



The Dollar Differentiator: Greenbacks Rule in Turbulent Argentina |
Nearshore Americas

In this fourth article in our review of tech salaries across Latin America we focus on Argentina. The previous article on Colombia can be found [here](#).

Hiring quality tech talent has never been easy and with the pandemic's acceleration of global digital transformation, capturing the top tech workers has been made harder still.

But in Argentina, where booming digital natives like Mercado Libre or Nearshore mainstays like Globant hold sway, the country's troubled economic outlook is pushing foreign companies that can pay USD to the head of the recruitment pack.

As inflation mounts, an increasingly large portion of Argentina's tech talent is demanding payment in the greenback to help bridge widening gap between the country's official and parallel peso values.

"Inflation is a constant problem here," Juana Cervio, tech recruitment trainer and co-founder of HumanosReales at Buenos Aires-based tech recruitment and training company explained to Nearshore Americas recently. "Because of the inflation, many candidates are deciding not to

work for Argentinian companies nor foreign companies that pay in pesos. They're working as contractors and freelancers for other companies to earn three times the salary they'd earn in Argentinian pesos."

Covid-19 has delivered yet another blow to the country's economic foundations. In 2021, Argentina will confront an annual inflation rate of 50% says research carried out by Spanish financial services company BBVA.

Argentina's economy contracted 9.9% in 2020 and is now struggling to kickstart. A "lack of dynamism in the economy" means employment figures will rise, but slowly, BBVA predicts.

Though inflation has long plagued the country it has become more acute in the last couple of years. Former President Mauricio Macri had success in keeping the price of the country's official peso and its parallel counterpart together. But after Macri's defeat by Alberto Fernandez of the Justicialist Party in late 2019, the parallel peso price rose sharply. That year, Argentina closed in on its highest inflation levels in 30 years and in 2020 defaulted on debt payments for the second time since 2000.

Pablo Rovito senior talent manager at iTechCareer, which works with regional, North America and European clients, says that though today's official value puts the USD at 93 pesos, the dollar's value in the informal market is around 140 pesos per USD. "95% of the economy in Argentina is managed at the parallel exchange rate. If I want to buy a bicycle or imported clothes, I pay that exchange rate. If I buy a game from the store with my credit card, I also pay at that rate," he explained.

Argentinian Salaries Offer Market Prices

Tech salaries in Argentina have been rising for the last few years, said Rovito. U.S. clients, who have long fished the talent pools of northern Latin America are now active in South America, while Western and Northern European companies are expanding their horizons from countries in Eastern Europe towards Argentina.

“Some Argentinian companies paying in pesos have to offer four salary revisions per year otherwise they lose out on top talent” — Juana Cervio

HumanosReales suggests that Argentinian mid-level talent with five years' experience and competent to strong English skills are earning comparable amounts to their counterparts in other Latin American nations, regardless of inflation in the country. According to the data, a fullstack developer with a React or Node.js stack will earn from US\$4,000 to US\$6,000 per month. This is compared to US\$3,550 and US\$4,370 per month salaries in Colombia.



Meanwhile, a Salesforce developer will earn between US\$3,000 and US\$6,000 per month, against the US\$5,556 average in Mexico according to CodersLink. A DevOps engineer earns from US\$4,000 to US\$6,000 in Argentina, an average of US\$3,710 in Mexico and upwards of US\$4,000 in Colombia depending on seniority. An iOS engineer in Argentina will earn between US\$4,000 to US\$6,000, says the HumanosReales data.

The difference in dollar valuations means tech workers earn more, says Pablo Rovito

“Argentinian companies are generally paying developers half or less than foreign companies,” said Rovito. According to iTechCareer studies, monthly for a senior fullstack developer average US\$1,900 within national companies, while a senior iOS developer receives about US\$2,050 on average. Senior DevOps and senior Salesforce engineers will take home US\$1,975 and US\$1,950 respectively.

Rovito says out that while major national companies like Mercado Libre have the financial might to pay local tech workers more and level the playing field against internationals, they won't. “It would create an internal inequality. They can't pay a HR boss less than a junior React developer,” he pointed out.

Today, an estimated 200,000 Argentinian tech workers provide IT solutions and support to foreign companies.

Could Peso Complications Lead to Crypto?

The runaway inflation rate poses other concerns for national recruitment, chief among them the value of a salary. According to Cervio, national companies are taking steps to enhance their attractiveness to peso-paid talent, paying partly in USD to offset the loss in value of the peso. “Some Argentinian companies paying in pesos have to offer four salary revisions per year otherwise they lose out on top talent. It’s common to see a candidate accept a high salary and then, six months later, that value of that salary is much lower,” she explained.

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The use of stock options to cushion pay packets is another method that is growing in popularity while some companies are starting to pay part of the wage or bonuses in USD, though restrictions on access to foreign currency are in place to reduce further devaluation of the peso that has lost 70% of its value against the dollar in just two years.

Cryptocurrencies are also being explored as another payment alternative. The use of cryptocurrency payments is yet to be formerly regulated in the country but unless the Argentina’s economic position improves dramatically, digital currency payments are likely to increase, Rovito believes. “Payment in crypto is growing slowly. At the moment, most people prefer to be paid in USD to convert to pesos because it’s a lot money like that and online payment platforms automatically convert the USD to the parallel dollar price. But in the medium term I think that cryptocurrency payments will become a common payment means,” he said.

With the digital transformation well underway, Argentinian talent is being snapped up at an accelerating pace. For Nearshore companies the country’s economic position offers advantages in recruitment. For Argentina’s growing businesses, however, the outlook for tech recruitment looks challenging.

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Peter is the Managing Editor of Nearshore Americas. Hailing from Liverpool, UK, he is now based in Mexico City. He has several years' experience covering the business and energy markets in Mexico and the greater Latin American region. If you'd like to share any tips or story ideas, please reach out to him here.

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