Foreign Trade Policy in the Argentine Automotive Industry: An Analysis of the Business Power of its Actors and their Influence over the State (2002–15)

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RESEARCH ARTICLE

Foreign Trade Policy in the Argentine Automotive Industry: An Analysis of the Business Power of its Actors and their Influence over the State (2002–15)

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Abstract

The article aims to analyse how the business power of actors in the Argentine automotive industry influenced the foreign trade policies relevant to the sector between 2002 and 2015. The research methods employed combine documentary sources, interviews with key informants and descriptive statistics. The overall findings show how automakers achieved considerable power in the first stage of the period, obtaining clear benefits in terms of foreign trade policy. However, macroeconomic and political changes in Argentina after 2008 had a negative impact on their business power, leading to their enjoying a reduced number of trade policy concessions.

Keywords: business power; automotive industry; state; foreign trade

Introduction

Following the 2001–2 economic crisis in Argentina, the country experienced economic and industrial growth in which the automotive chain played a leading role.[1] This sector increased its gross production value by more than 75 per cent and registered the second highest rise in the share of industrial gross production and employment between 2002 and 2015.[2] However, the performance of the actors within the automotive productive chain was not homogeneous. This difference is reflected in the automakers'[3] disproportionate growth compared to that of their suppliers and in the industry's sizeable trade deficit, which increased in value to

[1]Juan E. Santarcángelo, Daniel Schteingart and Fernando Porta, 'Industrial Policy in Argentina, Brazil, Chile and Mexico: A Comparative Approach', *Interventions Économiques*, 59 (2018).

[2]For more details see Tables A.1 and A.2.

[3]Automakers are Multinational Corporations (MNCs) that lead automotive Global Value Chains (GVCs). See Timothy J. Sturgeon *et al.*, 'Globalisation of the Automotive Industry: Main Features and Trends', *International Journal of Technological Learning, Innovation and Development*, 2: 1/2 (2009), pp. 7–24; Timothy Sturgeon, Johannes van Biesebroeck and Gary Gereffi, 'Value Chains, Networks and

US$ 57 billion between 2002 and 2015.[4] According to the Instituto Nacional de Estadísticas y Censos de Argentina (National Institute of Statistics and Censuses of Argentina, INDEC), this deficit, largely explained by intermediate imports (goods imported to make products for consumption), was worth approximately 40 per cent of the country's total trade surplus in the same period.

In analysing the different trajectories of automakers and suppliers, the literature has addressed various factors, such as the industry's historical specificities,[5] the segmentation of and technological gaps in the supplier sector,[6] its position of asymmetry in the regional market[7] and the legacy of the neoliberal era,[8] among other issues. These publications have made numerous contributions to allow us to comprehend the above-mentioned processes. Nonetheless, most of them focus on the economic features of this issue and few papers have studied the political and social factors that shaped these processes.[9] The current article proposes to contribute to filling this gap by examining how the *business power* of these firms influenced foreign trade policy in the sector.

Foreign trade is one of the most important policies within the automotive sector, because the automotive value chain is regionally organised, involving neighbouring countries in the production process[10] and because of the reliance of vehicle production on imported inputs.[11] Thus, changes in trade conditions impact the cost of the inputs that automakers use for assembling vehicles. At the same time, modifications in commerce terms may result in conflicts with local suppliers, because lower trade barriers to auto parts can imply more foreign competition for local producers. The design and implementation of trade policy are therefore vital for the actors

Clusters: Reframing the Global Automotive Industry', *Journal of Economic Geography*, 8: 3 (2008), pp. 297–321.

[4]At the end of 2015, Mauricio Macri, the candidate of the 'Cambiemos' ('Let's Change') political coalition, won the national election by defeating the aspiring Peronist candidate Daniel Scioli. The new government changed the direction of economic policy, with profound effects on the production sector; this year therefore marks the end of the period under analysis of the current article. For more details see Juan E. Santarcángelo and Juan M. Padín, 'La reinstauración del neoliberalismo en Argentina durante el gobierno de la Alianza Cambiemos (2015–2019)', *Realidad Económica*, 48: 326 (2019), pp. 33–58.

[5]E.g. Maria Beatriz Nofal, *Absentee Entrepreneurship and the Dynamics of the Motor Vehicle Industry in Argentina* (New York: Praeger, 1989).

[6]E.g. Andrés López and Valeria Arza, *La industria automotriz en el MERCOSUR* (Montevideo: Red Mercosur de Investigaciones Económicas, 2008).

[7]E.g. Juan Cantarella, Luis Katz and Nicolás Monzón, 'Argentina: Factores que debilitan la integración de autopartes locales', in Demian Panigo *et al.* (eds.), *La encrucijada del autopartismo en América Latina* (Avellaneda: UNDAV Ediciones, 2017), pp. 253–305; Ana Gárriz, Demian Panigo and Pablo Gallo, 'Common Automotive Policy of Argentina and Brazil: Its Impact on Local and Regional Auto Part Industries', 22nd International GERPISA Colloquium, Kyoto, 2014.

[8]E.g. Demian Panigo *et al.*, 'La industria autopartista argentina: Estudio de caso para el análisis de sus desafíos de inserción comercial', in Panigo *et al.* (eds.), *La encrucijada del autopartismo*, pp. 441–81.

[9]For background see Sebastián Etchemendy, 'Construir coaliciones reformistas: La política de las compensaciones en el camino argentino hacia la liberalización económica', *Desarrollo Económico*, 4: 160 (2001), pp. 675–706; Roberta Villalón, 'Proteccionismo y política industrial en la Argentina de los '90: La economía política de la reconversión del sector automotriz', Thesis, Universidad Torcuato Di Tella, Buenos Aires, 1999. Etchemendy's and Villalón's studies relate to Argentina during the 1990s.

[10]Alan Rugman and Simon Collinson, 'The Regional Nature of the World's Automotive Sector', *European Management Journal*, 22: 5 (2004), pp. 471–82.

[11]Sturgeon *et al.*, 'Globalisation of the Automotive Industry'.

in the automotive value chain. However, there have been few attempts in the scholarship to examine the capacity of firms in this sector to influence governments in this regard.[12]

The current article proposes to explore the influence that automotive business actors exerted on foreign trade policy in the period under examination, under the assumption that increased trade concessions had a positive impact on their growth. The paper claims that the automakers' greater business power allowed them to obtain more foreign policy concessions, which in turn were detrimental to suppliers.

The research in this article adopts an integrated analytical approach to the study of economic policy.[13] This theoretical framework explains state intervention in the economy in terms of state and social factors. Concerning the former, the main variables are the economic and political context and the vision and strategies of the national government.[14] With respect to social factors, the analysis focuses on the business power of the actors, operationalised in its *instrumental* and *structural* aspects.[15] In this regard, my research offers a novel theoretical approach to the study of automotive value chains, which allows us to understand how the business power of the actors in the Argentine automotive industry influenced the design and implementation of foreign trade policies relevant to the sector between 2002 and 2015.

In this research, I used quantitative and qualitative methods. Public statistical sources from entities such as the United Nations' international trade statistics database Comtrade, INDEC, the Asociación de Fábricas Argentinas de Componentes (Association of Argentine Auto Parts Manufacturers, AFAC) and the Asociación de Fábricas de Automotores (Association of Automotive Manufacturers, ADEFA) were used for the analysis of *structural business power*. To further investigate this concept, I conducted semi-structured interviews with key informants, including senior civil servants, industry managers and chairmen of business associations. These interviews were based on a set of questions regarding each of the automotive trade policies of the period but the respondents to were allowed to elaborate on the topics related to the research objective.

I reconstruct the instrumental business power of automakers and suppliers in the sector through the above-mentioned interviews as well as through the analysis of articles in the popular and specialised press, business documents and academic literature. This dimension was further deepened through the exploration of businesspeople's participation in the national government by scrutinising state officials'

[12]Some studies that focus on these issues are Benedicte Bull, 'Policy Networks and Business Participation in Free Trade Negotiations in Chile', *Journal of Latin American Studies*, 40: 2 (2008), pp. 195–224; Christina Anderer, Andreas Dür and Lisa Lechner, 'Trade Policy in a "GVC World": Multinational Corporations and Trade Liberalization', *Business and Politics*, 22: 4 (2020), pp. 639–66; In Song Kim and Iain Osgood, 'Firms in Trade and Trade Politics', *Annual Review of Political Science*, 22: 1 (2019), pp. 399–417.

[13]Aníbal Viguera, 'Estado, empresarios y reformas económicas: En busca de una perspectiva analítica integradora', *Perfiles Latinoamericanos*, 7: 12 (1998), pp. 9–51.

[14]*Ibid.*

[15]Tasha Fairfield, *Private Wealth and Public Revenue in Latin America: Business Power and Tax Politics* (New York: Cambridge University Press, 2015).

career paths and consulting the Observatorio de las Elites Argentinas (Observatory on Argentine Elites) database of the National University of San Martin (UNSAM). These career trajectories show a high participation in government of people connected to automakers in the first stages of the period.

Finally, government policies in automotive foreign trade between 2002 and 2015 were surveyed by reviewing documents and laws at national and regional levels. Businesspeople's opinions were reconstructed through the analysis of the aforementioned interviews and the examination of other sources, such as business associations' publications and print and digital media.

The article is structured as follows: the following section ('Understanding Business Power in the Context of Government Policy') discusses the theoretical framework adopted for the research. Then I analyse how business power is distributed along the Argentine automotive value chain, distinguishing its structural and instrumental dimensions. The fourth section of the paper examines how this business power shaped the trade policy of four different governments: those of Eduardo Duhalde (2002–3), Néstor Kirchner (2003–7) and both administrations of Cristina Fernández de Kirchner (2007–15). The article ends with conclusions and suggestions for further research.

Understanding Business Power in the Context of Government Policy

Research on economic policy can be grouped into two broad categories, depending on the relative importance given to state and social factors.[16] On the one hand, there are explanations centred around social factors. In this vision, state policies arise from social demands, i.e. from pressure exerted by different social actors or by interest groups.[17] On the other, there are state-based explanations: policies arise from the objectives of state elites and/or institutional conditions at each historical point in time.[18]

This paper adopts an integrated analytical approach that studies the state's intervention in the economy while considering social and statal aspects.[19] It builds on the premise that the extent to which politicians and bureaucrats take into account social demands varies depending on the context. Each particular context has therefore to be studied; no a priori assumptions can be made. Thus, to understand the processes of adoption and implementation of economic policies, priority must be

[16]See Ana Castellani and Leandro Sowter, 'Estudios sobre el Estado en la Argentina contemporánea', in Sebastián Barros, Ana Castellani and Diego Gantus (eds.), *Estudios sobre estado, gobierno y administración pública en la Argentina contemporánea* (Buenos Aires: CLACSO/CODESOC-PISAC, 2016), pp. 21–75.

[17]E.g. Guillermo O'Donnell, 'Estado y alianzas en la Argentina, 1956–1976', *Desarrollo Económico*, 16: 64 (1977), pp. 523–54; Claus Offe, 'The Attribution of Public Status to Interest Groups: Observations on the West German Case', in Suzanne Berger (ed.), *Organizing Interests in Western Europe: Pluralism, Corporatism and the Transformation of Politics* (Cambridge: Cambridge University Press, 1981), pp. 123–58; Mancur Olson, *The Logic of Collective Action: Public Goods and the Theory of Groups* (Cambridge, MA: Harvard University Press, 1971).

[18]E.g. James M. Buchanan, *Public Choice: The Origins and Development of a Research Program* (Fairfax, VA: George Mason University Press, 2003); Jean-Jacques Rosa, 'Political Systems, Economics of Organization, and the Information Revolution (The Supply Side of Public Choice)', paper presented at European Public Choice Society Meeting, Paris, 2001.

[19]See Viguera, 'Estado, empresarios y reformas económicas'.

given to 'the interaction, in the field of politics, between state elites and social and political actors, taking into account the relationship between the goals, interests and relative resources that each derives from the structural, ideological and institutional context in which his action takes place'.[20] The theoretical framework therefore implies starting from the context and problems that policymakers address and then analysing how they interact with social actors.[21]

Following this approach, analysis of the private sector is focused on the business power of its different actors, according to Tasha Fairfield's methodology.[22] This author differentiates two aspects within business power: the structural and the instrumental dimensions. Structural power arises from the fact that, in free-market societies, states depend on private-sector investment to generate economic growth, employment and prosperity. In other words, structural power is based on businessmen's privileged role in a capitalist economy. Given the influence that investment levels exert on economic growth, the threat of exit exerts considerable pressure on policymakers' and bureaucrats' decisions.[23] However, these decisions ultimately depend on policymakers' perceptions because the impact of such failures to invest is not objectively measurable. Indeed, they depend on numerous variables.[24] Another important characteristic of this power is that it is highly context-specific, which implies that it varies by country, policy area and specific intervention.

By contrast, instrumental business power entails the capacity for exerting deliberate political pressure. Fairfield identifies two main sources of this power, *relationships with policymakers* and *resources*. The first arises from businesspeople's connections, such as political party ties, consultancies, government recruitment, or informal links maintained with officials. The second is concerned with businesspeople's resources, including their solidarity, expertise and access to media and capital.

Business power is thus valued as a notion that allows a detailed analysis of power distribution within the automotive production chain and as a decisive factor in each actor's negotiations with the state. Moreover, the integrated analysis of government policy employed in this research enables a comprehensive review to be carried out of foreign trade policies implemented in the automotive sector. This theoretical framework additionally allows the challenges pointed out by the specialised literature to be tackled. First, it complements the focus on business power with the dimensions of the state in order to explain the dynamics of the political bargaining that takes place between them.[25] Secondly, it sheds light on the links between the

[20] *Ibid.*, pp. 44–5 (author's translation).

[21] See Merilee S. Grindle and John W. Thomas, *Public Choices and Policy Change: The Political Economy of Reform in Developing Countries* (Baltimore, MD: Johns Hopkins University Press, 1991).

[22] Fairfield, *Private Wealth and Public Revenue in Latin America.*

[23] Pepper D. Culpepper, 'Structural Power and Political Science in the Post-Crisis Era', *Business and Politics*, 17: 3 (2015), pp. 391–409.

[24] See Jeffrey A. Winters, *Power in Motion: Capital Mobility and the Indonesian State* (Ithaca, NY: Cornell University Press, 1996); Tasha Fairfield, 'Structural Power in Comparative Political Economy: Perspectives from Policy Formulation in Latin America', *Business and Politics*, 17: 3 (2015), pp. 411–41.

[25] See Néstor Castañeda, 'Tasha Fairfield, *Private Wealth and Public Revenue in Latin America: Business Power and Tax Politics* (Cambridge and New York: Cambridge University Press, 2015)', *Journal of Latin American Studies*, 48: 4 (2016), pp. 886–7.

state and business actors within a GVC, such as lead MNCs and their suppliers.[26] Finally, it provides new data on the political capabilities of MNC executives, generally characterised as having low participation rates in business associations and lobby activities.[27] In sum, this specific theoretical framework for the review of government policies in the automotive sector is original, making the present research unique and innovative within the available literature.

Business Power in the Argentine Automotive Value Chain

Structural Business Power

As discussed, structural power is grounded in the 'structural' economic position that private-sector agents occupy in capitalist societies. To analyse this type of power as wielded by Argentine automakers and suppliers, it is necessary to briefly describe the main features of the Argentine automotive sector. According to the Observatorio de Empleo y Dinámica Empresarial (Observatory of Employment and Business Dynamics, OEDE) there were 1,226 firms in the supplier sector in 2002.[28] This is a very heterogeneous group in which firms differ greatly along the dimensions of size, nationality, type of production and market, among other characteristics.[29]

By contrast, the suppliers' clients in Argentina, the automakers, are an oligopolistic group of 11 MNCs (see Figure 1). These companies lead and govern the automotive value chain.[30] The supplier sector is linked to concentrated sectors not only downstream the chain but also upstream, to the producers of the raw materials they buy. These are mainly steel, aluminium and plastic, and each product is controlled by a few companies. These firms are also large MNCs but some of them are owned by Argentine businessmen: Aluar (Javier Madanes Quintanilla), Techint (Paolo Rocca) and Petroquímica Cuyo / Petrocuyo (Micael Sielecki).

Another way to explore the distribution of structural power between the actors in the chain is through the analysis of objective variables. For example, in 2002 the automakers' exports surpassed those of the suppliers by 128 per cent (representing

[26]See Ignacio Puente and Ben Ross Schneider, 'Business and Development: How Organization, Ownership and Networks Matter', *Review of International Political Economy*, 27: 6 (2020), p. 17.

[27]See Ben Ross Schneider, 'Hierarchical Market Economies and Varieties of Capitalism in Latin America', *Journal of Latin American Studies*, 41: 3 (2009), p. 566.

[28]See the OEDE) database: https://www.argentina.gob.ar/trabajo/estadisticas/empleo-y-dinamica-empresarial/estadisticas-e-indicadores. According to Juan Cantarella, AFAC general manager since 2000 (interview, 12 May 2019, Buenos Aires), there were only 400 supplier firms in Argentina in 2019 because, he argued, the OEDE includes mechanics' workshops in its statistics.

[29]Over the last few decades, the supplier sector has gone through several changes globally, such that it is now divided into three tiers. In the first there are mega-supplier companies that sell directly to automakers. In Argentina, most of these are foreign enterprises. The other two tiers sell less complex parts and accessories to the mega-suppliers. For more details see Gustavo Baruj *et al.*, 'Complejo automotriz argentino: Situación tecnológica, restricciones y oportunidades', Informe Técnico no. 8 (Buenos Aires: Centro Interdisciplinario de Estudios en Ciencia, Tecnología e Innovación, 2017); Sturgeon *et al.*, 'Globalisation of the Automotive Industry'.

[30]For more details about the types of governance in GVCs see Gary Gereffi, John Humphrey and Timothy Sturgeon, 'The Governance of Global Value Chains', *Review of International Political Economy*, 12: 1 (2005), pp. 78–104.

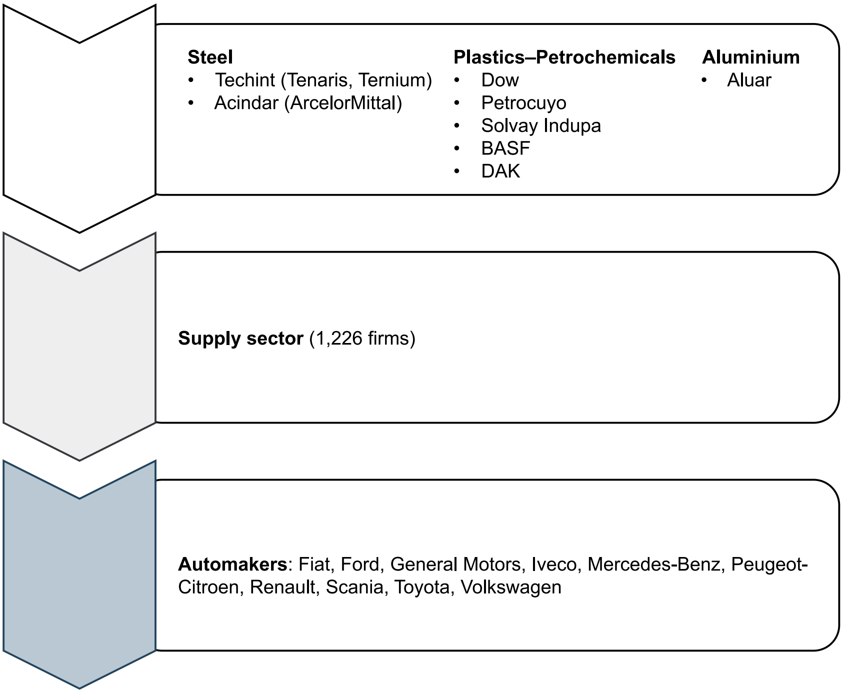

Figure 1. Argentine Automotive Value Chain at the Beginning of the Twenty-First Century
Source: Author's elaboration based on ADEFA, *Anuario 2002*, available at http://www.adefa.org.ar/es/estadisticas-anuarios; Jorge Schvarzer and Javier Papa, 'La producción y la capacidad instalada en la industria siderúrgica y del aluminio: Un balance de los cambios empresarios, tecnológicos y de mercado durante las últimas dos décadas', Working Paper no. 7, Centro de Estudios de la Situación y Perspectivas de la Argentina (CESPA), Buenos Aires, 2005; Eduardo Misirlian and Víctor Pérez Barcia, 'La industria del aluminio en Argentina', Centro de Estudios en Economía Regional (CERE), Buenos Aires, 2018; Mariana Fernández Massi, Noemí Giosa Zuazua and Damián Zorattini, 'Rentas monopólicas, precios y competitividad en la cadena de valor petroquímica-plástica', *Realidad Económica*, 293 (2015), pp. 63–92.

a difference of US$ 671 million).[31] This asymmetric distribution is deepened further when the sectors are examined from the standpoint of the number of companies within them. On this measure, each automaker produced US$ 63 million in exports, while each supplier exported only US$ 400,000.

In addition, another structural advantage of automakers over suppliers is their regional organisation. In South America, the automotive value chain is organised under the aegis of the Mercado Común del Sur (Southern Common Market, MERCOSUR), which regulates trade between the main producers, Argentina and Brazil.[32] The MNCs evaluate the different costs and benefits of producing in Argentina and/or in Brazil to decide where to invest their capital. These large firms also use competition between the nations to try to obtain more benefits

[31] See Table A.3.
[32] Federico Dulcich, Dino Otero and Adrián Canzian, 'Trayectoria y situación actual de la cadena automotriz en Argentina y Mercosur', *Ciclos*, 27: 54 (2020), pp. 93–130.

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from each. During the period under study, Brazil presented several advantages over Argentina for the establishment of these companies. Among the most relevant are bigger market size and production scales, tax structure and lower wage costs.[33] These structural characteristics favoured the MNCs in their negotiations with Argentine governments.

In view of the fact that structural power ultimately depends on policymakers' perceptions, it is important to underline that Argentine policymakers were aware of these particularities of the regional market. This, in turn, had the effect of favouring and strengthening the position of the carmakers. Felisa Miceli, Minister of Economy and Production from 2005 to 2007, explains:

> The pressures, I called them blackmail or extortion, on the Chamber [of Deputies] and businesses. Let's assume there's 'X' company, an automotive company … then you get the authorities, the Industry Secretary comes to you and says, 'the people from Peugeot say they will not invest [in Argentina] because Brazil offers them subsidies for employer contributions, it builds the infrastructure to access the port, a road, a special route, and waives some other tax, or gives them a very low interest rate, and guarantees them foreign currency for repatriating profits'. So, they are constantly taking you to the limit; when they get you to the limit in Argentina, they go and say to the Brazilian Minister: 'Well, in Argentina, they give me all this, what will you give me?' Then they do it all over again and come back here with your offer surpassed by the Brazilians … It ends up being an argument between two countries that should come to an agreement within MERCOSUR. Anyway, you end up spending months discussing where a multinational company will be located. The typical example for me is automotive companies.[34]

In light of the above, it can be argued that, at the beginning of the period studied, automakers wielded greater structural power than supplier firms. However, 'Structural power … should not be treated as a trait of a given sector … [but] must be evaluated on a case-by-case basis, taking into account the incentives that the policy of interest creates in a particular situation.'[35] Context-specific analysis of this structural power throughout the period will therefore be presented in the section 'Foreign Trade Policies and Automotive Actors' Business Power' below.

Instrumental Business Power

The second part of the study focuses on instrumental business power. To achieve a deeper understanding of the topic, it is essential to describe the actors' institutional organisations. In the first place, the carmakers are represented by ADEFA, which in 2002 had ten members operating in Argentina.[36] Secondly, the supplier sector is mainly organised within AFAC. Nonetheless, there is also the PROA Group,

[33] Marta Bekerman and Federico Dulcich, 'Dependencia comercial y patrones de especialización en un proceso de integración regional: El caso de Argentina y Brasil', *Desarrollo Económico*, 53: 211 (2014), pp. 373–404.

[34] Interview with Felisa Miceli, 20 Aug. 2018, Buenos Aires.

[35] Fairfield, *Private Wealth and Public Revenue in Latin America*, p. 193.

[36] Japanese carmaker Honda arrived in 2011.

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which functions to represent suppliers within the Asociación de Industriales Metalúrgicos de la República Argentina (Association of Metallurgical Industrialists of the Argentine Republic, ADIMRA), and has around 25 metallurgical member companies. Historically, AFAC and ADIMRA have been in disagreement about their representation of the sector. However, AFAC is the leading association due to its higher number of members, its membership of the UIA, its legitimacy in the eyes of the trade unions and the government's attitude towards it.[37] This conflict over representation, combined with the suppliers' disunity and diversity, results in weakness in their relations with the government.

By contrast, the institutional framework described above results in the automakers behaving as a unitary player in discussions with the government on issues relevant to the sector. This statement is confirmed by two former automaker CEOs, who argue that their political action is favoured by the cohesion achieved by the concentrated power of the limited number of participants.[38]

Juan Cantarella, AFAC general manager since 2000, describes the resource asymmetry in the instrumental business power of these actors thus:

> [The automakers] are some of the biggest contractors of advertising space in the media, they have a guaranteed presence in the press because it is a very attractive sector. Argentine society loves cars … It is a glamorous sector, people are invited to a car launch, and they love it, they are invited to a race at the weekend, and they love it … The auto parts sector, it is quite the opposite. It is not glamorous … And furthermore they [the automakers] have a lot of money, they have a large budget for that [marketing]. They have specific lobbies, they are very well positioned.[39]

In addition the automakers, in the form of both companies and personnel, are better represented in broader and more powerful business associations and lobby groups – such as the UIA, the Asociación Empresaria Argentina (Argentine Business Association, AEA) and the Instituto Argentino de Desarrollo Empresarial (Argentine Business Development Institute, IDEA) – than are the suppliers (see Figure 2).

Finally, it is of paramount importance to note that the automakers' headquarters are located in developed nations with strong geopolitical power. Their position enables them to exert pressure through diplomatic channels and to influence international trade and investment-regulating institutions, such as the World Trade Organization (WTO) or the International Centre for Settlement of Investment Disputes (ICSID).[40] This allows them to exert influence over other organisations

[37] The struggle between AFAC and ADIMRA was intensified in 2002 due to the implementation of a system of compulsory contributions by metallurgical companies to ADIMRA, which was denounced as fraudulent by AFAC (interview with Juan Cantarella, 12 May 2019).

[38] Interviews with former CEOs: anonymous, 24 May 2019, by phone; Aníbal Borderes (Toyota Argentina, 2006–10), 21 May 2019, Buenos Aires.

[39] Interview with Juan Cantarella, 10 Oct. 2017, Buenos Aires.

[40] Interview with Eduardo Bianchi, Secretary of Industry and Foreign Trade (2009–12), 15 Dec. 2018, Buenos Aires. It is worth mentioning that some Tier-1 suppliers are also MNCs and have such access.

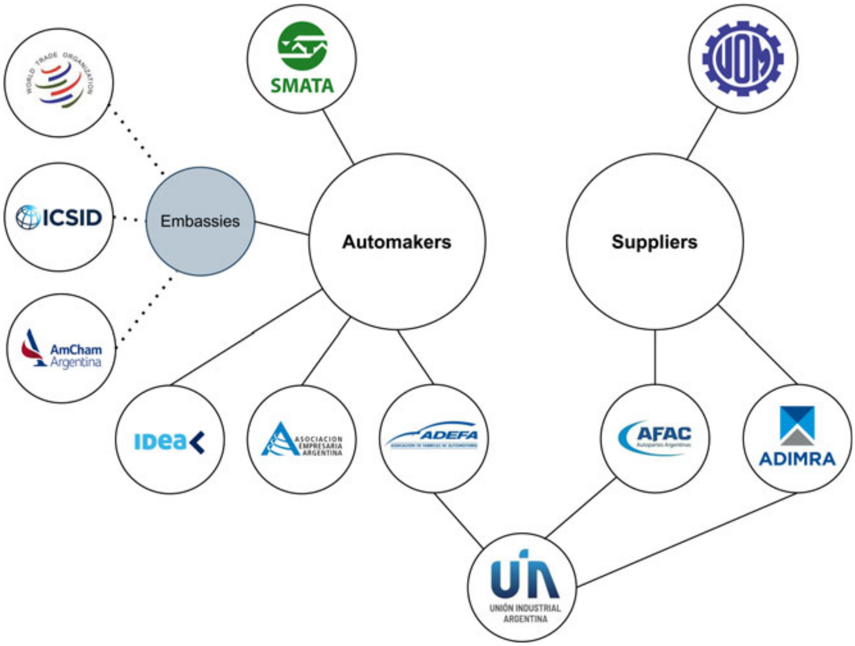

Figure 2. Instrumental Business Power Diagram of Automaker and Supplier Companies in Argentina

ADEFA Asociación de Fábricas de Automotores (Association of Automotive Manufacturers)
ADIMRA Asociación de Industriales Metalúrgicos de la República Argentina (Association of Metallurgical Industrialists of the Argentine Republic)
AEA Asociación Empresaria Argentina (Argentine Business Association)
AFAC Asociación de Fábricas Argentinas de Componentes (Association of Argentine Auto Parts Manufacturers)
AmCham American Chamber of Commerce
ICSID International Centre for Settlement of Investment Disputes (part of the World Bank)
IDEA Instituto Argentino de Desarrollo Empresarial (Argentine Entrepreneurial Development Institute)
SMATA Sindicato de Mecánicos y Afines del Transporte Automotor (Automotive Transport Mechanics' and Allied Workers' Union)
UIA Unión Industrial Argentina (Argentine Industrial Union)
UOM Unión Obrera Metalúrgica (Metallurgical Workers' Union)
WTO World Trade Organization

Source: Author's elaboration based on specialist literature and interviews.

such as the chambers of commerce involved in the relationship between the developed countries.[41]

Thus instrumental and structural power placed carmakers and suppliers at asymmetrical starting points. However, the way this power unfolded and the presence of other factors that increased or reduced these disparities are yet to be identified. Finally, the question arises as to whether these issues influenced foreign trade policies for the sector.[42] These points are taken up in the following section.

[41]The American Chamber of Commerce (AmCham), of which most automakers are members, stands out amongst these: it is the only binational organisation that has a working group managing the interests of the companies it represents. For more details, see Alejandro Dulitzky, 'Del consenso a la discordia: Estado y empresas multinacionales en la era kirchnerista (Argentina, 2003–2015)', *Temas y Debates*, 23: 38 (2019), pp. 93–118.

[42]All government policies in respect of the automotive industry between 2002 and 2015 are summarised in Table A.4.

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Foreign Trade Policies and Automotive Actors' Business Power

End of the Convertibility Regime (2000–1)

In the 1990s, economic liberalisation and deregulation policies were strengthened in Argentina in the context of the Washington Consensus[43] and supplemented with a rigid currency regime under the name 'Convertibility', which established that 1 Argentine peso (A$) was equivalent to US$ 1.[44] After the Southeast Asia Crisis and Brazilian devaluation at the end of the decade, Argentina began facing difficulties in obtaining external credit, leading to a deep economic crisis in 2001 which resulted in the fall of the centre-left Alianza government, the end of the convertibility regime and an external debt default.

As for the automotive sector, during the 1990s a new regulatory framework had been implemented based on the Acuerdo de Complementación Económica (Economic Complementation Agreement, ACE) No. 14 between Argentina and Brazil.[45] This agreement constituted a pillar of the region's trade integration, becoming a central element of Argentine foreign trade policy and of its local automotive industry.[46]

Despite the initial expansive effects of this regional agreement in the Argentine automotive industry, at the end of the decade vehicle production and exports (see Figure 3) and domestic sales dropped sharply.[47] As a result, Argentina and Brazil signed the Política Automotriz del MERCOSUR (MERCOSUR Automotive Policy, PAM), harmonising their automotive trade tariffs.[48] For a vehicle to be considered of regional origin 60 per cent of its content had to be regional.[49] This was the same percentage as pre-2001 but the rules for its calculation were changed. The new procedure was extremely complicated and difficult to implement, and was opposed by the Argentine automakers and the Brazilian government. Therefore, there were practically no checks on local content.[50]

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[43] This 'consensus' was a set of economic policy prescriptions promoted as the 'standard' reform package for developing countries by institutions based in Washington DC, such as the International Monetary Fund, the World Bank and the US Department of the Treasury.

[44] Roberto Frenkel, 'Argentina: A Decade of the Convertibility Regime', *Challenge*, 45: 4 (2002), pp. 41–59.

[45] Ana Gárriz and Demian Panigo, 'El impacto de la Política Automotriz Común (PAC) sobre la industria autopartista de Argentina y Brasil', Fundación Friedrich Ebert, Buenos Aires, 2016.

[46] Bruno Perez Almansi, 'La reconfiguración asimétrica de la industria automotriz argentina (1976–2001)', *Anuario Centro de Estudios Económicos de la Empresa y el Desarrollo*, 13: 15 (2021), pp. 91–118.

[47] *Ibid.*

[48] This agreement set tariffs for vehicles produced outside the two countries at 35 per cent, thereby giving strong protection to Argentine- or regionally-made counterparts. For imported parts and accessories that had regionally produced counterparts, tariffs were established at 14 to 18 per cent, while a 2 per cent tariff was applied to parts and accessories that could not be obtained from regional producers. See 'Política Automotriz del MERCOSUR': https://normas.mercosur.int/simfiles/normativas/17941_DEC_070-2000_ES_Pol%C3%ADtica%20Automotriz_MCS_Acta%202_00.doc (all URLs last accessed 7–15 Aug. 2023).

[49] With 30 per cent from Argentina and the other 30 per cent from the region. See Decreto ('Decree') Poder Ejecutivo Nacional (National Executive Branch, PEN) No. 660/2000, Aug. 2000: http://servicios.infoleg.gob.ar/infolegInternet/verNorma.do?id=63853.

[50] Cantarella *et al.*, 'Argentina: Factores que debilitan la integración de autopartes locales', p. 265.

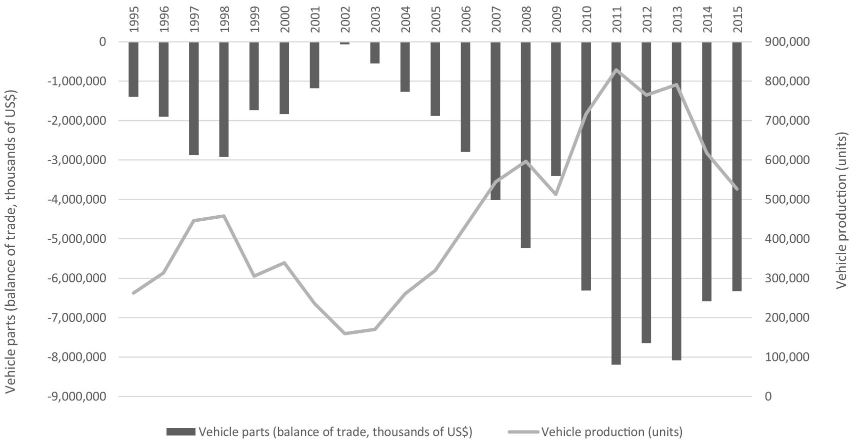

Figure 3. Vehicle Production and Balance of Trade in Vehicle Parts (1995–2015)
Source: Author's elaboration from AFAC and ADEFA.

Lastly, a coefficient was established for tariff-free automotive trade between Argentina and Brazil, called the 'flex coefficient' ('*coeficiente de desvío*'), which limited the vehicles and parts that one country could export to the other without tariffs. The limit in 2001, the first year of the flex system, was set at 1.105. This meant that for Argentina, for every US$ 1 in automotive goods exported to Brazil, a maximum of US$ 1.105 could be imported from Brazil tariff-free. These rules established the legal bases that shaped sectoral trade between the two countries in the following years.

First Stage of the Post-Convertibility Period (2002–7)

Duhalde Government (2002–3): Following the economic crisis of 2001, the country entered a period of political instability in which several presidents succeeded one another in the space of a few days.[51] Finally, on 1 January 2002, Duhalde – whose position in the Partido Justicialista (Justicialist Party, PJ)[52] conferred on him a certain amount of legitimacy – was invested as head of the country.

As already discussed, the integrated perspective of government policy analysis adopted in this article entails starting from the context and problems that policymakers faced and then exploring how these officials interacted with social actors. In light of this approach, it must be stressed that the immediate objective of Duhalde's government was to exit from the profound economic and social crisis that had brought him to power. To this aim, he carried out a series of coordinated policies directed at certain union, business and political actors who had been critical of the former convertibility regime. Among these, the UIA stood out for its

[51] On 20 Dec. 2001, President Fernando de la Rúa, who was member of the Alianza political coalition, resigned his position and the Senate leader, Peronist Ramón Puerta, was invested as president. On 23 Dec., another Peronist from the Partido Justicialista, Adolfo Rodríguez Saá, was invested. On 30 Dec., Eduardo Camaño, leader of the Chamber of Deputies, took over the national presidency.

[52] The PJ was founded by nationalist leader Juan Domingo Perón; it had been in power during the 1990s.

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support of Duhalde and for proposing a new economic model based on a high and stable exchange rate.[53]

These proposals were reflected in the new government's policies. The Argentine currency was devalued by 200 per cent: the exchange rate was increased from A$ 1 = US$ 1 to A$ 3 = US$ 1. Additionally, UIA chairman Ignacio de Mendiguren was appointed Minister of Production, sealing the alliance between the Duhalde government and the business association.[54] Mendiguren asserted one of the central ideas of the government's future policies when he stated: 'Argentina will export its way out of this crisis.'[55] Growth in exports was an important goal for the national administration due to the need for foreign currency after the external debt default in 2001.

The new political context impacted positively on the automotive sector's business power and especially on the automakers' structural power. In the then-current situation, the government regarded carmakers as actors capable of boosting industrial production, generating employment, spreading positive externalities and supplying commercial dollars – that is to say, dollars used in financial markets for transactions such as imports, exports and money transfers. The automakers' capacity to export most of their production was crucial, given the ongoing depression in the internal market and the lack of foreign currency.

Similarly, automakers wielded greater instrumental power over these years, i.e. the *relational* aspect of business.[56] During the Duhalde government, several people with direct or indirect links to carmakers were appointed to key positions, such as the aforementioned Minister of Production, Mendiguren, previously chairman of the UIA, an association in which ADEFA wielded significant influence. Another example is the Secretary of Industry, Dante Sica, founder and CEO of the ABECEB consultancy, whose main clients included automakers. Sica also acted as director of Peugeot-Citroen and advisor to the Federação das Indústrias do Estado de São Paulo (Federation of Industries of São Paulo State, FIESP) and to several Brazilian multinational companies with interests in Argentina.

The increase in automakers' structural and instrumental business power was central in their negotiations with the national government regarding trade policy. As Fairfield argues, 'business actors will get what they want more extensively and more consistently when structural power and instrumental power are both strong'.[57] Thus, these powers are more effective when they act in the same direction.

Reinforcement of the automakers' business power strengthened their bargaining position and impacted on the government's trade policies, regardless of suppliers' efforts to resist it. This was evidenced in the 31st Additional Protocol of the ACE between Argentina and Brazil,[58] in which a mechanism for raising the flex

[53]Ricardo Ortiz and Martín Schorr, 'La rearticulación del bloque de poder en la Argentina de la post-convertibilidad', *Papeles de Trabajo*, 1: 2 (2007), pp. 1–42: https://periferiaactiva.files.wordpress.com/2016/10/ortiz-y-schorr-la-rearticulacic3b3n-del-bloque.pdf.

[54]Marina Dossi, *Los industriales en su laberinto: Las estrategias políticas de la Unión Industrial Argentina durante el auge y la crisis neoliberal (1989–2003)* (Buenos Aires: Autores de Argentina, 2019).

[55]'La Argentina saldrá de esta crisis exportando', *La Nación*, 9 April 2002.

[56]See Table A.5.

[57]Fairfield, 'Structural Power in Comparative Political Economy', p. 421.

[58]ACE No. 14, 31° Protocolo Adicional (31st Additional Protocol), 11 Nov. 2002: http://www.sice.oas.org/Trade/ARG_BRA/ARGBRA_ProtXXXI.asp. See also note 48.

value was established, increasing the quantity of tariff-free imports allowed (see Figure 4).[59] Additionally, a retrospective flex trade value was imputed for 2001, increasing it from 1.105 to 1.6.[60] This last modification in effect waived sanctions on automakers that exceeded the flex trade value established for 2001. These changes entailed increased foreign competition for local suppliers as more parts could be imported tariff-free.

Moreover, the methods used for the quantification of locally produced parts in vehicles were modified. The new regulation (art. 23) established that 35 per cent of the vehicles' content had to be Argentine in origin. Nonetheless, its implementation was extremely complicated and it faced strong opposition from automakers.[61] Thus, like the PAM (see above), it was never effectively enforced, harming Argentine suppliers.

A new trade system was established in 2002: the Régimen de Aduana en Factoría (In-Factory Customs Regime, RAF), which enabled automakers to import parts and accessories tariff-free for the assembly of vehicles that would later be exported.[62] ADEFA had long demanded a similar scheme,[63] but it was strongly criticised by several small and medium enterprises (SMEs) as favouring a small number of big companies.[64] AFAC too opposed it: 'lowering the logistic [costs] of imported [parts] has an equivalent effect to lowering the tariffs on parts … We were aware of that, but the automakers were very powerful, and they [the government] said that the decision [to implement the RAF] had been made.'[65] ADIMRA was even more critical of the RAF, claiming that it was discriminatory, and filed a legal complaint about it.[66]

Néstor Kirchner Government (2003–7): In 2003, Kirchner, also from the PJ, became president. The economic cycle started to rebound, whilst the effects of the crisis remained. For this reason, Kirchner maintained the previous high exchange rate policy.[67] The rebound was facilitated by high international prices for Argentina's agricultural exports, which enabled the country to earn significant trade surpluses.[68]

[59] Specifically, in 2002 it was to be increased to 2; in 2003 to 2.2; in 2004 to 2.4; in 2005 to 2.6. Free trade was supposed to come into force from 2006, but never did.

[60] See PAM, art. 16 and ACE No. 14, art. 13.

[61] Cantarella *et al.*, 'Argentina: Factores que debilitan la integración de autopartes locales'.

[62] Decreto PEN No. 688/2002, April 2002: http://servicios.infoleg.gob.ar/infolegInternet/verNorma.do?id=73965.

[63] Interview with anonymous former automaker CEO, 24 May 2019, Buenos Aires.

[64] 'Controversia en torno de la aduana en factoría', *La Nación*, 23 July 2002.

[65] Interview with Juan Cantarella, 10 Oct. 2017, Buenos Aires. Raúl Amil (AFAC chairman) and Cantarella argued in an industry report (undated, but c. 2016/17) that this scheme deepened tariff inequity along the production chain. Whereas vehicles attracted an external tariff of 35 per cent, raw materials 10–12 per cent, and moulds and dies – which are essential to supplier production – 35 per cent, the average tariff on parts was only 6.5 per cent when the RAF was applied: http://www.afac.org.ar/archivos/HOME/Amil-Cantarella-informe%20industrial.pdf.

[66] Horacio Riggi, 'No controlan desde 2003 la importación de autopartes', *El Cronista*, 29 March 2005.

[67] Matías Kulfas, *Los tres kirchnerismos: Una historia de la economía argentina 2003–2015* (Buenos Aires: Siglo XXI, 2016).

[68] Centro de Estudios para el Desarrollo Argentino (Centre for the Study of Argentine Development, CENDA), *La anatomía del nuevo patrón de crecimiento y la encrucijada actual: La economía argentina en el período 2002–2010* (Buenos Aires: Cara o Ceca, 2010).

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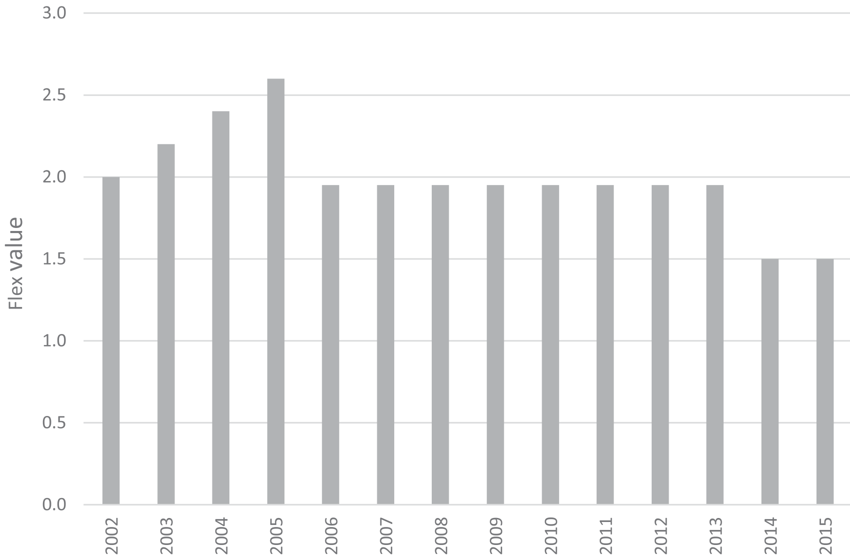

Figure 4. Automotive Industry Flex Value (2002–15)
Source: Author's elaboration based on data from the Asociación Latinoamericana de Integración (Latin American Integration Association, ALADI): http://www.sice.oas.org/Trade/ARG_BRA/ARGBRA_IndProt.asp.

The new government continued to prioritise policies for increasing production and exports, but it also sought to achieve additional goals. One of these was job creation, after falls in employment numbers in previous years. In this endeavour the state authorities assigned a central role to automakers. In the words of Kirchner, the sector was 'the backbone of economic growth'.[69] This idea was aligned with the government's vision of a 'socially inclusive model of production'.[70]

At the same time, the national administration was looking for new foreign investment in the production sector. This too favoured carmakers, given that they were large multinationals. Both these changes strengthened the automakers' structural power due to their leading role in the automotive chain and their capacity for attracting foreign direct investment.

Furthermore, the automakers' instrumental power also grew during these years, bolstered by the appointment to public office of people linked to the sector. One such was the Secretary of Industry, Miguel Peirano, an economist who had worked at the Centro de Estudios de la UIA (UIA Study Centre, CEU) and had ties to industry.[71] To address concerns about foreign investment, the government created the Agencia Nacional de Desarrollo de Inversiones (National Investments Development Agency).[72] On its board were advisors from some of the biggest

[69]'Elogio K al sector automotriz, que está paralizado', *Perfil*, 21 June 2007.

[70]*La Nación*, 11 Dec. 2007.

[71]See Table A.5 and Gabriel Obradovich and Luis Miguel Donatello, 'Los secretarios de la industria durante el kirchnerismo: Enraizamiento, autonomía y experticia', *Sudamérica: Revista de Ciencias Sociales*, 8 (2018), pp. 195–213.

[72]Decreto PEN 1225/2006, Sept. 2006: https://www.argentina.gob.ar/normativa/nacional/decreto-1225-2006-120259/texto.

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multinational companies in Argentina, including the automakers Volkswagen and Peugeot-Citroen;[73] its director was Beatriz Nofal, an academic specialising in the automotive sector, Under-Secretary of Industrial Development in the Secretariat of Industry and Foreign Trade between 1986 and 1988, and a designer of MERCOSUR.[74]

The automakers' instrumental power was also evident during Cristina Fernández de Kirchner's presidential campaign and at the beginning of her administration in 2007–8. In this context it is relevant that her final campaign event took place at the Volkswagen Argentina plant in October 2007 and that the head of the company, Victor Klima, planned the itinerary for her September campaign trip to Europe, accompanying her on one of the company's private planes. In Germany, Cristina Fernández said to Volkswagen executives that she was 'betting on Argentina's re-industrialisation process', in which the automotive sector would have a 'key role [to play]'.[75] After winning the election, she appointed Fernando Fraguío – CEO of the automaker Iveco, part of the Fiat group, and ADEFA's chairman 2006–7 – as Secretary of Industry. The government's aim behind this appointment was to establish a link with industry via the automotive sector.[76] In addition, ADEFA vice-chairman and Peugeot-Citroen Argentina CEO Luis Ureta Sáenz Peña was appointed ambassador to France.[77] These appointments stand out because of the generally low level of business recruitment to positions of state that characterised the Kirchner administrations.[78]

This increase in the automakers' structural and instrumental business power was reflected in negotiations between the automotive sector and the government regarding international trade policy. The zero-tariff regime on imports of capital and computer goods from outside MERCOSUR was extended for two years, eliciting a strong reaction from ADIMRA.[79] The automakers obtained tariff reductions, to 2 per cent, on parts produced outside MERCOSUR,[80] lowering the cost of imported automotive inputs. In exchange for this benefit, the government requested that the automakers invest more in the country.[81] Cristiano Ratazzi, Fiat Argentina CEO and ADEFA leader, commented on 'the satisfaction of the automotive companies with the reduction in tariffs'.[82]

[73] See Dulitzky, 'Del consenso a la discordia', p. 96.

[74] 'El Gobierno suma a una economista radical en un área clave', *La Nación*, 5 Oct. 2006.

[75] 'Los empresarios de las automotrices ya son los preferidos de Cristina Kirchner', *Clarín*, 2 Dec. 2007; 'Tarde de lobby en la ciudad de los autos', *La Nación*, 10 Sept. 2007. The quotation is from the latter source.

[76] Dulitzky, 'Del consenso a la discordia', pp. 102–3.

[77] 'Los empresarios de las automotrices'.

[78] For more details, see Ben Ross Schneider, 'Business Politics in Latin America: Patterns of Fragmentation and Centralization', in David Coen, Wyn Grant and Graham Wilson (eds.), *The Oxford Handbook of Business and Government* (New York: Oxford University Press, 2010), pp. 307–29.

[79] ADIMRA officials stated: 'Since the beginning of the destruction of the automotive supply industry in Argentina, ten years ago, 200,000 jobs have been lost and now we need another ten years of favourable industrial policy to start remedying the situation … There is no way we consider it to be a lost cause, because we are not going to let go until we get a positive response from the President' ('Polémica por una exención arancelaria', *La Nación*, 19 Jan. 2004).

[80] Resolución, Ministerio de Economía y Producción (Ministry of the Economy and Production) 497/2004, July 2004: https://www.argentina.gob.ar/normativa/nacional/resoluci%C3%B3n-497-2004-96920.

[81] 'Alianza de Economía y las automotrices para negociar con Brasil', *Clarín*, 28 July 2004.

[82] 'Autos: Buscan eliminar asimetrías', *Infobae*, 28 July 2004.

Second Stage of the Post-Convertibility Period (2008–15)

Cristina Fernández de Kirchner's First Government (2008–11): From 2008/9, the political and economic landscape altered abruptly as a consequence of different factors, including the international economic crisis, conflict between the government and agricultural businesses, the rise in inflation, the growing capital flight and increasing difficulties with the balance of payments current account.[83] In the industrial sector the cross-border trade balance started to show problems as imports of capital goods and intermediate inputs increased over these years.[84] Consequently, the hitherto prevalent mutually supportive relationship between the government and the economic elite started to change.[85]

In the automotive sector, after a fall in 2009, production increased at the end of that year, bouncing back from the most serious effects of the crisis. Thus, a second cycle of automotive growth began. This was leveraged by Brazil's domestic demand and appreciation of the *real*, and demand stimulus policies in Argentina.[86] However, this second rising phase exhibited several differences from the first. Between 2009 and 2013 vehicle production rose sharply (see Figure 3) but it was accompanied by a pronounced increase in imports of parts and accessories, intensifying the sectoral deficit. The cross-border automotive trade balance (see Table 1) between 2002 and 2007 was U$S –10,500 million. It increased to U$S –20,700 million between 2008 and 2011 and to U$S –25,800 million between 2011 and 2015, exacerbating the Argentine balance of payments problem. Automakers accounted for 70 per cent of the total trade deficit of the automotive sector over the period 2002–15.

These changes in the economic and political backdrop had several effects on the automotive sector and on its relationship with the government. In the first place, the rise in imports had consequences for the relationship between the automakers and the suppliers. ADEFA reported that local suppliers were reaching the limits of installed capacity and asked that they 'contain their costs' in order to avoid 'losing their competitiveness'.[87] The auto parts companies claimed that, after the international crisis, automakers had begun favouring Asian and European

[83]Alejandro Gaggero, Jorge Gaggero and Magdalena Rúa, 'Principales características e impacto macroeconómico de la fuga de capitales en Argentina', *Problemas del Desarrollo*, 46: 182 (2015), pp. 67–89; Kulfas, *Los tres kirchnerismos*.

[84]This balance of payments constraint has long been studied by Argentine scholars, who refer to it as '*la restricción externa*': the pressure on demand for foreign exchange that is generated in periods of economic and industrial growth in an economy with an unbalanced productive structure. For further insights see Andrés Wainer and Martín Schorr, 'La economía argentina en la posconvertibilidad: Problemas estructurales y restricción externa', *Realidad Económica*, 286 (2014), pp. 137–74; Marcelo Diamand, *Doctrinas económicas, desarrollo e independencia* (Buenos Aires: Paidós, 1973).

[85]Ana Castellani and Alejandro Gaggero, 'La relación entre el Estado y la élite económica', in Alfredo Pucciarelli and Ana Castellani (eds.), *Los años del kirchnerismo: La disputa hegemónica tras la crisis del orden neoliberal* (Buenos Aires: Siglo XXI, 2017), pp. 175–208.

[86]See Table A.4.

[87]'Las terminales y el Gobierno discuten por las autopartes', *La Nación*, 4 June 2010. Automakers claimed that local suppliers did not have enough capacity and that their products lacked quality. Regarding this situation, Peugeot-Citroen CEO Sáenz Peña argued that 'there are suppliers who have no intention of investing when asked to produce more': Oliver Galak, 'Tenemos 5 o 6 años de atraso en el desarrollo de autopartes', *La Nación*, 29 July 2011.

Table 1. Automotive Sector Cross-Border Trade Balance (2002–15) (thousands of US$)

a) Products				b) Automakers	
Year	Auto parts	Vehicles	Totals	Year	Automakers[a]
2002	−64,000	909,000		2002	489,874
2003	−549,000	115,000		2003	−444,481
2004	−1,274,000	−504,000		2004	−1,420,916
2005	−1,882,000	−552,000		2005	−1,979,572
2006	−2,799,000	−52,000		2006	−2,081,676
2007	−4,022,000	199,000		2007	−2,539,454
2002–7	**−10,526,000**	**115,000**	**−10,411,000**	**2002–7**	**−7,976,225**
2008	−5,238,000	−266,000		2008	−3,694,429
2009	−3,411,000	1,222,000		2009	−1,270,748
2010	−6,309,000	762,000		2010	−3,357,687
2011	−8,192,000	744,000		2011	−5,291,897
2008–11	**−23,150,000**	**2,462,000**	**−20,688,000**	**2008–11**	**−13,614761**
2012	−7,650,000	933,000		2012	−4,957,466
2013	−8,081,000	−607,000		2013	−6,412,713
2014	−6,591,000	2,252,000		2014	−2,734,181
2015	−6,330,000	311,000		2015	−3,591,418
2012–15	**−28,652,000**	**2,889,000**	**−25,763,000**	**2012–15**	**−17,695778**
2002–15			**−56,862,000**	**2002–15**	**−39,286,764**

[a]Net difference between total exports and imports of the 11 automaker companies based in the country.
Source: AFAC, UN Comtrade database and Argentine customs data (https://www.aduanaargentina.com/)

suppliers.[88] AFAC highlighted how the value of their investments appeared to have been 'eroded by trade policies that are far from respecting the basis of agreements … which could mean some automakers are abusing their dominant position'.[89] In addition, the suppliers accused automakers of 'avoiding their responsibilities and lacking commitment to the national authorities' initiatives'.[90]

The shift in the general context began to impact on the Argentine government's vision and strategy. As already noted, the integrated analysis perspective of government policy adopted in this research implies starting from the context and problems that policymakers address. It must be therefore be stressed that the

[88]'Por la importación coreana, peligra un rubro autopartista', *La Nación*, 8 July 2010; 'Las terminales y el Gobierno discuten por las autopartes', *La Nación*, 4 June 2010.

[89]AFAC press release 'Elusión de responsabilidades y la falta de compromiso productivo', 4 June 2010: http://www.afac.org.ar/imagenes/noticias/17_adjunto_2010-06-04%20Falta%20de%20compromiso%20productivo.pdf.

[90]*Ibid.*

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policymakers' problems started to change after 2008–9. In this new situation, despite the recovery in economic activity after the crisis, macroeconomic and external difficulties increased and became central to the government's priorities. This entailed a growing confrontation with the business elite, based on mutual recriminations about responsibility for the problems with the economy.

This shift also impacted on the position that carmakers occupied in the government's economic model: they stopped being regarded as foreign currency providers and instead were blamed for the sector's trade deficit. These changes in policymakers' perceptions negatively influenced the automakers' structural business power. As for the automakers' instrumental power, it too started to decline. This was apparent in the resignations of the two former automaker CEOs, Fraguío and Sáenz Peña, from their respective positions as Secretary of Industry and ambassador to France.[91] These movements marked a distancing between carmakers and the government, as well as a reduction in the number of state officials linked to the automotive sector.[92]

Against this backdrop and following the rise in protectionist policies around the world, Argentine trade policy for the automotive sector mostly attempted to reduce its external deficit. As a result, Licencias no Automáticas de Importación (Non-Automatic Import Licences, LNAs) were more widely implemented in the sector.[93] These comprised administrative procedures that were a precondition for importation and had the aim of discouraging and limiting imports (see Figure 5).[94]

The use of LNAs was extended to a vast array of goods throughout the 2008–11 period. Through this mechanism, the government pressured automakers into buying more locally produced parts, generating tensions between the automotive actors.[95] Eduardo Bianchi, Secretary of Industry and Foreign Trade between 2009 and 2012, stated that in 2011 'we applied LNAs to cars directly. They [the automakers] could not import cars if they did not pay attention to [local] integration. When I was there, we put LNAs on 800 products, but cars were added at the end [of the LNA regime], when the discussion with the automakers was already more bad-tempered.'[96] In response, the automakers threatened to shut down their plants and

[91]Having threatened to resign in April 2009, citing 'differences' with Minister of Industry Débora Giorgi (see 'El secretario de Industria, con un pie afuera del Gobierno', *Perfil*, 20 April 2009), Fraguío finally did so in October 2009; Sáenz Peña resigned in December 2010, for 'urgent personal reasons' ('El gobierno aceptó la renuncia del embajador en Francia', *El Argentino*, 30 Dec. 2010).

[92]An exception was the Minister of Industry from 2008 to 2015, Débora Giorgi, who had worked for the UIA and had links to the automotive sector. See Table A.5.

[93]Resolución, Ministerio de Industria (Ministry of Industry) 45/2011, 15 Feb. 2004: https://www.argentina.gob.ar/normativa/nacional/resoluci%C3%B3n-45-2011-179202.

[94]However, it should be noted that the automotive industry was not among the sectors most affected by LNAs at this time: these were textiles, electronics and toys. See Iván Heyn and Pablo Moldován, 'La política comercial en estructuras productivas desequilibradas: El caso de las licencias no automáticas de importación', in Pablo Ignacio Chena, Norberto Eduardo Crovetto and Demian T. Panigo (eds.), *Ensayos en honor a Marcelo Diamand: Las raíces del nuevo modelo de desarrollo argentino y del pensamiento económico nacional* (Buenos Aires: Miño y Dávila, 2011), pp. 179–203.

[95]AFAC press release 'Licencias No Automáticas de Importación', 17 Feb. 2011: http://www.afac.org.ar/imagenes/noticias/24_adjunto_2011-02-17%20LNA.pdf; 'Intentan que las automotrices compren más piezas locales'.

[96]Interview with Eduardo Bianchi, 15 Dec. 2018, Buenos Aires.

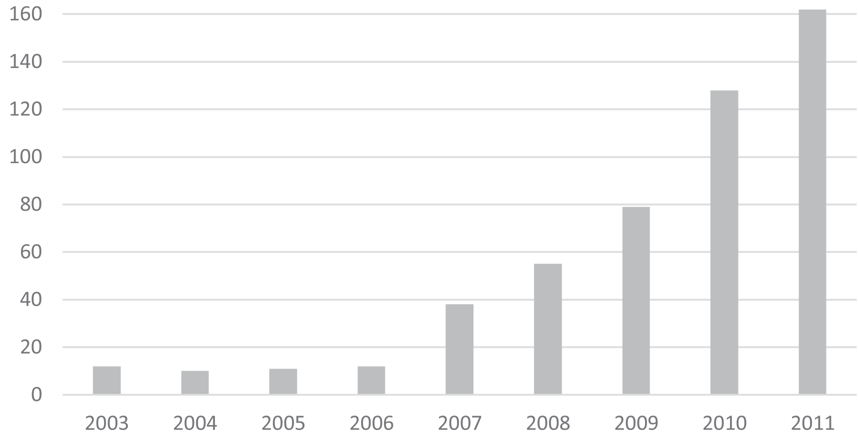

Figure 5. Number of Automotive Tariff Nomenclatures[a] Affected by LNAs, 2003–11
[a] Tariff nomenclatures provide for the systematic enumeration of all goods traded internationally and allow the determination of the rates of customs duty to be applied to any given product.
Source: Author's elaboration based on Argentine customs data (https://www.aduanaargentina.com/).

fire some of their employees.[97] The business power of the automaker companies had started to decline, entailing an increase in less beneficial protectionist trade policies.

Cristina Fernández de Kirchner's Second Government (2011–15): After Fernández de Kirchner's re-election in 2011, problems with Argentina's balance of payments were exacerbated by the rise in capital flight and energy deficits, and falling international commodity prices for the nation's main exports.[98] Furthermore, after 2013 conflict between the national government and the economic elite escalated, ushering in a stage of open confrontation.[99]

The growth being experienced by the automotive sector began to decrease by the end of 2013 due to Brazil's economic stagnation and its falling demand for vehicles. The Brazilian government had implemented the Inovar Auto Incentive Programme in October 2012, aimed at attracting automotive investments;[100] this resulted in Argentina losing foreign investments that went instead to its neighbour.[101] In addition, the Argentine vehicle market shrank as a result of an increase in domestic prices, the devaluation of the peso in 2014 and a rise in interest rates (see Figure 3).

Thus, during these years, some of the fault lines that had arisen in 2008–9 were exacerbated. The government's main objectives were to maintain economic growth and employment levels while trying to solve macroeconomic and balance of trade

[97] *Ibid.*
[98] Gaggero *et al.*, 'Principales características'; Kulfas, *Los tres kirchnerismos.*
[99] Castellani and Gaggero, 'La relación entre el Estado y la élite económica'.
[100] International Energy Agency, 'Inovar Auto Incentive Programme', 21 March 2019: https://www.iea.org/policies/2601-inovar-auto-incentive-programme.
[101] Interview with Horacio Cepeda, Chief of Staff of the Ministry of Industry (2008–12), Secretary of Industrial Strategic Planning (2012–15), 8 Feb. 2019, Buenos Aires.

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problems, most of which, in its view, were the consequence of the automakers' behaviour: these firms generated excessive profit margins that were being transferred outside the country rather than being invested in Argentina, leading them to be seen as being primarily responsible for the then current inflation and lack of foreign currency.[102]

As a consequence of these shifts, the automakers lost their former privileged position in the government's economic model, negatively affecting their structural business power. This change in perception is clear in President Fernández de Kirchner's criticism of automakers' hikes in prices: 'some rose, on average, 45 per cent more than the devaluation. You will say, "But the devaluation was so huge." Yes, but you do not pay wages in dollars, you have state-subsidised energy, and most parts are national [locally produced]. So, do not come telling me lies.'[103] Shortly thereafter, she claimed that 'when there is a fall in consumption or problems in the economy, discounts are made, but here they [the automakers] did the opposite'.[104]

In turn, whilst addressing worker lay-offs in the sector, Jorge Capitanich, government Chief of Staff, accused the carmakers of 'pressuring the government in order to receive special [assistance] measures' and of 'threatening workers' security in their attempt to establish a means of putting pressure on the government'.[105]

These years also marked a decrease in the automakers' instrumental power as increased recruitment of officials with backgrounds in the public sector took place,[106] with a concomitant decline in participation in state appointments by figures from the carmakers: this shows a reduction in the relational aspect of the automakers' instrumental power.

Against this new background, with changes in the government's view and the reduction in the automakers' business power, more restrictive foreign policies were implemented in the sector: further controls were imposed on imports to reduce the deficit in the automotive industry and automakers were required to export the same amount of goods, of any kind, that they imported.[107] All trade-related responsibilities – both internal and foreign – were condensed in a single official, who in January 2012 implemented new and more restrictive import permits, called Declaraciones Juradas Anticipadas de Importación (Advance Import Affidavits, DJAIs).[108] The automakers' response to these trade restrictions was to appeal to their home countries, which in turn reported the Argentine government

[102] Castellani and Gaggero, 'La relación entre el Estado y la élite económica'.

[103] 'Mensaje de Cristina a la Asamblea Legislativa, 2014', 2 March 2014: https://www.cfkargentina.com/cristina-asamblea-legislativa-2014/.

[104] 'El Gobierno lanzó el ProCreAUTO, una línea de crédito barato para comprar vehículos nuevos', *La Nación*, 23 June 2014.

[105] 'Jorge Capitanich ahora acusa a las automotrices: "Presionan al Gobierno"', *La Nación*, 3 June 2014.

[106] See Table A.5.

[107] 'Hyundai acordó con el Gobierno y compensará su balanza comercial exportando harina de soja, biodisel, vino y maní', *16 Válvulas*, 13 June 2011.

[108] These DJAIs required importers, prior to purchasing merchandise abroad, to seek authorisation from the Administración Federal de Ingresos Públicos (Federal Administration of Public Revenues, AFIP) for said importation. See 'Moreno ya controla de manera oficial todas las importaciones', *Clarín*, 13 Jan. 2012.

to the WTO,[109] and to force the UIA's chairman, Mendiguren, to make public statements in the media against these policies and the government.[110]

At the same time, the private sector's access to foreign currency was restricted because of shortages. This mainly affected automotive multinationals due to their inability to buy dollars and transfer profits to their headquarters abroad. Also, the government reinforced its protectionist measures in the sector, decreeing a 20 per cent decrease in imports of finished vehicles.[111] In addition, the 1996 law regarding taxes on luxury goods was modified to disincentivise the imports of these products,[112] with rates of taxes on luxury vehicles rising from 12.5 to 50 per cent. This change harmed the automakers, who tried to negotiate with the government to prevent it:[113] the manager of external affairs at Volkswagen Argentina during these years explained how ADEFA contacted different National Congressmen and women to seek to remove these modifications to the law.[114] Besides, a previous automotive agreement with Brazil (ACE No. 14; see note 58) was renegotiated in 2014, reducing the flex value from 1.95 – the value in force from 2006 to 2013 – to 1.50, reducing the number of vehicles and parts that could be imported tariff-free from the neighbouring country (see Figure 4).[115]

In 2014, the Secretary of Trade, Augusto Costa, worked on a project to set up a binational Argentine–Brazilian automaker company. This idea was approved by the Argentine president, who presented it to Dilma Rousseff, Brazilian president and member of the Partido dos Trabalhadores (Workers' Party, PT). However, despite being a regional political ally of Argentina, the Brazilian government rejected the initiative because it was unwilling to stand up to its carmakers.[116]

In respect of the supplier sector, several trends were observed. On the one hand, the government's new perspective tended to favour the suppliers' structural power, given its attempt to protect and promote the sector with the aim of reducing the trade deficit. The renegotiated bilateral trade agreement with Brazil was therefore viewed positively by AFAC (see note 115), given its more restrictive conditions on imports. On the other hand, however, the supplier sector's structural weakness

[109]WTO Dispute Settlements 438, 444, 445, 446, May and Aug. 2012.

[110]'Las automotrices impulsaron el enfrentamiento de De Mendiguren con el Gobierno', *La Política Online*, 24 Jan. 2012.

[111]'Ordenan bajar 20% la importación de autos', *La Nación*, 12 Dec. 2013.

[112]Law No. 24,674, 13 Aug. 1996, modified 31 Dec. 2013: http://servicios.infoleg.gob.ar/infolegInternet/anexos/35000-39999/38621/texact.htm, http://servicios.infoleg.gob.ar/infolegInternet/anexos/220000-224999/224579/norma.htm. Following this change in the law imports of luxury cars declined significantly in 2014 and 2015.

[113]'Por la floja demanda en Brasil, las automotrices suspenden más personal y bajan la producción', *La Nación*, 7 Dec. 2013.

[114]Interview reported in Alejandro Dulitzky, 'Las empresas multinacionales en la política local: Actores, relaciones y acciones políticas (Argentina, 2003–2015)', PhD diss., University of Buenos Aires, 2018, p. 169.

[115]AFAC considered this new agreement to be positive, 'an unequivocal sign that there will be trade management policies aimed at promoting investment balance in the region's automotive sector. In addition, very specific tasks are set for the coming months that are very relevant to the supplier sector': AFAC press release 'Negociación Política Automotriz Común', 6 June 2014: http://www.afac.org.ar/paginas/noticia.php?id=552.

[116]Augusto Costa, during an event to launch his book *Todo precio es político* at the Instituto de Altos Estudios Sociales, UNSAM, Buenos Aires, 27 Nov. 2019.

and inferior position in the automotive chain were intensified by the negative effects of the economic cycle after 2013. This meant that the prices of their dollarised inputs rose while at the same time their clients, the automakers, prevented them from raising their prices.[117] The suppliers had faced a dilemma: they could support government pressures to raise local content but if this affected vehicle production in any way it would have negative effects on them too. This limited room for manoeuvre constrained their business choices.

Conclusions

The current article examined how automakers and suppliers' business power shaped Argentine foreign trade policy in the automotive industry, noting in particular the shift after the 2008–9 crisis. The article began by describing how structural and instrumental business power were spread along the automotive chain at the beginning of the period. A significant asymmetry in favour of the automakers was detected with respect to both types of power.

Following these findings, the article studied how this power was deployed in negotiations with the national government. This examination was carried out via an integrated approach of the study of policy jointly considering social and statal dimensions. The underlying theoretical framework suggests rooting the empirical analysis in the problems faced by policymakers and bureaucrats in their specific contexts. In accordance with this theoretical framework, the main conditions in which each government of the period ruled were described.

After the 2001–2 economic crisis President Duhalde looked for a way to bring about a recovery in economic and productive activity while obtaining foreign currency. This new paradigm impacted positively on automakers' structural power because the government regarded them as actors capable of boosting industrial production, generating employment, spreading positive externalities and supplying commercial dollars. Their capacity to export most of their production was crucial given the ongoing depression in the internal market and the lack of foreign currency. Néstor Kirchner's economic policy was generally in line with that of Duhalde, which had yielded positive results. In the Kirchnerist model, the role of automakers was deemed crucial, and this allowed them to maintain a privileged position.

Simultaneously, at this stage, the automakers strengthened their instrumental power. This was observed in the relational aspect of business. Indeed, several people directly or indirectly linked to carmakers took on important positions in the state hierarchy. This increase in the automakers' structural and instrumental business power strengthened their bargaining position and was decisive in their negotiations with the national government regarding trade policy.

On the other side, the supplier sector's weak position in the automotive chain was reaffirmed throughout the period, limiting the strength of its claims on state authorities. This weakness was apparent in the suppliers' structural power – as they were always placed in a subordinate position to the automakers, owing to the greater importance that policymakers gave to the latter due to their leadership

[117]Interview with Raúl Amil, Chairman of AFAC (2014–22), 20 Oct. 2018, Buenos Aires.

position in the chain – and in their instrumental power, because their position in the automotive chain prevented them making demands on carmakers due to possible negative consequences with their monopsonist clients.

The reinforcement of the automakers' business power during these years strengthened their bargaining position and impacted on national trade policies, regardless of suppliers' efforts to resist them. This situation was reflected in several trade policies that were requested by carmakers such as the bilateral agreement with Brazil (with the increase in flex value), the RAF and the reduction of tariffs on a large number of auto parts (see Table A.4).

However, the crisis of 2008–9 represented a rupture in the economic and political context. Thus, even though the same political party was in power, when conditions changed they brought about a shift in the view and priorities of the government. In this new stage, the national authorities started to challenge the country's biggest companies, as they were considered responsible for most of the economic difficulties.

These changes in the economic and political context and in the strategies of the policymakers also affected the structural power of automotive companies. The automakers began to lose their privileged position in the economic model as they were regarded as contributing in large part to the trade deficit. In addition, these years marked a decrease in automakers' instrumental power due to the decline in participation in the state hierarchy by people from the carmakers.

The automakers' loss of business power entailed different negotiations with the national government, and this resulted in a reduced number of trade policy concessions towards them. More protectionist trade policies, such as LNAs and DJAIs, were implemented. This shift was also observed in the renegotiated bilateral agreements with Brazil (2014), in which the flex value was lowered. Moreover, restrictions on accessing foreign currency and the project for creating a joint automotive firm with Brazil are evidence of this path.

The research presented in this article therefore shows that the theoretical framework employed here offers an accurate perspective for the analysis of the influence of business actors over government, allowing a complete examination of the many causes affecting the design and implementation of policy. In the social sphere, the concept of business power permits analysis of the different attributes that businessmen can bring into play in their negotiations with the government. The value of these research tools lies in their extensive capacity for analysis: they allow for the capture of dimensions that otherwise fall into segregated compartments (statal/social or structural/instrumental) and propose broader explanations for the complexities exhibited by any social process.

In the case examined in this article, the theoretical framework enables the consideration of the multiple aspects involved, which had not been investigated in depth before. It is thus possible to understand more accurately how the automakers' and suppliers' business powers influenced the formulation and implementation of foreign trade policy, distinguishing in what way and to what extent they acted and the different results these generated during each of the time periods studied.

Appendix

Table A.1. Gross Production Value (GPV) in the Argentine Industrial Sector (millions of A$, adjusted to 2004) and Difference in Share in GPV of Industrial Sector (%) (2004–15)

	2004	2007	2011	2015	2004–15
Total industrial sector	**288,272**	**364,369**	**421,593**	**402,657**	
Food	89,283	112,062	119,385	123,070	−0.41%
Tobacco	2,044	2,063	2,141	2,015	−0.21%
Textiles	7,777	9,896	10,646	9,585	−0.32%
Clothing	7,328	9,605	11,930	10,419	0.05%
Leather	6,813	8,134	8,322	7,051	−0.61%
Wood	4,601	4,608	4,558	3,768	−0.66%
Paper	8,358	10,932	11,401	10,384	−0.32%
Publishing	7,188	9,816	12,098	8,724	−0.33%
Oil products	23,725	25,452	24,440	26,358	−1.68%
Chemicals	35,591	40,002	49,616	54,795	1.26%
Rubber and plastic products	12,592	14,885	16,560	17,154	−0.11%
Other non-metallic minerals	7,163	10,978	11,935	12,191	0.54%
Base metals	20,660	22,064	25,166	21,603	−1.80%
Other metal products	10,560	13,769	14,386	11,511	−0.80%
Machinery and equipment	10,803	17,099	23,526	19,878	1.19%
Office machinery	850	1,047	1,427	1,536	0.09%
Electrical devices	4,495	5,900	5,301	5,172	−0.27%
Radio and television	1,255	2,487	13,191	13,640	2.95%
Medical instruments	1,497	2,383	2,236	2,148	0.01%
Automotive	17,072	29,747	41,185	30,096	1.55%
Other transport equipment	1,078	1,270	1,181	914	−0.15%
Furniture	5,793	7,845	8,024	8,009	−0.02%
Recycling	405	510	584	550	0.00%
Repair, maintenance and installation of machines	1,343	1,815	2,352	2,084	0.05%

Source: Author's elaboration based on data from INDEC.

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Table A.2. Number of Formal Employees in Industrial Sectors (annual average) and Difference in Share in Industrial Employment (%) (2002–15)

	2002	2007	2011	2015	2002–15
Total industrial sector	**738,008**	**1,142,342**	**1,261,530**	**1,294,556**	
Food	238,099	317,989	361,181	385,187	–2.51%
Tobacco	5,464	7,024	7,296	7,079	–0.19%
Textiles	38,054	64,902	66,388	69,556	0.22%
Clothing	24,647	47,575	49,898	48,772	0.43%
Leather	28,336	40,645	47,298	42,582	–0.55%
Wood	17,917	32,625	31,439	29,286	–0.17%
Paper	23,513	33,058	34,960	34,488	–0.52%
Publishing	37,787	49,164	49,964	45,448	–1.61%
Oil products	9,618	11,061	9,590	10,202	–0.52%
Chemicals	63,370	89,910	97,787	111,571	0.03%
Rubber and plastic products	37,187	60,865	66,739	69,671	0.34%
Other non-metallic minerals	24,156	41,454	46,995	48,469	0.47%
Base metals	27,197	40,145	41,412	39,042	–0.67%
Other metal products	44,653	88,103	96,147	97,268	1.46%
Machinery and equipment	34,226	64,168	70,013	72,668	0.98%
Office machinery	992	2,485	3,352	4,308	0.20%
Electrical devices	10,734	19,330	22,079	22,162	0.26%
Radio and television	3,243	6,513	11,236	14,040	0.65%
Medical instruments	4,833	7,983	8,642	8,667	0.01%
Automotive	37,925	68,355	84,636	79,896	1.03%
Other transport equipment	5,285	10,639	12,057	12,015	0.21%
Furniture	19,687	35,627	38,955	38,694	0.32%
Recycling	1,088	2,724	3,467	3,486	0.12%

Source: Author's elaboration based on data from OEDE.

Table A.3. Exports of the Automotive Industry by Sector and Company (millions of US$) (2002)

Suppliers	
Total sector	523.5
Average per company within sector	0.4
Automakers	
Total sector	1194.2
Average per company within sector	62.8

Source: Centro de Estudios para la Producción (Production Studies Centre, CEP) and OEDE.

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Table A.4. Government Policies in the Automotive Sector (2002–15)

Period	Policy	Reference
2002–3	Increases in flex value until 2006	ACE No. 14, 31° Protocolo Adicional (31st Additional Protocol), 11 Nov. 2002 between Brazil and Argentina; see also note 59: http://www.sice.oas.org/Trade/ARG_BRA/ARGBRA_ProtXXXI.asp
	Encouragement of new vehicle purchases for savers who exchanged their deposits for public debt ('Boden 2012' dollar-denominated bonds)	Resolución No. 26/2002: https://www.argentina.gob.ar/normativa/nacional/resoluci%C3%B3n-26-2002-78683
	RAF: tariff-free imports of parts for the manufacture of vehicles for export	Decreto PEN No. 688/2002; see note 62
	Export agreement with Mexico	Acuerdo de Complementación Económica: Comercio Exterior (AAP.CE) No. 55, 27 Sept. 2002: http://www2.aladi.org/nsfaladi/textacdos.nsf/ca05a6ae01cc969583257d8100416d1e/49f7cdd2e4a9e05603257893005a65ae?OpenDocument
2003–7	Accelerated value-added tax refunds on investment plans	Resolución No. 634/2004: http://servicios.infoleg.gob.ar/infolegInternet/anexos/95000-99999/99021/texact.htm
	Reduction in tariffs on parts produced outside MERCOSUR from 7% to 2%	Resolución No. 497/2004: https://www.argentina.gob.ar/normativa/nacional/resoluci%C3%B3n-497-2004-96920
	Incentives for the substitution of imported with domestically produced parts	Decreto PEN No. 774/2005: https://www.argentina.gob.ar/normativa/nacional/decreto-774-2005-107593
	Trade agreements with Ecuador, Colombia and Venezuela	AAP.CE No. 59, 18 Oct. 2004: http://www2.aladi.org/nsfaladi/textacdos.nsf/ca05a6ae01cc969583257d8100416d1e/a87b9915768aab9b032578af004bcd49?OpenDocument
	Trade agreement with Peru	AAP.CE No. 58, 30 Nov. 2005: http://www2.aladi.org/nsfaladi/textacdos.nsf/ca05a6ae01cc969583257d8100416d1e/76bd2c93dc98a5850325789500538ef9?OpenDocument
	Suspension of free trade between Brazil and Argentina	ACE No. 14, 32° Protocolo Adicional, 29 Dec. 2005: http://www.sice.oas.org/Trade/ARG_BRA/ARGBRA_ProtXXXII.asp
	Adjustment of the maximum flex value to 1.95	ACE No. 14, 35° Protocolo Adicional, 28 June 2006: http://www.sice.oas.org/Trade/ARG_BRA/ARGBRA_ProtXXXV.asp
	Write-off of automakers' debt accumulated under 'Plan Canje' (subsidised vehicle exchange scheme) on	Resolución No. 90/2005: https://www.argentina.gob.ar/normativa/nacional/resoluci%C3%B3n-90-2005-106782

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Table A.4 (*Continued*)

Period	Policy	Reference
	presentation of investment plans	
	Credit lines from the Banco de la Nación Argentina for the development of production by automakers	'El Nación financia a las automotrices', *El Cronista*, 30 March 2006: https://www.cronista.com/impresa-general/El-Nacion-financia-a-las-automotrices-20060330-0025.html
	Tax cuts to encourage automakers to use locally produced parts and components	Ley No. 26,393: https://www.argentina.gob.ar/normativa/nacional/ley-26393-142170/texto
2008–11	Zero-rate credit lines and five-year fixed fee to buy budget cars	Oliver Galak, 'Financiarán la compra de autos a cinco años sin interés', *La Nación*, 2 Dec. 2008: https://www.lanacion.com.ar/economia/financiaran-la-compra-de-autos-a-cinco-anos-sin-interes-nid1076438/
	Plan to pay part of automaker and supplier workers' salaries (Programa de Recuperación Productiva (Productive Recovery Programme, REPRO))	Elizabeth Peger, 'La industria lidera los subsidios del Repro', *El Cronista*, 25 June 2009: https://www.cronista.com/impresa-general/La-industria-lidera-los-subsidios-del-Repro-20090625-0048.html
	Generous credits plan for automakers and suppliers (Programa de Financiamiento Productivo del Bicentenario (Bicentennial Productive Financing Programme), also known as 'Créditos del Bicentenario' ('Bicentennial Credits'))	'Créditos del Bicentenario', *El Cronista*, 21 April 2011: https://www.cronista.com/pymes/Creditos-del-Bicentenario-20110421-0011.html
	Administrative procedures to discourage and limit the import of parts and vehicles covered by LNAs	Resolución No. 337/2009: https://www.argentina.gob.ar/normativa/nacional/resoluci%C3%B3n-337-2009-156935; Resolución No. 45/2011: https://www.argentina.gob.ar/normativa/nacional/resoluci%C3%B3n-45-2011-179202
2012–15	Restrictive import permits (DJAIs)	Resolución General AFIP No. 3252/2012, 5 Jan. 2012: http://biblioteca.afip.gob.ar/dcp/REAG01003252_2012_01_05
	Reduction in flex value from 1.95 to 1.50	ACE No. 14, 40° Protocolo Adicional, 26 June 2014: http://www.sice.oas.org/Trade/ARG_BRA/ACE_014_Prot_040_s.pdf
	Tax rise on luxury goods, including vehicles	Ley No. 24,674, 13 Aug. 1996, modified 31 Dec. 2013: http://servicios.infoleg.gob.ar/infolegInternet/anexos/35000-39999/38621/texact.htm; http://servicios.infoleg.gob.ar/infolegInternet/anexos/220000-224999/224579/norma.htm

(*Continued*)

Table A.4 (*Continued*)

Period	Policy	Reference
	Credits for buying vehicles at low interest rates	'ProCreAUTO' scheme: 'Estos son los 26 modelos de vehículos que se pueden comprar con el ProCreAUTO', *La Nación*, 26 June 2014: https://www.lanacion.com.ar/economia/estos-son-los-26-modelos-de-vehiculos-que-se-pueden-comprar-con-el-procreauto-nid1703934/

Table A.5. Profiles of Selected Public Officials Involved in Automotive Foreign Trade (2002–15)

Secretaries of Industry and Foreign Trade		
Eduardo Braun Cantilo	Member of the Braun family (owners of the 'La Anónima' supermarket chain); UIA leader in the 1970s	2002
Carlos Leone	Entrepreneur: CEO of steel firm Acindar (ArcelorMittal)	2002
Dante Sica	Founder of ABECEB (consultancy to automakers); CEO of Peugeot-Citroen; advisor to FIESP and Brazilian companies	2002–3
Alberto Dumont	Career diplomat, specialist in trade relations	2003–5
Miguel Peirano	UIA	2005–7
Leila Nazer	UIA	2007–8
Fernando Fraguío	CEO of Iveco (Fiat Group); chairman of ADEFA 2006–7	2008–9
Eduardo Bianchi	Peronist activist with loose ties to sectoral interests	2009–12
Javier Rando	Public sector	2012–15
Ministers of Economy/Production/Industry		
José Ignacio de Mendiguren	Textile companies executive; UIA chairman	2002–3
Felisa Miceli	Public sector and private economic consultancy to SMEs	2005–7
Miguel Peirano	UIA	2007
Débora Giorgi	UIA	2008–15
Ministry of Industry Chief of Staff; Secretary of Industrial Strategic Planning		
Horacio Cepeda	UIA	2008–12; 2012–15
Director of National Investments Development Agency		
Beatriz Nofal	Academic specialising in the automotive sector; member of the centre–left Unión Cívica Radical; Under-Secretary of Industrial Development in the Secretariat of Industry and Foreign Trade (1986–8); one of the designers of MERCOSUR; contacts in the automotive sector	2006–10

(*Continued*)

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Table A.5 (*Continued*)

Secretary of Internal Trade		
Guillermo Moreno	Brief stint in the private sector	2006–13
Augusto Costa	Previous career in the academic sector	2013–15
Ambassador to France		
Luis Ureta Sáenz Peña	ADEFA Vice-Chairman; Peugeot-Citroen CEO	2007

Política de comercio exterior en la industria automotriz argentina: Un análisis del poder empresarial y su influencia en el estado nacional (2002–15)

El artículo busca analizar cómo el poder empresarial de la industria automotriz argentina influyó en las políticas de comercio exterior relevantes para el sector entre 2002 y 2015. Los métodos de investigación empleados combinan el uso de fuentes documentales, entrevistas a informantes clave y estadísticas descriptivas. Los hallazgos generales destacan cómo las automotrices concentraron mayor poder en la primera etapa del período, obteniendo mayores beneficios en términos de las políticas alrededor del comercio exterior. Sin embargo, los cambios macroeconómicos y políticos en Argentina después de 2008 impactaron negativamente en su poder empresarial, lo que llevó a un reducido número de concesiones comerciales.

Palabras clave: poder empresarial; sector automotriz; estado; comercio exterior

Política de comércio exterior da indústria automobilística argentina: Uma análise do poder empresarial de seus atores e sua influência no estado nacional (2002–15)

O artigo tem como objetivo analisar como o poder empresarial dos atores da indústria automobilística argentina influenciou as políticas de comércio exterior relevantes para o setor entre 2002 e 2015. Os métodos de pesquisa empregados combinam o uso de fontes documentais, entrevistas com informantes-chave e estatísticas descritivas. Os achados gerais apontam como as montadoras concentraram maior poder na primeira etapa do período, obtendo maiores benefícios em termos de política de comércio exterior. No entanto, as mudanças macroeconômicas e políticas na Argentina após 2008 tiveram um impacto negativo em seu poder empresarial, levando a um número reduzido de concessões de política comercial.

Palavras-chave: poder empresarial; setor automotivo; estado; comércio exterior

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