition of the target population.

In 2021, the benefits of this policy were extended to reach households with children up to 14 years of age receiving the Universal Child Allowance (AUH), households with children with disabilities receiving the AUH, pregnant women receiving the Universal Pregnancy Allowance (AUE) and women receiving a non-contributory pension (PNC) for mothers of 7 or more children.

This extension of coverage, together with the successive increases in the benefit amounts, consolidated this allowance as the main food policy within the national budget.

The purpose of this report is to analyze the impact that this benefit has had on the indicators of living conditions of the population and households in 2021, using microdata from the Permanent Household Survey (*Encuesta Permanente de Hogares*, EPH), available as of the third quarter of 2021.

The budgetary efforts made by the national government to contribute to food security have had a positive impact on reducing the country's poverty and indigence rates.

Thus, if families did not receive financial assistance through the *Alimentar* Card, household poverty and indigence rates would be 2.2% and 10.7% higher than those recorded, respectively. Likewise, when analyzing the effect of the *Alimentar* Card together with the AUH and PNC for mothers, it is estimated that, without government assistance, poverty and indigence rates would be 5.2% and 39.4% higher, respectively.

These figures are even more significant given that the expenditure on the three policies considered (*Alimentar* Card, AUH, and PNC for mothers) accounts for only about 1% of GDP.

Introduction

The poverty and indigence rates recently published by INDEC show an improvement in the indicators of living conditions of the population as had not occurred since 2017, when comparing data from the second half of each year.

The economic and social deterioration observed since 2018, resulted in an abrupt increase in the levels of poverty and indigence, causing, by the end of 2019, about 26% of households to be in a situation of poverty (not covering their basic needs) and about 6% to be in a situation of indigence (not covering their basic nutritional needs).

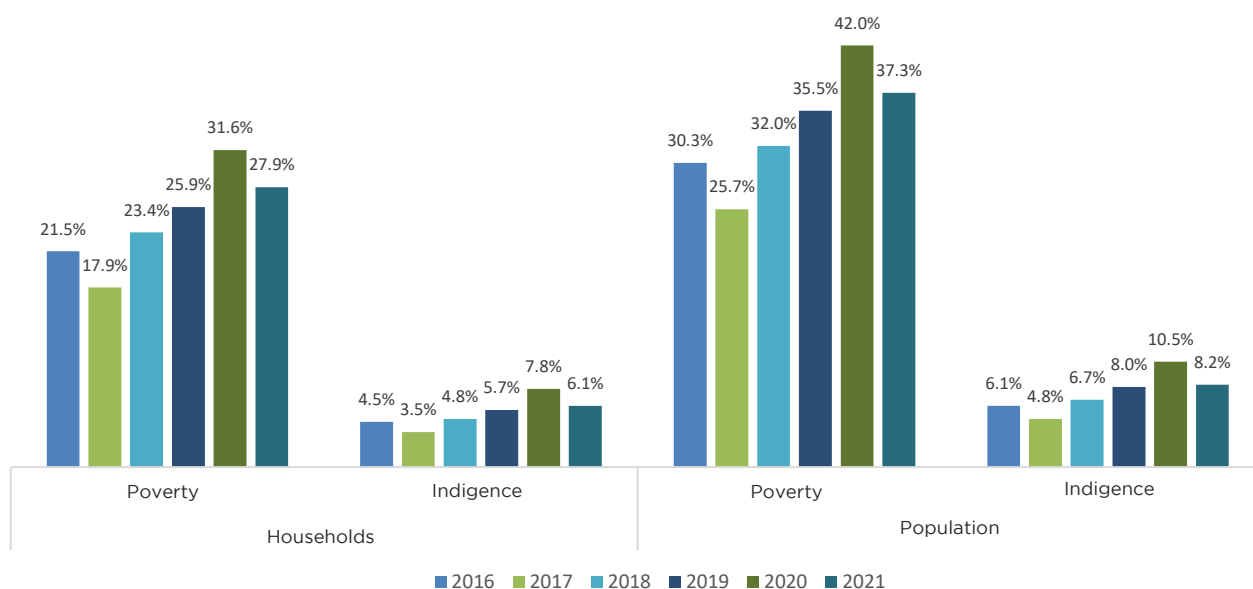
In 2020, the isolation measures adopted to prevent the spread of COVID-19 further aggravated the situation of households.

Within this framework of restrictions and growing social demands, the national government increased its containment and assistance to Argentine families, thus managing to break the growing trend shown by those social indicators.

The purpose of this report is to estimate the impact of the resources allocated to the *Alimentar* Card in 2021 on the living conditions of households and the population; assistance that, because of its scope and budgetary significance (compared to other expenditures), has been consolidated in the last year as a major social policy within the national budget.

Figure 1. Evolution of poverty and indigence rates

Second half of each year (2016-2021)



SOURCE: OPC, based on statistical data on poverty and indigence for all urban agglomerations, published by INDEC.

Scope and budget allocation of the *Alimentar* Card

The budgetary program “Food Policies”, implemented by the Ministry of Social Development, is the program through which the main public policies of monetary transfers aimed at promoting and guaranteeing adequate nutrition of the target population are channeled.

The *Alimentar* Card is the main action of this program and provides assistance to socially vulnerable households through a magnetic card with funds for the purchase of foodstuffs. In addition, the program includes assistance to school and community canteens, and the supplementary food module¹.

The actions under the Food Policy program remained below 0.11% of GDP in all the years of the 2008-2018 period, as shown in Figure 2.

Law 27,519, enacted in September 2019, extended until December 31, 2022 the National Food Emergency established by the National Executive Branch through Necessity and Urgency Decree (DNU) 108/2002. It also provided for an emergency increase in the current 2019 budget appropriations for national public policies on food and nutrition, a situation that was reflected in the increase in terms of GDP of public expenditure on these policies with respect to previous years.

Thereafter, in March 2020, DNU 260 extended the COVID-19 public health emergency deepening the need for food and nutritional assistance given the drop in household incomes.

Therefore, and in addition to other specific measures aimed at mitigating the effects of the social isolation (such as the Emergency Family Income and the Emergency Assistance to Work and Production), the universe of beneficiaries of the *Alimentar* Card was redefined to serve a larger number of families² and the amounts of the benefit were increased to contribute to their food security.

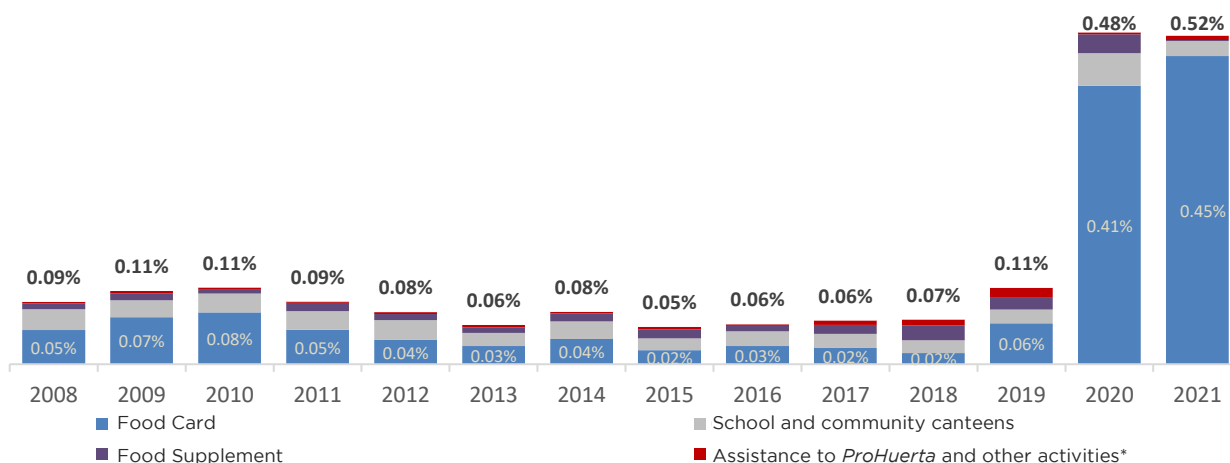
Both effects (greater coverage and higher amounts) increased the importance of the *Alimentar* Card within the national budget. In 2020, this policy implied disbursements for 0.41% of GDP, increasing its share of GDP by 20 times with respect to 2018.

¹ The first two benefits grant financial reinforcements (to provincial governments and to community organizations) to cover the delivery of daily food rations and the last benefit consists of a monthly delivery of food modules to community organizations, to cover the primary needs of people in a situation of vulnerability.

² This universe now includes households with children up to 6 years of age who receive the AUH, children with disabilities who are AUH beneficiaries (without age limit) and pregnant women from the third month of pregnancy who receive the AUE.

Figure 2. Expenditure on the Food Policy program

Accrued expenditure as a percentage of GDP, disaggregated by activity



Note: (*) Other activities include, in 2021: Special Projects, Targeted Actions for celiac disease patients, Targeted Projects - Social vulnerability situation and Support for the National Plan *Argentina Contra el Hambre* in the COVID-19 Social and Health Emergency (CAF No.11367).

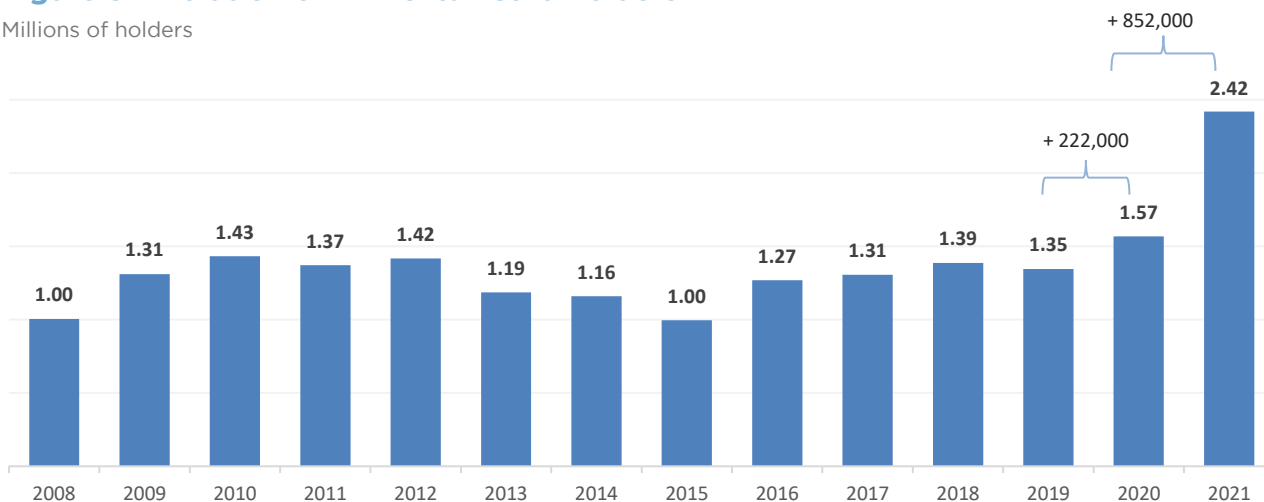
SOURCE: OPC, based on E-Sidif and INDEC records.

In terms of the level of coverage, the benefit reached 1.6 million households in 2020, which implied the addition of around 220,000 new beneficiary families (Figure 3).

In 2021, the coverage of the *Alimentar* card was increased again, and its scope was broadened by including women receiving the Non-Contributory Pension (PNC) for mothers of 7 or more children and extending from 6 to 14 years the age of children receiving the AUH as a criterion for accessing the food benefit. These measures implied a large increase in the universe of beneficiaries, providing coverage to 2.4 million families.

Figure 3. Evolution of *Alimentar* Card holders

Millions of holders



SOURCE: OPC, based on ANSES and National Government Financial Reports

Impact of the *Alimentar* Card on living conditions

To analyze the impact of the *Alimentar* Card, an estimate was carried out to determine what the levels of poverty and indigence would be, both in terms of population and households, if this monetary transfer were not channeled to the households benefiting from it.

This estimate is based on data from the Permanent Household Survey (*Encuesta Permanente de Hogares*, EPH) as of the third quarter of 2021 (last microdata available).

First, the beneficiaries of the policy were identified based on the accessibility criteria defined for receiving the benefit. Secondly, we estimated what their income level would be in the hypothetical case of not receiving monetary assistance and, finally, based on this income, we calculated the poverty and indigence rates (for more details on the calculation method, see the Methodological Annex).

Table 1 shows the results of the estimate.

The *Alimentar* Card has a positive effect on socioeconomic indicators, reducing poverty and indigence rates nationwide.

Thus, without the financial assistance granted by the national government under this policy, the percentage of households living in poverty and indigence would be 2.2% and 10.7% higher, respectively, as of September 2021.

Table 1. Impact of the *Alimentar* Card

Estimated poverty and indigence rates, with and without the benefit

	Without Card	With Card*	Percentage points	Difference	
				As a %	Individuals/households
Individuals					
Poverty	40.6%	39.7%	0.90	2.3%	405,001
Indigence	11.2%	9.9%	1.24	12.5%	558,002
Households					
Poverty	31.0%	30.4%	0.67	2.2%	97,078
Indigence	8.4%	7.6%	0.81	10.7%	117,363

Note (*): the rates shown in this table differ from those presented in Figure 1 as they refer to the third quarter of 2021 (the latest date for which micro data are available).

SOURCE: OPC, based on Permanent Household Survey.

Impact of the *Alimentar* Card, Universal Child Allowance (AUH) and PNC for mothers of 7 or more children on living conditions

As previously mentioned, since 2021 it is a condition for receiving the *Alimentar* Card to be a beneficiary of the AUH and PNC for mothers of 7 or more children (Resolution 1549/2021), so it is important to analyze the effect of these benefits combined, since they have the common purpose of reinforcing the income of households in a situation of vulnerability.

Both the AUH and the PNC for mothers also received monetary reinforcements during 2021 (in addition to the updates of the amounts resulting from the Pension Mobility Law) aimed at improving the living conditions of the target population.

These measures have had positive effects on poverty and indigence rates. If there were no government assistance, the poverty and indigence rates for households would be 5.2% and 39.4% higher, respectively, as shown in Table 2.

In other words, these benefits combined prevented more than 220,000 households from poverty and 430,000 from indigence by the third quarter of 2021. In terms of population, these benefits lifted more than 930,000 people out of poverty and more than 2 million out of indigence.

These findings become even more significant considering that the expenditures related to the three policies considered (*Alimemar* card, AUH, and PNC for mothers) represent only about 1% of GDP

Table 2. Impact of the *Alimentar* card, AUH y PNC for mothers

Estimated poverty and indigence rates, with and without benefits.

	Without card but AUH or PNC	With card and AUH or PNC *	Percentage points	Difference	
				As a %	Individuals/households
Individuals					
Poverty	41.8%	39.7%	2.08	5.2%	936,003
Indigence	14.6%	9.9%	4.64	46.8%	2,088,007
Households					
Poverty	31.9%	30.4%	1.57	5.2%	227,481
Indigence	10.6%	7.6%	2.99	39.4%	433,229

Note (*): the rates shown in this table differ from those presented in Figure 1 as they refer to the third quarter of 2021 (the latest date for which micro data are available).

SOURCE: OPC, based on Permanent Household Survey.

From the estimates carried out, it is observed that the budgetary efforts made by the national government to contribute to food security have had a positive impact on social indicators.

Methodological Annex

For the identification of households benefiting from the *Alimentar* Card, the universe of households receiving the AUH and the PNC for mothers with 7 or more children³ was estimated based on the selection of those who meet the requirements for accessing these benefits.

For AUH recipient households, the starting point was the universe of households with children/grandchildren under 18 years of age or with disabilities. Then, to identify those households in which the occupational and income profile of the parents meet the requirements of the benefit, we worked by type of household⁴ for a correct identification of the kinship between children and their parents.

In this process, households with at least one formal wage earner, high-income independent workers, pensioners, or retirees were excluded (the latter only if they do not live with disabled children).

For extended or composite households (with more members than a core family), those in which it was not possible to determine who is the children's mother or father were excluded.

In addition, those who declared non-labor income that was not consistent with the allowance analyzed (according to the area of residence, the period of the survey and the number of dependent children) were excluded from the group of households identified up to this point.

Based on the households receiving the AUH, the number of households receiving the *Alimentar* Card was approximated considering those with children under 6 years of age in the first quarter and under 14 years of age as of the second quarter, in view of the regulatory changes in the requirements to access the benefit.

For the identification of households receiving the PNC for mothers with 7 or more children, unemployed women receiving a pension who live with minors in the household were considered. It should be noted that one limitation of the EPH for estimating this universe is that the number of children a person has cannot be determined, but only the number of children living with that person at the time of the survey.

Finally, poverty and indigence rates were estimated following the INDEC methodology and deducting from the total family income the amount of the respective government benefits.

³ Households receiving the Universal Pregnancy Allowance are also beneficiaries of the *Alimentar* Card. However, given the characteristics of the EPH, it is not possible to identify these households because of the impossibility of identifying pregnant women.

⁴ Single-parent, two-parent, and other households (extended and composite).

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