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LADB Staff

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 Argentine President, Industrial Leader Consider Options to Boost Competitiveness

by LADB Staff  
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At a ceremony marking the 100th anniversary of the Argentine Industrial Union (UIA) in Buenos Aires, President Raul Alfonsin said national industry must develop competitiveness at home and abroad based on the incorporation of modern technology. Meanwhile, UIA president Roberto Favelevic asserted that for the majority of Argentine enterprises, prospects for increased productivity and production have been virtually exhausted. Alfonsin admitted there were many "obstacles" to overcome, and that the realization of world-wide competitiveness was "no easy task."

Favelevic was hardly optimistic, pointing out that the goal of competitiveness while laudable was not very realistic, considering the state of the nation's industrial base. He claimed Argentine entrepreneurs have been besieged with successive economic disasters and that capital equipment for most is either worn-out or obsolete.

In reference to the rapid improvements in productivity achieved by the Japanese and West German economies in the past two decades, President Alfonsin claimed there were few actions a government could consciously adopt to reconstitute the economy and encourage productivity which could compare with "wiping the slate clean" via war-time destruction. It appears, he said, as if nations require such "bitter medicine" to quickly rid themselves of old habits to undertake fundamental economic changes.

Later, Alfonsin stated that overall, Argentine entrepreneurs and producers are receptive to positive change. He said he believed they would accept the challenge of building competitiveness while dealing with the consequences of the "distortions" of underdevelopment and past economic policy errors, and the present foreign debt burden. The president reiterated that his government has put into motion a strategy based on the three "pillars" of export expansion, the broadening of regional economic capacities, and technological modernization of the productive apparatus. Argentine industry, he said, must achieve greater competitiveness on the basis of comparative advantage deriving from the incorporation of new technologies, rather than from low wage scales.

Favelevic countered by saying Argentine entrepreneurs operate in an environment characterized by a less than healthy economy, without prospects for sustained growth, and an unstable democracy. Industry, he said, cannot fulfill its major role of employing the labor force at high levels of productivity and remuneration in such environment. The ceremony took place in UIA headquarters and was also attended by Public Works and Services Minister Pedro Trucco, Economy Minister Juan Sourrouille and Labor Hugo Barrionuevo, among other top administration officials. (Basic data from Argentine news agency DYN, 02/10/87)