

## Statistical policy in Argentina

In two brave commentaries from Argentina, Javier Lindenboim and Victor A. Beker accuse the Argentine government of massaging statistics to hide the impact of its policies on the population. This is not so far from the criticisms of UK government statistical policy in the 1980s that eventually led to the establishment of an independent Statistics Authority and its Code of Conduct for official statistics.

Some background in English to the state of Argentine statistics is given by the Economist magazine<sup>1</sup> which removed Argentine inflation figures from its website, because of “the debasement of INDEC, once one of Latin America's best statistical offices. Its premises are now plastered with posters supporting the president, Cristina Fernández de Kirchner. Independent-minded staff were replaced by self-described “Cristinistas”. In an extraordinary abuse of power by a democratic government, independent economists have been forced to stop publishing their own estimates of inflation by fines and threats of prosecution. Misreported prices have cheated holders of inflation-linked bonds out of billions of dollars.” INDEC is the Argentine National Institute of Statistics and Censuses.

Both pieces were originally published in November 2012 and have been translated from Spanish by Ludi Simpson for *Radical Statistics*.

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1 <http://www.economist.com/node/21548242>, 25th February 2012

## **Discourse, legislation and data in Argentina**

***Javier Lindenboim,***

Javier Lindenboim is Director of CEPED at the University of Buenos Aires (the Research Centre on Population, Employment and Development). This piece is taken from his blog<sup>2</sup>, 4<sup>th</sup> November 2012.

It is remarkable how certain perceptions are privileged and others are overlooked. Sometimes the former are not more important - sometimes they are not even true - while those that are missed or belittled may have greater relevance.

The official word highlights particularly attractive achievements and prospects, at least when considering the most suffering in our society. But there is "forgiveness" for some lack of faithful accuracy (or absence of good faith) in the construction and reconstruction of reality.

Something of this appears in the adolescent outburst of insisting that everything improved from mid-2003, even though those of us who have not lost our memory do recall, for instance, how in 2002 economic recovery was spoken of disparagingly, describing it as temporary, only a break in the clouds.

It is also seen in the exaggeration of the number of jobs created in recent years, or painting darkly the high levels of unemployment or poverty in the most acute moments of crisis. All this as if the actual accomplishments, not those imagined, were not important and noteworthy enough to merit the greatest applause. We citizens wonder: Why exaggerate certain things? Is it to offset what has already been distorted downwards, such as the price index?

If the nationalization of the pension system is socially valuable why the disappearance from that moment of a large part of the information

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<sup>2</sup> <http://notasdejl.blogspot.com.ar>

produced until 2008 and made available to the public, about the use and destination of the funds, benefits, etc.?

The man or woman on the street wonders why the universities were asked to assess the task of INDEC, and at what point it became so obvious that the result of this academic task would not be to the liking of the official hearings, that receipt of the final report was postponed until it could be forgotten (and kept in a well-guarded drawer).

There is no doubt that in the post-crisis recovery the manufacturing sector was a dynamic player and catalyst. Thus the achieved recuperation of an important part of the industrial employment destroyed in the nineties. For Argentina's socio-economic and occupational recovery in recent decades that fact in itself is extremely important, even though the level of manufacturing employment in 2011 has not yet returned to its value in the early nineties. So it was absurd that the Ministry of Industry last summer "created" an unusual figure whereby two periods of government starting in 2003 would have created 1.3 million jobs in industry when about that number is the total verifiable at present for the entire sector. Is it just grandstanding?

Similar conflict is seen in the establishment of restrictions on the movement of exchange rates, arguing that it is necessary to preserve national interests and, at the same time deny that the "cap" exists. The lack of reasonable explanation for that kind of behaviour feeds many assumptions, none favourable to the authorities.

But there is another aspect that is more telling and disturbing. In a context in which there is no day on which, at every imaginable opportunity, the progressive features and popular intentions of official management are praised, the promotion to the point of sanction by law of such policies as so-called anti-terrorism and the one that recently introduced changes to work hazards, is absolutely inexplicable. Entrepreneurs have had great difficulty in concealing their deep satisfaction. Are we talking about the defence of workers or employers?

Finally, it is hard to favourably evaluate government after seventy months of continuous distortion of public statistics, including the mistreatment of the technicians involved, the sanction to private

companies engaged in the collection of price changes, the injury to the universities which they had called in to help and the pressure on provincial organisations to deactivate their own price indices. So much energy deserves a better focus.

## **The 2010 Census and the "militant statistic"**

**Victor A. Beker**

Victor A. Beker is former Director of Economic Statistics at INDEC, Professor at the Universities of Buenos Aires and of Belgrano. This piece was first published in *Clarín*, 14<sup>th</sup> November 2012.<sup>3</sup>

On October 31, INDEC announced the results of the 2010 Census. The venue for the event – the Hotel Sheraton at Pilar – recalls the launch there in 2008 of the new consumer price index, the one which ensures that prices have risen just 0.8% in a month or less than 10% in the year, or you can eat at 6 pesos per day. Under such patronage was natural to suspect that the census figures could have been manipulated.

The act strengthened those suspicions.

Reporters from Clarin and La Nacion were refused access.

Data were presented not by INDEC staff but by officials who, oh coincidence, found that the figures proved the success of their efforts. The director of INDEC said that the census was the best ever. The presentation from the Technical Director of INDEC said that "between 2003 and 2011, Argentina experienced the largest growth period in its history and did it without a tail wind."

How this information was obtained from a census of population, households and housing is an unfathomable mystery. Figures must be analyzed to assess their coherence, but there is a striking correlation between population growth and political orientation of government:

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<http://www.clarin.com/opinion/Censo-estadistica->

provinces with higher population growth are Santa Cruz, Tierra del Fuego and Chubut, while at the opposite end are Corrientes, Santa Fe and Buenos Aires.

Coincidence? It could be, but one must have suspicions.

The concept prevailing in the organisation since 2007 is that of “militant statistic”. That is how it was defined by the person responsible for the Permanent Household Survey, calling for challenges to “the deification of those 'neutral' indicators, both in their definition and in their development”.

As indicators are not neutral they should be subjected to a critical review in order to create a "state of expectation" favourable to government. If this requires ensnaring statistics, then we will ensnare them, was heard said. The Consumer Price Index is a test of this exercise for the past 5 years.

Since officialism has ruled it has been insisted that, between 2003 and 2010, 5 million jobs were created. However, the Labour Ministry's figures shows that 2.4 million jobs were created between the beginning of the government of Nestor Kirchner and late 2010. That is, half. It is also noteworthy how INDEC comments on the census information. For example, it notes that Misiones “is the province which has most reduced their proportion of households with poor characteristics”, and that “in 2001 it was the country's province with the lowest proportion of the population with mains-connected water and recorded in 2010 the highest level of growth”. But that view of paradise contrasts with – if census figures were true – Misiones having a housing deficit of 43% and remaining the province with the highest percentage unconnected to the mains for water (29.9%) and sewerage (81.4%).

Finally, a little pearl. The official Telam agency wire from the event said that “the closing panel was headed by Axel Kicillof, sectarian (sic) of Economic Policy, who referred to the national census and the economic model”. What is striking is that the said official did not attend the event. But when one talks of INDEC, anything is possible.