

COUNTRY PROFILE



Argentina

GLOBAL RANK: 31st= of 104



Argentina is tied at 31st overall with Slovakia, ranking 36th in Economic Competitiveness and 34th in Comparative Liveability. Its Economic Competitiveness score receives a boost from the 2002 exchange rate devaluation, leading to an artificially high score for competitive markets.

● BACKGROUND

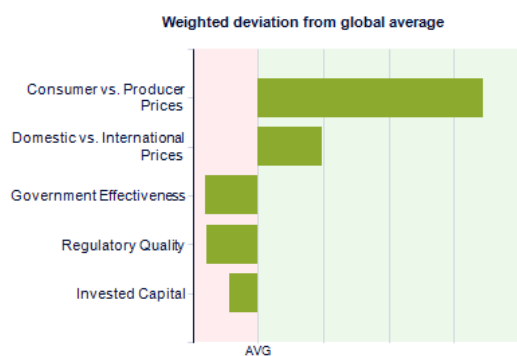
Argentina's impressive recovery from the financial crisis of 2001--02 has begun to stall in recent years amid energy shortages, rising inflation, and unrestrained government spending. The poverty rate now stands at over a quarter of the population and rising, and a series of major farmers' strikes in 2008 caused nationwide rationing of food and gasoline. Despite a creditor agreement in 2005, external debt has continued to rise. Rapid economic development has led to critical problems from air and water pollution, and the desertification of farmland. The country's first female president was elected in 2007, promising populist economic policies.

FAST FACTS

Population:	40.68 million (2008 est.)	FDI (net inflow):	2.92% (2006 est.)
Life Today	6.2 (2007 est.)	Exports	21.90% (2006 est.)
GDP (PPP)	\$523.7 billion (2007 est.)	Imports	16.07% (2006 est.)
GDP (Growth)	8.7% (2007 est.)	Unemployment:	14.1% (2007 est.)
GDP (per Capita)	\$13,300 (2007 est.)	Life Expectancy	76.52 years (2008 est.)
Political System:	Republic		
Foreign Aid:	0.05% (2006 est.)		

● KEY SCORE DRIVERS

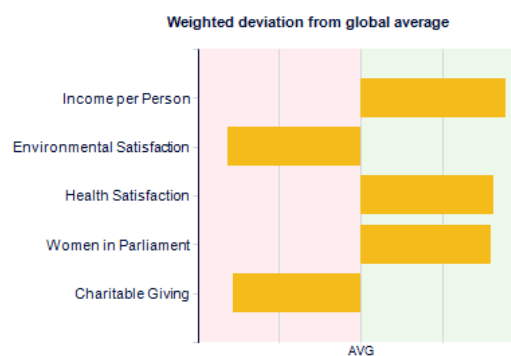
ECONOMIC COMPETITIVENESS



Argentina is still enjoying the tail-end of the post-crisis economic boom, aided by a drastic exchange-rate devaluation that has dramatically, if artificially, enhanced competitiveness in international markets. It also enjoys competitive markets at home, as measured by relative movements in the ratio of consumer and wholesale prices. Nevertheless, growth has been severely constrained recently as the economic boost has dissipated, leaving many of the economy's weaknesses evident.

Argentina does not suffer notably from commodity dependence, despite its history as an agricultural exporter. Value-added products, such as wine, have increased in importance in the last decade and

COMPARATIVE LIVEABILITY



The Argentinean population reports one of the highest Comparative Liveability scores in Latin America, second only to Costa Rica and Chile. Historically Argentina was one of the richest countries on earth and today incomes are still relatively good; however, recent poor economic performance is taking its toll. Unemployment rates, which exceed 10%, have a significant impact on the individuals affected.

Argentina is notable for its equality of opportunity and consolidated political liberties, which are important traits in a country and region characterized by recurrent political disruptions. This is reflected in the election of a female president in 2007: this was only the second time a female national leader had been appointed in the region, and it is

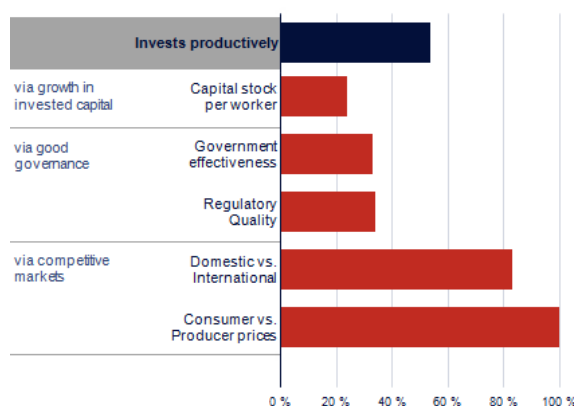
have been one of the country's successes. Argentina has been less successful than many of its peers in capitalizing on technology and innovation. However, the country scores well in terms of mass education, especially by Latin American standards, and this may provide the basis for an improvement in these areas in the future.

The deep-rooted informal processes of political negotiation in Argentina and the volatility of the economic environment have inhibited the capacity of policy makers to undertake long-term planning. This leads to poor control over many issues, such as the quality of regulation, leaving Argentina scoring poorly on the effectiveness of its governance. The high costs of starting a business also reflect much-needed and long-delayed issues of institutional and policy reform.

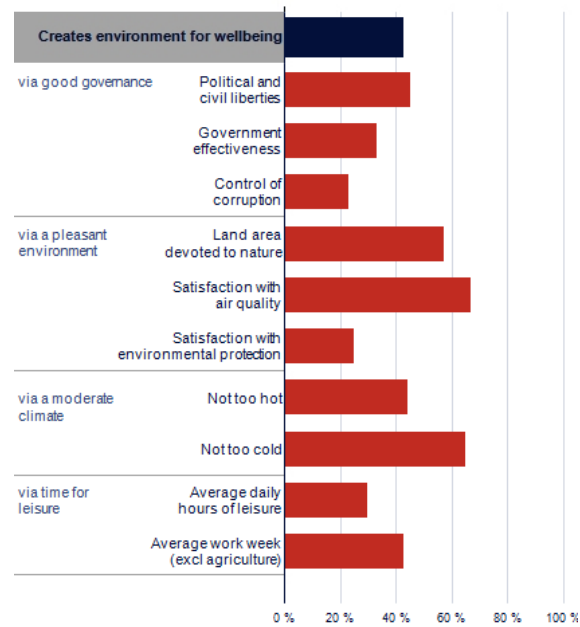
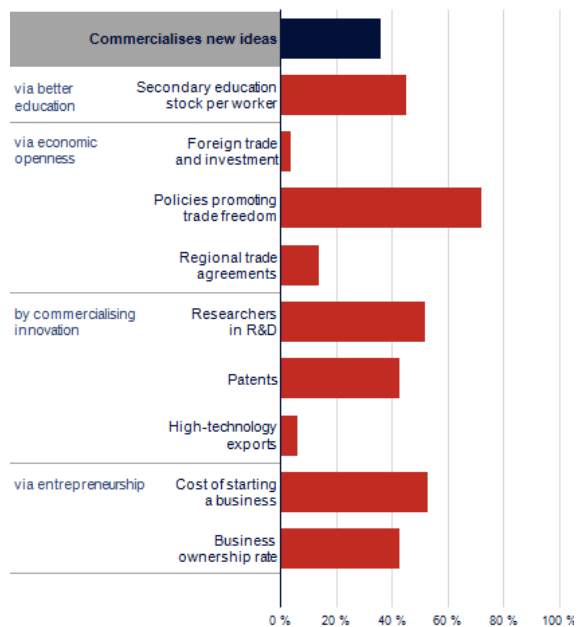
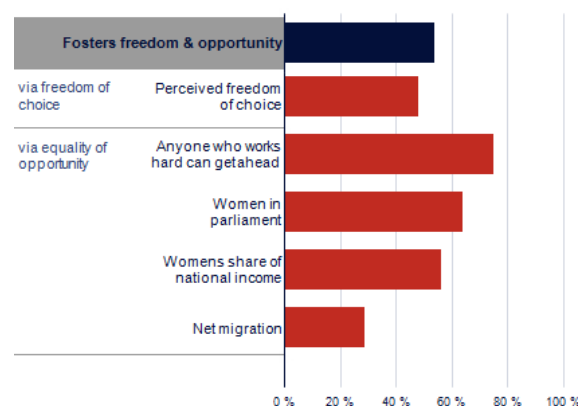
emblematic of the high level of female representation in Argentina's parliament. However, the female share of national income lags behind.

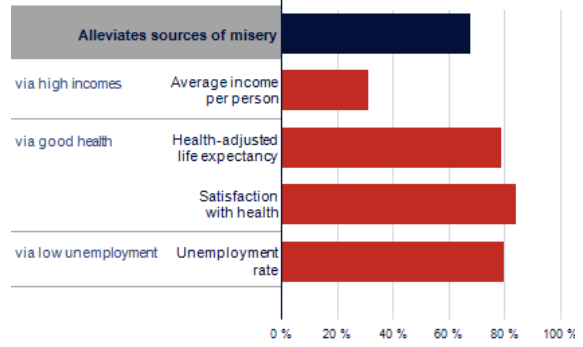
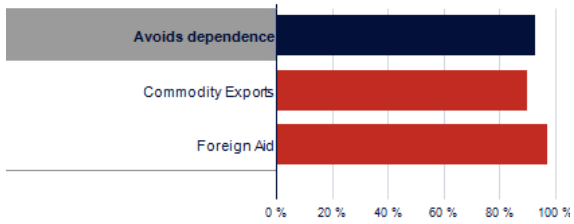
The importance of religion in Argentina comes across strongly in the Index, although it is just over the average for the region. This may be in part responsible for the high rates of charitable giving. There is also a robust sense of optimism: Argentines in general consider that they have the ability to get ahead through hard work, and satisfaction with personal health is also high, at 86%⁹, according to the Gallup World Poll. On a more negative note, satisfaction with environmental preservation is low, and this will need to be tackled if liveability is not to become a casualty of economic development.

ECONOMIC COMPETITIVENESS: SCORECARD

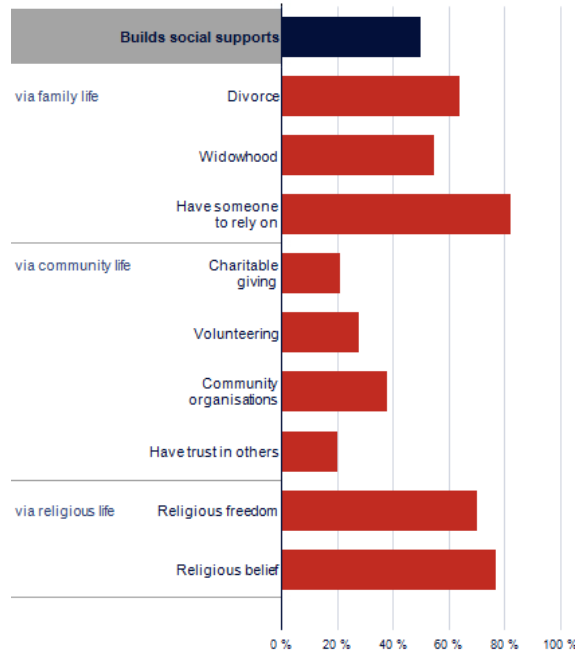


COMPARATIVE LIVEABILITY: SCORECARD





All subindicator scores in the Index are shown unweighted, expressed as a percentage of the score for the best-performing country in the Index. Indicator scores (in dark blue) are derived from the weighted average of relevant subindicators. For more information on how the subindicator scores are weighted to produce indicator scores and an overall Index score and ranking, see Chapter Two of this report.



References:

^{9, w} See www.prosperity.com/references.aspx for further details including date of survey, sample size, and margin of error.