

## **ETHICS IN AGRICULTURAL AND STOCKBREEDING SMEs: case study**

### ***Abstract***

Family companies are a special type of business (included in the SMEs classification) and its characteristics may not fit the usual indicators. Its relative importance within the countries' economy, especially in the case of underdeveloped countries, justifies the research about its nature, behavior and possible future.

The object of the current study is the "agricultural family SME", specifically a family business located in Zenon Pereyra, Santa Fe Province, Argentina, whose origin can be traced back to the end of XIX century, during the first Italian immigration wave.

The study lines include:

- Importance of the foreign immigration in the development of small towns in Argentina
- Cultural contribution in the development of the new communities through mixed agricultural and stockbreeding activities
- Land possession as an element of immigrants participation in the politic life of the new country
- Contribution of values for the management of their SMEs, creating a CSR that differs from that of the large companies, with a strong commitment with its employees and the environment.

The existence of family businesses dedicated to the land exploitation have a special meaning in a country such as Argentina, whose main income source are the agricultural and stockbreeding activities. These companies are not only important because of the quantity, but also because of their cultural influence, consequence of the skills and abilities of the immigrants.

The development of farming activities in Argentina was mostly carried out by this kind of companies. Argentina is a capitals demanding country and, in a first stage, the land itself constituted the main capital source. The State has also participated in this development by formulating national<sup>1</sup> and provincial policies, among other actions.

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<sup>1</sup> In fact, the credit policies of the majority financial institutions definitely favored this kind of companies by facilitating the access to soft loans and refinancing the debt when the farming exploitation conditions were deficient.

## **ETHICS IN AGRICULTURAL AND STOCKBREEDING SMEs: case study**

### ***INTRODUCTION***

The production at small and medium scale became a paradigm for the current economy - complex and globalized -, basically to stop the unemployment, to provide a solution for the capital shortage, to strengthen the companies capabilities and to produce productive flexibility.

“Nowadays, the Latin American and Caribbean SMEs have knocked down the old myth that said that only large companies are able to generate economic growth and employment, by being the main employment generators, and contributing to fight one of the main problems of the region: unemployment”, says the BBC economist Mariana Martinez. According to information provided by the *Comision Economica para America Latina y el Caribe (CEPAL, Economic Commission for Latin America and the Caribbean)*, the presence of SMEs in the economic structure of the region is relevant, because they represent an important percentage of variables such as production, employment and number of companies. Estimations indicate that SMEs are responsible of 25% to 40% of employment generation in the region, as well as of 15% to 25% of the total production of goods and services. The SMEs role at an export level is lower but meaningful, representing 1% to 3% of the total exports of the region. In Argentina, for instance, the SMEs generate 57% of employment and 41% of the Gross Domestic Product (GDP), while in Chile they represent el 37% of employment and 19% of GDP. The small and medium companies of Colombia generate 35% of employment and 30% of GDP, and in Mexico, 29% of employment and 20% of production.

“Latin America presents an evident macroeconomic improvement but, at the same time, it coexists with a great social gap, high rates of poverty, youth unemployment and maternal mortality. In this sense, the companies’ commitment has grown, but it is still insufficient”<sup>2</sup>.

Although the SMEs constitute more than 99% of the companies of the European Union, and more than 50% of its employees, the research efforts and experiences about corporate social responsibility focused mainly on large companies, given their higher visibility and accessibility. However, the small and medium enterprises differ from large

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<sup>2</sup> Kliksberg, Bernardo. “More entrepreneurship responsibility”. La Nación, August 8 2007

companies in some characteristics that affect the way of understanding and managing the RSC<sup>3</sup>.

Thus, for example, it is more clear the influence of the owner's personal preferences; their competitiveness is closely related to the conditions of the local communities where they operate; the financial and human capacity is lower; and the personal networking among the different agents involved in the business activities promote the construction of trust and transparency relationships, which are harder to build in large corporations.

### Family Enterprises Characteristics

"The focal point of any economy, whether it be local, regional, national or international, significantly depends on the business systems denominated family enterprises.

The importance of these systems is almost an indisputable fact: estimations on the number of family business worldwide show that they represent 65% to 80% of business worldwide (Gersick et al 1997). Other research at a country level indicate that in the United States a 95% of companies, which produce 50% of the GNP and employ 42% of the active population, are considered family business (Gallo, 1995). In the same way, other estimations show that 80% of 15 millions of businesses are family enterprises producing 50% of GNP (Kets de Vries, 1993; McCann, Leon-Guerrero y Haley, 1997). In the same direction, Donckelsy Fröhlich (1991), in a research carried out for the STRATOS project, discovered that the average relative participation of family enterprises in Austria, Belgium, Western Germany, Finland, France, United Kingdom, the Netherlands and Switzerland reached 66%. Other studies in Spain, specifically those performed by Gallo and Garcia Pont (1989), estimated that the family businesses represented 71% of the companies of the sample with a turnover of 61% and an employment of 62% of the sampled population. Merino de Lucas and Salas (1993) also developed a research in Spain at a national level whose results showed a great influence of family businesses in most of all the Autonomous Communities, specifically in Murcia that presented the higher proportion of family businesses with a 67,6%<sup>4</sup>.

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<sup>3</sup> According to the European Network of SMEs, although more than 50% of the European SMEs are somehow involved in their communities, but instead of performing systematic actions they mostly do so in a very specific way, generally with donations and in very few occasions with actions related to the enterprise or strategic needs.

<sup>4</sup> Characterization of the organizational culture in the family company: entrepreneurship and family business. Ramón Sabater Sánchez ; Josefa Ruiz Mercader ; Antonio José Carrasco Hernández *Murcia University*. Department of Enterprise Organization and Finance. Economy and Business School (Murcia).

There is a large amount of studies showing that family enterprises present a set of unique characteristics in comparison to other kind of organizations. Despite the previous existence of some studies on the subject, it was during the 80's that most of the literature and theory about this knowledge field was developed.

Most of that literature affirms that the family organizations are those that own and/or manage the family business themselves (Barnes and Hershon). Although the family concept have changed and widened during the last time to include, for example, monoparental and reconstructed families, among others, for the purpose of this study we can affirm that family members are those related by ties of blood in any degree<sup>5</sup>.

Other aspect to take into consideration is the term "enterprise" when we talk about families dedicated to any productive enterprise. The family enterprises do not necessarily have a specific legal form: limited liability companies, corporations, etc., and they may also be a *de facto* business association, which very often occurs. Recent studies also show that these companies adopt a legal form due to legal requirements: tax requirements, employment register requirements (when the company employs non-family members, or for a specific situation of its own members), therefore, the company situation differs from the situation of other kind of enterprises.

However, these companies' most determining factor is, undoubtedly, the management: at least at the beginning, they are generally managed by the oldest family member (the father in most cases), whose authority is respected though it may not necessarily be shared. It gives the impression that this characteristic replaces the "*afecto societatis*" present in other kind of companies.

The literature shows that the participation of the family in the enterprise, with their values and characteristics, significantly defines the organizational culture<sup>6</sup>.

It is important to make an emphasis on this enterprise culture, or in a wider sense, this "*organizational culture*", because we are talking about enterprises whose origin is based on the work of European immigrants, who brought a different culture and a strong determination regarding their future. "Hacer la America" (to make a fortune, in America) was a common expression among the immigrants, whose objective was to save money and return to Europe. Since most Europeans planned to go back to their countries,

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<sup>5</sup> Speaking about the family groups that own more than 120.000 Hectares, we read: "The family group is a classificatory group but not an economic unit. In some cases, there may be a close and direct relationship, but in others, it could be so remote that barely exist a relation. And that in the case the relatives share the same last name". From Imaz, Jose Luis, Those that Rule, EUDEBA. 1965

<sup>6</sup> With the expression "enterprise culture", or the widest "organizational culture", we refer to the "set of beliefs, expectations and fundamental or basic principles shared by the members of an organization. These beliefs and expectations produce behavior rules (norms) that strongly configure the behavior of the individuals and groups in the organization, distinguishing it from other organizations" (Leal, 1991). In consequence, the culture is reflected in the values, norms and habits.

especially at the beginning, they built real “ghettos” (nowadays still exist several communities with a European spirit), in which the original culture was preserved and the weddings (an important integration factor) were celebrated only between members of the community.

### **Geographic enclave**

To analyze the emergence of the agricultural and stockbreeding SMEs, it is necessary to go back to the immigration movements and to the places where the immigrants settled. This is particularly important in Argentina, a country where the political thought of its leaders was (at the end of XIX century) “to govern is to populate”.

Santa Fe experienced a strong immigration movement, and perhaps it was more organized than in other places of the country.

The province has 132.500 square meters, a greater extension compared to countries such as Holland and Belgium, similar to the Czech Republic, and less than half the area of Italy, country from which received a large amount of immigrants between the end of the XIX Century and the beginning of the XX. It also is one of the largest and richest provinces of Argentina with a population of 369.589 inhabitants (2001 census).

A great part of the Santa Fe territory is located in the “pampa húmeda” region (a wide region of prairies with a moderate weather, very fertile, one of the more suitable lands for agriculture and stockbreeding<sup>7</sup>).

At the beginning of the colonial times, Santa Fe was a large and almost unknown territory. Between 1573 and 1810, Santa Fe was under the control of the Spanish regime, though it was a relative control due to the characteristics of the local population at that time, mostly composed by nomadic Indians. Until 1720, the main activity of the area was some sort of a primitive stockbreeding; the economic activities began a slow diversification only after the Santa Fe port received certain benefits, especially in the commercial exchange.

“The agriculture in Santa Fe exhibits good yield and harvest levels that favor the incorporation of new technologies and drive the provincial economy. Without question this

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<sup>7</sup> In the decade of the 60's the German specialist Burmeister affirmed that the lands in the Pampean region were not suitable for cereals cultivation.

constitutes one of the driving forces of an expansion phase with strong influence in other economic sectors of the region<sup>8</sup>.

The Santa Fe industry is the third in importance in Argentina by both the quantity of industrial facilities and the value of the production. Oils, dairy products and slaughter, represent a third of the province's industrial gross product, the elaboration of basic metals and the elaboration of agricultural machinery and equipment and auto parts (50% of the country). Finally, the province has an important elaboration of chemical substances and products derivated from oil and coal.

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<sup>8</sup> Report on Santa Fe Province investments, 2005.



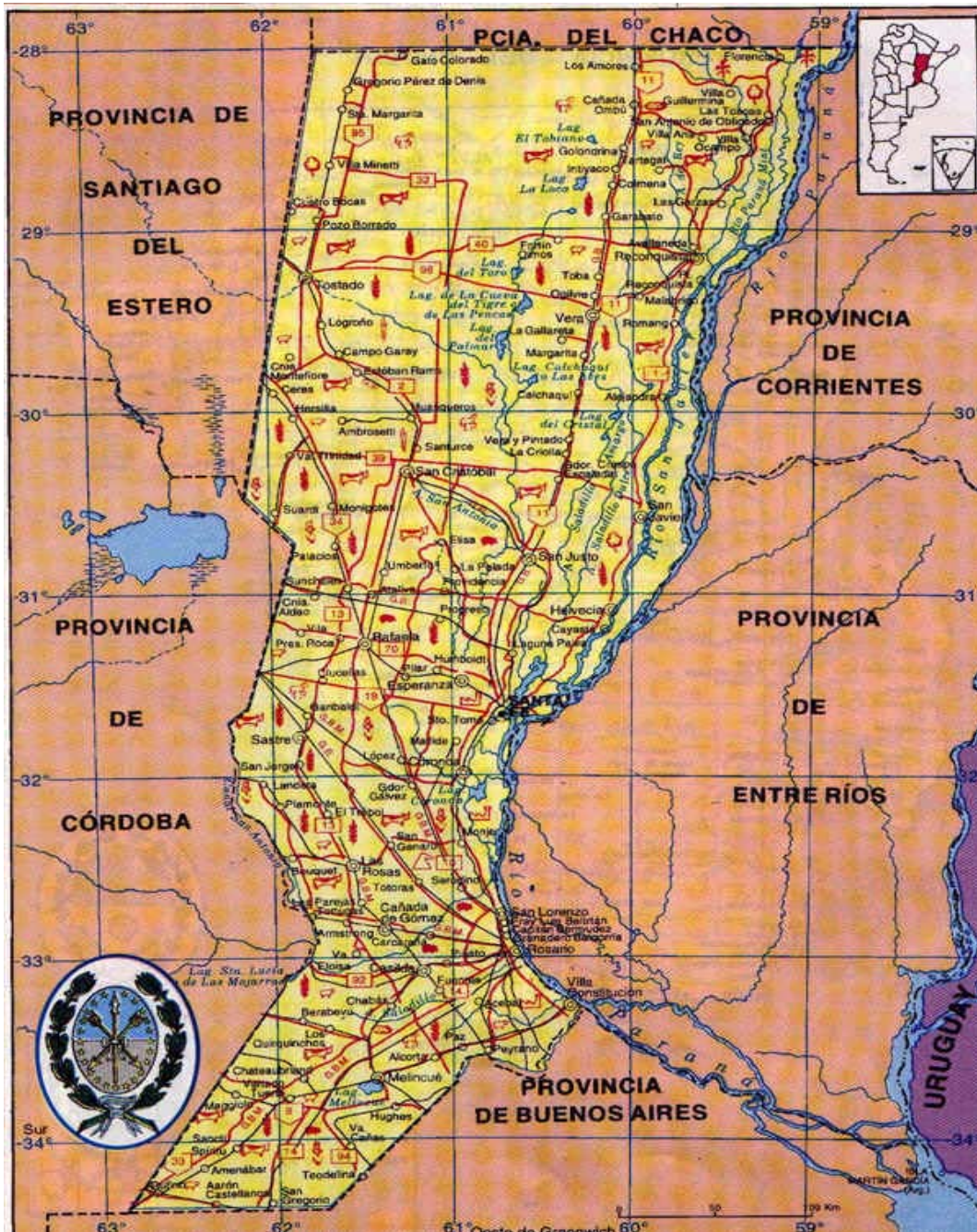
Argentine Republic



Flag

- ⊗ Surface: 2.791.810 Km<sup>2</sup>
- ⊗ Population: 36.223.947
- ⊗ Religión: 95% Católicos
- ⊗ Language: Spanish

# SANTA FE PROVINCE



After 1810, and perhaps more precisely after 1816 – the year of the Argentinean independence – the country suffered a series of internal fights until the consolidation of the national unity in 1854.

The Nation found a direction and consequently there were changes in all the fields: social, political, the field-city relationship and, essentially, in the role the small and medium agricultural producers, who will constitute the driving force of a brand new Argentina.

An important part of the internal fights took place in Santa Fe, so the control over the Indians decreased significantly. The stockbreeding was specially affected by the Indians attacks to farms and fields of the province<sup>9</sup>. As a consequence of this situation, an important part of the population had guns for self-defense. Ezequiel Gallo says that starting in 1810, Francisco de Candiotti and other stockbreeders from Santa Fe, such as Andino and Larramendi, lost almost all of their livestock due to the Indio's' attack both North and South of the province.

It is necessary to point out the precariousness of the territorial registers and list of properties, which contributed to worsen the confusion about the fields' limits and owners by the middle of XIX Century. In the decade of 1870, an important part of lands suitable for cereal cultivation was incorporated to the Santa Fe economy, thanks to the effort of the provincial government to regularize the lands situation and to create the necessary conditions for the development of the agricultural activities.

Ezequiel Gallo says that between 1870 and 1895, the main characteristic of the Santa Fe frontier is the astonishing speed of the change of landowners along with a fast subdivision of large properties mainly as a consequence of the agricultural colonies. For example, in the province's central-west border (the current San Cristobal, Castellanos, Las Colonias, Iriondo and Belgrano Counties) out of the 47 owners registered in the 1872 cadastre, there only remained in possession of the land 24 owners and 13 in 1888.

The 80's decade was particularly favorable for the agricultural development. First the Santa Fe province, and then Entre Rios and Cordoba, cultivated wheat and corn and used modern machinery in their exploitations. The immigrants, mostly from southern Europe, were the ones who worked in the agricultural activities. Diego de Alvear, who supported the General Roca campaign for President, owned 300.000 hectares in Santa Fe, where his mansion, "La quinta de Alvear", inaugurated the italic style in the Santa Fe architecture.

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<sup>9</sup> The fight against the native Indians ended in 1879 in the southern border and in 1884 in the northern one.

“The frontier expansion, the transference of public lands to private owners, the legal guarantees given to property and transactions between individuals promoted the province’s rural economy”<sup>10</sup>.

One of the crucial factors of the cereals’ expansion was the incorporation of new lands to the provincial economy (mainly due to the disappearance of the Indio’s’ menace). In opposition, a negative factor for growth was the chronic shortage of the labor force. The province’s governor pointed this factor out as one of the main problems the Santa Fe was facing.

In 1850, the majority group of immigrants was composed by 1156 Italians, 716 Swiss, 653 French, 623 Spaniards, 472 German and 303 Uruguayan. This revealed an important participation of foreigners in the commercial and river transportation areas during the decade of 1850. Italians, and more specifically the Genovese, stood out in this last activity.

From 1858 to 1859 occurs a change in the proportion between the rural and urban populations. The population of the urban centers decreased from 46,6% to 41,9%. Even when this was not a great change, it implied an increase of the rural population.

The first national census carried out in 1869 showed a population of 1.830.214 inhabitants. Twenty three years later, that number reached 3.956.000, that is, an increase of more than 2 millions of people at an average rate of 81.500 of inhabitants a year. More than 1 million people of that new population were foreigners (they did not exceed the amount of 300.000 in 1869). This immigration preferred to settle in the edges of the rivers and specially the urban centers. The rural population suffered an important decrease: in 1860 it constituted 65,89% and in 1895 only 57,20%.

Between 1850 and 1914, Santa Fe carried out five censuses in 1858, 1869, 1887, 1895 y 1914. This survey shows an overview of the population evolution:

Year	Population			TOTAL
	Argentines	Foreigners	% Foreigners	
1858	36.957	4.304	10.43	41.261
1869	75.178	13.939	15.64	89.117
1887	136.117	84.215	38.22	220.332
1895	230.701	166.487	41.91	397.188
1914	583.699	315.941	35.11	899.640

<sup>10</sup> Gallo, Ezequiel. The Pampa Gringa. The agricultural colonization in Santa Fe (1870-1895) Edit. Edhasa, 2004

As can be seen, this important population growth was generated by the arrival of immigrants who populated the province and increased the number of inhabitants of cities such as Santa Fe and Rosario.

The amount of native inhabitants is practically insignificant and quickly assimilated the immigrants' culture.

The phase of agricultural colonization and communes' foundation starts in 1856, after the changes in the political conception that favored the arrival of the European immigration with the objective of populating the empty spaces of the inner country. The peak of this process takes place between 1880 and 1895. The Swiss immigrants first settled in the new agricultural colonies, followed by the Italians from the Piedmont, Lombardy and other regions, the French, Spaniards and Jewish, among others,. After 1852, the government's new approach developed favorable policies for attracting the European immigration to settle in the agricultural colonies. This was put into practice with the signature on June 15, 1853, with the first colonization contract signed by the province's governor Domingo Crespo and Aaron Castellanos. This act represents the starting point of the social and economical transformation in the Santa Fe province.

Alcides Greca, a historian and writer from Santa Fe coined the expression "*Pampa Gringa*" (foreign pampa) to denominate this wide area with center in the city of Rosario (Santa Fe Province), that constitutes the most progressive pole in the economical, cultural and social aspects.

The Colonia Esperanza foundation in 1856 slowly starts the process of colonies foundation, which is promoted by new laws that favor the colonization.

As per the provincial government initiative, the first colonies developed based on artificial immigration (the immigrants were previously hired in Europe) which allowed them to bring their tools and belongings. These groups found here huge difficulties because the colonizing companies that had government concessions in most of the cases did not have the minimum facilities nor the infrastructure to receive the colonizing families and provide them plots at a reasonable price.

All these troubles were slowly solved, and this led to the creation of other colonies: Esperanza (1856), San Jerónimo Norte (1858) and San Carlos (1859); these first colonies were populated by Swiss immigrants.

Subsequently begins the arrival of the huge mass of Italian immigrants<sup>11</sup>, forced to leave their country for the industrial modernization and the agricultural crisis. Along with the Italians arrived several groups from other countries, with their cultural diversity, settling in a territory that had very few or almost none native inhabitants.

The railway construction began in 1870 and expanded its scope between 1885 and 1895 with the layout of several new lines. The railway connected areas that already had an important development (which strengthened them even more) with other areas where it constituted an important factor for the foundation of new colonies and towns near the stations.

“The psychology of the immigrant mass was determined by the impulse that forced them to leave their native countries to face the American adventure. This impulse was mainly economic, and it was generated by the certainty that the American life offered unlimited possibilities for those who were willing to make a strong effort, an effort that in the areas of intensive economy only produced poor results. In consequence, wealth was the decisive propelling force and every obstacle to it was despicable”<sup>12</sup>.

The immigrant had cut its ties with the community of origin and therefore abandoned the system of norms and principles that ruled their behavior. He started to move between two worlds: Sarmiento characterized the immigrants when he said that they long for their country of origin, which they idealize in their fantasy, while the adoptive country is a valley of tears that promises a better life.

However, with the slow introduction of the automation and the massive arrival of immigrants, the lack of labor force – which had been a curb for the development of the area – lost its prominence. The immigrants’ introduction was promoted through active policies of the provincial government and implemented by commercial companies.

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<sup>11</sup> The Italian emigration was not a result of a national exodus for which the entire country got rid of its population surplus and, in particular, of an important part of its rural workers. On the contrary, the emigration process was stimulated by a combination of economical and cultural factors that changed with the time and according to the local conditions in the diverse regions of the peninsula. The agricultural crisis in the Piedmont, Lombardy and Veneto of the last years of the 70's decade, along with the collapse of the Mezzogiorno economy that took place twenty years later, have driven a massive emigration to the New World (United States, Argentina and Brazil) as well as to other European countries such as France, Switzerland and Germany. Italians in Rosario. A demographic and occupational profile (1870-1914), Carina Frid de Silberstein, CONICET, Buenos Aires.

<sup>12</sup> Romero, Jose Luis, *Politic Ideas in Argentina*. FCE., 1959

## THE SMALL TOWNS OF THE SANTA FE PROVINCE

The installation of an agricultural colony generated the need of providing the settlers with certain services, generating the creation of urban centers as a part of the colonies. The legislation of 1884 and 1887 for the creation of colonies contemplated this aspect.

First, there settled a blacksmith, a shopkeeper, a grocer's and a butcher's shop and a bar; then the restaurant, the justice of the peace, the development commission, the first school and the Catholic Church in most of the new small towns.

Shops, groceries, butcher's shops, restaurants bars and cereals' commercialization were the first businesses of the small towns in the province. With its consolidation, the commerce acquires diverse characteristics, defined by Carlo Carlino as follows: "I was saying the communes had its Genovese small diner, its Neapolitan barber shop, its Friulian forge, its Galician groceries, its Catalan bakery, its French gift store"<sup>13</sup>.

The original archetype that presented the immigrant as a bearer of new moral strengths, working and saving habits, better sociability ways, all values that would transform the atavistic customs of native population is being rediscussed. This rectification basically derives from the characteristics of the arriving human mass. According to Perkins:

*"Almost every family was indigent in its country, laborers, soldiers and even a worst class, criminals. They could have never hoped to be more than simple unskilled workers in Europe" (El Ferrocarril, December 15<sup>th</sup>, 1863).*

Wilcken, a government employee, agrees with this discredit, and affirms that the previous life conditions, in which all of the efforts have been focused on the only objective of ensuring the survival, affected the settlers in their learning skills and sociability.

This presumption arose from a certain diagnosis of the situation. This is due, in one hand, to the fact that an important part of the so-called "farmers" are not real farmers and, in the other hand, in the case they were, the ignorance of the habitat, the weather conditions and the specific pace of the agricultural cycle in this hemisphere (El Ferrocarril, November 19<sup>th</sup>, 1863). This balance almost does not suffer any modification during the subsequent years. In 1872, Wilcken evaluates the colonies' general situation in the country and affirms:

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<sup>13</sup> Alcaraz, Williams Nelos. Quoted in: The Santa Fe Province 1850-1915. Population, immigration, agricultural colonization aspects and the railway in the provincial development.

*“There are very few settlers that were real farmers before arriving to our country; and many of those who currently dedicate their efforts and intelligence to this noble profession at the beginning did not even know how to handle the shovel and the hoe, and even less the plough; as a consequence, despite (sic) the perfection of the instruments they use, the way they cultivate the land is rough, backward and primitive” (Wilcken, 1873: 276).*

Apart from these objections made at a working level, there were other related to the set of values the settlers were supposed to have. The observers point that the families scarcely preserved their own traditions, as well as the fragility of their values.

These tendencies also explain the *“acriollamiento”* (adoption of local customs and attitudes) and the tendency to frequent “the society of the ‘pulpería’ – some kind of bar where the gauchos and or farmers met to drink, play cards, etc -, drunkenness and brawls” (Wilcken, 1873: 307). To overcome the difficulties generated by both situations, the companies and the government elaborate different strategies. The companies installed model farms with a double purpose: to work both as experimental laboratories -with the consequent knowledge acquisition – and, at the same time, as witness reference for the control of the productivity (Gory, 1947: 119). The official actions included the elaboration of advising materials (brochures, agriculture manuals) and a more specific development of the elementary education, projecting new agriculture schools. In 1885 the Governor Zavala asks the Congress to provide the necessary resources for the installation of such institutions in Esperanza, San Carlos and Cañada de Gómez, so in the future the settlers descendents do not repeat “the same steps and old practices of their parents in the preparation and cultivation of the land” (Messages of the Governors, 1872: 189).

At the same time, and entering the field of resocialization, both sectors stimulated all the initiatives and institutions that helped to consolidate a culture’s Eurocentric vision and its consequent projection. Therefore, the colonies began to have mutual help associations, ethnic schools, Catholic and Protestant churches, singing societies, target shooting, and so on.

In opposition to the heterogeneity of the actors – natives or foreigners – for whom policies and practices are addressed to, there is a vision that expresses a consensus: to strengthen in the society two essential values of the new order, property and work. Unlike the urban world, in which the government actions combined with those of the private sector develop practices of a *passive welfare* towards poor and beggars, in the rural environment – in which is essential the eradication of the *voluntary inactivity* – operative

ways of insertion through work are planned. The indigenous colonies and those located at the frontier, where layabouts and needies coexist, express the effort to impose a discipline with a double objective: to internalize values and the subjects' forced retention.

### Predominant activities: agriculture and stockbreeding<sup>14</sup>

Carrasco<sup>15</sup>, in one of his publications quotes:

“Before 1852, the agriculture was almost unknown, and only very few inhabitants of Santa Fe sowed some corn to have cobs or some wheat for cakes and stews”.

The first and hard task carried out by the settlers who arrived to the new colonies was to build precarious houses (or huts at the beginning) to settle with their families and as a shelter from bad weather conditions. Afterwards, when the settlers became owners of the plot, they built their houses with walls of bricks and roof of zinc.

They had to prepare the land and uproot trees in some areas, but most of all their labor consisted in destroying scrubs and wild shrubs. In addition, they had to eliminate chinchilla's burrows and anthills, to plough part of the land for the first sowing and then continue with the rest of it.

The production of cereals and oleaginous plants positions the Santa Fe Province as the country's main producer of wheat and flax at the end of XIX century.

#### SANTA FE PROVINCE – SOWN HECTARES

CROP	1875	1884	1888	1895	1908	1914
WHEAT	35.857	-	401.652	1.030.898	1.169.837	1.009.814
CORN	16.562	-	60.901	185.898	662.187	1.254.966
FLAX	-	36.842	73.009	266.606	582.612	569.542

With the emergence of the cold storage plants starts the cattle improvement, which will substitute native animals. In order to enhance the cattle food the settlers incorporated the alfalfa as the main forage plant.

<sup>14</sup> Extracted from: The Santa Fe Province 1850-1915. Population, immigration, agricultural colonization aspects and the railway in the provincial development. ALCARAZ, Williams Nelson GALVEZ (Sta. Fe), 2005

<sup>15</sup> CARLINO, Carlos. Biographies with Gringos. Axioma Editorial, Bs. As., 1976, p. 74.

Regarding the horse raising, it is related to the use of the horses as draught animals for the cultivation and in a small percentage as transportation mean. Some establishment supplied the army requests.

### **Piedmontese Immigrants:**

The development the agricultural colonization in Santa Fe counted on the support of the governors. José María Cullen, Juan Pablo López, Rosendo María Fraga, Pascual Rosas, Patricio Cullen, Nicasio Oroño, Mariano Cabal, Simón de Iriondo, Servando Bayo, Manuel M. Zavalla and José Gálvez outstand in this important task: "... in the great period between 1856 and 1890 they promoted the creation of most of the colonies that would become prosperous towns that would make of Santa Fe 'The Cereal Empire'...".

In the other hand, there were some people who took care the administrative and legal infrastructure to organize the colonies, some of them on behalf of the companies and some other who decided to divide into plots their land and founding small towns all over the province. Some of them were Aarón Castellanos, Carlos Beck y Aquiles Herzog (de la Sociedad Beck-Herzog), Guillermo Lehmann, Carlos Casado del Alisal, Ricardo Foster, José Bernardo Iturraspe, Julián de Bustinza, and Eugenio Alemán. Also, several colonization companies acted in different parts of the provincial territory.

At the end of XIX, 12 families from the Piedmont settled in Santa Fe. As most of the immigration at that time, they were running away from the war and from the new industrial era in Italy, which enormously marginalized them. America was for them the Promised Land, where a sustained effort in time would lead them to make their dreams become true. The Italian's ease of adaptation and their ability to use the Spanish were one of the main arguments used by the Foreign Office to discourage the English immigration.

We will analyze in this study the case of a particular Piedmontese family, composed by a married couple with three children: two boys and a girl. Unfortunately, the little girl passed away of yellow fever during the trip. The other children were born in Santa Fe.

This family, Catholic<sup>16</sup> and literate, first settled in the Guillermo Lehman colony. They did not have any farm machinery, but they brought some seeds from the Piedmont, as well as some turnips and other vegetables. The beginning was extremely hard, so when the government in 1870 gave the settlers a portion of land in Zenon Pereyra they took the

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<sup>16</sup> Keeping the faith in these circumstances put the newcomers' convictions to the test. Some of them brought their prayer book but others only what they knew by heart.

opportunity. The government's purpose was double: to stop the Indians and to colonize the territories where they settled. These families also received guns: they were given a Winchester rifle for self-defense and to prevent the Indians and villain gauchos' advance into the land.

Zenon Pereyra, where this family settled, is a commune of the Castellanos Department. According to the last census, its total population is 1941 inhabitants, with an area of 244 km<sup>2</sup> and a density of 8 people by km<sup>2</sup>. The commune was founded in 1887 by the Lehman Colonizing Company. It was named after one of its members, Zenon Pereyra, and the patron saint is Saint Justina, the name of Pereyra's wife. Since they did not have any descendents, they adopted a little girl named Esmeralda, origin of the name of another town located 8 km away from Zenon Pereyra.

During that time, and for a long time after, being a tenant was synonymous of being relegated in a second place, because only the land or business owners – who paid taxes to the government – had influence in the political opinion and participated in the local government<sup>17</sup>. The political issues related to the campaign, specially the representatives' election, were an exclusive prerogative of the ranch owners.

Near 1895, the life conditions remarkably improved due to a long prosperous cycle of the provincial agriculture that lasted from 1878 and 1892.

On the other hand, every year the army supervised the lands given to the settlers, checking new births, deaths, assaults, the families' situation, etc.

Getting back to the Piedmontese family, as mentioned above they arrived to Argentina at the end of the XIX century, but suffered a rapid disintegration after the mother's death. The father, an alcoholic, gave his oldest daughters to a friend couple, owners of a flourmill at El Trebol (there were immigrants from areas where the flour was the main product extracted from the wheat: this activity had a considerable importance because it was the fundamental component of the aliments they consumed, such as bread, pasta, etc.)<sup>18</sup>.

The girls completed the primary school<sup>19</sup> and received a careful education: they learned to sew, embroider, knit, and administer the house, all attributes of women's education in that place at that time.

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<sup>17</sup> In the "Cabildo" meeting held in Buenos Aires in 1810 happened the same.

<sup>18</sup> The first flourmill was built in Esperanza in 1861 and by 1887, this place already had 8 milling facilities. Alcaraz Willams Nelson, The Santa Fe province 1850-1915

<sup>19</sup> According to the 1887 school census in Santa Fe there were 190 schools, 80 of which were mixed, 61 for boys and 49 for girls.

The youngest girl, Laura, who would later be the founding base of the first company we will analyze in this study, married an entrepreneur man named Bartolome, who did not have much of a personality, but supported her in all of her initiatives. The traditional values of the XIX century Italian culture assigned the women a passive and dependent role, subordinating them in the first place to the father and brothers and once married, to her husband. In case of widowhood, the house direction was delegated on the oldest son.

Logically, due to an entrepreneurial spirit (a men's exclusive characteristic) expressed from an early age, Laura was criticized by some family members and friends. Bartolome and Laura had six children, among them Rudecindo and Hilario who lived in the family house until 1930.

As a consequence of the economical crisis of the 30's, and also for Laura's entrepreneurial spirit, who understood that it was necessary to have an active role in the solution of the economic problems of the family, they moved to the town and started a commercial activity. In 1933, they inaugurated a store and bazaar that also sold construction materials, under the name of Gaviglio Sociedad Comercial Colectiva. It is worth pointing out that the commercial activities were carried out empirically, without any previous experience, as a result of the need rather than vocation. The store inauguration did not affect the rural activities, for which they were truly skilled. Bartolome had a shrewd business sense, detecting when it was a good moment for buying and when it was not, but it was Laura who closed the deals with her natural leadership skills.

When they grew up, Rudecindo and Hilario, two of the brothers who will develop agricultural activities later, share their tasks: Rudecindo remains in the farm with his older brother Antonio, and Hilario, who had completed the elementary school, was more dedicated to the commercial activities. When Bartolome - the father - died in 1948, his six descendants (5 men and 1 woman) decided to divide the land, and each of them took control of its part. Shortly after that, Laura passed away too.

*1<sup>a</sup> phase: start up and consolidation of an agricultural and stockbreeding SME.*

The prevailing conditions in the international markets and the increase of the institutional stability provided the appropriate framework for the expansive process of the region's activities. However, it was necessary to determinate important variables such as: the suitable areas for cereals cultivation, the optimal dimension of the exploitation, the farm machinery to be used, the characteristics of the product to satisfy the international

demand, etc. None of them was easy to solve. Anyhow, being the owner of a field guaranteed the future and provided responsibility and independence.

As the time went by, two of the six brothers, Rudecindo and Hilario became partners: Hilario took care of the cereals commercialization and the sale of fuel of *Yacimientos Petrolíferos Fiscales* (YPF) and Rudecindo administered the inherited lands (approximately 140 hectares) and the family house (also in the legacy). It included a dairy, animal breeding and some agricultural activities. They used to sell their products to the mills of the area, especially those located in Maria Juana, San Francisco and El Trébol.

All these activities were carried out more in an intuitive way, than knowing the solution to the mentioned variables. None of them attended any agriculture school nor received any advising from an expert. Even more, Rudecindo had not even finished the primary school. They constituted a “de facto” business association and the Banco Nación<sup>20</sup> provided the necessary credit for the business. Hilario even had the representation of said bank, something not so common for one individual.

The results they obtained, after a few years of intense work and strictly keeping their word in the commitments they took, are really remarkable. At the beginning, they had approximately 10 employees, but during the harvest time they subcontracted the services of a company from Cordoba named “La Para”, whose employees could remain in Santa Fe up to two months working in the harvest activities.

At that time, a rumor went around about the possibility of a new war with Paraguay, and the Army began to acquire horses. According to Dr. N. Avellaneda (former president of Argentina), Santa Fe was the land of the two harvests: wheat and soldiers, the last one due to its aptitude for the war. The Gaviglio brothers sold the Army, large amounts of horses, because they not only sold their own, but also bought their neighbors’ horses to provide the Army needs. In consequence, they accumulated a relatively important capital, which was invested in the acquisition of land. In 1962, they bought 1.600 hectares (10.000 sq.meters) in Las Petacas<sup>21</sup> (close to Z. Pereyra) from an Englishman named Charles Jewel, financing the purchase with the sale of animals and a long-term loan from the Krafford King finance company with a mortgage on the land. With big effort and dedication, they started to exploit the land without having a deep knowledge on the subject: since the market conditions were favorable, they first dedicated to the stockbreeding and afterwards

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<sup>20</sup>Between 1887 and 1890 el Bco. Hipotecario Nacional (National Mortgage Bank) gave 6.500 loans, 870 of which were for the given in the Santa Fe province. Gallo Ezequiel, Op. Cit.

<sup>21</sup> The ranch “Las Petacas” belonged to this English citizen who once came to have 35.000 hectares.

to agricultural activities, depending on the evolution of the international prices. Rudecindo exclusively took over the exploitation of these hectares, which generated an abrupt separation of the two brothers. At that point, Rudecindo had his own family, with four daughters (two of them, twins). Hilario kept the lands located at Clucellas<sup>22</sup>.

In 1987, Rudecindo started his own cattle consignee business, which he named *Rudecindo Gaviglio Remate de Feria S.R.L.* Until then, he had had a third party's representation in that business, but the cattle commercialization reached an important volume, especially with companies from Rosario, and decided to start operating with his own cattle. Rudecindo had important rodeos on his fields and his land extension had risen up to 2.600 hectares, and all these factors contributed to the creation of his own business with a minority partner. The company operated until 1999, and then he closed it down because – again - the meat business was not a good business: low local and international sale prices, closure of international markets, the cold storage plants did not pay their debts or they did it in an excessive long term, and more expensive supplies led to a difficult economic situation for the company, which could not cover the production costs and - perhaps the most important problem for Rudecindo - this situation exposed him to the impossibility of fulfilling his financial obligations.

Rudecindo incorporated his youngest daughter into the consignee business activities, who developed a great commercial sense.

### *SMEs: Corporate Social Responsibility*<sup>23</sup>

There essentially are three approaches to the Corporate Social Responsibility: descriptive (explains how administrators face the social responsibilities), instrumental (when the CSR is a means for different objectives, for example to create value for the shareholders' shares) and normative (explaining how the company that wants to be socially responsible should act)<sup>24</sup>.

Responsibility is an act that belongs to the moral category and as such is part of the human actions (people can only be subject to moral evaluation). The moral responsibility

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<sup>22</sup> Currently, Hilario is one of the biggest producers and exporters of grain in the Santa Fe Province.

<sup>23</sup> "The current exigency is to leave the mere philanthropy to the CSR. The donations are desirable, but it is necessary that the companies support the public policies about poverty, health, education, integration of marginal groups and others". Kliksberg, Bernardo. La Nación 20-9-07.

<sup>24</sup> Antonio Argandoña Professor, "la Caixa" Chair of Corporate Social Responsibility and Corporate Governance IESE Business School, University of Navarra

can also be understood as a duty or a responsibility<sup>25</sup>. The answer of the actors to potential responsibilities leads to the responsibility as an attitude or tendency to respond to others demands or needs.

The CSR of this kind of company (Gaviglio´s) is included within the last concept, that is, as an attitude or tendency to respond to others needs<sup>26</sup>. It represents an interesting case of voluntary assumption of obligations that go beyond the law or the social expectations requirements.

Since the origin of the commerce, the companies, especially the smallest ones, have always had a close relationship with their community and have tried to be good members of it. As a matter of fact, many entrepreneurs instinctively know that acting in a right way, satisfying the customers, motivating the employees, looking after the suppliers, being a good member of the community and protecting the environment are all issues that influence the economic aspect. Lately, other factors are related to the responsibility concept, such as customers' pressure, local communities, banks, investors, etc. As a general rule, the small companies have a great ability for generating these relationships, because they are an integral and visible part of the community in which they operate. In the other hand, these companies' CSR is such a natural aspect of them that they would never dare to talk about it, and for this reason it goes unnoticed from the information point of view.

When this SME started its operations, the CSR or the solidarity concepts were not handled in the current terms. But this human group gave great importance to it and to the empathy with employees from the beginning. Values such as honesty, fulfilling the commitments and helping the co-workers allowed them to open their way almost without money and in a place where the bank credits or other kind of aid for these tasks were scarce and selective.

On the other hand, despite the politic power<sup>27</sup> of the region and communes such as Zenon Pereyra, has always been managed by allies of the central provincial government, local men also played an important role in a wide variety of activities. Nevertheless, some

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<sup>25</sup> For ex. when it is said that someone drives in a responsible way to avoid hurting anybody.

<sup>26</sup> Ortega y Gasset points out that the others are his "circumstance". I am me and my circumstance and if I don't save it I don't save myself". The man is, in its true nature, a being for the others. Extracted from: "The authentic life". Fromm, Erich. Edit. Paidos.

<sup>27</sup> Esperanza was the center of the political activity of the cereal areas and the dominant group was supported by the newspaper "El colono del Oeste".

foreigners<sup>28</sup> had influence in the local politic power as well, especially in the justice of the peace and in those places in which the central power was articulated with the communes, in the search of some base of collection. The autonomist governments tried to establish an autonomous municipal government in the colonies. The neighbors who paid taxes were the ones who voted to elect the municipal positions. Foreigners also could vote.

Within this system, Rudecindo exercised a moral and political leadership in his commune: he was elected mayor for several periods (16 years). Influential people, with strong personalities, in this context were determinant to achieve the supremacy in the political life. Rudecindo had them. This allowed him to be aware of the community needs as well as to make good contacts with the provincial government, developing in consequence a wider economical and social vision.

The streets pavement project (during rainy season, the mud was -and still is- a huge problem because it paralyzes all activities) found in Rudecindo one of its most active defenders. To prevent the process to stop, he took the decision of paying the corresponding part of some low-income institutions and / or families.

Other examples of Rudecindo's position regarding the CSR are: on a daily basis, he donated milk from the dairies (it was, and still is, quite common seeing needy people knocking at his house asking for milk)<sup>29</sup> and, once retired, he donated his pension to a Don Orione nursing home that operated several years in the town.

The organization of the commercial activities and a more rational collection process were some of his main concerns. In addition, he promoted the education providing an important support to the primary school both through actions as a government employee and as a private one. He built in his field a house for the teachers to stay during school time. More than one employee received a loan for building his house from Rudecindo's own pocket.

Rudecindo was (and still is) a very generous person with his own daughters and with every person and/or institution that may request his assistance. He transported ill people to different towns to secure them a better assistance, whether with good or bad weather.

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<sup>28</sup> The experience of the municipal life seems to have been quite usual in the countries of origin of the immigrants. Edmundo de Amicis after his visit to the San Carlos colony says: "...I was surprised to see those settlers dealing with each other with equity (...) and discussing about politics and administration, as well as about a new project to reform the primary education...". Quoted by Ezequiel Gallo in "The Pampa Gringa".

<sup>29</sup> The first milk pails used to deliver milk still exist, though new ones to continue with this task replaced them.

Nowadays, there still remain in the people's collective memory<sup>30</sup> his trucks getting their engines blown because of driving in the mud when the roads were not paved (until around 1984). Furthermore, he donated construction materials and/or doors and windowpanes to families with scarce means of support so they could live with dignity.

In 1981, one employee's misbehavior (fraud) generated an important slump in Rudecindo's mood, because this person had worked many years in the company and was considered a trustworthy person. Her actions were seen as a betrayal to the family due to the close relation the family had with this person.

At the time, Rudecindo already was 81 years old and this deteriorated his working spirit, which led to a financial mishandling as a result (in that time, the Argentinean currency changed its denomination and its value, which confused the elderly people).

The fields were abandoned or sowed in the wrong season -with a consequent low performance-, the animals did not receive their vaccination and were sold cheaply to fulfill the financial commitments. His wife was the first one to alert their daughters about this situation.

This context, along with the lack of information about certain important subjects connected with his business (because of its age, he trusted more in his own experience than in new technologies) and her employee's fraud – which he could never forget –, configured a situation that really was hard to handle. Even so, when the company management was transferred to his daughters, Rudecindo's spirit was there: he said that he reserved to himself the right to come back in case “the girls” didn't do the things right.

## *2ª. Phase: Feminine Enterprise*

The transference of family companies from one generation to another is not a minor issue. Statistics show that hardly a 30% of these companies (that is, 3 out of every 10) have a successful transference from a first to a second generation and only a 7% survives until the third generation. Due to the lack of prevision about how to carry the generational transference through, many of them remain in the way. Nevertheless, there exist inner circumstances that influence in these companies' lack of durability: there is some confusion about the capital ownership and the capability to run a business, the

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<sup>30</sup> Later, thanks to all the neighbors' collaboration, it was possible to acquire a new ambulance to alleviate the lack of a health center in the town.

administration of the capital resources, lack of professionalism of its components, hiring family members and remuneration policies, among others.

It was not the case of this SME. In 1999, it was decided by common consent between the father and the four sisters that they (the sisters) would be in charge of the company exploitation. In 1981, these sisters had received the 1.600 hectares bought in Las Petacas, a few kilometers from Z. Pereyra, and each of them had exploited the land individually (through rent or with their husbands) and at that moment they received the remaining 1.000 hectares also located near Zenon Pereyra, which Rudecindo kept for himself and managed as a limited liability company<sup>31</sup>.

When Rudecindo was the only one in charge the company, he had nine permanent employees and, depending on the moment's needs, he could also hire temporary staff. One of them, who worked as a foreman, stayed in the company until his retirement. Among these 9 persons, 5 families lived in Rudecindo' field.

At this point, all of his daughters had their own family and children. None of them had direct experience in this kind of business, except the oldest one who integrated with her husband one of the CREA teams. But they did not hesitate and accepted the challenge.

All of Rudecindo's daughters married to men who had agricultural and stockbreeding businesses or their activities and/or professions were related to it. We point this out because although all of the values and the production and commercialization guidelines they were surrounded by referred to agricultural and stockbreeding business, they did not have any specific formal knowledge or training about the subject.

Being in charge of a company such as Rudecindo's implied not one but many challenges. Even though the administration concepts and practices were not completely unknown for them (they took some administration training courses), they had never run a company before. Keeping in mind the risks, they decided to perform an exploratory mission to determine what the next immediate steps should be.

At that moment they took charge of the company, it had many debts from different sources as well as four employees, two of them living in the field and the other working in the field but two living in the commune. The company kept one of these four employees and the other three were timely replaced<sup>32</sup>. That is to say that, nowadays, they have three

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<sup>31</sup> Rudecindo is the president of the company, being his wife the vice-president.

<sup>32</sup> Two of them took a voluntary retirement and a third one was fired and indemnified for being lazy.

employees (with their respective families living in the field), one of them in charge of the agriculture, other responsible for the stockbreeding and a third collaborating with the other two.

When they started managing the company, they understood the necessity of assessing the starting point and knowing where to lead. They performed an audit: available resources, debts (personal, banking, tax, social security and other kind of debts linked to the father's previous management), infrastructure, human resources, etc. They also carried out the first physical inventory of the company. The father always had "everything in his head" and never considered necessary to make an inventory.

Because of all this, the four sisters decided to make a conservative exploitation of the business, especially considering that despite of having lived all of their lives in that environment and being immerse in the agricultural and stockbreeding culture, this was the first time they were going to work altogether in these activities without any guidance. Quite a challenge.

The sisters carried out several order and cleansing tasks, which may seem minor ones but in fact they constitute essential tasks for the activity, such as replacement of the wire fence, personnel restructuring (as mentioned above, they indemnified some employees, hired new ones, trained them and enhanced their home), changed the vehicles affected to the rural activities, etc.

They paid the more onerous debts first. As a pilot experience, they cultivated 200 hectares.

In order to avoid wasting resources, they assigned 30 hectares for cattle and the rest of the field was rented to a third party for its exploitation. The new renter also performed sow and harvest activities in the sister's own land.

The weather factor and the change of government policies were always threatening factors to face, putting this feminine company leading capacity to the test.

They took notice of the CREA<sup>33</sup> operation through the oldest sister and the influence it had in the area, collaborating with other similar companies with good results. The CREA is a group of producers of the same region who share their experience to capitalize their abilities and individual knowledge in order to find better solutions and take the rightest

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<sup>33</sup> Non-profit organization originated in 1957 and founded in 1960 by the Architect Pablo Hary. Integrated and directed by agricultural and stockbreeding producers, its objective is to promote the integral development of farming businessmen to achieve profitable and sustainable companies in the course of time, testing technology and transferring it to the sector to contribute with it and with the country.

decisions for their business. They are not unconnected from the Social Corporate Responsibility. The parameters *Values and Transparency; Internal Public; Environment; Suppliers; Community; Government and Society* are some of the indicators they propose to assess the agricultural and stockbreeding SMEs that integrate the association. Along with other nine companies, in 2000 they decided to create within the association a group named “Las Calandrias” which continues working nowadays.

They prepared and presented a Work Plan. It was an enlightening experience for these four women: human warmth, respect and honesty were the first values they found. Faced with demands and “criticism”, they were shown the best path to follow. Once the success arrived, suggestions for staying successful and praises were very common.

All this allowed the sisters to slowly consolidate in a group with an entrepreneur profile that preserved the original characteristics of the Italian family – Piedmontese- with Christian values, generator of the culture of the Santa Fe communes in opposition to the Indian culture.

The activities developed contributed to the company growth in all its aspects, but mainly in the development of training and a very particular corporate social responsibility. They had a very direct knowledge of the commune needs, so they always kept in mind that if they succeed it was their responsibility to give the community back the support and actions to stimulate its development.

It is important to point that these sisters, direct heiresses from Grandmother Laura, had been raised to be schoolteachers, not to manage and agricultural and stockbreeding business. Furthermore, all of them were linked by marriage to the rural company.

It took a lot of courage and vision to survive the generational change. The best choice they made, probably, was to remain together and seeking for advisory out of the family. The first years, with the objective of consolidating the company, they decided not to withdraw any money from the company, which required from them an additional effort. Regarding the production, the international market conditions really favored them. This external situation, along with a good management performance, good market prices and lots of austerity, contributed to the recuperation of the entire field in 2003, which had been rented to third parties, recovering the totality of the hectares for their own exploitation. The soil quality is excellent and contributed to the harvest success.

In reference to the stockbreeding, they continued working with Bradford or blacks, maintaining the same quality as the father’s. Nowadays, the stockbreeding occupies 70 hectares of the field. They made a renewal of the old tools and machinery and bought

other new tools that they did not buy before, whether for ignorance or negligence, such as: grain extractors, grain bagging machines, etc.

Finally, they refurbished the family house (adapting it to the needs of an elderly couple) and bought a new vehicle for their parents for safety reasons more than necessity. They currently are refurbishing the offices. Also, they have upgraded the information and management systems.

They acted at every moment with a critical and objective spirit. The contractors selection was thoroughly made among the people of the commune, because the company still kept the spirit of a family business. They tried to select good and responsible people and very proficient in their work.

In this search of excellence, they never overlooked the importance of the human factor, creating a real CSR for their SME. They continued with Rudecindo's tradition of helping anyone who may need it, whether it be an institution, a school, a soccer club, an employee or simply a neighbor. With regard to wages, it is quite common in this kind of jobs to pay remunerations that are below the minimum wage regulated by law. One of the sister's first objectives was to adapt and improve the wages until reaching the legal scale and, in some cases, exceeding it. Apart from providing the health care programs regulated by law, they aimed to support the employees in their and their families' health<sup>34</sup> development in an integral way.

Also, the education is one of the main concerns of this company (although this legally is an obligation of parents, they do not necessarily take care of it). The company and each one of the sisters themselves promote the primary school registration for the employees' children (and collaborate with their school attendance through different activities). They also tried to create awareness among the employees of the convenience of attending high school.

In addition, several programs involve the employee's wives in this training process are under development, with the objective of making them feel part of this process and that they participate in the rural life. Since there are many cultural barriers, this is not an easy

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<sup>34</sup> For example: a very good employee who was in charge of the cattle with serious sight troubles needed surgery: he was taken to consult the best ophthalmologist in Santa Fe city (the referral town for health troubles of some significance) and the surgery costs were paid by the company. In the other hand, although the agricultural activities demand a complete dedication, the activities have been organized to allow the employees rotate to have a free weekend a month. This may seem insignificant in the city, but in the rural activities is quite an achievement.

task because they remain long periods in the field with sporadic contacts with other groups; anyway, these sisters hope that the situation will be improved in the near future.

Although they have not ventured into politics yet, they have the inclination to follow the family tradition: some of them are already planning to jump into the political arena. Their idea is to include in the lists young people who have strong values, in order to revert situations that in its political aspects, have not been satisfactory at all for the commune. It is important to remember that Zenon Pereyra is a small town with little population (2000 inhabitants between the urban and rural areas, located 30 km away from San Francisco de Cordoba, the most important town of the area)

### *3<sup>a</sup>. Phase: The youngest ones*

During all this time, the sisters acquired the necessary skills to manage the company: all the meetings amongst them, with the advisors<sup>35</sup> or, when necessary, with any professional with specific expertise on a subject, are part of the dynamics of this company with scent of a women. They still are members to the CREA group, where they are known ironically as “the girls”, because they exceed the average age of the group members.

Currently they are developing expansion projects: the acquisition of lands in a northern province for stockbreeding. They do not forget what their father always says: the livestock is a bearer check. However, there are other reasons: since their fields are quality 1 lands, it is more convenient and profitable to use them for agriculture. Export activities are also in their agenda, and they are analyzing a minimum infrastructure to implement it<sup>36</sup>.

At this point, they all are aware that the new generational change is not far away. From that reason, they have been analyzing and seeking advice on how to find the best way to incorporate the next generation (their descendents) into this exploitation phase.

Although their sons and daughters are still young, this is not an easy task (there existed anything easy for them?), because they already have their professions and have formed their own families. This implies third parties' opinions from outside the original family. Some of them have a vocation and wish to continue, and some others want to sell and dedicate to other activities. If this happens, the effort of those first Italian settlers of the

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<sup>35</sup> They have an agronomist engineer as a permanent advisor, as well as the advisor of the CREA group.

<sup>36</sup> The excellent work of Crespo Armengol shows that most of the exporter SMEs are located in four provinces: Buenos Aires (3700), Mendoza (500 SMEs), Santa Fe (400 SMEs) and Córdoba (320). These four jurisdictions have almost 5.000 SMEs.

XIX Century could be lost. A new phase is beginning, though the final outcome is still uncertain.

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