

State, Public Policies, and Rights: Public Expenditure and Social and Welfare Policies in America, as Opposed to Argentina

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Abstract : This paper approaches the intervention of the American State in the social arena and the modeling of the rights system from the Argentinian experience, by observing the characteristics of its federal budgetary system, the evolution of social public spending and welfare programs in recent years, labor and poverty statistics, and the changes on the labor market structure. The analysis seeks to combine different methodologies and sources: in-depth interviews with specialists, analysis of theoretical and mass-media material, and statistical sources. Among the results, it could be mentioned that the tendency to state interventionism (what has been called 'nationalization of social life') is quite evident in the United States, and manifests itself in multiple forms. The bibliography consulted, and the experts interviewed pointed out this increase of the state presence in historical terms (beyond short-term setbacks) in terms of increase of public spending, fiscal pressure, public employment, protective and control mechanisms, the extension of welfare policies to the poor sectors, etc. In fact, despite the significant differences between both countries, the United States and Argentina have common patterns of behavior in terms of the aforementioned phenomena. On the other hand, dissimilarities are also important. Some of them are determined by each country's own political history. The influence of political parties on the economic model seems more decisive in the United States than in Argentina, where the tendency to state interventionism is more stable. The centrality of health spending is evident in America, while in Argentina that discussion is more concentrated in the social security system and public education. The biggest problem of the labor market in the United States is the disqualification as a consequence of the technological development while in Argentina it is a result of its weakness. Another big difference is the huge American public spending on Defense. Then, the more federal character of the American State is also a factor of differential analysis against a centralized Argentine state. American public employment (around 10%) is comparatively quite lower than the Argentinian (around 18%). The social statistics show differences, but inequality and poverty have been growing as a trend in the last decades in both countries. According to public rates, poverty represents 14% in The United States and 33% in Argentina. American public spending is important (welfare spending and total public spending represent around 12% and 34% of GDP, respectively), but a bit lower than Latin-American or European average). In both cases, the tendency to underemployment and disqualification unemployment does not assume a serious gravity. Probably one of the most important aspects of the analysis is that private initiative and public intervention are much more intertwined in the United States, which makes state intervention more 'fuzzy', while in Argentina the difference is clearer. Finally, the power of its accumulation of capital and, more specifically, of the industrial and services sectors in the United States, which continues to be the engine of the economy, express great differences with Argentina, supported by its agro-industrial power and its public sector.

Keywords : state intervention, welfare policies, labor market, system of rights, United States of America

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