Argentina Sources and Methods

***Sample characteristics and sources***

To conduct the study for this chapter, we collected information of the 100 largest non-financial corporations[[1]](#footnote-1), according to their share *capital* at four benchmark years (1923, 1937, 1944, and 1954) and to their annual sales at other three-benchmark years (1970, 1990 and 2000). The choice of these seven benchmark years primarily reflects the different stages in Argentina’s economic history, but it also factored in data availability, in that board membership information is not readily or systematically available for most of the century.

In order to identify the largest companies in the period 1923-1954, we systematized information provided by *Guía de Sociedades Anónimas, Responsabilidad Limitada y Cooperativas* (1923, 1937, 1945) and *Guía El Accionista de Sociedades Anónimas* (1954 issue). Additionally, we relied on *El Avisador Mercantil* and *Veritas* (1923, 1937 and 1945) to compare the information about corporations’ capital. For the other benchmark years (1956, 1970, 1990, and 2000), we used the published ranking of 100 largest companies by annual *sales*, as provided by *Panorama de la Economía Argentina*, *Mercado* and *Prensa Económica*.

We collected data on board composition (considering only titular members and syndics**)** of the largest corporations for the period 1923 to 1954 from the *Guía de Sociedades Anónimas, Responsabilidad Limitada y Cooperativas* (1923, 1937, 1945) and *Guía El Accionista de Sociedades Anónimas* (1954 issue). Board membership data for 1970, 1990 and 2000 came from several sources, including *Guía de Sociedades Anónimas* (Chamber of Private Corporations, 1972), Dun's 1990 *Latin America's Top 25,000*, *Guía Bancaria de la República Argentina* (BCRA 1954), *Bancar* (1973), *Guía General del Sistema Bancario Argentino* (1991 issue), among others. We also collected nominal information of the boards’ composition in the following institutional repositories: Boletín Oficial de la República Argentina, Boletín Oficial de la Provincia de Santa Fe, National Exchange Commission, Argentina’s Corporation Control Authority (Inspección General de Justicia), Biblioteca de la Bolsa de Comercio de Buenos Aires; Banco Central de la República Argentina; Banco de la Provincia de Buenos Aires; Biblioteca CDI-Ministerio de Economía de la República Argentina, Nuevo Banco de Santa Fe, Banco Residual, and Fundación Banco de Santa Fe. We also gathered data from stock exchange manuals, financial yearbooks, firms’ annual reports and bibliographical dictionaries.

The final sample included 100 non-financial firms for all benchmark years with the exceptions of 1970 and 1990. In 1970, the sample included 95 firms; we used 102 companies in 1990. We also included the 25 biggest *banks* per year, though in 1970 we had 28. *Total deposits* were the main criterion for selecting the banks. We lack information about insurance companies, which were not among the biggest firms. We included other financial companies that were not banks in the main top-100 firm rankings (six in 1923, five in 1937, nine in 1944, eight in 1954, and four in 2000). The total sample for each year thus included 125 companies, except for 1970 and 1990, which contained 123 and 127 companies, respectively.

Some clarifications are relevant. First, throughout the twentieth century, only a few Argentinean companies have been listed on the stock market. Market capitalization thus is not a useful criterion for our sample. Second, because there were no rankings based on sales for the 100 largest firms before 1954 (and no information on sales either), we used two selection criteria, *share capital* and *annual sales*. Third, and as it was said, information of board composition is not systematically available for the most recent period. For this reason, in 1990 when the information on the board composition of the 100 largest firms included in the *Mercado* ranking was not available, we considered the largest 150 firms according to *Prensa Económica* ranking that were not in *Mercado*, until we reached 100 companies. In 1990, 9 firms came from the *Prensa Económica* ranking. In 2000, we only used *Mercado*´s ranking but we have added firms placed among the top-125.

Fourth, Argentina is a civil law country. Board members are appointed at shareholders’ meetings and entrusted with the immediate management of corporate businesses. Argentine laws do not require a specific number of board members. Until 1972, the only requirement to be a director was to be a shareholder of the company but, in practice, only one share was necessary. A new Company Corporation’s legal system was passed in 1972 (Act 19,550). Since then, it is not mandatory to be a shareholder of the company to be eligible as director. Directors are not eligible for re-election, unless it is expressly provided in the articles of incorporations and by-laws.

Board tasks include business management, property administration, and personnel governance. Until 1972, the directors of corporations were not liable for the company´s obligations buy they were personally and jointly responsible to the companies and to third parties for fraud, neglect or violations of the laws or the articles and regulations of the company. Later, board members share unlimited liability for their managerial decisions and compliance with current laws, by-laws, and shareholder meetings’ decisions. Courts’ decisions also have ruled that the director is liable for the sole fact of being a member of the board, insofar as it is deemed that the body was responsible for an act triggering its liability. Companies may divide competencies between their board and an executive committee (consisting of some directors). Act 19,550 made provisions for supervisory boards, but it continues to be optional, so few companies actually applied this system. From a legal perspective, and since the Companies Act allocates all managerial authority on the board, the Argentinean legal system falls within the “one system” category.

Fifth, our analysis includes the syndics (Síndicos), who represented shareholders and mostly audited Argentine corporations. Their key functions are to examine the corporation’s books and review its financial statements, annual reports, and to ensure that the board complies with the provisions of the Companies Act and the articles of association. The syndic is entitled to attend board meetings. This institution was obligatory until 1983, when a new law made it optional.

Main sources used to built the top 100-rankings and to collect the information of board composition (the following list is by no means exhaustive)

* Banco Central de la República Argentina, *Guía bancaria de la República Argentina: nómina de las entidades con la distribución geográfica de sus casas centrales y filiales*. Buenos Aires: BCRA, 1954.
* Banco Central de la República Argentina, *Memorias Anuales y Boletines Estadísticos*, Buenos Aires. Years: 1923, 1937, 1945, 1990 and 2000.
* *Boletín Oficial de la Provincia de Santa Fe*, Santa Fé, Years 1990 and 2000, Several issues
* *Boletín Oficial de la República Argentina*, Buenos Aires, Years 1990 and 2000, Several issues.
* Bolsa de Comercio de Buenos Aires, *Boletín La Bolsa*, Years: 1990 and 1991, Several Issues. Buenos Aires.
* Cámara de Sociedades Anónimas, *Guía de sociedades anónimas*. Buenos Aires: Cámara de Sociedades Anónimas, 1972,
* *Dun's Latin America's top 25,000*. Parsippany, N.J.: Dun's Marketing Services, 1990.
* El Accionista, *Guía de sociedades anónimas*. Buenos Aires: El Accionista, 1954.
* *El Avisador Mercantil* , Número Extraordinario, 1923, Buenos Aires.
* *Guía de Sociedades Anónimas 1944/45, responsabilidad limitada y cooperativas. (Buenos Aires, A. Dorr Mansilla, 1946).*
* *Guía de Sociedades Anónimas, responsabilidad limitada y cooperativas, 1937-1938, (Buenos Aires, A. Dorr Mansilla, 1938).*
* *Guía de Sociedades Anónimas. Anuario 1923-24 (Buenos Aires, A. Dorr Mansilla, 1924).*
* *Guía General del Sistema Bancario Argentino* Buenos Aires: Kopimab, 1991.
* *Latin Banking Guide Directory 2000-2001*, Price WaterHouse Coopers-Latin Finance, August 2001.
* Mercado, *Las empresas que más venden en la Argentina*, Agosto, Buenos Aires, 1990.
* Mercado, Las empresas que más venden*,* Nº 106, Buenos Aires, 1971.
* Mercado, Rankings. Las 1.000 que más venden. Julio, Buenos Aires, 2001.
* Panorama de la Economía Argentina, *Los ingresos de las grandes empresas*, Nº 4, 1958.
* Prensa Económica, *Ranking 1.000 empresas líderes*, N.188, October. Buenos Aires, 1991.
* *Revista Veritas*, Números Extraordinarios, Years: 1938 and 1945. Buenos Aires.
* Universidad Argentina de la Empresa & Instituto de Investigaciones Bancarias Y Monetarias, Ranking de Bancos. En: *Bancar*, N° 2, 1973.

1. Corporations or Sociedades Anónimas are the corporate type most widely used by the business community during the entire twentieth century. They can be public or closely held. A board of directors manages them. [↑](#footnote-ref-1)