

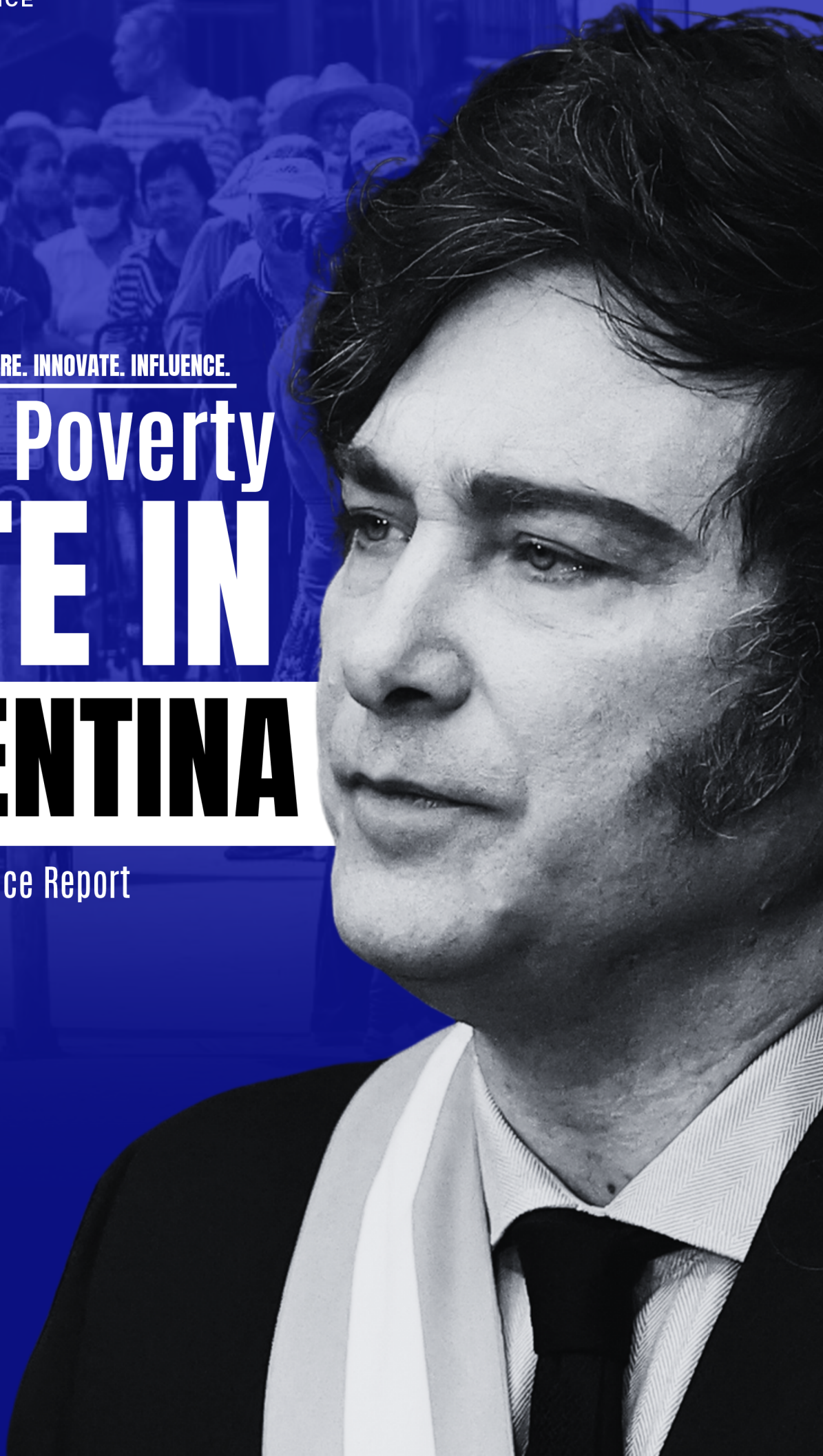


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Rise of Poverty RATE IN ARGENTINA

Tactical Intelligence Report



Situation Overview

Current Status: Argentina is facing its **highest poverty rate in two decades**, with **52.9%** of the population living below the poverty line and **18 million people** affected. The **extreme poverty rate** has also sharply increased, contributing to severe food insecurity and a growing humanitarian crisis. **Inflation exceeds 230%**, making basic necessities unaffordable.





Key Developments

Economic austerity measures have intensified under the current administration of **President Javier Milei**. These measures include significant **cuts to social programs, public works, and subsidies**. His administration has frozen pensions, reduced aid to soup kitchens, and stopped all public works. Reduced energy and transport subsidies have increased costs, and tens of thousands of public employees have lost their jobs, leading to a decline in purchasing power. According to the latest report by the government's statistics agency, approximately **3.4 million Argentinians have been pushed into poverty this year**. Public unrest has escalated, with large protests opposing the government's policies. Debates are continuing over the proposal for the dollarization of the economy to tackle hyperinflation. The **economic crisis** has become a nationwide phenomenon, with urban areas experiencing higher protests and unrest due to job losses and cuts in public services. Rural areas are suffering from deepening food insecurity.



Key Findings

- The **poverty rate** has reached its highest level since 2003.
- **Extreme inflation** has worsened the situation, with the prices of basic essential goods out of reach for many.
- **Austerity measures** have disproportionately affected lower-income populations, exacerbating inequality.



Threats and Risks

- Risk of **escalating civil unrest** and **political instability** due to widespread dissatisfaction.
- **Human security concerns** such as worsening food insecurity and limited access to healthcare and education.
- **Dollarization**, if pursued, could lead to a loss of control over monetary policy and expose the economy to external shocks.

Forecast: If social assistance is not restored and inflation cannot be contained, the economy is certain to worsen. If austerity measures continue without public support, more chaos can be anticipated.

Future Actions

Immediate Priorities:

- Reassessment of austerity measures to reduce social unrest.
- Efforts to curb inflation must be prioritized to restore some purchasing power to the population.
- Increase humanitarian aid to address food insecurity.

Long-term Strategies:

- Exploration of balanced economic policies that promote both fiscal responsibility and poverty alleviation.
- Consideration of economic reforms with a greater focus on reducing inequality and providing social protection to vulnerable populations.

Recommendations

For Decision-Makers:

- Reevaluate the scope and scale of austerity measures, ensuring that cuts do not disproportionately affect the poor.
- Investigate alternative inflation control mechanisms that do not compromise the country's monetary sovereignty, thereby avoiding risky measures such as dollarization.
- Communicate with civil society organizations and protest leaders to establish a more cooperative approach to resolving the economic crisis.
- Strengthen partnerships with international organizations to boost humanitarian aid while the economy stabilizes.



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