

# A Characterization of the Argentinian Production Sector Prior to the 1998 Crisis

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## Abstract

This paper formally characterizes the Argentinian production sector in the period previous to the last crisis. To do so, we jointly estimate the capital stock, its depreciation rate, and the aggregate production function of the Argentinian economy during the 90's. In this respect, the paper not only completes the Argentinian statistics, but also proposes new estimation methods, goes beyond the usual qualitative and financial studies carrying out a quantitative analysis in real terms of the Argentinian production sector, and provides the government with a powerful instrument to design and evaluate economic policies. The paper concludes that the Argentinian capital stock is obsolete, scarce, and, from the real economy point of view, one of the main determinants of the crisis suffered by the country since 1998.

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Key words: Production Function, Capital Stock, OLS Estimation, Non-Arbitrage Conditions.

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