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We are not merely addressing immediate challenges but constructing the foundation for Argentinaâ??s future

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Gala DÃaz Langou, a senior analyst and executive director at Argentinaâ??s premier think tank CIPPEC, assesses the countryâ??s recent transformative journey under President Milei. Drawing on 25 years of institutional expertise, she outlines a framework for development based on macroeconomic stability, sustainable growth, and robust democratic institutions. Her analysis explores the tension between fiscal adjustment and social development, emphasising the urgent need to rebuild social trust as the foundation for reform in areas like healthcare, pensions, and female leadership.

President Mileiâ??s administration has been characterised as pursuing a radical restructuring of the Argentine state. How do you interpret this approach, and where does CIPPEC position itself within this evolving policy landscape?

The rhetoric surrounding state dismantlement, which characterised much of the electoral discourse, has undergone considerable refinement during the administrationâ??s implementation phase. Nearly two years into the presidency, we observe a more pragmatic acknowledgement of the stateâ??s indispensable role in facilitating national development. The fundamental consensus that has emerged centres not on eliminating state capacity, but rather on transforming it into a more efficient and responsive instrument.

The critique of our previous state apparatus was fundamentally sound. Argentina's institutional framework, as it existed in 2023, demonstrated profound inefficiencies while failing to address citizens' most pressing challenges. The data supporting this assessment is unambiguous: Argentina has experienced economic stagnation for over four decades, has failed to generate formal employment for more than a decade, and maintains poverty rates that have remained persistently elevated, even deteriorating during crisis periods.

This context explains why the President's message resonated so profoundly with the electorate. However, acknowledging the need for state reform should not be conflated with abandoning the concept of state intervention entirely. Development without effective state capacity remains impossible. Our position emphasises the necessity of maintaining a critical perspective on public service quality whilst recognising that certain public goods and institutional capabilities remain essential for addressing societal challenges.

Argentina is demonstrating signs of macroeconomic stabilisation, yet the healthcare system remains in crisis. How do you reconcile these seemingly contradictory realities, and what policy priorities does CIPPEC identify for healthcare reform?

The government's primary focus on macroeconomic stabilisation represented an urgent and necessary intervention. Fiscal instability serves as a direct catalyst for poverty and undermines the foundational conditions required for any meaningful development trajectory. The achievement of zero fiscal deficit, accomplished with remarkable speed, constituted a significant policy accomplishment.

However, this stabilisation was achieved through what we characterise as a low-quality adjustment mechanism – primarily through substantial reductions in social expenditure, including healthcare and pension outlays. Such an approach, whilst effective within a high-inflation environment, becomes unsustainable as economic conditions normalise. The imperative now is transitioning toward higher-quality adjustment mechanisms that address our most fundamental structural challenges.

Consider our pension system: it consumes disproportionate resources due to extraordinary benefits that are regressively distributed throughout the population. Argentina allocates expenditure levels comparable to Belgium, despite having approximately half the aged population. This inefficiency presents an opportunity – we can simultaneously reduce pension expenditure whilst improving benefits for recipients through more rational, equitable distribution mechanisms based on objective criteria. Such reforms could enhance outcomes for approximately 70% of current pensioners.

Regarding healthcare specifically, whilst macroeconomic stabilisation constitutes a necessary condition, it is insufficient for achieving developed-country status. Financial stability cannot be pursued at the expense of citizens' quality of life and must be complemented by policies that mitigate the social costs of adjustment.

The healthcare challenge is further complicated by historical decentralisation dynamics. During the 1990s, health system responsibilities were transferred to provincial governments without corresponding resource allocation. This fundamental misalignment between functional responsibility and fiscal capacity, unresolved for four decades, has resurfaced as a critical tension point between national and subnational government levels.

CIPPEC recently outlined three foundational pillars for Argentina's prosperity: stability, development, and strong institutions. How do these translate into concrete policy recommendations?

Our framework translates into specific policy interventions across each pillar. Economic stability, whilst advancing, requires structural reforms to ensure sustainability. The pension system reform I mentioned exemplifies this approach – addressing both fiscal sustainability and social equity simultaneously through enhanced efficiency.

The development pillar focuses on expanding economic output and ensuring growth benefits reach the entire population. Argentina lacks a comprehensive growth strategy, necessitating enhanced competitiveness and productivity initiatives. We identify several high-potential sectors, including energy, mining, knowledge industries, tourism, and agro-industrial complexes. However, sector-specific initiatives must be complemented by cross-cutting reforms in taxation, labour regulation, and public goods provision.

Our approach emphasises long-term strategic thinking. We are not merely addressing immediate challenges but constructing the foundation for Argentina's future. This includes anticipating labour market evolution through 2050, identifying requisite skills for future employment, and implementing urgent educational reforms. Current students will constitute the workforce of 2050, requiring fundamental changes in teacher training, pedagogical methodologies, and curricula design.

The question of educational relevance is particularly pertinent in our technological age. Whilst artificial intelligence can provide historical information instantaneously, the development of critical thinking capabilities to evaluate AI-generated content becomes increasingly crucial.

The third pillar, institutional strength, reflects our conviction that sustainable development cannot be dissociated from robust democratic governance. This represents both a principled commitment and a pragmatic necessity – legitimate judicial systems are essential for attracting investment capital. Strong institutions provide the framework for implementing long-term strategies whilst ensuring policy continuity across electoral cycles, preventing the dramatic policy reversals that characterise democratic transitions.

Beyond these foundational elements, what additional challenges must Argentina address in the coming years?

We confront an unprecedented convergence of crises – what scholars term a polycrisis – encompassing climate, social, economic, demographic, environmental, and democratic dimensions. These simultaneous challenges represent a historical inflexion point requiring coordinated responses.

The underlying commonality across these crises is the erosion of trust – interpersonal, institutional, and territorial. This trust deficit serves as both a catalyst and accelerator for multiple crises, whilst presenting a significant obstacle to their resolution. Climate change, for instance, cannot be addressed through individualistic approaches, regardless of their virtue. Collective action remains imperative.

Argentina's trust indicators are particularly concerning. Only 17% of Argentinians express trust in fellow citizens, compared to a Latin American average of 28%. Similarly, governmental trust stands at merely 18%, compared to a global average of 47%. This mistrust is rational, reflecting our historical inability to solve collective problems effectively.

Trust regeneration requires focusing on concrete, achievable agreements. Rather than pursuing broad developmental strategies immediately, we advocate for addressing specific challenges such as educational dropout rates or teenage pregnancy prevention. These targeted interventions, when successful, can demonstrate collaborative effectiveness and trigger virtuous cycles of trust rebuilding.

You have launched the “Mujeres Líderes en Salud/ Women Leaders in Health” initiative to strengthen female leadership in healthcare. Why is this programme strategically important for Argentina’s health system?

Gender disparities in healthcare leadership represent both an equity concern and a systemic efficiency issue. Despite healthcare being a feminised sector with more female than male workers, only 27% of senior Ministry of Health positions are held by women, and merely six of 24 provinces have female health ministers.

This leadership imbalance extends beyond individual career limitations – it constitutes an impediment to optimal decision-making and health system performance. Evidence consistently demonstrates that diversified leadership teams produce superior decisions and more effective problem-solving outcomes.

Our “Women Leaders in Health” programme operates as a network focused on capacity building and collaborative leadership development. The initiative aims to strengthen women’s capabilities for accessing decision-making roles whilst fostering supportive professional networks that can enhance overall system effectiveness.

How can think tanks like CIPPEC help rebuild confidence between citizens and the state in an environment of fragile political trust?

Think tanks occupy a unique position as intermediaries between state institutions, citizens, and various sectoral interests. Our capacity to analyse evidence rigorously and translate social demands into viable policy proposals enables us to serve as effective brokers in the policy development process.

We identify social challenges through evidence-based analysis and transform these findings into concrete, implementable policy recommendations for decision-makers. Additionally, we provide implementation support, ensuring that policy development extends beyond theoretical frameworks into practical application.

Our role as a neutral convening space proves particularly valuable given the trust deficits among leadership across sectors. Labour unions mistrust business leaders, business leaders mistrust government, and collaborative engagement remains limited. CIPPEC provides an impartial forum where diverse stakeholders can engage constructively on critical issues.

Consider teacher policy development: discussions within teachers’ unions inevitably reflect sectoral biases, as do conversations within government or private sector contexts. CIPPEC offers a neutral environment where evidence can inform dialogue and where common ground can be identified, establishing the foundation for trust-building initiatives.

How do partnerships across government, civil society, academia, and international organisations strengthen CIPPEC's capacity to influence meaningful change?

Multi-sectoral collaboration represents fundamental DNA at CIPPEC. Our political engagement transcends partisan boundaries – we collaborate with all democratically elected governments, which distinguishes us within Argentina's highly polarised political environment. We maintain simultaneous partnerships with the opposition-controlled Province of Buenos Aires and the national government, demonstrating our commitment to institutional rather than partisan engagement.

Our commitment extends to creating genuinely plural spaces incorporating government, civil society, academia, private sector, and international organisation perspectives. This diversity, similar to gender diversity in leadership, enhances decision-making quality and builds trust across traditional sectoral boundaries.

Such collaborative approaches strengthen our capacity to influence policy development whilst ensuring sustainable developmental trajectories that can withstand political transitions.

Does CIPPEC engage at the regional and international levels to share experiences and best practices?

CIPPEC maintains significant international and regional engagement. We participate in multiple think tank networks, having founded several, and engage annually at United Nations forums, including the High-Level Political Forum, General Assembly, and Commission on the Status of Women.

Our G20 engagement has been particularly substantial. During Argentina's G20 presidency, we co-chaired the T20 think tank engagement group, and I continue co-chairing the Sustainable Development Goals task force, where health policy features prominently.

Regional collaboration encompasses multiple thematic areas, including education, democratic governance, economic development, and social inclusion. We have implemented significant global projects focusing on care systems and the future of work. Our regional partnerships extend throughout the Southern Cone, including Costa Rica, Brazil, Chile, Peru, and Bolivia, facilitating policy learning and best practice exchange.

Looking toward 2050, what fundamental issues must Argentina address to build a prosperous and equitable future?

Democratic governance represents our primary non-negotiable foundation. Sustainable development requires robust democratic institutions that extend beyond formal compliance with electoral processes and power separation principles. This encompasses the values and practices that enrich democratic governance: respectful idea exchange, press freedom, public information access, and transparency.

Structural reforms constitute the second imperative. Argentina must pursue comprehensive tax system restructuring and labour framework modernisation to access higher growth trajectories. These discussions must occur within a long-term strategic framework addressing our aspirational future whilst establishing the systems and structures necessary for enhanced population welfare.

What key message would you share with our global readership, and what personally motivates your continued commitment to this challenging work?

We inhabit an increasingly volatile world characterised by unpredictable challenges. I believe we have reached an inflection point where future trajectories will diverge significantly from historical patterns. This context requires refocusing on fundamental human values and requirements for inclusive prosperity.

We must not lose sight of individual human needs, our neighbours, and fellow global citizens. Our collective welfare depends on mutual care and support. This represents the foundation upon which all other achievements rest.

On a personal level, my motivation comes from my two young children. Having brought them into this world, I feel a profound responsibility to ensure they inherit the best possible future. It is this sense of responsibility that drives my commitment to contributing toward that reality, despite the considerable challenges we face.

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