Cronyism in State Violence:

Evidence from Labor Repression During Argentina's Last Dictatorship

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Abstract

We study whether crony governance can extend beyond economic policy to the targeting of state violence against citizens. Specifically, we examine the logic driving the choice of firm level union representatives who were subjected to state repression by the 1976-1983 Argentine military junta. Using an original dataset, we find a positive, non-spurious, and robust correlation between labor repression and cronyism, measured by political, business and social connections to the regime. Our results indicate that the number of firm level union representatives victimized by the regime is three times higher for connected firms relative to non-connected ones. The effect is pronounced in privately owned (as opposed to state-owned) firms, suggesting that the correlation is driven by cronyism for financial gain rather than ideology or information transmission. We show that connected firms benefited from violence against union representatives by subsequently having less strikes and a higher market valuation. Our findings highlight the pervasiveness of governmental cronyism, even in cases where one of the regime's main stated goals was to curb such behavior.

Keywords: Political Connections, Labor Repression, Human Rights Violations, Argentina

JEL Classification: D73, D74, J52, N46

1. Introduction

Crony governance is typically understood as a system in which economic policies are chosen with the goal of materially benefiting connected actors. Economic policy, however, is not the only critical area of government decision-making. The monopoly over the deployment of violence is also a central characteristic of the state (Weber, 1946, p. 78). To that end, our paper fills a void in the existing research by examining the relationship between cronyism, the deployment of state violence, and private firms' economic gains. We focus on the case of the 1976-1983 Argentinean military regime, which is one the most infamous contemporary examples of the state deploying violence against its citizens.

The Argentine military regime was responsible for the "disappearance" (killing and/or imprisonment without due process) of purported supporters of leftist ideology, including a large number of union representatives and blue-collar workers (Lewis 2002: 147). According to statements from the military junta, the overall goals of the repression included not only the suppression of communist subversion, but also the restoration of economic efficiency and political stability. Indeed, the newly established regime branded itself as the National Reorganization Process (*Proceso de Reorganización Nacional*).[1]

The regime also aimed to eliminate the excessive influence of labor unions as well as particularistic interests over policy-making. In the words of General Jorge Rafael Videla (the head of Argentina's military junta following the coup):

> "Our objective was to discipline an anarchic society … regarding *Peronism*, to put behind its populistic and demagogic vision; with respect to the economy to go to a liberal market economy… In order to become more efficient, society

[1] See Novaro and Palermo (2013) for a detailed study of the military regime in Argentina.

needed to be disciplined. We thus also wanted to discipline unionism and crony capitalism (*capitalismo prebendario*)." (Reato, 2012, p. 159).[2]

However, whether firms close to the regime were complicit in the post-coup violence remains an open question and raises the possibility that cronyism may extend beyond economic policy and include the deployment violence. Recently, several qualitative accounts document this possibility. Take, for instance, the statement provided by the Argentine Commission for Human Rights (CADHU), asserting that the targets of violence were partly based on lists of "subversives" created by firms close to the regime (CADHU, 2014, p. 158).

This paper systematically examines the empirical implication of this claim, which is that the violence against the work force is correlated to firms' connections to the military junta. We primarily focus on firm level union representatives. Our data includes information that links individual victims to the firms and their place of employment.[3] Our measurement of connections to the regime is based on another comprehensive dataset of all company directors from Argentina's leading firms prior to the 1976 military coup. This original dataset traces directors' affiliations to the economic cabinet.[4] It also identifies directors' membership in social clubs as well as their social origins to proxy for their proximity to the regime's main policymakers.

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[2] *Peronism* is an Argentine political movement based on the political legacy of former President Juan Domingo Perón and his second wife, Eva Perón.

[3] We have information on the largest Argentinean firms. We do not include industry level union leaders in our study because the analysis relies on within industry variation in the targeting of violence.

[4] The economic cabinet was the body in charge of economic policy-making during the dictatorship. It was appointed immediately after the coup and consisted entirely of former business managers and directors of mayor companies in Argentina.

We find a positive and robust correlation between labor repression and cronyism, measured by political, business and social connections to the regime. This finding is consistent with the qualitative literature's claim that firms close to the regime were complicit in the post-coup violence. The effect of connections to the economic cabinet is of a substantial magnitude, corresponding to a relative 300% increase in the number of union representatives who disappeared. That is, the presence of a firm connection to a cabinet member raises the number of disappeared union representatives by almost one standard deviation. Measures of business and social connections to the regime deliver similar qualitative and quantitative results.

The results are remarkably stable across a battery of robustness tests that address identification concerns. These include a wide range of specifications, samples and methodologies. The results are robust to the inclusion or exclusion of a rich set of firms and industries characteristics that account for firms' size and location, firms' prominence and ideological affiliation, and pre-existing labor conditions. We also show that the proportion of union representatives affiliated with left-wing armed organizations is similar for connected and not connected firms, which implies that their ideology cannot account for different rates of disappearances across firms. The results are also robust to the use of propensity score weighting and matching connected to not connected firms, which eliminate all differences in observable average group characteristics between connected and not connected firms.

The main causal mechanism that we are interested in verifying is whether the targeting of violence toward connected firms was likely driven by considerations of financial gain. This is of special interest because it comports with common understandings of cronyism. We test for this mechanism by including it into the sample state-owned firms. These companies, unlike private firms, are not profit maximizers [World Bank (1995), Banerjee (1997), Shleifer (1998), and

Shleifer and Vishny (2002)]. Moreover, the military junta directly appointed their top management. The empirical findings show that private sector firms overwhelmingly drive the positive correlation between connections and union representatives' disappearances. As we explain in detail later, this result suggests that the effects of connections are not driven by plausible mechanisms that are potentially independent of financial gains such as credible information transformation or smoother transmission of commands from the regime, which should function more effectively for state-owned firms.

As for the effects of these disappearances, we find that connected firms that are subject to violence against its union representatives benefit from this violence in terms of less subsequent strikes and a rise in their market value.[5] Our results are consistent with a causal mechanism in which the disappearance of a connected firm's union representative credibly signals the firm's ability to deploy the repressive tools of the state to crack down on future labor unrest, which thus serves to reduce future labor activism. Overall, our findings indicate that connections to the regime played a significant role in driving the targeting of violence (despite the military junta's claim that one of their main goals was to end crony capitalism), and that connected firms that had their union representatives disappeared benefited from the selective deployment of violence.

This paper is broadly related to the literature on the effect of political regimes on workers' welfare. Rodrik (1999) documents a robust and statistically significant association between the extent of democracy and the level of manufacturing wages in a country. The findings in Przeworski et al. (2000) indicate that growth under autocracies tends to be both labor-extensive

[5] This result is consistent with Lee and Mas (2012). They report that private-sector unionization has a negative effect on firms' equity value. In our case, a weakening of private firms' unions (by eliminating firm-level union representatives) has a positive effect on firms' value.

and labor-exploitative. While this prior research assumes that all employers and owners of capital benefit equally from labor exploitation, in this paper we examine the selective nature of labor repression based on political connections. As such, our work contributes most directly to the literature on the value of political ties during turbulent political times [see Fisman (2001), Faccio et al. (2006), Guidolin and La Ferrara (2007), Ferguson and Voth (2008), Dube et al. (2011), and Acemoglu et al. (2016) among many others]. The analysis is also related to literature on the personal characteristics of politicians (Dal Bó et al., 2018) and to the interaction between violence and politics (Dal Bó and Di Tella, 2003).

Most of the related literature analyzes the effects of political ties on firms' profits. Our study, in contrast, focuses mostly on the welfare costs of connections, much like Cingano and Pinotti (2013) and Fisman and Wang (2015). In this sense our analysis is somewhat related to Fisman and Wang's (2015) study of the relationship between political connections of Chinese firms and workplace fatalities. They find that workers' fatalities are higher in politically connected firms. Our study is distinct from Fisman and Wongs (215) since the Argentinean junta played an active role in the disappearance of workers of connected firms, whereas in the Chinese case connected firms have higher workers' fatalities because they are more prone to avoid safety compliance measures. Therefore, while in Fisman and Wang (2015) deaths are due to government omission, in this paper they are due to government commission.[6]

Finally, this paper extends the burgeoning qualitative work on the role played by business groups during Argentina's military dictatorship. We discuss this literature in more detail in the

[6] We note that it is harder to assess welfare effects for our case than for Fisman and Wang (2015) because the counterfactual scenario is much less clear.

next section. We deepen these studies by being the first quantitative social scientific analysis of this topic.

2. Historical Background

On March 24, 1976, following a half-decade of increasingly intensifying violent confrontations between the left and right political sectors, a military junta led by General Jorge Rafael Videla undertook a military coup d'état in Argentina. According to the official registry of victims of state repression (Registro Unificado de Víctimas del Terrorismo de Estado, RUVTE) maintained by Argentina's Ministry of Justice and Human Rights, the regime was responsible for the murder or "disappearance" of at least 7,850 people, including hundreds of union representatives and blue-collar workers.

As stated above, the military sought not only to suppress communist subversion, but also to restore the country's economic efficiency and political stability. Indeed, the newly established regime branded itself as the National Reorganization Process (Proceso de Reorganización Nacional). As such, the regime's goals also explicitly included eliminating the excessive influence of labor unions as well as particularistic interests over policy-making (see quotation from Videla above).

In line with this goal, the military immediately launched an all-out attack aimed at undermining the structural basis of trade union power (Andersen 1993; Munck 1998). The military considered the unions' enormous strength to be highly problematic. The six million-member General Confederation of Workers (CGT) as well as the country's largest apex unions were intervened (i.e. the leadership was replaced) right after the coup. Additionally, the government abolished collective bargaining agreements and imposed a strict wage freeze while simultaneously

lifting price controls and devaluing the Argentine peso.[7] As a result, as shown in Figure 1, by late 1976 real wages had dropped an average of more than 50% relative to the last year of the Peronist regime (Panel A, taken from Sturzenegger, 1991), and the workers' share of the national income declined from 48.5% in 1975 to just 29% in 1976 (Panel B, taken from Lindenboim et al., 2005). Moreover, strikes, work slowdowns, and other forms of sabotage were declared by the junta to be "subversive activities," punishable with lengthy prison sentences (Munck, 1998).

Because firm-level union representatives and internal committee members typically led the protests and activities in the industrial plants before the coup (sometimes acting independently from the apex union leadership), they became main targets for repression.[8] Many of them were arrested and subjected to torture and/or killing without due process.

In terms of the logic of labor repression, one could think of some sensible alternatives to cronyism. The regime could have targeted union leaders with ties to violent militants as a means of reducing the level of workplace violence. Alternatively, repression may be aimed at optimally disseminating negative wage shocks. In this case the location of a firm in the network structure of an economy may affect how an idiosyncratic micro-economic shock to the firm propagates through

[7] See Canitrot (1980) for a detailed description of the military government's economic policies.

[8] At the time of the coup, workers of firms with ten or more employees were entitled to elect union representatives. The number of union representatives for each firm was regulated by legislation, and was proportional to the number of employed workers. Union representatives were usually voted by the workers of a firm's section or department in elections organized and held by the local branch of the national union. Internal committees were composed of several union representatives. The main task of the internal committee was to collect and convey workers' demands regarding labor conditions, health issues, wages, and any other specific complaints they may had (Basualdo, 2011).

the economy (see for example, Acemoglu et al., 2012). In this framework, firms within a productive sector operate a Cobb-Douglass technology which uses as inputs labor supplied by households and intermediate goods produced by other sectors. The matrix of cross-sector input requirements defines the input-output production network. A shock to a group of firms (or a single firm) may have a much larger impact on the macroeconomy if it affects the output not only of these firms (or firm), but also of others that are connected to them through the network of input-output linkages. In addition, shocks may work from input supplier firms to customer firms, or the other way around (i.e. from customer firms to input supplier firms). If, as stated by its leaders, the goal of the military junta was to efficiently disseminate a productivity shock through the economy, then Argentina's production structure should have played an important role in directing the targeted use of state violence.

However, cronyism is also a plausible explanation for several reasons. We define cronyism as the deployment of state violence to favor firms that are connected to the military regime. Official depositions from court cases indicate that firms with connections to the civilian technocrats in charge of economic policy provided lists of "subversives" in their work force to the regime.[9] The lists, according to these accounts were then used to target firm level union representatives and workers for disappearances. As such, anecdotal evidence suggests that connected firms were complicit in, and in some cases even instigated, the anti-labor violence that followed the coup.

[9] See, for example, Daimler AG v. Bauman, 571 U.S. ___ (2014); Ratto Héctor Aníbal s/ privación ilegal de la libertad, Cámara Federal de Apelaciones de La Plata, Expte. N° 405; Riveros, Santiago Omar y otros s/ privación ilegal de la libertad, Tribunal Oral Federal Nº 1 de San Martín, Provincia de Buenos Aires.

Court records also point to individual cases where firms used their connections to the regime to repress workers' demands. The "Noche del Apagón," a famous case brought against the Ingenio Ledesma, provides one example (Basualdo, 2006). In this case, blackouts took place between July 20th and July 23rd, 1976 in the towns surrounding the Ledesma plant. During the blackouts, the armed forces kidnapped between 300 and 400 individuals and took them to clandestine detention centers at the Ledesma plant, where they were tortured and interrogated. Ultimately, 55 of them disappeared.

In her testimony to the National Commission on the Disappearance of Persons (CONADEP, 1984, No. 3376), Olga Aredes states that: "My husband was loaded into the back of a van with the Ledesma company logo printed on the doors of the vehicle. The van was driven by a company's employee." Aredes also claims that Alberto Lemos, the CEO of Ingenio Ledesma, admitted to her that the company had made available its vehicles for the action carried out by the armed forces, in his words, "to cleanse the country of undesirables." He also said to her that her husband had been very damaging to the economic interests of the company Ledesma because of his activity helping the workers."[10]

In addition, several qualitative studies suggest that certain firms used their ties to the military regime to repress workers' demands [Basualdo (2006), Lorenz (2007), Cieza (2012), Basualdo et al. (2015), Dandan and Franzki (2015), Paulón (2015)]. Their conclusions, however, are based entirely on cases collected from a small sample of specially selected firms, rather than a

[10] In 2012 Carlos Blaquier, the owner of Ingenio Ledesma, and Alberto Lemos, its CEO, were found guilty of complicity in the illegal deprivation of freedom of 29 individuals during the military dictatorship. They were absolved of those charges in 2015 for lack of clear proof of their involvement and knowledge of the company's acts.

systematic analysis based on the universe of firms. It is possible that the experiences of these firms are atypical, and therefore unrepresentative for the rest of connected firms. In addition, these studies fail to consider the general logic of labor repression that we put forth. In practical terms, this implies that the effect of cronyism on labor union disappearances can only be evident once all other non-crony factors (such as firm's location in the Argentine economic structure, its size, the degree of labor activism, etc.) are taken into account. To the best of our knowledge, our study provides the first systematic analysis of how connections to the military regime affected labor repression at the firm level, even after accounting for alternative explanations that we described above.

3. Data

Our analysis is based on an original data set that includes detailed information on the largest Argentine firms at the time of the coup. We rely on two sources to identify them: the annual rankings produced by the business periodicals *Prensa Económica* and *Mercado* in 1975 and 1976. *Prensa Económica*'s annual ranking provides a list of the 300 largest firms, ranked according to their volume of sales and estimated profits. *Mercado*'s list ranks the 150 top-firms using similar criteria. These rankings are highly correlated with one another, but due to some slight differences in how their information was compiled, they do not include identical sets of firms. In our sample, 252 firms are listed in *Prensa Económica* and 132 firms are listed in *Mercado* (only one of those firms do not appear in *Prensa Económica*).

3.1 Firms' Connections to the Military Regime

We use different sources to build three measures to assess firms' connections to the military regime. Our main measure relies on the fact that following the coup, the Economic Cabinet (the body in charge of economic policy-making during the dictatorship) consisted almost entirely of former business managers. The cabinet was appointed by José Alfredo Martínez de Hoz, the Finance Minister of the military regime, who was himself a businessman with strong connections to U.S. banking and financial interests. Our first measure of political connections codes the firms of origin of the members of the post-coup Economic Cabinet as being politically connected. This information is based on work by Schvarzer (1986) and Castellani (2007, 2009), who provide a list of Martínez de Hoz's team members, along with their business affiliations (based on their participation as directors or board members of these firms). These members include the finance minister's inner circle, members of the Economic Cabinet, as well as members of his team in charge of specific organizations linked to economic policy-making.[11] For example, Martínez de Hoz was the CEO of Acindar, the country's leading steel manufacturer, before his appointment as Finance Minister. Therefore, we code Acindar as being politically connected to the regime. In addition, in robustness checks, we code all state-owned firms as connected to the regime, since the regime directly named these firms' directors.[12]

[11] A detailed list of all the members of the economic team with ties to private sector firms, including their names, agencies, and positions is available from the authors upon request.

[12] There are in the sample 31 firms owned by the state. These firms had a direct connection to the military junta, because their directors were appointed by the military regime (a sizable number of those directors were retired generals). The main analysis of the paper adopts a conservative approach and excludes state-

The first column of Table 1 includes the number of firms with cabinet connections for the top 300 firms as listed by *Prensa Económica* (Panel A) and the top 150 firms as listed by *Mercado* (Panel B). These panels exclude from the sample state owned firms. This column shows that, of the firms in the *Prensa Económica* sample, 10% are politically connected (22 out of 221 firms), whereas 13.5% of the firms in the *Mercado* sample are coded as politically connected (15 out of 111 firms).

One may be concerned that this measure of political connections is not be exogenous. Selection into the economic cabinet could have been driven by the goals of the military junta with respect to the outcomes that we are studying. To overcome this concern, we construct two historical measures of connections from several years before the military coup, when unions where actively collaborating with the government.

First, we use information on interlocking directorates involving the largest companies in Argentina to construct our second measure of connections. We collected information on 2,379 company directors from the Guía de Sociedades Anónimas (Joint-Stock Companies Guide), published by the Cámara Argentina de Sociedades Anónimas, Buenos Aires, in 1972. Using network analysis, we estimated the distance between Martínez de Hoz and each of the other 2,378 business executives in our sample, as measured by their common membership in the Argentine firms' boards of directors. We then calculated for each firm in our sample its "Martínez de Hoz distance" —which represents the number of links, through interlocking directories, by which each firm was separated from Martínez de Hoz. A higher number on the scale indicates that the firm is

owned firms from the sample of firms. As we show below, the results are robust to including or excluding state-owned firms from the analysis.

more distant from Martínez de Hoz.[13] Take for instance the firm Acindar (where Martínez de Hoz was CEO); the distance here would be 0. Indupa, in contrast, received a score of two since Martínez de Hoz served in Acindar's board with Jean Pierre Thibaud, who was in the board of directors of the Banco Francés del Río de la Plata with Indupa's Luis Maria Otero Monsegur. We then define the variable "Business Connections" to be equal to 8 (the highest possible distance in our sample) minus the "Martínez de Hoz distance" so that firms with higher "Business Connections" have closer links to Martínez de Hoz.

We believe that this is a plausible proxy for connections to the 1976 Economic Cabinet because firms with closer links to Martínez de Hoz are more likely to find a way to gain access to him and to his colleagues in the Economic Cabinet than firms that were isolated within the business community. It should also be noted that in 1972, when the *Guía de Sociedades Anónimas* was published, another military government led by General Alejandro Agustín Lanusse was on its last legs, and it was highly unlikely at the time that the armed forces would be in a position to stage a successful coup in the future (Fraga, 1988). Therefore, it is implausible that connections captured by this second measure were driven by the goals of the then unforeseen 1976 coup.

The mean value of business connections is 3.73 for the *Prensa Económica* sample, and 4.37 for the *Mercado* sample. In the *Prensa Económica* sample, 36% of the firms were three or less links away from Martínez de Hoz (see Column 4 in Table 1). Almost half of the firms were at most three links away from Martínez de Hoz in the *Mercado* sample.

Our last indicator for connections to the military regime measures firms' social ties seven years before the coup. To construct this measure, we matched the names of the active members in

[13] Firms with a distance from Martínez de Hoz greater or equal to 8 are classified as not connected to the regime. Therefore, this variable ranges from 0 to 8.

the 1969 roster of the *Jockey Club* to those of the business executives in our sample of 2,379 company directors gathered from the 1972 Guía de Sociedades Anónimas. Founded in 1882, the *Jockey Club* is the most traditional Argentinean social club, with membership restricted to the Argentine aristocracy. Its selection procedures allow for only a limited number of members, and relies on legacy quotas and the *black ball* method, whereby an anonymous negative vote by an existing member can effectively block the acceptance of a new one (Newton and Newton, 1966). These stringent admission rules are aimed at ensuring that only scions of patrician (i.e. "old money") families or those that have long invested in horse-breeding related pastimes are accepted as members.

For each firm in our sample, we calculated the number of directors listed as active Jockey Club members in 1969. The mean value for this measure is 2.03 for the *Prensa Económica* sample and 2.22 for the *Mercado* sample (the respective standard deviations are 1.89 and 2.03). On average, each firm has about seven board members. Therefore, a company with roughly 40% of its directors (3 out of 7) listed in the 1969 Jockey Club roster would be considered a very-well connected firm by this measure. Around 35% of the firms in our sample fall in this category (see Column 7 in Table 1).[14]

We believe this measure to be a reasonable indicator of a firm's social connections to the economic cabinet for several reasons. At the time of his appointment as minister, Martínez de Hoz was already a life member (*socio vitalicio*) of the Jockey Club – one of his ancestors was a founding member of the institution. The chance of a firm director being socially acquainted with

[14] Table 1 differentiates firms into two separate groups based on their business and social connections. We do this only for ease of exposition. The empirical analyses below rely on the entire distribution of business and social connections and don't group firms in any way.

Martínez de Hoz would thus plausibly increase to the extent that a firm has numerous members in the Jockey Club. Critically, this measure is reasonably exogenous since the stringent and idiosyncratic criteria for admission into the club are plausibly orthogonal to firms' desire to deploy violence against union representatives several years later.

3.2 Union Representatives Disappearances

We assembled a dataset on governmental violence against union representatives at the firm level using numerous sources. First, we consulted the records held by the *Archivo General de La Memoria*, an Argentine government agency (http://anm.derhuman.jus.gov.ar). These records, based on the pioneering work of Argentina's National Commission on the Disappearance of Persons (*Comisión Nacional sobre la Desaparición de Personas*, CONADEP), contain a comprehensive list of disappeared persons.[15] The sample consists of 8,253 documented cases of disappearances. Given the clandestine nature of the repressive activities carried out by the military government, the list of victims had to be compiled from depositions from relatives or friends of the disappeared. In many cases, the recorded information is restricted to a person's name, age, gender, as well as the date and place and where he/she was last seen before being abducted by repressive forces.

To link repressive patterns to the firms in our sample, we combined the CONADEP/Archivo General de la Memoria data with the information compiled by Izaguirre (2009). This database contains ancillary information on disappeared persons' place of work and

[15] The CONADEP was an organization created on December 15th, 1983 to investigate the fate of the individuals that disappeared during the dictatorship.

status at work (employee, union representative, etc.). We complemented this information with two comprehensive lists of disappeared union representatives included in Fernandez (1985) and Cieza (2012).[16] Our data cover 147 cases of arrested/disappeared union representatives who come from 30 firms in our sample. Our analysis focuses on firm-level union representatives rather than workers because we are only able to map a subset of disappeared workers to the firms where they worked.[17] We focus on firm-level union representatives rather than industry-level union leaders because that allows us to explore within-industry, across-firms variation (via industry fixed effects).

Table 1 displays the mean number of union representatives disappeared differentiating between connected and non-connected firms. The data indicate that the number of disappearances at connected firms is significantly higher than that of not connected firms for the three different measures of connections and the three different samples of firms. For example, in the *Prensa Económica* sample, the mean number of union representatives disappeared in firms with cabinet connections is almost ten times higher than that in firms without cabinet connections (3.05 versus 0.4). The mean number of disappearances increases as we move to the *Mercado* sample, which is a more selective subsample containing only more prominent and larger firms. This suggests that

[16] Note that all of these sources published information on union representatives' disappearances after the resumption of the democratic regime. In addition, the process of reporting included consulting direct family members, other relatives, and fellow workers. This makes it highly unlikely that we are missing any disappearance of a union representative. Hence, the analysis is unlikely to be affected by reporting bias of any kind.

[17] Based on the data collected by Izaguirre (2009), we only know the place of work for 490 disappeared workers out of over seven thousand workers disappeared.

some of the firms' characteristics may be associated with connections to the military regime and the disappearance of union representatives. The subsection below presents the data on firms' characteristics that we use to control for potential confounders.

3.3 Firms' Characteristics

Given the observational nature of our data, several concerns arise regarding causal inference. The first pertains to the companies' size and salience. Many of the largest Argentine firms in the early 1970s were probably more likely to be represented in the cabinet and to have more disappearances than their smaller counterparts even in the absence of a causal relation between the two variables.

To capture firms' size, we collected information on each firm's total estimated sales in 1975 (measured in millions of Argentine pesos of 1975). We also use firms' positions in the top-300 and top-150 ranking as a measure of their importance and salience. In addition, for a sub-set of firms in our sample we have information on their workforce size, which by law directly determines the number of union representatives. Workforce size is highly correlated with the other measures of firms' size. For example, the correlation of workforce size and firms' sales is over 0.74 for the top-300 and top-150 sample of firms. As such, we can confidently rely on firms' sales as a proxy of workforce size. We also distinguish between publicly traded firms from privately owned firms. Moreover, we classify firms according to their 3-digit industrial code using the 1974

Industrial Census.[18] These industry fixed effects also account for the fact that some industries have larger firms than others.

We also collected a host of additional information regarding the characteristics of the firms included in our sample to account for any possible confounders, reverse causality, and measurement error bias. If the goal of the junta was to use labor repression to disseminate a negative wage shock through the economy, we also need to consider each firm's location in the Argentine productive network. Demand shocks propagate more strongly from customer firms to input supplier firms than the other way around. In contrast, supply-side (productivity) shocks propagate more strongly from input supplier firms to customer firms than the other way around. As such, the strategic repression of union representatives should have targeted input supplier firms much more than customer firms. We established each firm's location in the Argentine economic structure using its 2-digit classification and the Leontief inverse of the 23-sector table of the 1970 Argentine input-output matrix from the *Secretaria de Planeamiento y Acción de Gobierno* (1970).

It may also be the case that firms with historically more combative labor unions experienced more disappearances. Combative unions may lead firms' executives to cultivate connections with the regime to help them suppress the union's demands. To address this issue, we collected information on firm-level labor conditions before the military coup took place. First, we distinguished between firms where collective bargaining agreements over salaries and working

[18] This code differentiates firms according to their main sector of production. Some of the categories are banking sector, textile, food products, wearing apparel, wood products, chemicals, machinery, motor vehicles, etc.

conditions (convenios colectivos de trabajo) took place at the firm rather than the industry level.[19] Second, we established if a firm experienced a firm-specific (rather than a general/industry-wide) strike in the year preceding the coup.[20]

It should also be noted that Argentina faced a scourge of kidnappings in the 1970s when many armed organizations resorted to them to finance their activities. Left-wing groups often targeted business executives, and high-ranking managers from multi-national corporations.[21] Therefore, another concern is that business executives who had hitherto been threatened and/or effectively harmed by left-wing armed organizations sought to exert revenge on their firms' political and labor activists after the coup took place. To account for this possibility, we distinguish firms that suffered at least one violent attack from armed guerilla groups (including kidnappings, as well as bombings and arson) in the five years before the coup from those that did not experience any attacks during the same period.[22]

A final concern is that the leaders of certain firms shared ideological affinities with Martínez de Hoz. As such, these companies could have successfully pursued connections to the

[19] We collected this information using the 1975 collective bargaining agreements themselves, which can be found at the Ministerio de Trabajo de la Republica Argentina: https://convenios.trabajo.gob.ar/ConsultaWeb/consultaBasica.asp.

[20] To gather this information, we reviewed the monthly reports published by DIL -- *Servicio de Documentación e Información Laboral* (Job Documentation and Information Service).

[21] The best-known case involved Jorge and Juan Born, who were released in 1974 after a ransom of 60 million dollars (the equivalent of $293 million today) was paid to the *Montoneros* organization.

[22] We built this variable using the list of incidents reported in Fernández Meijide (1988) as well as the information in the *Hechos Armados* dataset (Marín, 1996).

economic elite after the military coup. From an ideological standpoint, two main currents characterized the division between the business elites in Argentina in the early 1970s: liberalism and nationalism. The word "liberal," as Potash (1994: 210) notes, was usually a term applied to "... more or less conservative individuals who favored monetary stability, private over state enterprise, and close ties to the international economic interests ..." In contrast, nationalists "... favored economic policies that reserved a significant role for state controls and state-owned enterprises, and that sought to reduce Argentine dependence on international economic forces ..." (Potash 1994: 211).

As noted above, Martínez de Hoz belonged to a traditional cattle-ranching family, as well as to the cadres of "old guard" liberals (Canelo, 2008). Between 1964 and 1967, he served as president of the Argentine chapter of the Inter-American Council of Production and Trade (Consejo Interamericano de Comercio y Producción, CICYP). And, at the time of the coup, the association was led by Martínez de Hoz's right hand, Guillermo Walter Klein (h). Founded in 1941, CICYP's mission was to "… promote and defend the principles of private enterprise and individual initiative … throughout the Americas ..."[23]. To capture the effect of ideology on union leader disappearances, we distinguished between firms with and without ties to CICYP. We classify a firm as connected to CICYP if the firm was listed as a financial contributor to the association between 1974 and 1976.

Table 2 and Appendix Tables A.1 and A.2 examine differences in observed characteristics of firms with connections to the military regime and firms without connections to the regime. For each panel of each table, the first two columns show mean characteristics of the firms, while the third column presents the difference between the means.

[23] http://www.cicyp.com.ar/v2/perfil-institucional/

Balance tests of firms with and without connections to the regime indicate that several of their observable characteristics are relatively well balanced across these two groups in the samples of top 300 and top 150 companies. We do observe a handful (mostly not significant) differences in variables related to firms' size between connected and not connected firms. Importantly, all of the estimated specifications below include industry fixed effects so that we are controlling for some industries having larger firms, in order to further ensure that the results are not driven by firms' size. Aside from this, we include a battery of additional firm-level characteristics (which are listed in the tables) several of which could be reasonably controlling for firms' size. We think this strategy reasonably addresses the most salient identification concerns that arise from the balancing tests. This is especially the case when looking at the *Mercado* sample that includes only the top 150 firms which, as shown in the tables, are balanced in terms of their observable characteristics.[24]

Finally, as a robustness test, we (i) weight firms by their inverse propensity score of assignment following Abadie (2005), and (ii) use firms' ranks to match connected and unconnected firms that have adjacent ranks. As shown below in Section 6, these approaches eliminate all differences in average group characteristics between connected and not connected

[24] A remaining concern is that the samples of top 300 firms and top 150 firms are balanced because of their small sample size. This concern also implies a higher standard error for the estimated coefficient on connections to the regime, which should also lead to the rejection of a statistically significant effect for the main explanatory variable of interest. Section 6 below shows that selection on the estimated effect of connections on union disappearances is not likely to be driving the results of our estimations using the coefficient stability approach proposed by Altonji et al. (2005) and extended by Oster (2013).

firms, and therefore deliver samples of firms that are completely balanced in all of their observable characteristics.

4. Empirical Strategy

Our empirical strategy is designed to identify the effect of firms' connections to the regime on their number of disappeared union representatives. The unit of observation is the firm, and we model the number of disappeared union representatives of a firm as a function of the firm's characteristics, pre-existent labor conditions at each particular firm, the centrality of the firm on Argentina's economy, and whether the firm was connected to the junta's Economic Cabinet. Formally, we estimate the following Negative Binomial model:

$$(Union\ Disappearances)_i = \alpha\ (Connections)_i + \mathbf{X}_i\ \Phi + \mu_s + \varepsilon_i, \quad (1)$$

where $(Union\ Disappearances)_i$ is the number of union representatives of firm i who were disappeared, and $(Connections)_i$ is an indicator of a link between a firm and a member of the economic cabinet. We successively replace in subsequent regressions the measure of cabinet connections with our measures of business and social connections. $\mathbf{X}_i$ is a vector of the firm level control variables that were described in the previous section. μ_s is a fixed-effect for the firm's industry (according to firms' 3-digit industrial code). Unobserved determinants of union disappearances are captured by the error term ε_i.

Our interpretation of the coefficients is straightforward. We see robust, significant, positive coefficients for the proxy for connections to the regime as offering evidence of cronyism in the targeting of disappearances. This interpretation, of course, is subject to ruling out non-crony mechanisms that could be consistent with this correlation (which are addressed in Section 7 below).

5. The Effects of Connections on Union Disappearances

Before we move onto the systematic analysis of the effects of cronyism on union disappearances, we provide a preview of the main correlations of interest in Figures 2 to 5. These figures present bar charts of firms' mean number of union disappearances (Figures 2 and 3) and the mean propensity of firms to have at least one union disappearance (Figures 4 and 5). The graphs differentiate across firms by the available measures of firms' size (we use firms' rank in Figures 2 and 4 and firms' total sales in Figures 3 and 5) and by firms' cabinet connections to the regime. The thresholds we choose are such that every category includes a third of the available firms ranked by *Prensa Económica*.

As Figures 2 and 3 demonstrate, the mean number of union disappearances is substantially higher for connected firms vis-à-vis not connected firms for each group in the distribution of firms' size. Figure 2 shows that: (i) among the largest 33% of the firms (those ranked in the top 80 slots of the top 300 ranking), firms connected to the regime have on average more than two union disappearances than firms not connected to the regime; (ii) among the middle third of firms according to their rank, connected firms have on average almost 0.4 more disappearances than unconnected firms; (iii) connections to the regime have a strong impact on disappearances also among firms at the bottom of the ranking.

Figure 3 displays a similar pattern but focusing on firm's total sales in 1975. Figure 3 divides firms into three groups of equal sizes based on firms' total sales, and plots each group's mean number of union disappearances by connections to the regime. Figure 3 shows a strong and robust correlation between connections to the regime and disappearances across the distribution of firms' total sales.

Figures 4 and 5 replicate the evidence of Figures 2 and 3, but focusing on the likelihood that firms' have at least one union leader disappearance instead of their mean number of disappearances. We do this to address reasonable concerns that the total number of firms' union disappearances may be affected by a few outliers with a large number of disappearances. Figures 4 and 5 show that the correlation between connections to the regime and union disappearances is robust to this alternative specification. Union leaders' disappearances are more likely to occur in connected firms at each range of the distribution of firms' size, measured either by firms' rank or their total sales.

We turn next to the empirical estimation of model (1) using a negative binomial regression analysis. Table 3 presents estimations using the Top 300 sample of firms (the *Prensa Económica* sample). The first three columns show results for the three measures of connections with a limited set of controls while the latter three columns show results for the extended set of controls. All models include industry fixed effects. Note that board size is included as a control in the model with social connections because social connections is a count of board members that belong to the Jockey Club. Hence, without including board size in this specification the results may suffer from omitted variables bias from larger boards.

The estimated coefficients show that the effect of connections is substantively strong and robust for all measures of connections. Having a cabinet connection to the military regime is associated with the disappearance of 3.36 additional union representatives (this effect is based on the estimated incidence ratio which equals 4.357).[25] Substantively, the effect is equal to a standard

[25] If α is the estimated negative binomial coefficient, then $[e^{\alpha} - 1] * 100$ can be interpreted as the average percentage change in *Union Disappearances*$_i$ from a one-unit change in *Connections*$_i$, the covariate of

deviation increase in the number of disappearances. For business connections, a unit decrease in a firm's distance from Martínez de Hoz is associated with a 36% increase in union representative disappearances. Accordingly, moving from a firm without any links to Martínez de Hoz to an extremely connected firm would lead to 2.88 additional disappeared union representatives.[26] Regarding social connections, for each additional director who is listed as an active member of the Jockey Club, a firm's number of disappeared union representatives increases by 39%.

While connections drive disappearances, other variables also play a substantial role. Larger firms have more disappearances (a low number for ranking implies a larger firm). Publicly traded companies are associated with a decrease in disappearances. There is also evidence that firms with a more hostile labor environment had more disappearances. Disappearances of union representatives increase for firms that experienced strikes before the coup and decrease in the presence of a prior bargaining agreement. Firms that suffered attacks prior to the coup also seem to be associated with more disappearances.[27]

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interest. Although Table 3 presents estimated negative binomial coefficients, these coefficients are converted to marginal changes when the results are discussed in the text.

[26] The results on business connections are robust to using other prominent members of the cabinet for anchoring. For example, in results available from the authors upon request, we show that regressing disappearances on the distance of firms to Guillermo Walter Klein (the Secretario de Estado de Programación y Coordinación Económica, under the supervision of Martínez de Hoz – the Finance Minister) delivers similar results.

[27] In a separate analysis (available from the authors upon request) we added to the estimated models interactions between connections and strikes before the coup and between connections and attacks before the coup. The estimated effects of these interactions are not consistently significant across different

Regarding firms' location in the Argentine productive structure, the results are consistent with the "strategic" labor repression strategy discussed above. Input supplying firms experienced more disappearances than customer firms. This finding suggests that, in addition to cronyism, curbing inflation also played a role on the targeting of union representatives.[28] The size of the coefficient is quite large; yet, three important considerations must be kept in mind. First, a one-unit increase in the input supplier firm measure corresponds to an almost two-standard deviation increase in the indicator's mean value. Second, the firms in our sample are both input suppliers as well as customers of other firms (the measures are correlated at 0.17). Therefore, the net effect of being an input supplier firm needs to account for the negative effect of being also a customer firm. Third, the measure captures the location in Argentine input-output matrix for groups of firms, rather than individual ones. Therefore, it is not possible to accurately determine the actual size of the variable's firm-level effects.

measures of connections and samples. Hence, there isn't a significant difference in the number of union representatives' disappearances among connected firms, based on whether or not they suffered from strikes and/or attacks before the coup. In addition, we collected data on violent attacks from armed guerilla groups (kidnappings, bombings and arson) between 1971 and 1975. These data show that guerrilla groups did not systematically target connected firms during this time period.

[28] As mentioned above, one of the main economic goals of the dictatorship was to lower the inflation rate, which was at the time over 300%. To this end, the economic plan ended the indexation of wages to inflation. If union disappearances are an effective tool to reign on workers' demands, the most efficient way to curb inflation is to avoid price increases at input supplying firms. That is, specifically target union representatives at firms whose price changes tend to propagate to the rest of the economy.

Table 4 focuses on the *Mercado* sample of firms, which includes only the top 150 firms. The point estimates for connections are still of a substantial magnitude even when we restrict the sample to a balanced set of large and homogenous firms. Although cabinet connections do not seem to have a substantial effect on disappearances, business and social connections substantially affect the number of union representatives' disappearances. Moving a link closer to Martínez de Hoz is associated with a 19% increase in union representatives' disappearances. Similarly, a firm's number of disappeared union representatives increases by 22% with each additional director who is listed as an active member of the Jockey Club.

Strikes before the military coup continue to be strongly associated with disappearances. The effect of firms' location in the Argentine productive structure on union leaders' disappearances is also large and statistically significant for this sample of particularly large firms. The size of the effect is arguably magnified by the smaller sample size. It should also be noted that the effect of firms' ranking and total sales is not statistically significant, even if we control for firms' sales using a non-linear specification. These results give further support to the idea that the *Mercado* sample of firms is balanced.

6. Robustness Tests

Our main specification includes several proxies for firms' size, like firms' rankings (an indicator for firms' market value) and their total sales. While these variables are arguably correlated with firms' number of workers, there is still a concern that they do not completely account for it. This section conducts a series of robustness checks to make sure that the impact of connections on disappearances: (i) is not a mechanical artifact of larger firms having more union representatives; (ii) is not driven by particularly large firms with outlier number of disappearances;

(iii) is not a consequence of firms' location; (iv) is not explained by worker's ideology; and (v) is not a consequence of imbalances on the observed characteristics of connected and unconnected firms.

6.1 Including Additional Controls for Firms' Size

We begin this section by adding firms' number of workers to the estimated model. As mentioned above, these data are not available for all firms (the sample size decreases from 221 to 90 firms when focusing on firms in *Prensa Económica* and from 111 to 60 for firms listed in *Mercado*). With that caveat in mind, this is still a useful robustness test because, by a law passed in 1973, firms' number of workers mechanically determines their number of union representatives. Hence, when controlling for firms' workforce size we are basically estimating the effects of connections on the share of union representatives disappeared.

Columns 1 to 3 of Table 5 show the results of adding firms' number of workers to our extended controls specification of Tables 3 and 4. The top panel shows the results for the top 300 firms and the bottom panel shows the results for the sample of top 150 firms. The estimates for number of workers are positive and significant only for the Top-300 sample of firms. This confirms that firms with more workers also have more union representatives disappeared, and also that firms in the Top-150 sample are well balanced in terms of their observable characteristics. Importantly, the estimated coefficients for connections to the military regime remain positive, statistically significant and of a substantial magnitude for five out of six specifications despite the small sample size. Again, connections are not the only variable affecting disappearances. Strikes before the coup, one of the main proxies related to economic efficiency considerations, is also positive and significant across all specifications.

The specifications in Columns 4 to 6 of Table 5 control for firms' number of disappeared workers. As mentioned in Section 3.1, Izaguirre (2009) compiled a detailed data set with characteristics of individuals that disappeared during the dictatorship. This list contains the name and place of work for 490 workers. Combining Izaguirre (2009) with Fernandez (1985), we are able to build a more comprehensive data set. Unfortunately, we are not able to build a similar data set for the rest of workers disappeared because Izaguirre's (2009) list does not include the firms' affiliations for workers that disappeared outside their workplace. Hence, the available variable for number of workers disappeared is only a noisy indicator that may suffer from measurement error.

With those caveats in mind, Columns 4 to 6 add this variable to model (1). The results of the regressions show that our results are also robust, for the most part, to including this variable in the analysis. The coefficients for the disappearance of workers are positive and significant (though only for the *Prensa Económica* sample), and so are the effects for connections to the regime. These results are remarkable given that the correlation between workers' and union representatives' disappearances is very high (0.68 for top 300 firms and 0.71 for top 150 firms).

Columns 7 to 9 in Table 5 exclude from the sample firms with an unusually high number of disappeared union representatives. There are in our data set five firms with over 10 disappeared union representatives. Given that 95% of the firms in the top 300 firms sample have less than three union representative disappearances (the median number of disappeared union representatives equals 0 and the mean equals 0.607), firms with over 10 union representatives'

disappearances are clear outliers.[29] This raises the concern that a few firms with particularly high number of disappearances are responsible for the effect of connections on disappearances.

The last three columns of Table 5 address this concern. These columns eliminate from the sample the five firms with over 10 union representative disappearances. As these columns show, the results are not affected at all by eliminating the five outliers from the sample. The point estimates remain high and statistically significant, and are even of a higher magnitude than the respective point estimates in Tables 3 and 4.

6.2 Accounting for Firms' Geographic Location

In addition to firms' size, another relevant concern is that firms' locations may be correlated with union representatives' disappearances. It is possible that connected firms are located in areas more accessible to the military, thus explaining their higher number of disappearances compared to firms without connections. Unfortunately, controlling for the geographical distance of a firm's headquarters from Buenos Aires would not tell us much about how easy or difficult it would be for union representatives to escape repression. First, most of the firms in our sample operated in multiple geographical locations throughout the country. For example, Acindar had its headquarters in the City of Buenos Aires, but its main production plant was located in Villa Constitución (Santa Fe province) with additional plants scattered across the

[29] The firms with over 10 union disappearances are Acindar (29 union disappearances), Ford (25), Fiat (14), Dalmine Siderca (14) and Renault (11). These are all very large and prominent firms. Except for Dalmine Siderca (which at the time was ranked in the 20th position), the rest of them are ranked among the top 10 firms by *Prensa Económica*.

country. Second, many union representatives were not caught in their workplace, but rather at home, or in some other location as they were already on the run.

This subsection relies on ancillary information on disappeared union representatives included in the data compiled by Izaguirre (2009) to examine whether firms' geographic location had an effect on military repression. The variable COD-POST-Desaparición in Izaguirre's (2009) data identifies the postal code where the union representative was reportedly seen for the last time before his or her disappearance. These data are available for 116 disappeared union representatives in the firms included in *Prensa Económica*. Using this information, we calculate for each disappeared union representative his or her distance from Argentina's kilometer zero using the CataroMap website (https://www.cataromap.com.ar/web/distancia-entre-cps.php). Located in the City of Buenos Aires, kilometer zero is a monolith that symbolizes the starting point of the country's road network. As such, this indicator (distance from the starting point of the road network measured in kilometers) should control for remoteness of union representatives' locations at the time of their disappearance.

A potential concern is that non-connected firms have less union representatives' disappearances than connected firms due to geographical factors. To examine this issue, we compared the average distance from kilometer zero for the union disappearances in connected versus non-connected firms. The average distance from kilometer zero for the 33 union representatives disappeared from connected firms is 293.82 kilometers (with a standard deviation equal to 344.95 km). The average distance from kilometer zero for the 83 union representatives disappeared from non-connected firms is 261.17 kilometers (with a standard deviation equal to 439.88 km). The difference between the two equals 32.65 with a standard error equal to 85.5. This result shows that the number of union representatives disappeared in connected firms is not

affected by firms' locations vis-à-vis the number of disappearances in firms without connections to the economic cabinet.

6.3 Accounting for Union Representatives' Ideological Affiliation

An additional threat to our identification strategy is that the robust correlation between union representatives' disappearances and firms' connections may be the consequence of union representatives' ideology. We know from numerous government statements that one of the government's first priorities was to eliminate individuals tied to armed groups. The observed correlation between disappearances and connections may not be driven by cronyism, but by leftist armed groups infiltrating these firms before the coup. A high proportion of disappeared union representatives who are not connected to armed groups in connected firms (relative to non-connected firms) would then be more supportive of repression of union representatives driven by firms' priorities rather than by government priorities.

To address this issue, we rely on the data compiled by Izaguirre (2009). The data include a variable called MILITANCIA, which classifies each disappeared union representative into 30 different categories. These include political activist, trade union representative, community organizer, student activist, etc. Moreover, it also includes a variable called LUGAR-MILITANCIA, which provides additional information regarding the type of organization were each of those individuals exercised their activities. For example, Unión Obrera Metalúrgica (UOM) for trade unionists, and Federación Universitaria de Buenos Aires (FUBA) for student activists. Most political groups classified by Izaguirre (2009) correspond to political-military organizations, such as Montoneros, Ejército Revolucionario del Pueblo (ERP), Frente Argentino de Liberación (FAL), etc.

We use this information to identify disappeared union representatives with ties to left-wing armed organizations. This detailed information is available for 135 union representatives in the firms included in the *Prensa Económica* ranking (excluding state-owned firms). Table 6 presents the distribution of cases according to firms' connections to the Economic Cabinet (percentages in parenthesis). The data show that less than 30% of disappeared union representatives in connected firms were linked to armed groups, while the number for non-connected firms is close to 50%. While suggestive, this evidence supports a firm driven rather than a government driven mechanism behind the repression of connected firms' union representatives.

6.4 Estimating the Extensive Margin of Connections to the Regime

The analysis thus far estimated the effects of political, business and social connections on the number of union representatives' disappearances (e.g., the intensive margin of connections). Table 7 focuses instead on the effects of connections on the probability of having union representatives disappeared; that is, the extensive margin of connections on disappearances. This table shows estimates from a linear probability model where the dependent variable equals one for all firms with union disappearances and zero otherwise. The results of these estimations confirm that firms with connections to the regime had a significantly higher probability of union disappearances. The estimated coefficients are of a substantial magnitude. They imply that cabinet connections to the regime are associated with an increase of 10% to 15% in the probability of a union representative disappearance. We observe a similar effect when we move from a firm without links to Martínez de Hoz to one that is closely connected to him, either through business or social connections.

We use these linear probability models to compute Oster (2013) ratios.[30] Oster (2013) builds on the Altonji, Elder and Taber (2005) ratio, which compares how much the coefficient on connections declines as we add control variables. Oster (2013) generalizes this ratio to account for improvements on the overall fit when controls are added. The higher the ratio, the stronger would selection on unobservables have to be relative to selection on observables to completely explain away the estimated effect. Importantly, this approach assumes that the variation on union representatives' disappearances related to the observables has the same relationship with connections to the regime as the part of the variation driven by unobservables.

For the models estimated in Table 7, the R^2 of models with controls is roughly 10 times higher than the R^2 of models without controls.[31] This confirms that the observables included in the estimations account for a substantial share of the overall variation. As a consequence, the estimated Oster (2013) ratios of the degree of selection on unobservables to the degree of selection on observables for statistically significant coefficients range from 2.43 (for the model on cabinet connections using the top 300 sample of firms) to 6.1 (for the model on business connections using the top 150 sample of firms). This implies that selection on unobservables would have to be substantially stronger than selection on observables for our main result to be overturned.

[30] We are not able to compute Altonji et al. (2005) or Oster (2013) ratios for previous estimations because these ratios can only be computed for linear models.

[31] The R^2 for models without controls using the top 300 sample of firms are 0.048, 0.047, and 0.043 for cabinet, business and social connections. The R^2 for the sample of top 150 firms are 0.029, 0.050, and 0.033.

6.5 Focusing on Neighboring Firms and Using Propensity Score Weights

We have established large and robust differences between connected and non-connected firms in terms of labor repression, with connected firms showing more union representatives' disappearances than non-connected firms. Given the observational nature of our data, our interpretation of these results should be tempered with the possibility that differences between these firms might reflect omitted variables. One particular concern is with respect to firms' size. One strategy to address this concern is to focus only on firms that happen to be ranking neighbors (i.e. placed next to each other), but differ from each other regarding their connections to the regime.[32]

Given the rankings, we can generate two sets of neighboring samples. The first one, based on *Prensa Económica* is restricted to 39 sets of neighboring firms, while the second one (based on *Mercado*), contains 24 sets. We verify that there are no significant differences in the observed characteristics between these firms, which leads us to expect that there wouldn't be any differences either in their unobservable characteristics. To capture the effect of connections on disappearances we focus on the top panel of Table 8 on the effect of the difference on connections on the difference on the number of disappeared union representatives among neighboring firms.[33]

Even when we restrict our sample to this extremely small set of neighboring firms, we still see large and significant differences between connected and non-connected firms in union leader

[32] For example, Fiat and Acindar are ranked 3 and 4, respectively, by *Prensa Económica* in 1975. The latter, however, had a direct connection to the regime whereas the former did not.

[33] This strategy is similar to the first-difference (FD) estimator approach that is commonly used in panel data analyses to address concerns related to omitted variables bias. In this case, rank ordering plays the role of temporal variation in time-series analyses.

disappearances. For the neighboring firms included in the *Prensa Económica* sample, the difference in the average number of disappeared union leaders between connected and non-connected firms amounts to 3.75. Similarly, a standard deviation increase on the difference on business connections to Martínez de Hoz is associated with 1.98 union representatives disappearances. A standard deviation increase in social connections results in 1.65 disappearances. We estimate larger magnitudes for the neighboring firms from the *Mercado* sample. The estimates in the top panel of Table 8 are very close to the magnitudes obtained in our base specification presented in Tables 3 and 4. As such, the results suggest that our original findings are not caused by some unobserved characteristic masked by firms' sizes.

A possible objection to our proposed matching strategy is that the strata defined by the firms' ranking is not completely exhaustive. To alleviate this concern, we also use propensity score weights to eliminate any further imbalances between the samples of connected and unconnected firms. To calculate the propensity score for each observation we estimate a logit regression for the probability of being politically connected to the regime, conditional on all the covariates included in our base specification (columns 4 to 6 of Tables 3 and 4). We obtain from this estimation $P(X_i)$, each firm's probability of having connections to the regime conditional on all available firm's characteristics.

Following Abadie (2005), we use $P(X_i)$ to weight each observation by its inverse propensity score of assignment.[34] In particular, the weight assigned to firm *i* is given by

$$Connections_i \frac{p}{P(X_i)} + (1 - Connections_i) \frac{1-p}{1-P(X_i)},$$

[34] See also Mastrobuoni and Pinotti (2015) who use this methodology to estimate the effect of immigrants' legal status on crime.

where *Connections* is an indicator equal to 1 for firms connected to the regime and 0 otherwise; and *p* is the unconditional share of firms with connections to the regime. Weighting observations using the inverse propensity score method described above increases the comparability of the group of connected firms to the group of firms without connections because it attaches a higher weight to firms more similar to those on the other group relative to the average firm of each group.[35]

The lower panel in Table 8 displays the estimates of the effects of connections on union representatives' disappearances for the top 300 sample of firms and the top 150 sample of firms. We estimate these models using a Generalized Linear Model assuming a negative binomial probability distribution and a logarithmic link function. These choices are determined by the distribution of our dependent variable. Note also that the weighted sample is not compatible with a simple negative binomial estimation.

The results ratify those in Tables 3 and 4. We observe that firms with connections to the regime have a significantly higher number of union disappearances also when using weighted samples that are balanced in terms of all their observables characteristics. The estimated

[35] Balancing tests show that the weighted samples of connected and non-connected firms are statistically identical in all of their observable characteristics (see Appendix Table A.3). We exclude one observation from the sample of firms (Ford) because it is a clear outlier, with a weighted number of union representatives disappearances over 27, which is almost ten times higher than Astarsa's weighted number of union representatives disappearances (3.6), the closest firm in terms of weighted disappearances with cabinet connections. This is a common occurrence when using propensity score methods. Several studies recommend trimming the sample to improve overlap in covariates distribution (see for example Imbens and Wooldridge, 2009).

coefficients are also of a substantial magnitude. Cabinet connections to the regime are associated with an increase of 3.32 (top 300 firms) or 2.09 (top 150 firms) union representatives' disappearances for an average firm. We find similar effects for business and social connections. The results are also robust to including firms' propensity score of connections to the regime instead (or in addition) to firms' actual connections.[36]

7. Investigating the Mechanism: Profit Pull, Ideology Push, or Information Transmission?

The estimated correlation between connections and disappearances, however robust, is also consistent with other plausible mechanisms that do not fit a narrow definition of cronyism (in the sense of connected firms actively seeking disappearances for financial gain). The correlation could be driven by the military regime forcing connected firms to hand over the names of their union representatives that opposed the regime. A second possibility is that leaders of connected firms were closest in ideology to the military regime, and thus more likely to want to hand over the names. Another possible mechanism is that all firms provided the names of their union representatives to the regime but that the lists of connected firms were more credible. To justify the correlation between connections and disappearances as primarily implying cronyism we need to evaluate these alternative mechanisms.

One way to examine whether the non-crony mechanisms mentioned above are significant drivers of disappearances is to evaluate the relative effect of connections to the regime by virtue of being a state-owned firm versus the effect of private connections. The rationale is as follows.

[36] The remainder of the paper continues to focus exclusively on unweighted samples, which allow us to use a more parsimonious negative binomial estimation. That said, all of the results of the paper are qualitative and quantitative the same when using a GLM estimation with weighted samples.

The military junta had the responsibility of appointing the chief executive officers of all state-owned firms. Immediately after the coup the regime appointed as heads of state-owned firms people who were loyal and ideologically proximate to the regime (many of the appointees were in fact retired military officers). We thus classify state-owned firms as connected to the regime. We should expect top-down demands to hand over the names of union representatives to be more effective when communicated down a chain of command within the regime, rather than outside a chain of command to private sector chief executives. Likewise, communications from chief executives who have gained their position based on loyalty and ideological proximity to the regime should be, if anything, more credible on average than those from chief executives who were appointed by others based on numerous other criteria (as would be the case for private sector chief executives).[37]

Given that there is no evidence to suggest that union representatives in state-owned firms were any less activist than union representatives in private firms, the implication is clear. If non-crony mechanisms such as ideological proximity, top-down pressure, or credible information transmission are significant drivers of disappearances, we should expect an exceptionally high positive coefficient on a dummy variable for state owned firms.

This section adds state-owned firms to our sample of firms to see if this is the case. The expanded data set includes 31 state-owned firms.[38] They include utility companies (gas, oil, electricity, and water), transportation (airlines, railroads, and subways), state banks, as well as

[37] We may also expect more bottom-up pressure based on ideology, independent of reasons of private profiteering, from the chief executives of such firms.

[38] We identified the set of state-owned firms using the comprehensive list compiled by FIEL (Fundación de Investigaciones Económicas Latinoamericanas) included in Consejo Empresario Argentino (1976).

industrial firms that were nationalized in the early 1970s. Thirty-one of these firms appear in *Prensa Económica's* ranking and 21 appear in *Mercado*'s ranking. Summary statistics for state-owned firms as well as balancing tests vis-à-vis firms with and without cabinet connections appear in Appendix Table A.4. This table shows that state-owned firms are relatively large firms (based on their ranking and sales). State-owned firms had on average fewer union representatives' disappearances than firms with cabinet connections even though they suffered from a slightly higher number of strikes before the coup compared to firms with connections. Izaguirre's (2009) data show that the proportion of union representatives disappeared with ties to armed groups is similar for state-owned firms (45.83%) compared to that for non-state-owned firms (42.22%).

Table 9 presents the analysis including state-owned firms. The table shows that the state-owned dummy is never significantly positive, and is in fact negative for half of the models estimated. That is, despite being directly connected to the military junta, state-owned firms don't have a positive effect on the number of disappeared union representatives.[39] There is thus little in the data to support the alternative non-crony mechanisms described above. The table also shows that the estimated effects of connections on union representatives' disappearances for firms in the private sector are remarkably similar to the ones obtained in all the different estimations presented above.

[39] Following one of the reviewer's advice, we also test for the possibility that the presence of managers directly linked to the regime was enough to intimidate workers in state-owned firms, making repression unnecessary. To do this we look at the likelihood that a firm suffers at least one strike after the coup minus the likelihood of suffering at least one strike before the coup. On average, the likelihood of suffering a strike decreases by 14.29% for firms in the *Prensa Económica* sample. This decrease is not statistically different for state-owned firms and the rest of the firms (*t*-statistic equals 0.7356).

8. The Effects of Labor Repression on Firms' Performance

The empirical results indicate that the number of firm level union representatives victimized by the regime is three times higher for connected firms relative to non-connected ones. They also suggest that this effect is pronounced in privately owned (as opposed to state-owned) firms. Taken together, these findings raise the following question: what benefits did connected firms in the private sector obtain from union disappearances? To answer this question, we examine the effects of connections and union representative disappearances on firms' performance. Unfortunately, we don't have information on firms' profits. Nonetheless, we are able to estimate the effects of connections and disappearances on the probability of future strikes and firms' position in *Prensa Económica*'s ranking, which is based on firms' market valuation.

Table 10 shows results of regressions where on the left-hand side we have a dummy variable for whether or not a firm's workers went on strike after the March 1976 coup.[40] We control for firm-level strikes in the two years prior to the coup and the full set of covariates used in our main specification presented in Tables 3 and 4. We find that the interaction of connections with a union representative disappearance is negatively associated with the propensity to strike after the coup took place. The effect is significant across the board. Connected firms without union disappearances (the variable called connections) and firms with union disappearances that are not connected to the regime (the variable called union disappearances) do not benefit from a

[40] The table presents the results of a linear probability model. Using probit delivers the same results. We exclude Mercedez Benz from the analysis because this is the only firm in our sample with all its union disappearances after its strikes. Including this firm in the analysis strengthen the results. The firm-level strike data for the coup period come from Falcón (1982).

decrease in the propensity of their workers going on strikes. Remarkably, the covariates that control for labor relations within the firm before the coup are not significant (e.g., prior strikes, having a signed bargaining agreement between the firm and the union, and workers' disappearances).

This finding is consistent with the following causal story. Strikes at the firm level can be deterred by credibly signaling that a firm is able and willing to use its ties to the regime to access the state's repressive apparatus in response to labor activism. Simply having a connection does not serve as a credible signal because the firm's management may not have the ability nor the willingness to utilize their connections to the regime to influence the security apparatus to implement violence. Among connected firms, the disappearance of a union representative in a firm provides a credible signal of a firm's ability and willingness to access the repressive apparatus of the state. The resort to disappearances by connected firms is associated with less future strikes vis-à-vis the number of expected future strikes in a similar firm with the same connections to the regime, and may thus be driven by the incentive of credibly deterring future strikes.[41]

Table 11 presents the results of a linear probability model that has on the left-hand side a dummy variable for firms that improved their position in the *Prensa Económica* ranking of 1976. This table presents results only for the top 300 sample because the market valuation ranking for the top 150 sample in 1976 is not available. The results of Table 11 are consistent with those shown in Table 10. That is, the interaction of connections with disappearances is robustly

[41] Table A.5 in the appendix adds to the specification of Table 10 an interaction between workers' disappearances and firms' connections. This interaction is not statistically significant. This shows that only union representatives' disappearances in connected firms send an intimidating message to the firm's workforce and act as a deterrent of future strikes.

associated with a rise in the ranking of a firm. Again, connections without disappearances and disappearances without connections don't have an effect on firms' relative changes on market valuation. Firms' ranking in 1975 has a negative effect on the probability of improving the firms' position in the 1976 ranking because the closer a firm is to the top of the ranking, the less chances the firm has to improve its position. Workers disappearances, on the contrary, seem to be correlated with better future rankings.

9. Conclusions

A large and abundant literature has shown how cronyism affects economic policy making. Yet to the best of our knowledge, this is the first study that presents systematic evidence demonstrating that cronyism may also determine the targets of the state's deployment of violence. We not only find a strong and robust correlation between connections to the regime and disappearances; we are also able to rule out major alternative explanations for this correlation. We find that the impact of regime ties on the disappearance of union representatives is robust to a wide range of specifications, methodologies, and samples as well as the inclusion or exclusion of a rich set of firms' and industries' characteristics that account for firms' size, prominence, number of workers and pre-existing labor conditions. Our analysis also highlights how connected firms with union representatives' disappearances suffered less strikes after the coup vis-à-vis non-connected the firms.

We acknowledge the limitations of our study, which is based exclusively on observational data. Our study is limited (due to data availability) to only one part of the massive human rights violations that occurred in Argentina. Additionally, our study only focuses on one country; researchers should therefore exercise caution when extrapolating to other countries and time

periods. That said, at the very least, we believe that the careful micro-econometric framework laid out in this paper provides a useful building block for examining the logic behind governments' deployment of anti-union violence.

Overall, this paper serves to strengthen scholars' perceptions of the pervasiveness of cronyism. Even in a prominent case where political actors claimed to be motivated by the goal of attacking rent-seeking, the deployment of violence by these very actors followed the logic of cronyism. In light of the evidence presented here, it would also be prudent to treat justifications for human rights violations based on high-minded goals with a greater degree of skepticism.

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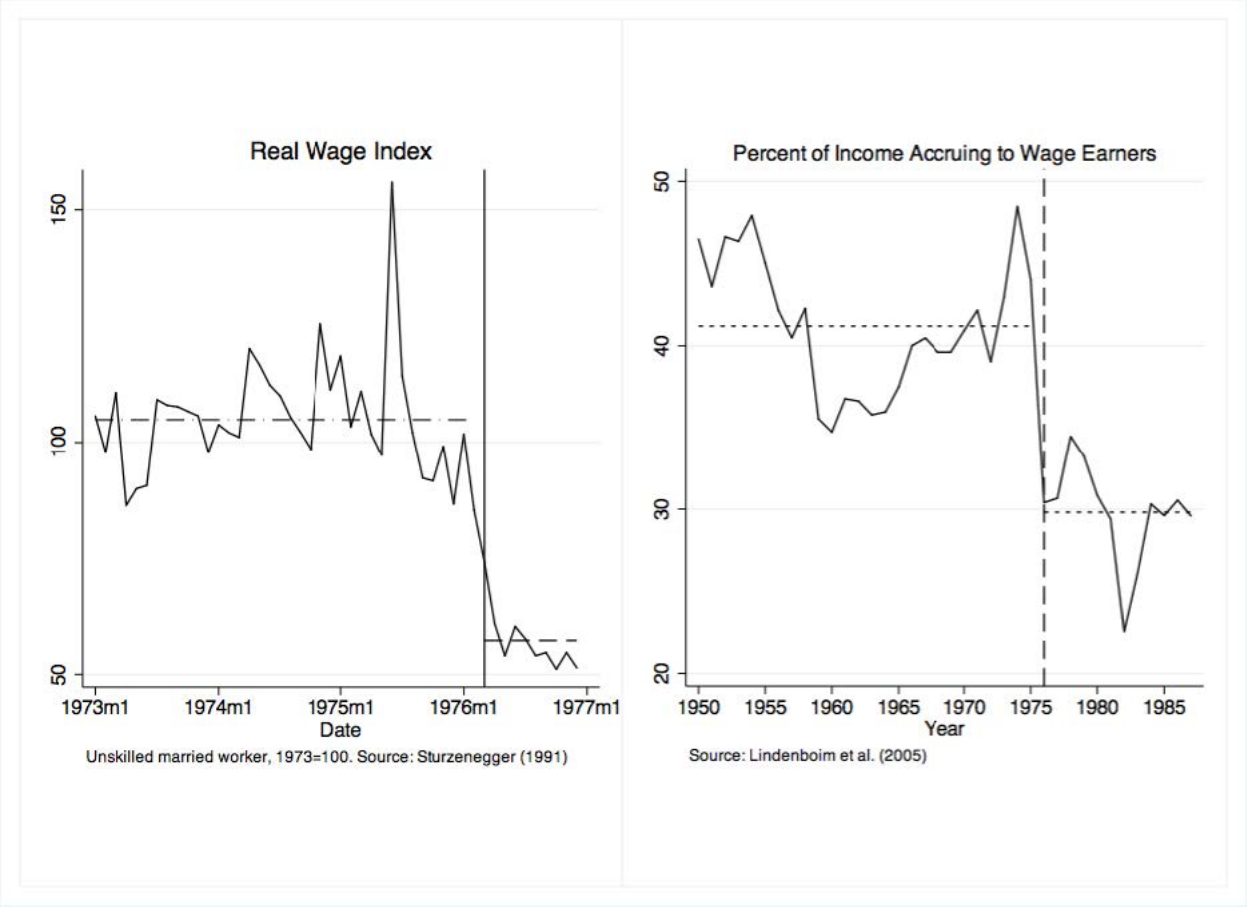

Figure 1: Real Wage Index (Panel A) and Percent of Income Accruing to Wage Earners (Panel B) in Argentina at the outset of the military dictatorship

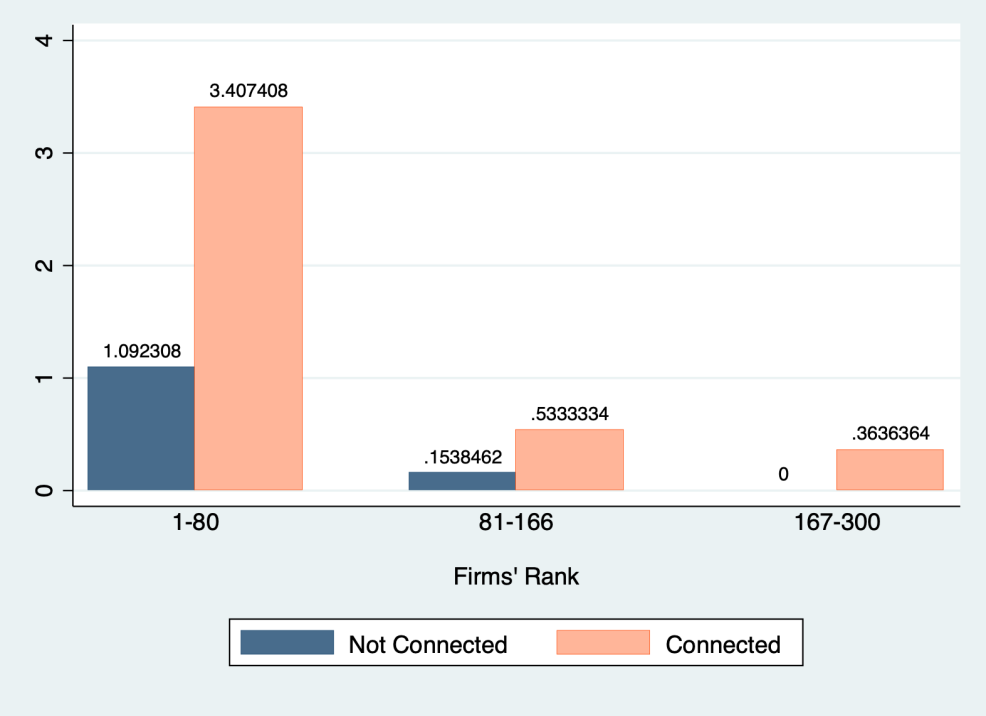

Figure 2: Mean Number of Union Disappearances by Firms' Connections and Rank

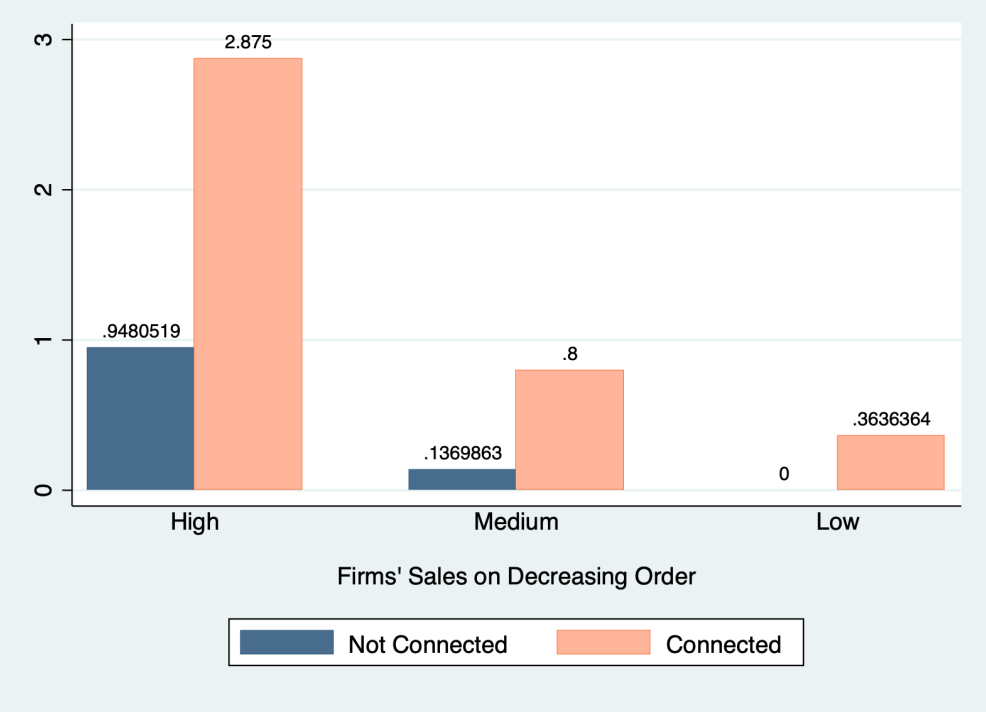

Figure 3: Mean Number of Union Disappearances by Firms' Connections and Total Sales

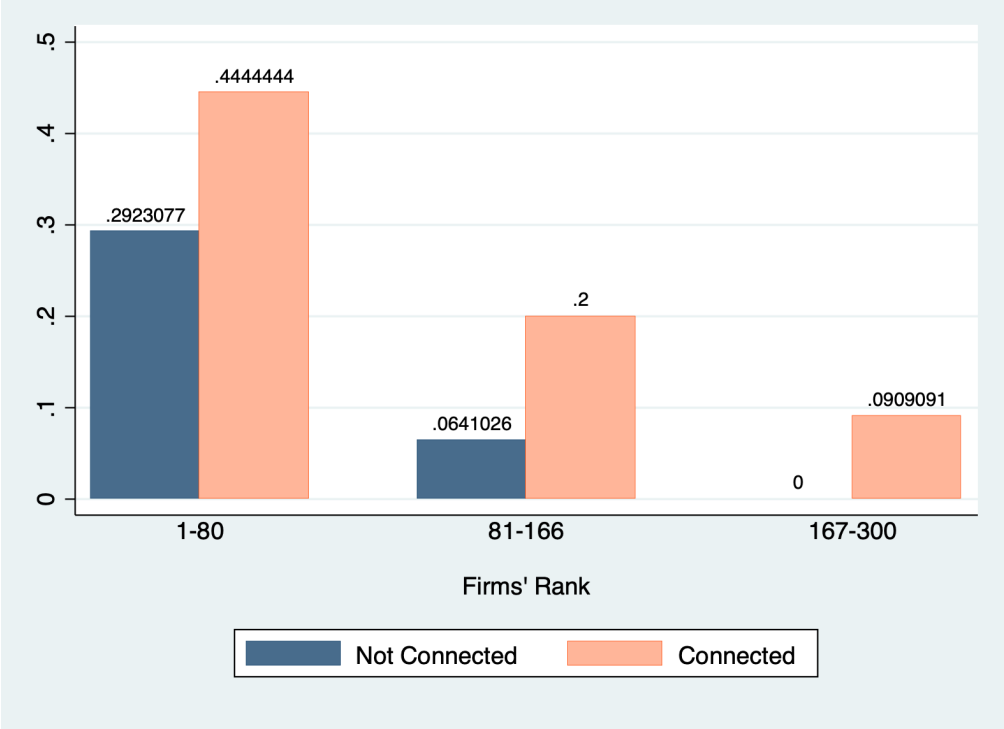

Figure 4: Propensity of Union Disappearances by Firms' Connections and Rank

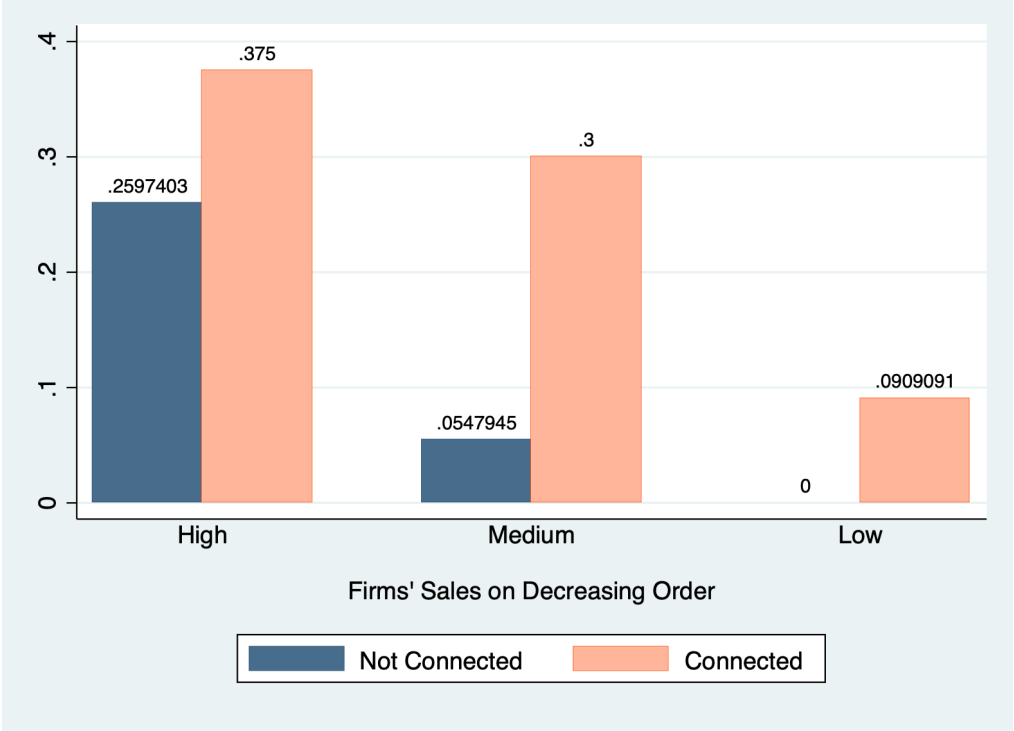

Figure 5: Propensity of Union Disappearances by Firms' Connections and Total Sales

Table 1

Mean Number of Disappearances by Connections

	Cabinet Connections (1976)			Business Connections (1972)			Social Connections (1969)		
	Connected	Not Connected	Difference	Close to Martinez de Hoz	Far from Martinez de Hoz	Difference	At least 2 Jockey Club Members	Less than 2 Jockey Club Members	Difference
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Panel A: Firms Included in top 300 Firms (Prensa Economica, 1975)									
Union Representatives Disappeared	3.0455	0.4020	2.6434 ***	1.3750	0.2624	1.1126 ***	1.1688	0.3958	0.7730 **
	(6.904)	(2.139)	[0.6630]	(4.120)	(2.140)	[0.4211]	(4.034)	(2.333)	[0.4283]
Total Number of Firms	22	199		80	141		77	144	
Firms with Union Disappearances	8	22		21	9		17	13	
Panel B: Firms Included in top 150 Firms (Mercado, 1975)									
Union Representatives Disappeared	4.1333	0.7083	3.4250 ***	1.8491	0.5517	1.2973 ***	2.0488	0.6571	1.3916 **
	(8.158)	(2.987)	[1.1118]	(4.940)	(3.288)	[0.7026]	(5.366)	(3.252)	[0.8171]
Total Number of Firms	15	96		53	58		41	70	
Firms with Union Disappearances	6	18		17	7		14	10	

Notes: Standard deviations in parentheses in columns (1), (2), (4), (5), (7) and (8). Standard errors in brackets in columns (3), (6) and (9). *, **, and *** represent statistical significance at 10, 5 and 1 percent levels.

Table 2

Summary Statistics of Firms' Characteristics and Balancing Tests, Based on Firms Cabinet Connections

	Panel A: Prensa Economica			Panel B: Mercado		
	Mean			Mean		
	Connected	Not Connected	Difference in Means	Connected	Not Connected	Difference in Means
	(1)	(2)	(3)	(1)	(2)	(3)
Total Sales	2262.32	1167.75	1094***	1992.66	1375.97	616.69
	(2575.69)	(1389.43)	[346.7]	(1980.38)	(1589.36)	[456.7]
Ranking	109.41	129.98	-20.57	76.07	80.99	-4.92
	(87.99)	(69.99)	[16.16]	(54.31)	(39.11)	[11.49]
Trades in Stock Exchange (Merval)	0.5909	0.4573	0.1336	0.7333	0.4271	0.306**
	(0.503)	(0.499)	[0.112]	(0.458)	(0.497)	[0.137]
Customer Firm	1.2201	1.2244	-0.0044	1.2782	1.2412	0.0370
	(0.342)	(0.314)	[0.071]	(0.359)	(0.323)	[0.091]
Input Supplier Firm	1.1166	0.9439	0.1727	1.1202	1.0007	0.1195
	(0.516)	(0.549)	[0.123]	(0.523)	(0.589)	[0.161]
Workers Collective Bargaining Agreement	0.0909	0.0653	0.0256	0.1333	0.1250	0.0083
	(0.294)	(0.248)	[0.057]	(0.352)	(0.332)	[0.093]
Workers' Strikes (1974-1975)	0.3182	0.2111	0.1071	0.4000	0.2813	0.1188
	(0.477)	(0.409)	[0.093]	(0.507)	(0.452)	[0.128]
Attacks against the Firm (1974-1975)	0.2727	0.1055	0.167**	0.3333	0.1979	0.1354
	(0.456)	(0.308)	[0.073]	(0.488)	(0.401)	[0.115]
Support to Private Enterprise (CICYP)	0.3182	0.1508	0.167**	0.3333	0.2188	0.1146
	(0.477)	(0.359)	[0.084]	(0.480)	(0.416)	[0.118]
Total Number of Firms	22	199		15	96	

Notes: Standard deviations in parentheses in columns (1) and (2). Standard errors in brackets in columns (3) and (4). *, **, and *** represent statistical significance at 10, 5 and 1 percent levels.

Table 3

The Effect of Firms Connections on the Number of Union Representatives Disappeared, Negative Binomial Estimates, Top 300 Firms (Prensa Economica Sample)

	Without Additional Controls			With Additional Controls		
	Cabinet	Business	Social	Cabinet	Business	Social
VARIABLES	(1)	(2)	(3)	(4)	(5)	(6)
Connections	1.990***	0.314***	0.315***	1.472***	0.311***	0.330***
	(0.476)	(0.106)	(0.104)	(0.339)	(0.108)	(0.0368)
Board Size			0.0291			-0.0102
			(0.0640)			(0.0982)
Ranking (1975)	-0.0149***	-0.0106***	-0.0105**	-0.0153**	-0.0114***	-0.0145***
	(0.00252)	(0.00252)	(0.00420)	(0.00626)	(0.00434)	(0.00502)
Total Sales (in thds, 1975)	0.272***	0.313***	0.354***	-0.0589	-0.0316	-0.0284
	(0.0479)	(0.0398)	(0.0650)	(0.0840)	(0.0390)	(0.0774)
Trades in Stock Exchange				-1.183***	-0.716	-0.973*
				(0.408)	(0.712)	(0.509)
Ranked in Mercado				-0.576	-0.444	-0.643
				(0.673)	(0.651)	(0.570)
Customer Firm				-10.21***	-8.792***	-6.012***
				(1.584)	(0.990)	(1.225)
Input Supplier Firm				3.846***	3.201**	2.648
				(1.289)	(1.507)	(1.946)
Bargaining Agreement				-0.426**	-0.473*	-0.535***
				(0.203)	(0.252)	(0.119)
Strikes (1974-1975)				1.436***	1.667***	1.373***
				(0.435)	(0.514)	(0.481)
Attacks against Firm				0.950*	0.864*	1.237**
				(0.545)	(0.479)	(0.593)
Support to Private Enterprise (CICYP)				0.517	0.394	0.383
				(0.447)	(0.438)	(0.421)
Industry Fixed Effects	No	No	No	Yes	Yes	Yes
Observations	221	221	221	221	221	221

Note: Standard errors, clustered by industry, appear in parentheses. * indicates statistical significance at the 10% level; ** indicates statistical significance at the 5% level; *** indicates statistical significance at the 1% level.

Table 4

The Effect of Firms Connections on the Number of Union Representatives Disappeared, Negative Binomial Estimates, Top 150 Firms (Mercado Sample)

	Without Additional Controls			With Additional Controls		
	Cabinet	Business	Social	Cabinet	Business	Social
VARIABLES	(1)	(2)	(3)	(4)	(5)	(6)
Connections	2.289***	0.348***	0.470***	0.464	0.119*	0.197***
	(0.474)	(0.133)	(0.141)	(0.487)	(0.0701)	(0.0741)
Board Size			0.0568			-0.0329
			(0.0658)			(0.0511)
Ranking (1975)	-0.0187*	-0.0138	-0.0161	-0.00628	-0.00706	-0.00817
	(0.00961)	(0.0150)	(0.0104)	(0.00582)	(0.00636)	(0.00552)
Total Sales (in thds, 1975)	0.294*	0.278	0.361*	0.0626	0.0719	0.0671
	(0.156)	(0.225)	(0.204)	(0.102)	(0.0820)	(0.0898)
Trades in Stock Exchange				0.129	0.367	0.268
				(0.779)	(0.544)	(0.578)
Customer Firm				-15.24***	-16.65***	-16.80***
				(4.642)	(3.222)	(3.382)
Input Supplier Firm				8.241***	8.226***	8.594***
				(1.870)	(1.330)	(1.248)
Bargaining Agreement				0.137	0.0312	0.184
				(0.597)	(0.603)	(0.516)
Strikes (1974-1975)				2.239***	2.384***	2.127***
				(0.798)	(0.812)	(0.820)
Attacks against Firm				0.143	-0.0569	0.138
				(0.926)	(0.893)	(1.022)
Support to Private Enterprise (CICYP)				0.719***	0.669***	0.514***
				(0.157)	(0.104)	(0.191)
Industry Fixed Effects	No	No	No	Yes	Yes	Yes
Observations	111	111	111	111	111	111

Note: Standard errors, clustered by industry, appear in parentheses. * indicates statistical significance at the 10% level; ** indicates statistical significance at the 5% level; *** indicates statistical significance at the 1% level.

Table 5
The Effect of Firms Connections on Union Representatives Disappearances, Robustness Tests

	A: Controlling for Firms' Number of Workers			B: Controlling for Firm's Number of Disappeared Workers			C: Eliminating Firms with over 10 Union Disappearences		
	Cabinet	Business	Social	Cabinet	Business	Social	Cabinet	Business	Social
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
VARIABLES	Top 300 Firms (Prensa Economica, 1975)								
Connections	0.917***	0.315*	0.353***	0.981**	0.212*	0.149*	1.664***	0.316***	0.406***
	(0.314)	(0.164)	(0.0551)	(0.476)	(0.123)	(0.0862)	(0.509)	(0.112)	(0.0582)
Board Size			-0.0825			-0.0225			-0.0595
			(0.0680)			(0.104)			(0.149)
Ranking (1975)	-0.00986***	-0.00874***	-0.0122***	-0.0145***	-0.0121***	-0.0138***	-0.0280***	-0.0200***	-0.0211***
	(0.00301)	(0.00316)	(0.00354)	(0.00284)	(0.00263)	(0.00270)	(0.00810)	(0.00355)	(0.00563)
Total Sales (in thds, 1975)	-0.321	-0.321*	-0.393***	-0.403***	-0.357***	-0.372***	-0.677***	-0.564**	-0.498
	(0.217)	(0.164)	(0.143)	(0.127)	(0.105)	(0.136)	(0.220)	(0.224)	(0.334)
Strikes (1974-1975)	1.192***	1.464***	1.164**	0.906*	1.066*	0.925*	1.425***	1.624***	1.410***
	(0.423)	(0.382)	(0.495)	(0.521)	(0.639)	(0.537)	(0.498)	(0.612)	(0.500)
Number of Workers	0.345***	0.339***	0.354***						
	(0.101)	(0.0712)	(0.0806)						
Number of Disap. Workers				0.151***	0.141***	0.152***			
				(0.0396)	(0.0430)	(0.0465)			
Observations	90	90	90	221	221	221	216	216	216
VARIABLES	Top 150 Firms (Mercado, 1975)								
Connections	0.0629	0.203*	0.144*	0.001	0.004	0.0626	0.612	0.145*	0.274**
	(0.552)	(0.106)	(0.0749)	(0.315)	(0.0663)	(0.0564)	(0.584)	(0.0742)	(0.132)
Board Size			-0.0301			-0.0590			-0.0379
			(0.0444)			(0.0487)			(0.0870)
Ranking (1975)	-0.00910*	-0.00995	-0.00935*	-0.0110**	-0.0110**	-0.0106**	-0.0321***	-0.0262***	-0.0165*
	(0.00542)	(0.00644)	(0.00543)	(0.00468)	(0.00523)	(0.00517)	(0.00275)	(0.00512)	(0.00852)
Total Sales (in thds, 1975)	-0.177*	-0.109	-0.0910	-0.251	-0.254	-0.255	-1.194***	-0.888**	-0.110
	(0.103)	(0.167)	(0.151)	(0.163)	(0.212)	(0.257)	(0.415)	(0.404)	(0.221)
Strikes (1974-1975)	2.449***	2.585***	2.234***	1.615	1.610	1.581	1.958*	2.078**	2.079***
	(0.932)	(0.873)	(0.831)	(1.120)	(1.160)	(1.134)	(1.067)	(0.954)	(0.518)
Number of Workers	0.173***	0.133	0.127						
	(0.0522)	(0.0992)	(0.0788)						
Number of Disap. Workers				0.0912**	0.0919**	0.0943			
				(0.0391)	(0.0461)	(0.0584)			
Observations	60	60	60	111	111	111	106	106	106

Note: Every column in each panel presents the results of a Negative Binomial regression. In addition to variables specified in the table, all specifications include the same controls as specifications (4) to (6) in Table 3. Standard errors, clustered by industry, appear in parentheses. * indicates statistical significance at the 10% level; ** indicates statistical significance at the 5% level; *** indicates statistical significance at the 1% level.

Table 6

Union Representatives Ties to Left-Wing Armed Organizations (by Firms' Connections to the Regime)

	Firms with Cabinet Connections	Firms without Cabinet Connections	Total
Union representatives disappeared without ties to an armed group	26 (72.22)	52 (52.53)	78 (57.78)
Union representatives disappeared with ties to an armed group	10 (27.78)	47 (47.47)	57 (42.22)
Total	36 (100)	99 (100)	135 (100)

Note: Based on data from Izaguirre (2009).

Table 7
The Effects of Firms Connections on the Likelihood of a Union Representative Disappearance

	Top 300 Firms (Prensa Economica, 1975)			Top 150 Firms (Mercado, 1975)		
	Cabinet	Business	Social	Cabinet	Business	Social
VARIABLES	(1)	(2)	(3)	(4)	(5)	(6)
Connections	0.150**	0.0226***	0.0287***	0.0961	0.0312**	0.0288*
	(0.0556)	(0.00740)	(0.00628)	(0.0559)	(0.0119)	(0.0127)
Board Size			0.00153			-0.00321
			(0.0105)			(0.0114)
Ranking (1975)	-0.000688	-0.000812*	-0.000828	-0.00245*	-0.00193	-0.00247*
	(0.000564)	(0.000475)	(0.000585)	(0.00131)	(0.00123)	(0.00122)
Total Sales (in thds, 1975)	0.0329	0.0288	0.0324*	0.0112	0.0169	0.0150
	(0.0192)	(0.0193)	(0.0163)	(0.0255)	(0.0324)	(0.0245)
Strikes (1974-1975)	0.145**	0.132**	0.126**	0.266**	0.253***	0.257**
	(0.0561)	(0.0513)	(0.0503)	(0.106)	(0.0782)	(0.108)
Observations	221	221	221	111	111	111
R-squared	0.369	0.419	0.416	0.407	0.496	0.418

Note: Linear probability estimates of the effect of connections on the likelihood of a union leader disappearance. In addition to variables specified in the table, all specifications include the same controls as specifications (4) to (6) in Table 3. Standard errors, clustered by industry, appear in parentheses. * indicates statistical significance at the 10% level; ** indicates statistical significance at the 5% level; *** indicates statistical significance at the 1% level.

Table 8
The Effect of Firms Connections on Union Representatives Disappearances, using Propensity Score Weighted Samples

	Top 300 Firms (Prensa Economica, 1975)			Top 150 Firms (Mercado, 1975)		
	Cabinet	Business	Social	Cabinet	Business	Social
	(1)	(2)	(3)	(4)	(5)	(6)
	NEIGHBORING FIRMS					
Connections	3.75***	0.502**	0.408*	8.583**	2.258*	1.426
	(1.391)	(0.249)	(0.232)	(3.435)	(1.196)	(0.961)
Observations	39	39	39	24	23	23
	PROPENSITY SCORE WEIGHTED SAMPLES					
Connections	1.201**	2.295***	1.822**	0.739	2.207**	2.782***
	(0.549)	(0.707)	(0.893)	(0.773)	(0.863)	(0.840)
Observations	199	218	202	105	109	110

Note: Every column in the top panel presents OLS coefficients of a first differente regression of number of disappearances on connections for neighboring firms. Every column in the bottom panel presents the results of a Generalized Linear Model with a Log link. Robust standard errors appear in parentheses. * indicates statistical significance at the 10% level; ** indicates statistical significance at the 5% level; *** indicates statistical significance at the 1% level.

Table 9
The Effect of Firms Connections on Union Representatives Disappearances, State Owned versus Rest of Firms

	Top 300 Firms (Prensa Economica, 1975)			Top 150 Firms (Mercado, 1975)		
	Cabinet	Business	Social	Cabinet	Business	Social
VARIABLES	(1)	(2)	(3)	(4)	(5)	(6)
Connections	1.523***	0.288***	0.346***	1.457***	0.190**	0.278***
	(0.301)	(0.102)	(0.0532)	(0.147)	(0.0883)	(0.0797)
State Owned	-1.664**	-0.108	-0.168	-0.893	0.682	0.599
	(0.797)	(0.648)	(0.737)	(0.958)	(0.940)	(1.025)
Board Size			-0.0293			-0.0571
			(0.0891)			(0.0733)
Ranking (1975)	-0.0117***	-0.00900**	-0.0109***	-0.00400	-0.00504	-0.00703
	(0.00428)	(0.00392)	(0.00349)	(0.00790)	(0.00911)	(0.00752)
Total Sales (in thds, 1975)	0.0358*	0.0383**	0.0346*	0.0333	0.0322	0.0289
	(0.0196)	(0.0181)	(0.0199)	(0.0238)	(0.0206)	(0.0204)
Strikes (1974-1975)	1.341***	1.620***	1.397***	1.397***	2.140***	1.924**
	(0.465)	(0.444)	(0.512)	(0.512)	(0.718)	(0.771)
Observations	252	252	252	132	132	132

Note: In addition to variables specified in the table, all specifications include the same controls as specifications (4) to (6) in Table 3. Standard errors, clustered by industry, appear in parentheses. * indicates statistical significance at the 10% level; ** indicates statistical significance at the 5% level; *** indicates statistical significance at the 1% level.

Table 10

The Effect of Firms Connections and Union Representatives Disappearances on Workers' Strikes

	Top 300 Firms (Prensa Economica)			Top 150 Firms (Mercado)		
	Cabinet	Business	Social	Cabinet	Business	Social
VARIABLES	(1)	(2)	(3)	(4)	(5)	(6)
Strikes (1974-1975)	0.0964	0.0906	0.0976	0.144	0.142	0.147
	(0.0775)	(0.0771)	(0.0755)	(0.117)	(0.110)	(0.113)
Connections	0.00839	-0.000836	0.00900	0.0491	0.00353	0.0169
	(0.0546)	(0.00474)	(0.00628)	(0.0835)	(0.0123)	(0.0118)
Union Disappearances	0.00233	0.0473	0.0201	0.000921	0.0277	0.0156
	(0.0106)	(0.0314)	(0.0143)	(0.00801)	(0.0359)	(0.0129)
Connections * Union Disap.	-0.0286**	-0.0098**	-0.00879***	-0.0275**	-0.00678	-0.00783***
	(0.0112)	(0.00394)	(0.00189)	(0.00856)	(0.00430)	(0.00219)
Workers Disappearances	0.00409	0.00532	0.00471	-0.00126	-0.00111	0.000118
	(0.00598)	(0.00621)	(0.00646)	(0.00582)	(0.00581)	(0.00587)
Trades in Stock Exchange	0.0249	0.0147	0.0202	0.0842	0.0671	0.0752
	(0.0242)	(0.0246)	(0.0249)	(0.0585)	(0.0451)	(0.0532)
Customer Firm	0.431	0.430	0.387	0.751	0.693	0.670
	(0.520)	(0.516)	(0.534)	(0.591)	(0.629)	(0.626)
Input Supplier Firm	-0.172	-0.170	-0.161	-0.251*	-0.246*	-0.240*
	(0.147)	(0.148)	(0.151)	(0.116)	(0.113)	(0.117)
Bargaining Agreement	0.260*	0.263*	0.242*	0.268	0.267	0.263
	(0.131)	(0.123)	(0.123)	(0.190)	(0.184)	(0.170)
Attacks against Firm	0.113	0.104	0.0940	0.144	0.139	0.132
	(0.0952)	(0.0930)	(0.0942)	(0.113)	(0.115)	(0.111)
Support to Private Enterprise (CICYP)	-0.0733	-0.0643	-0.0722	-0.0594	-0.0515	-0.0609
	(0.0552)	(0.0559)	(0.0550)	(0.0634)	(0.0642)	(0.0601)
Ranked in Mercado	0.0283	0.0303	0.0336			
	(0.0332)	(0.0333)	(0.0353)			
Ranking (1975)	1.59e-05	0.000155	8.66e-05	-0.000349	-0.000653	-0.000173
	(0.000240)	(0.000187)	(0.000211)	(0.00161)	(0.00163)	(0.00146)
Total Sales (in thds, 1975)	0.0564***	0.0657***	0.0625***	0.0673*	0.0920***	0.0709*
	(0.0141)	(0.0161)	(0.0174)	(0.0359)	(0.0250)	(0.0340)
Observations	220	220	220	110	110	110
R-squared	0.433	0.431	0.439	0.522	0.516	0.53

Note: Linear probability estimations of the likelihood that a firm's workers go on strike after the coup. All specifications control for industry fixed effect in addition to variables specified in the table. Standard errors, clustered by industry, appear in parentheses. * indicates statistical significance at the 10% level; ** indicates statistical significance at the 5% level; *** indicates statistical significance at the 1% level.

Table 11
The Effect of Firms Connections and Union Representatives Disappearances on Firms' Rankings

	Cabinet Connections		Business Connections		Social Connections	
VARIABLES	(1)	(2)	(3)	(4)	(5)	(6)
Connections	-0.0482	-0.0374	0.00516	0.0631	-0.0122	-0.0144
	(0.102)	(0.0814)	(0.0831)	(0.0735)	(0.0151)	(0.0134)
Union Disappearances	-0.0193	-0.0225	-0.00825	-0.0179	-0.0190	-0.0248*
	(0.0108)	(0.0127)	(0.0232)	(0.0220)	(0.0115)	(0.0132)
Connections * Union Disap.	0.0175**	0.0271**	0.00012	0.0018	0.00265*	0.00478*
	(0.00689)	(0.0122)	(0.0018)	(0.00196)	(0.00130)	(0.00246)
Workers Disappearances	0.0167***	0.0192***	0.0151**	0.0171***	0.0164**	0.0186***
	(0.00419)	(0.00519)	(0.00503)	(0.00463)	(0.00534)	(0.00523)
Ranking (1975)	-0.00115**	-0.00134**	-0.00114**	-0.00142**	-0.00118***	-0.00141***
	(0.000386)	(0.000458)	(0.000426)	(0.000472)	(0.000352)	(0.000407)
Total Sales (in thds, 1975)	-0.0685	-0.0697	-0.0712*	-0.0744	-0.0730*	-0.0755
	(0.0407)	(0.0443)	(0.0387)	(0.0444)	(0.0394)	(0.0426)
Trades in Stock Exchange		-0.0471		-0.0326		-0.0411
		(0.0375)		(0.0435)		(0.0411)
Customer Firm		0.406		0.431		0.485
		(0.461)		(0.445)		(0.463)
Input Supplier Firm		-0.194		-0.192		-0.208
		(0.170)		(0.168)		(0.172)
Bargaining Agreement		0.255		0.227		0.252
		(0.167)		(0.150)		(0.159)
Strikes (1974-1975)		0.0444		0.0537		0.0416
		(0.0790)		(0.0751)		(0.0808)
Attacks against Firm		-0.195***		-0.194***		-0.185***
		(0.0554)		(0.0571)		(0.0557)
Ranked in Mercado		-0.0742*		-0.0803**		-0.0800*
		(0.0342)		(0.0347)		(0.0370)
Board Size					0.00686	0.00958
					(0.0104)	(0.0106)
Observations	221	221	221	221	221	221
R-squared	0.120	0.157	0.117	0.152	0.119	0.157

Note: Linear probability estimations of likelihood that a firm improves its ranking. All specifications control for industry fixed effect in addition to variables specified in the table. Standard errors, clustered by industry, appear in parentheses. * indicates statistical significance at the 10% level; ** indicates statistical significance at the 5% level; *** indicates statistical significance at the 1% level.

Table A.1

Summary Statistics of Firms' Characteristics and Balancing Tests, Based on Firms Business Connections

	Panel A: Prensa Economica			Panel B: Mercado		
	Mean			Mean		
	Close to Martinez de Hoz	Far from Martinez de Hoz	Difference in Means	Close to Martinez de Hoz	Far from Martinez de Hoz	Difference in Means
	(1)	(2)	(3)	(1)	(2)	(3)
Total Sales	1787.55	986.88	800.67***	1677.57	1259.87	417.70
	(2143.39)	(1033.85)	[214.1]	(2005.86)	(1226.65)	[312.6]
Ranking	104.64	141.15	-36.51***	74.55	85.60	11.056
	(71.67)	(69.03)	[9.80]	(41.46)	(40.66)	[7.80]
Trades in Stock Exchange (Merval)	0.3750	0.5248	- 0.1498**	0.4717	0.4655	0.0062
	(0.487)	(0.501)	[0.069]	(0.504)	(0.503)	[0.096]
Customer Firm	1.1921	1.2421	-0.0500	1.2174	1.2725	-0.0551
	(0.311)	(0.318)	[0.044]	(0.327)	(0.326)	[0.062]
Input Supplier Firm	1.0159	0.9300	0.0860	1.0813	0.9579	0.1234
	(0.661)	(0.471)	[0.077]	(0.730)	(0.393)	[0.110]
Workers Collective Bargaining Agreement	0.1000	0.0496	0.0504	0.1509	0.1034	0.0475
	(0.302)	(0.218)	[0.035]	(0.361)	(0.307)	[0.063]
Workers' Strikes (1974-1975)	0.2625	0.1986	0.0639	0.3208	0.2759	0.0449
	(0.443)	(0.400)	[0.058]	(0.471)	(0.451)	[0.088]
Attacks against the Firm (1974-1975)	0.2000	0.0780	0.1219***	0.2830	0.1552	0.1278
	(0.403)	(0.269)	[0.045]	(0.455)	(0.365)	[0.078]
Support to Private Enterprise (CICYP)	0.2500	0.1206	0.1294**	0.2830	0.1897	0.0934
	(0.436)	(0.327)	[0.052]	(0.455)	(0.395)	[0.081]
Total Number of Firms	80	141		53	58	

Notes: Standard deviations in parentheses in columns (1) and (2). Standard errors in brackets in columns (3) and (4). *, **, and *** represent statistical significance at 10, 5 and 1 percent levels.

Table A.2

Summary Statistics of Firms' Characteristics and Balancing Tests, Based on Firms Social Connections

	Panel A: Prensa Economica Means			Panel B: Mercado Means		
	At least 3 Jockey Club Members	Less than 3 Jockey Club Members	Difference in Means	At least 3 Jockey Club Members	Less than 3 Jockey Club Members	Difference in Means
	(1)	(2)	(3)	(1)	(2)	(3)
Total Sales	1473.47	1171.51	301.96	1609.33	1371.44	237.88
	(2018.82)	(1270.90)	[221.8]	(2123.57)	(1307.57)	[325.4]
Ranking	123.96	130.06	-6.0945	79.93	80.56	-0.6303
	(75.61)	(70.19)	[10.18]	(44.22)	(39.70)	[8.145]
Trades in Stock Exchange (Merval)	0.4675	0.4722	-0.0047	0.4878	0.4571	0.0307
	(0.502)	(0.501)	[0.071]	(0.506)	(0.502)	[0.099]
Customer Firm	1.2145	1.2291	-0.0146	1.1932	1.2773	-0.0841
	(0.321)	(0.314)	[0.045]	(0.317)	(0.330)	[0.064]
Input Supplier Firm	1.0713	0.9022	0.1691	1.1727	0.9255	0.2471**
	(0.663)	(0.466)	[0.077]	(0.781)	(0.399)	[0.112]
Workers Collective Bargaining Agreement	0.0779	0.0625	0.0154	0.1463	0.1143	0.0321
	(0.270)	(0.243)	[0.036]	(0.358)	(0.320)	[0.066]
Workers' Strikes (1974-1975)	0.2468	0.2083	0.0384	0.3902	0.2429	0.1474
	(0.434)	(0.408)	[0.059]	(0.494)	(0.432)	[0.090]
Attacks against the Firm (1974-1975)	0.1688	0.0972	0.0716	0.2927	0.1714	0.1213
	(0.377)	(0.297)	[0.046]	(0.461)	(0.380)	[0.081]
Support to Private Enterprise (CICYP)	0.2208	0.1389	0.0819	0.3171	0.1857	0.1314
	(0.417)	(0.347)	[0.053]	(0.471)	(0.392)	[0.083]
Total Number of Firms	77	144		41	70	

Notes: Standard deviations in parentheses in columns (1) and (2). Standard errors in brackets in columns (3) and (4). *, **, and *** represent statistical significance at 10, 5 and 1 percent levels.

Table A.3
Balancing Tests of Firms' Characteristics, Using Propensity Score Weighting

	Panel A: Prensa Economica			Panel B: Mercado		
	Cabinet Connections	Business Connections	Social Connections	Cabinet Connections	Business Connections	Social Connections
	(1)	(2)	(3)	(4)	(5)	(6)
Total Sales	54.41	1.00	215.07	-197.45	446.38	476.93
	[386.85]	[206.73]	[209.40]	[689.21]	[416.65]	[357.58]
Ranking	29.70	8.46	-14.72	20.24	-11.31	-11.45
	[21.23]	[11.20]	[11.80]	[18.03]	[12.92]	[10.55]
Trades in Stock Exchange (Merval)	0.1145	0.0439	-0.1035	0.1538	-0.0823	-0.2281
	[0.137]	[0.073]	[0.096]	[0.168]	[0.174]	[0.139]
Customer Firm	-0.0029	0.0022	-0.0058	-0.0064	-0.0302	-0.0276
	[0.012]	[0.009]	[0.009]	[0.009]	[0.030]	[0.025]
Input Supplier Firm	-0.0213	0.0067	-0.0115	0.0147	0.0132	0.0246
	[0.048]	[0.025]	[0.036]	[0.036]	[0.031]	[0.047]
Workers Collective Bargaining Agreement	-0.0114	-0.0146	0.059*	-0.0534	0.1088	0.1305
	[0.041]	[0.048]	[0.031]	[0.079]	[0.116]	[0.090]
Workers' Strikes (1974-1975)	-0.0407	-0.0127	0.0928	-0.0429	0.1730	0.1508
	[0.088]	[0.070]	[0.062]	[0.110]	[0.119]	[0.132]
Attacks against the Firm (1974-1975)	0.0313	-0.0375	0.0277	0.0159	0.0529	0.1335
	[0.080]	[0.067]	[0.068]	[0.118]	[0.102]	[0.081]
Support to Private Enterprise (CICYP)	0.0527	0.0313	0.0340	0.0528	0.0756	-0.0232
	[0.103]	[0.070]	[0.062]	[0.171]	[0.070]	[0.142]

Notes: Entries show differences in means between connected and not connected firms. Standard errors in brackets. *, **, and *** represent statistical significance at 10, 5 and 1 percent levels.

Table A.4
Balancing Tests of Firms' Characteristics, State Owned and Not State Owned Firms

	Panel A: Prensa Economica			Panel B: Mercado		
		Differences in means between state owned firms and firms with			Differences in means between state owned firms and firms with	
	State Owned	Cabinet Connections (not owned by State)	No Connections	State Owned	Cabinet Connections (not owned by State)	No Connections
	(1)	(2)	(3)	(4)	(5)	(6)
Union Representatives Disappeared	1.194	-1.852	0.792*	2.619	-1.514	1.911**
	(3.13)	[1.405]	[0.443]	(5.27)	[2.235]	[0.841]
Total Sales	5144.06	2.882	3.976***	6247.79	4.255	4.872***
	(1032.8)	[2.256]	[0.765]	(1171.0)	[3.07]	[1.23]
Ranking	73.74	-35.67*	-56.24***	41.81	-34.26**	-39.18***
	(66.731)	[21.24]	[13.43]	(40.617)	[15.80]	[9.49]
Trades in Stock Exchange (Merval)	0.2258	-0.365***	-0.231**	0.1905	-0.543***	-0.237**
	(0.425)	[0.128]	[0.095]	(0.402)	[0.144]	[0.116]
Customer Firm	1.1241	-0.0960	-0.100	1.0643	-0.214*	-0.177**
	(0.360)	[0.098]	[0.062]	(0.377)	[0.125]	[0.080]
Input Supplier Firm	1.3124	0.196	0.368***	1.6354	0.515	0.635***
	(0.990)	[0.231]	[0.121]	(1.189)	[0.329]	[0.176]
Workers Collective Bargaining Agreement	0.2258	0.135	0.160***	0.2857	0.152	0.161*
	(0.425)	[0.105]	[0.054]	(0.463)	[0.142]	[0.086]
Workers' Strikes (1974-1975)	0.3871	0.0689	0.176**	0.5238	0.124	0.243**
	(0.495)	[0.136]	[0.081]	(0.512)	[0.172]	[0.112]
Attacks against the Firm (1974-1975)	0.1613	-0.111	0.0558	0.2381	-0.0952	0.0402
	(0.374)	[0.114]	[0.061]	(0.436)	[0.155]	[0.098]
Support to Private Enterprise (CICYP)	0.0323	-0.286***	-0.118*	0.0476	-0.286**	-0.171*
	(0.180)	[0.094]	[0.066]	(0.218)	[0.120]	[0.094]
Number of Observations	31	53	230	21	36	117

Notes: Columns (1) and (4) present mean and standard deviations (in parentheses) for state owned firms for the Prensa Economica and Mercado Sample, respectively. Columns (2) and (4) show differences in means between state owned firms and firms with cabinet connections for the Prensa Economica sample. Columns (5) and (6) show differences in means between state owned firms and firms with cabinet connections for the Mercado sample. Standard errors in brackets. *, **, and *** represent statistical significance at 10, 5 and 1 percent levels.

Table A.5

The Effect of Firms Connections and Workers Disappearances on Workers' Strikes

	Top 300 Firms (Prensa Economica)			Top 150 Firms (Mercado)		
	Cabinet	Business	Social	Cabinet	Business	Social
VARIABLES	(1)	(2)	(3)	(4)	(5)	(6)
Strikes (1974-1975)	0.0960	0.0934	0.0988	0.145	0.151	0.144
	(0.0774)	(0.0773)	(0.0767)	(0.116)	(0.115)	(0.115)
Connections	-0.000114	-0.00182	0.0128	0.0372	-0.000705	0.0210
	(0.0389)	(0.00523)	(0.00790)	(0.0654)	(0.0120)	(0.0174)
Union Disappearances	0.00342	0.0554***	0.00861	0.00149	0.0511**	0.0106
	(0.00906)	(0.0132)	(0.0110)	(0.00700)	(0.0180)	(0.0134)
Connections * Union Disap.	-0.0327*	-0.0112***	-0.00575***	-0.0304**	-0.0107***	-0.00645**
	(0.0161)	(0.00195)	(0.00118)	(0.00942)	(0.00272)	(0.00212)
Workers Disappearances	0.00263	-0.00727	0.0201	-0.00271	-0.0378	0.00975
	(0.00892)	(0.0371)	(0.0126)	(0.00972)	(0.0522)	(0.0180)
Connections * Workers Disap.	0.00453	0.00209	-0.00375*	0.00391	0.00613	-0.00219
	(0.0175)	(0.00585)	(0.00201)	(0.0161)	(0.00881)	(0.00344)
Trades in Stock Exchange	0.0228	0.0136	0.0270	0.0815	0.0665	0.0820
	(0.0241)	(0.0257)	(0.0240)	(0.0613)	(0.0442)	(0.0560)
Customer Firm	0.432	0.428	0.385	0.748	0.678	0.636
	(0.514)	(0.518)	(0.521)	(0.593)	(0.637)	(0.603)
Input Supplier Firm	-0.172	-0.172	-0.161	-0.250*	-0.253**	-0.238*
	(0.146)	(0.147)	(0.149)	(0.116)	(0.110)	(0.117)
Bargaining Agreement	0.260*	0.262*	0.242*	0.268	0.260	0.267
	(0.133)	(0.123)	(0.122)	(0.192)	(0.177)	(0.169)
Attacks against Firm	0.114	0.0983	0.0857	0.145	0.119	0.125
	(0.0954)	(0.0825)	(0.0963)	(0.113)	(0.0929)	(0.111)
Support to Private Enterprise (CICYP)	-0.0722	-0.0619	-0.0763	-0.0584	-0.0379	-0.0652
	(0.0551)	(0.0584)	(0.0571)	(0.0663)	(0.0762)	(0.0690)
Ranked in Mercado	0.0298	0.0351	0.0309			
	(0.0305)	(0.0242)	(0.0349)			
Ranking (1975)	4.88e-05	0.000166	1.86e-07	-0.000257	-2.55e-05	-0.000356
	(0.000224)	(0.000174)	(0.000240)	(0.00176)	(0.00150)	(0.00153)
Total Sales (in thds, 1975)	0.0584**	0.0659***	0.0565**	0.0708	0.0821**	0.0627
	(0.0208)	(0.0160)	(0.0175)	(0.0456)	(0.0338)	(0.0400)
Observations	220	220	220	110	110	110
R-squared	0.433	0.432	0.446	0.522	0.52	0.532

Note: Linear probability estimations of the likelihood that a firm's workers go on strike after the coup. All specifications control for industry fixed effect in addition to variables specified in the table. Standard errors, clustered by industry, appear in parentheses. * indicates statistical significance at the 10% level; ** indicates statistical significance at the 5% level; *** indicates statistical significance at the 1% level.