Las grandes empresas no mueren de pie: el (o)caso de SIAM.

MARCELO ROUGIER y JORGE SCHVARZER, Buenos Aires: Grupo Editorial Norma, 2006.

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SIAM-Di Tella, once Latin America's greatest industrial conglomerate, has long been considered by historians of Argentina to be a company whose fortunes served as a cautionary tale on the country's industrialization. The firm's size and importance were so great that it even merited consideration by an eminent American business historian and an Argentine social scientist in the 1960s, when dependency and modernization theories competed as explanatory paradigms for Latin American underdevelopment. This tension was revealed in their collaboration: Thomas C. Cochran and Rubén Reina, "Capitalism in Argentine Culture: A Study of Torcuato Di Tella and S.I.A.M." Whereas Cochran and Reina tended to celebrate SIAM-Di Tella's accomplishments while also noting its inability to stay competitive at the international level, a new book on the firm's history by Marcelo Rougier and Jorge Schvarzer stresses its failures and inexorable demise, culminating with the company's complete liquidation in 1994 at the height of President Carlos Menem's neo-liberal restructuring program.

In truth, the Menem years only finished off a firm that by then was a virtual corpse, a mere shadow of the dynamic, enterprising company founded by the Italian immigrant Torcuato Di Tella on the eve of the First World War. Aided by the availability of a welter of new primary sources, especially from the country's public banks, Argentina's two most accomplished economics historians study SIAM with unprecedented rigor and detail, providing the definitive history of the firm. Rougier and Schvarzer essentially pick up the narrative where Cochran and Reina leave off, ceding to the latter most of the rags-to-riches story and the phenomenal growth of the company under the guidance of its gifted and ambitious founder.

This new book begins chronologically in the year 1960, with Torcuato Di Tella now dead and SIAM in the hands of less able administrators but still a formidable player in the national economy. Yet liabilities were already apparent that would weigh ever more heavily on SIAM and ultimately seal its fate. The year 1960 saw the company continuing to expand into new lines of production, including automotive manufacturing. In some ways this diversification was a sign of continued vigor and entrepreneurial drive, though in other ways it indicated weakness as the firm over-expanded and financed activities beyond its profits and stock market value, resorting repeatedly to help from foreign and especially Argentine public banks. By the middle of the decade, the firm's indebtedness had already reached a critical stage. The second part of the book recounts the painful story of a once great firm left to hang, battered by macro-economic policies of the 1976-83 military government and receiving hardly any interest from its democratic successors. The book concludes with an almost nostalgic look back at SIAM's early spectacular successes and golden years through the Perón years, placed somewhat curiously at the end of the book, I assume, to highlight the dramatic subsequent decline of the company so devastatingly analyzed by the authors in the first two-thirds of their study.

Distilled in their analysis is not only the history of this one flagship firm, but that of the entire trajectory of Argentina's postwar capitalism. Well studied is the desultory role of the state, a source of much needed capital but at the price of constant meddling and the frequent subordination of business decisions to more strictly political ones. The Di Tella family had a particularly interesting and complicated relationship with Peronism, beginning with the company founder, Torcuato Di Tella, and the rise of Perón in the early 1940s through the Peronist restoration of the early 1970s, when Guido Di Tella, successor to his father as company president, publicly identified himself as a Peronist and even accompanied Perón in the airplane that returned the old caudillo from exile. The company's relationship with the state, the public banks, and the government's macro economic policies were particularly intense during the years of Peronist government, but the truth is

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only in degree.

Rougier and Schvarzer document the history of a firm that, notwithstanding the political complexion of the government in power, increasingly relied on the state to salvage a market position and fend off threats coming from changes in the international economy and the country's extraordinarily volatile political life that were inexorably working against the company. There was no absence of entrepreneurship in this process and, indeed, SIAM demonstrated a remarkable energy in spinning off new companies and entering into licensing agreements to maintain its status as the country's premier industrial firm. There is an element of tragedy in SIAM's protracted demise. The authors certainly leave the impression that the onus for the firm's sad fate lies more heavily with the state than with SIAM. The firm responded and took advantage of opportunities presented by the country's economic policies but did not create them. The failure of the Argentine ruling class and public authorities to devise a coherent and sustainable project of industrial development, unlike the case of Brazil, explains why not just this firm but what was once Latin America's largest, most diverse and apparently most promising industrial economy lies in shambles today. Not just a book to be read by historians and scholars, it should be required reading for all those in Argentina's public life responsible for rebuilding the country and putting it on a solid economic foundation. It is a cautionary tale indeed, one that might provide some much needed careful reflection on the causes of Argentina's decline.

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