

The State and the Private Sector in Latin America

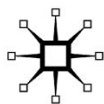
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The State and the Private Sector in Latin America

The Shift to Partnership

Mauricio Font

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THE STATE AND THE PRIVATE SECTOR IN LATIN AMERICA
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ABBREVIATIONS

ADB	Asian Development Bank
ALL	Latin American Logistics (America Latina Logística)
ALLMN	Latin American Logistics, Northern Network (América Latina Logística Malha Norte S.A)
ANAC	National Civil Aviation Agency (Agência Nacional de Aviação Civil)
ANI	National Infrastructure Agency (Agencia Nacional de Infraestructura)
ANTT	National Ground Transport Agency (Agência Nacional de Transportes Terrestres)
BDP	Bureau for Development Policy
BNDES	Brazilian National Development Bank (Banco Nacional de Desenvolvimento Economico e Social)
BOT	Build-Operate-Transfer
CEF	Federal Savings Bank (Caixa Econômica Federal)
CEPAL	Economic Commission for Latin America and the Caribbean (Comisión Económica para América Latina y el Caribe)
CONAIE	Confederation of Indigenous Nationalities of Ecuador (La Confederación de Nacionalidades Indígenas del Ecuador)
CONAMA	National Environmental Commission (Comisión Nacional del Medio Ambiente)
COREMA	Regional Environmental Commission (Comisión Regional del Medio Ambiente)
CVRD	Brazilian Mining Company (Companhia Vale do Rio Doce)
DNIT	National Department of Transport Infrastructure (Departamento Nacional de Infraestrutura de Transportes)

DNP	National Planning Department (Departamento Nacional de Planeación)
DTPM	Metropolitan Public Transportation Board (Directorio de Transporte Público Metropolitano)
ECLAC	Economic Commission for Latin America and the Caribbean (Also known as CEPAL)
EFC	Estrada de Ferro Carajás
EMBRAPA	Brazilian Agricultural Research Corporation (Empresa-Brasileira de Pesquisa Agropecuaria)
EPL	Brazilian Logistics and Planning Company (Empresa de Planejamento e Logística)
FARAC	Mexican Toll Road Bailout Fund (Fideicomiso de Apoyo para el Rescate de Autopistas Concesionadas)
FCA	Ferrovía Centro Atlântica
FEPASA	Paulista Railways (Ferrovia Paulista S.A.)
Ferroanel	Metropolitan São Paulo Rail Bypass
Ferrobán	Ferrovias Bandeirantes S.A.
Ferronorte	Ferronorte Railroad (Ferrovia Ferronorte)
FNS	North-South Railway (Ferrovia Norte-Sul)
IBGE	Brazilian Institute of Geography and Statistics (Instituto Brasileiro de Geografia e Estatística)
IDB	Inter-American Development Bank
IFC	International Finance Corporation
IIRSA	Regional South American Infrastructure (Iniciativa para la Integración de la Infraestructura Regional Suramericana)
IMF	International Monetary Fund
INCO	National Institute of Concessions (Instituto Nacional de Concesiones)
Infraero	Brazilian Airport Infrastructure Company (Empresa Brasileira de Infraestrutura Aeroportuária)
ISI	Import Substitution Industrialization
MAS	Movement toward Socialism (Movimiento al Socialismo)
NAFTA	North American Free Trade Agreement
OECD	Organization for Economic Co-operation and Development
PAC	Growth Acceleration Program (Programa de Aceleração do Crescimento)
PAN	National Action Party (Partido Acción Nacional)
PEMEX	Mexican Petroleums (Petróleo Mexicanos)

PIAPPEM	Program to Promote Public-Private Partnerships in Mexican States (Programa para el Impulso de Asociaciones Público-Privadas en Estados Mexicanos)
PIL	Logistics Investment Plan (Programa de Investimentos em Logística)
PPA	Pluriannual Plan (Plano Plurianual)
PPI	Private Participation in Infrastructure
PPP	Public-Private Partnerships
PPS	Projects for the Provision of Services (Proyectos para Prestación de Servicios)
PRD	Party of the Democratic Revolution (Partido de la Revolución Democrática)
PRI	Institutional Revolutionary Party (Partido Revolucionario Institucional)
PSDB	Brazilian Social Democratic Party (Partido da Social Democracia Brasileira)
PSP	Private Sector Participation
PTUS	Plan for Santiago's Urban Transportation (Plan de Transporte Urbano para Santiago)
RFFSA	Federal Railroad Network (Rede Ferroviária Federal S. A)
RMSP	São Paulo's Metropolitan Region (Região Metropolitana de São Paulo)
SAC	Civil Aviation Secretariat (Secretaría de Aviación Civil)
SCT	Ministry of Communications and Transport (Secretaría de Comunicaciones y Transportes)
SEP	Ports Secretariat (Secretaria Especial de Portos)
TCU	Federal Auditing Court (Tribunal de Contas da União)
VALE	Brazilian Mining Company (Companhia Vale do Rio Doce, formally known as CVRD)
Valec	Construction, Engineering and Railways S. A
WB	World Bank
WEF	World Economic Forum
WTO	World Trade Organization
YPF	Treasury Petroleum Fields (Yacimientos Petrolíferos Fiscales)

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P R E F A C E

The idea of a book on public-private collaboration in Latin America seemed straightforward when I first conceived it in the early 2000s. Key countries in this region were praising its role in addressing huge infrastructure gaps and bottlenecks. New programs and projects were designed in Mexico, Chile, and Argentina, while Brazil nodded its approval to concessions and public-private partnerships. The regional debate revolved around identifying policy approaches, the conditions shaping outcomes, and promising or best practices. The main challenge, I thought, was to clarify the mix of institutions, skills, and resources required by emergent state roles. Three years seemed enough to produce such a volume.

Soon new phenomena would challenge my optimism: political shifts in several South American societies now questioned liberalizing premises underlying public-private collaboration; global financial crises and other shocks altered fiscal dynamics; corruption scandals fueled doubt; seemingly robust booms in minerals, hydrocarbons, and other commodities eventually sputtered. Public-private cooperation in Latin America was not quite as open-and-shut a case as I had imagined. Inevitably, updating case studies and adjusting my thinking on the subject prolonged research and analysis.

Responding to these complications, my approach also evolved toward an even stronger emphasis on the embeddedness of public-private collaboration in the reforms of the last part of the twentieth century. Thus, this study explores the liberalization policies embraced or resisted over a few decades. The political economy analysis focuses on political and institutional contexts as well as on external shocks shaping broad processes of state reform. This study relies on literature review, compilation of data from various sources, interviews with experts and practitioners, and site visits to Brazil and Chile.

My first task here is to thank my supporters, associates, sources, and Palgrave MacMillan for their ideas and patience. Hopefully, they will understand why this project called for a more complex analysis that extended for a decade. The Tinker Foundation provided a generous grant that enabled the first-hand interviews, data collection, fieldwork, and writing an early first draft. Colleagues and policymakers from various institutions and agencies provided major insights. In Chile I thank former president Ricardo Lagos and the well-trained reformers that brought fresh thinking and policies to transportation and other urban infrastructure needs. In Brazil I gained insights from past planning minister Martus Tavares and federal planners and policymakers as well as counterparts in the innovative states of São Paulo and Minas Gerais. Needless, I alone am responsible for the conclusions reached in this volume.

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