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Past, Present and Future of Public Enterprises in Latin America and the World

Synthesis Report of the International Seminar *Public Enterprises: Transformations, Challenges and Opportunities*

Daniel Chavez, Transnational Institute
Amsterdam, November 2012



The international seminar *Public Enterprises: Transformations, Challenges and Opportunities*, was held in Montevideo between October 29 and November 1, jointly organised by the Transnational Institute (TNI), Uruguay's General Directorate for Industrial Development (DNI-MIEM) and the National Telecommunications Administration (ANTEL). The seminar had 422 participants and was structured around presentations delivered by more than 30 government officials, directors and technical staff of state-owned companies, trade unionists and academic researchers from various countries worldwide.

The seminar enabled the exchange of experiences and in-depth discussions on the significance and role of public enterprises within the current context of change at regional and global levels. The three days of the seminar were marked by a general consensus about the positive nature of state-owned enterprises (SOEs) as instruments for economic and social development, with reference to their performance in the provision of public services and in industrial policy. Several examples of successful companies in Latin American countries governed by left-of-centre parties or movements—in Argentina, Brazil, Bolivia, Ecuador, Uruguay and Venezuela—as well as in Costa Rica—a country that currently has a conservative government but where the state has historically being a developmental force—were presented. The seminar also discussed the trajectory of public enterprises in Europe, Asia and North America, and their prospects in the current global crisis.

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The significance of public enterprises in Latin America and in other regions of the world

The inaugural session was opened by Uruguay's Minister of Industry, Energy and Mining, Roberto Kreimerman, who argued that "public companies are an opportunity for national progress because they enable innovation and development in various sectors", referring to the successful track record of the country's SOEs. The minister noted that one Uruguayan company, UTE—the utility responsible for the provision of electricity, is celebrating its 100th anniversary—and noted that "these companies were originally created with a political vision quite similar to that promoted by the current progressive government: to secure the provision of strategic services and be a strong enabler of national development".

From the perspective of the Uruguayan government, state companies "should function well, be efficient, innovative, offering high quality and productivity; but being state enterprises they must also facilitate economic development and social inclusion". "We believe that public enterprises, besides their key role in areas such as telecommunications, water and energy, should be a tool for social cohesion in Uruguay and in Latin America, and within the framework of a long-term national project, unlike what we had in the past", the minister added.

The opening session also included an in-depth analysis of public enterprises outside Latin America. Massimo Florio, Professor of Economics at the University of Milan, presented a detailed examination of the European experience, concluding that "after two decades of market-oriented reforms, we can still observe in Europe many difficulties for the poor to access public services, with more than 35 million people living in poverty". The Italian researcher argued that SOEs in the gas, telecommunication and electricity sectors "often mean lower costs, better quality services and more satisfied customers", demonstrating the need "to rethink the role of government in the provision of public goods and services".

From a similar perspective, Luc Bernier, Professor of Governance at the National School of Public Administration in Quebec, analysed the diverse experiences of Canada and the United States in the context of the current economic and financial crisis, underlining the need to reassess the role of the state and rethink the specific characteristics of public management. "Public enterprises can be efficient and competitive if they are well governed and properly controlled", and can also "be frontline actors in the global economy; just take a look at what China is doing with its state companies right now", Bernier argued.

State-owned enterprises and industrial policy

Another high-level Uruguayan government authority, the Deputy Minister of Economy and Finance, gave a thorough presentation in the panel focused on industrial policy and the promotion of economic

growth. Luis Porto stated that "while it might be true that multinational companies can be more efficient in increasing productivity", small and medium enterprises (SMEs) "show a better use of locally available resources and offer a more equitable income distribution", while cooperative enterprises "have the potential for higher social capital development" and state-owned companies "are in the best position to generate positive externalities that benefit society as a whole".



Referring to the structuralist theoretical approach originally promoted by the Economic Commission for Latin America and the Caribbean (ECLAC), Porto said that the role of public enterprises in the South should be "to exploit to the maximum level their capacity to develop local capabilities, since this is a specific advantage that other firms, such as multinational corporations, will never develop". In this sense, the deputy minister expressed his disagreement "with many blueprints for industrial policy applied in Latin America, which have been biased towards attracting foreign direct investment as a way to increase the level of productivity in the economy, when in fact state companies should be the real catalysts, given their greater capacity to identify and develop local capabilities". Porto also stressed that "state companies are an opportunity for national develop-

ment because they enable innovation in very different sectors”.



In summary, the Uruguayan official identified “three areas in which public companies have an important role to play in the future: regional, national and social integration”. In terms of regional integration, he stressed the importance of SOEs in optimising synergies in supply chains, citing the wind farms that are currently being jointly built by state-controlled energy companies of Uruguay and Brazil.

The Dean of the School of Engineering of the University of the Republic of Uruguay, Professor Héctor Cancela, added that “public enterprises should strengthen their role in cultural leadership” in terms of “managing quality standards and structuring logistics chains”, and highlighted the importance of SOEs “in the formation of human capital and the development of new thematic options for academic degrees and the identification of new specialised areas for research in cooperation with the academia”.

In the same panel, Guillermo Guajardo, Professor of Economic History at the Centre for Interdisciplinary Research in Science and Humanities of the National Autonomous University of Mexico (UNAM), shared a comparative study of different experiences of industrialisation in Latin America to suggest a move beyond neoclassical economics in the design of industrial policy. Focused on the case of Mexico, he re-

called that “the emphasis on inflation controls and the lack of financial autonomy hindered the growth of state enterprises during the 1980s, in a time of disregard for industrial policy”. (Guajardo is the editor of a special issue of the *Revista de Gestión Pública* (a Latin American social sciences journal) focused on public enterprises, to be published in early 2013.)

Deepening the analysis of the significance of public enterprises in industrial policy, Richard Kozul-Wright, Director of the Unit on Economic Cooperation and Integration among Developing Countries at UNCTAD (the United Nations Conference on Trade and Development) highlighted the need for “strong states, genuinely interested in playing an active role in industrial policy”. Manuel Montes, a senior economist at the South Centre, analysed the new situation that state companies face in the new global economic environment, stating that “the return to the era of wasteful public enterprises is highly unlikely” and that “efficient and competitive state companies could become the norm in the near future”. However, Montes warned that “the rise of an ahistorical, inaccurate, and theoretically erroneous view of the role of state-owned companies in development might lead to reforms—often promoted by well-intentioned civil society organisations—that end up eliminating public enterprises as tools of development”. From the perspective of the representative of the South Centre, “public enterprises could and should play a critical role in achieving industrial development objectives, enabling the diversification and upgrade of production”.

State owned utilities and public services

Representatives of public utilities of Uruguay, Venezuela and Costa Rica highlighted the positive contributions of these entities in diverse areas, such as the promotion of endogenous economic development, the defence of national sovereignty, the facilitation of scientific and technological progress and innovation, and the provision of reliable and efficient services from a perspective of equity and social inclusion.

The seminar's host company, ANTEL, exhibited its leading position in the telecommunications sector. In a country that has achieved universal coverage rates in the field of telephony, the Uruguayan SOE leads the mobile telecom sector with a market share of 47 percent, within a liberalised market and in direct competition with the two hegemonic transnational (and private) conglomerates in the region: Telefónica/Movistar (mainly Spanish capital) and Grupo Carso/America Movil/Claro (mainly Mexican capital). ANTEL is now implementing the extension of the optical fibre network with no connection fee to all households in the country, which will enable users to access multiple services—high-speed Internet and digital television, among others—with the best quality. The Uruguayan company has assumed as a strategic goal the connection of every home in the country to the Internet (at present, 48 percent of households

are already connected) and “deploying the best cellular technology for data transmission through the first and most advanced network in Latin America, using mobile broadband, LTE and 4G”, according to the presentation given by Javier Emicuri, ANTEL’s Business Solutions Manager.

An engineer of the National Telephone Company of Venezuela (CANTV) also discussed the current reality of state companies in the telecommunications sector. Julio Yáñez explained the responsibilities assumed by the state in the universalisation of public services within the framework of the Bolivarian Revolution. After characterising the access to telecommunications as a fundamental human right, Yáñez explained the internal changes processed by CANTV since its renationalisation, and its achievements in terms of increased technological security, sovereignty and independence. During the past five years, the management of the company “has shifted to rescuing and recovering CANTV as a state-owned enterprise after being privately owned between 1999 and 2007, democratising the planning and decision-making processes and meeting the needs of social sectors that previously had no appropriate access to telecommunications”.

Since 2007, the Venezuelan engineer explained, “there has been real progress in the transition from private to state ownership, and nowadays we witness the emergence of a socialist telecommunications company, the world’s first. This means reversing the outsourcing of services, reducing technological dependence, and integrating the operations of the company within the country’s strategic national development plans”.

Moving to other sectors, two other Uruguayan public enterprises active in the provision of public services presented their concrete experiences. The National Electrical Power Generation and Transmission Company (UTE) is the utility responsible for the virtually universal level of coverage (99 percent) achieved by the country in this field. According to the presentation offered by Eduardo Bergerie, UTE’s Electricity Distribution Manager, Uruguay leads the electricity indicators in Latin America on the basis of “a policy of continuous improvement of the company’s managerial, administrative and technical processes, based on the introduction of new technologies and the constant development of the aptitudes of our staff”. Regarding future challenges, Bergerie presented UTE’s plans in the areas of management, increased energy efficiency and distributed generation based on renewable sources, among other ongoing projects.

The General Manager of the State Water Works Company (OSE), Danilo Ríos, highlighted the “vision of development” of “a state company that aims to excellence in the provision of water and sanitation services, seeking universal access and full users’ satisfaction in an efficient and socially and environmentally sustainable manner, and with citizen participa-

tion”. Ríos underlined the fact that Uruguay is the first country in the world that has declared access to clean water and sanitation as a fundamental human right, after a constitutional amendment was approved by the electorate in 2004. According to data provided by the company, the water network currently covers 94 percent of the total population, up to 98 percent in urban areas.

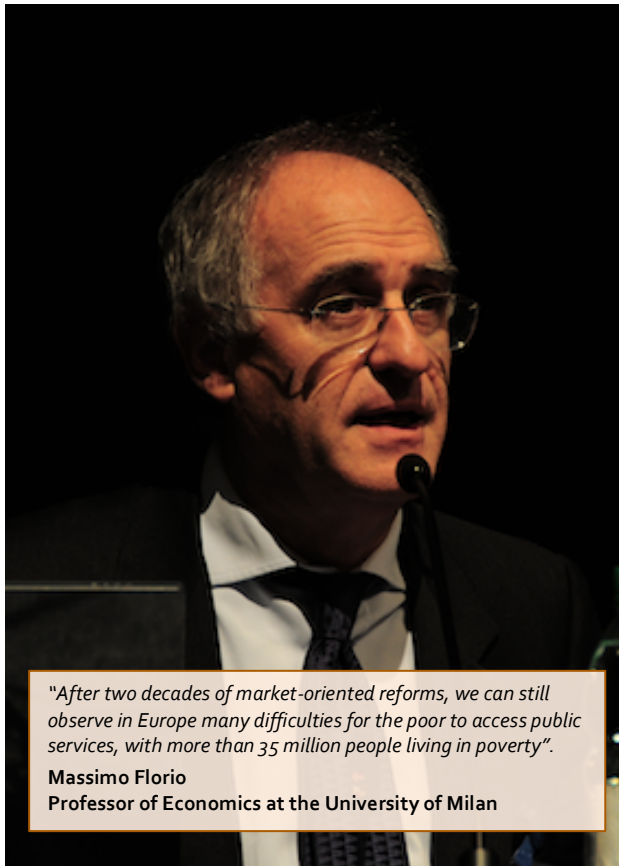


Based on the criteria of universalisation and social inclusion, OSE is currently working on the extension of new water connections in small rural towns, the regularisation of services in urban informal settlements, the reduction of unaccounted water, and the development of portable water purification units (UPAs), among other projects.

The panel focused on public services also took into account the need to promote new and more significant instances of cooperation between state companies. In this sense, the author of this report, Daniel Chavez, a Transnational Institute Fellow, questioned the fascination that can still be observed in many countries in the South around public-private partnerships (PPP), ignoring the negative evidence accumulated in those countries that were the original promoters of such commercial arrangements. Alternatively, it was proposed to explore the possibilities offered by public-public partnerships (PuPs), a form of cooperation which has already demonstrated its

potential (as well as its limitations and the risk of also being co-opted by the market) in the water sector, and which could be extended to other fields.

State-owned companies could “take advantage of the new opportunities offered by regional spaces such as the Telecommunications Organisation of the Americas (OITA), a promising South American body recently formed by the state-owned telecom companies of Argentina, Bolivia, Brazil, Cuba, Ecuador, Paraguay, Uruguay and Venezuela”, Chavez argued.



Professor Alberto Cortés Ramos, from the University of Costa Rica, emphasised the need to defend SOEs from the constant threats of privatisation and liberalisation. After explaining the Costa Rican tradition of equitable and efficient public services, as well as the way state utilities are embedded in society, Cortés Ramos warned that “in the last three decades, political and economic groups who do not believe in the value of public ownership have promoted a radical institutional restructuring, causing not only changes in the management and rationality of public enterprises by introducing a business logic and tariff increases, but also a deterioration of the quality of services”.

Given such a trend, Cortés Ramos argued in favour of “incorporating more citizen’s participation, not only in terms of greater accountability and transparency, but also in the planning and implementation of public policies”. He also suggested “recovering and updating the long-term vision that had historically

characterised the most successful companies, as well as developing a new approach that takes into account the regional dimension of South-South cooperation”. Finally, the Costa Rican researcher proposed “a strategic partnership between public enterprises and the academia, to further investigate the specific nature of these companies and contribute to the generation of progressive alternatives”.

The polysemic meaning of ‘public’

From Argentina, the Director of the Centre for Participatory Studies in Economic and Social Policy (CIPPE), Alfredo Schclarek Curutchet, argued in favour of further “democratisation of the governance of public enterprises in terms of more transparent administration and operations, strengthening both state and social control, and enabling participatory management through the inclusion of civil society representative in the boards of directors”.

From a trade union’s perspective, the President of the Federation of Water and Sanitation Workers (FFOSE), Carlos Sosa stressed the need to re-discuss the meaning of the concept of public enterprise in the contemporary Uruguayan and Latin American contexts. In this regard, he reminded the audience that the mobilisation of unionised workers and other civil society organisations in the year 2004 had made possible the reform of the Uruguayan constitution, which now states in its Article 47 that “the water supply for human consumption and sanitation services shall be provided exclusively and directly by state legal persons”.

From a similar perspective, Professor Susan Spronk, of the University of Ottawa, had underlined at the opening session of the seminar the need to remain alert against the introduction of “privatisation by stealth”, in reference to the expansion of outsourcing and other subcontracting mechanisms in public enterprises in Uruguay and other countries in the region.

Alvaro Portillo, Professor of Urban Sociology at the Faculty of Architecture of the University of the Republic, referred to the “transformation of the state” that can be observed today in Uruguay, Venezuela and other Latin American countries. “The state is not a monolithic entity, but a social relation: dynamic, complex and internally contradictory. There is a correlation between the dominant form of capitalist accumulation and the type of state prevalent in our countries”, Portillo argued. From his point of view, it would be necessary to analyse not only those public companies active in the industrial sector or responsible for the supply of public services, but also study those state-owned companies active in the financial sector”. “In Uruguay, the Bank of the Republic is today the financial mainstay of domestic production and one of the main enablers of social consumption”.

In order to optimise the impact of public enterprises, Portillo advocated in favour of “a more profound co-

ordination between public enterprises in the planning and implementation of activities, including coordination at the territorial level”. Portillo also highlighted the possibilities for the deployment of joint development strategies by diverse state companies of the region, “in the framework of current processes of economic and political integration currently evolving at the Latin American level, taking advantage of the coexistence in these times of several national governments that share similar progressive views”. In several presentations, academic researchers from different countries criticised the influence of the new public management (NPM) paradigm in the governance of state-owned companies. Based on the analysis of Canadian and European experiences, Luc Bernier declared that “the NPM approach never achieved the results promised by its advocates”. The Canadian researcher nevertheless stated that “it is certainly possible to transform the corporate governance of public enterprises. State ownership can be efficient if implemented in the right way”. Bernier was also adamant that “the global crisis of 2008 has shown that these [state-owned] companies could be very useful instruments of public policy”.

Pedro Narbondo, Director of the Institute of Political Science of the University of the Republic, focused his presentation on two ideas. First, “public enterprises still are a crucial instrument for economic development and the construction of social equality”. Second, the Uruguayan researcher highlighted “the need for public enterprises to continue being effectively subordinated to the state and to the government, understood here as the institutional representative of all citizens”. He also stressed “the importance of a correct articulation between the government and a professional—and professionalised—body of public servants responsible for the management of public enterprises”. Narbondo reasoned that the neoliberal advocates “for too long ignored the significance of public enterprises as privileged mechanisms for the realisation of a development model with much greater social value than that offered by the market”, and therefore “it is now vital that public companies operate according to a demercantilised logic”.

The mercantilisation of public enterprises, and more specifically the corporatisation of state utilities in charge of public services in the South, was also identified as a key problem by Professor David McDonald, from Queens University. The Canadian researcher—Co-director of the Municipal Services Project (MSP)—stressed the need to pay more attention to the problem of corporatisation, referring to “legal entities that remain in form publicly owned, but which in practice operate as private companies, having incorporated a business logic and a market-based style of management”. Based on the empirical evidence provided by research carried out by the MSP in the areas of water, health and electricity in Africa, Asia and Latin America, McDonald sustained that

“corporatisation is a wolf in sheep's clothing, offering a facade of public property while spreading the ideology of the market and private accumulation, and all without having to bear the economic and political risks associated with more traditional forms of privatisation”.



The debate around *neextractivismo* and *neodesarrollismo*

The significance and the role of SOEs in the new economic and political conjuncture in Latin America, and in particular its relationship with broader debates around the concepts and *neo-developmentalism* and *neo-extractivism* were another focus of discussion at the seminar in Montevideo.

According to the presentation delivered by Atilio Boron, Director of the Latin American Programme for Distance Education in Social Sciences (PLED), it is necessary to confront some “overly critical perspectives about certain policies promoted by the progressive governments of the region”. Boron argued that “some policies are portrayed as expressions of the same process of adaptation to the latest globalised phase of capitalist development, which would somehow force the peripheral countries to push forward in the extreme exploitation of natural resources and divert them from industrialisation”. According to Boron, “it is valid and necessary to criticise the extractivist tendency, but nobody can say that this is a contemporary phenomenon or specific to some governments”. The presentation concluded with an invitation to further debate: “What should progressive

governments committed with the ideas of greater equity and social welfare do with the natural resources that their countries are so well endowed with? We must not forget that Latin America is the richest region in natural resources, but also the one with the greatest social inequality”.



From a different perspective, Carlos Arze, a researcher at the Centre for Labour and Agrarian Development Studies (CEDLA), presented “a critique of the development policy of the current government of Bolivia”, exposing “the contradictions in the discourse and the theory of Communitarian Socialism as a development approach”, recalling that its main ideologue, the current vice-president of the country, “had originally proposed the implementation of an Andean-Amazonian capitalism as the government’s main goal”. Backed by multiple statistics, Arze argued that “the Bolivian state is not redistributing to the same extent that the income derived from the exploitation of natural resources increases”, and that “such income represents only a third of the value of remittances that migrant workers send to their families back home”. He also referred to the series of re-nationalisations that have taken place in Bolivia: “in the hydrocarbon sector, the state has effectively increased its share in the distribution of revenues: from 25 percent in 2004 to 65 percent today. However, 50 percent of that recovery has been the result of a law passed in 2005 and not by the government of Evo

Morales. The remaining 15 percent comes from profits from contracts with transnational corporations, which continue to make a very good business in Bolivia”. Arze concluded his presentation by stating that “foreign companies have lowered their profit rate, but not the size of their profit, since the state now controls only 18 percent of the production of hydrocarbons, while the transnational corporations (including the Brazilian-controlled Petrobras) remain in control of 82 percent”.

From Colombia, Lyda Fernanda Forero, a researcher at the Amsterdam-based Transnational Institute, argued that it is necessary to “stop discussing about development alternatives and begin to question the very meaning of development”, before explaining that “the current global crisis is a civilisational crisis, not only restricted to economics and finances, but also affecting the climate, energy production, and the capitalist system as a whole”. The Colombian economist summarised the significance of this discussion in a crucial question: “how to overcome the idea of continuous growth without that meaning a deterioration of living conditions for the majority of the population in countries of the South?”

Daniel Kersffeld, the Coordinator of the Master Programme in Public Management at Ecuador’s National Institute of Higher Studies (IAEN), began his presentation by stating that the debate on public enterprises and extractive development essentially implies rethinking the meaning of the state. Taking as an example the case of Ecuador, Kersffeld noted that there is a dilemma between “a state that defines itself as the true expression of a citizen’s revolution, and which is therefore committed to the recognition and expansion of the rights of previously marginalised social groups” and “the state’s need for a new kind of strategic insertion into the world economy, taking into consideration the country’s abundance of natural resources”. Kersffeld warned that, faced with such difficult questions, the progressive governments must assume complex and even contradictory public policy decisions: “to boost, to slow or to reverse the traditional development trends; to promote investment in alternative development options; and/or revitalise the potential for multilateral cooperation for the protection of the environment”, among others.

The Director of the Centre for Research and Prevention of Economic Crimes (CIPCE), gave a presentation focused on the perspectives of civil society on the societal impacts of companies, both public and private, and the protection of social and economic rights. The Argentine researcher stressed that “the discussion around neodesarrollismo and neoextractivismo should not be limited to the actions of mining or agrarian companies; these concepts are also very relevant for the analysis of the financial sector, and in particularly financial speculation”.

Biscay argued that “it is not possible to discuss options for the future development of public enterpris-

es without taking into account the historical correlation that has existed, in Argentina and other Latin American countries, between the neoliberal matrix and a particular form of organisation of production and finances”.



Javier Taks, Professor of Social Anthropology at the University of the Republic, closed the panel suggesting two topics for further discussion: "The first, the ontology of the relationship between society and nature, so characteristic of modernism, raising the possibility of the recognition of alternative and subordinated ontologies. The second, a rediscussion of the significance of 'public-ness' in contemporary Latin American societies".

Public enterprises in contemporary Uruguay

The final panel of the seminar was based on presentations delivered by the presidents of Uruguay's five largest state-owned companies: Jorge Setelich (AFE; railways), Carolina Cosse (ANTEL; telecommunications), Raul Sendic (ANCAP; hydrocarbons, alcohol and food production), Milton Machado (OSE; water and sanitation) and Gonzalo Casaravilla (UTE; electricity). The session was coordinated by the National Director for Industrial Development, Sebastian Torres, who affirmed that state enterprises affect national development in various ways: "protection of natural resources, development of marginalised regions, delivery of essential services, foreign currency saving, job creation and scientific development, establishing the material base that defines the sovereignty and the levels of equality and development of a country".

In discussing the importance of these enterprises, Torres explained that "we cannot ignore the concept of 'public', which should not be treated as antagonistic to the market, but as something that transcends

it". "Public companies require leadership and coordination, and therefore should be viewed from a collective perspective" he said. Torres added that "organisations are the cornerstones of society, not the atomised and isolated individuals who take decisions based on market mechanisms. We should change the way we think about the economy: the logic of collective action is the one that determines the nature and quality of development processes".

After Torres, the President of ANTEL, Carolina Cosse, recalled that the Uruguayan society faced in the recent past several attempts to privatise the public patrimony, and that the citizenry decided that the strategic segments of the national economy should remain in state hands. She highlighted two dimensions of the contribution of SOEs to national development: the provision of quality services with social sensitivity and being a tool for economic growth. "We should remember how and why these enterprises were created. And the decisions that these companies are taking today in relation to the diversification of the energy matrix (UTE), the development of new energy sources (ANCAP), and the extension of the optical fibre network to every home (ANTEL), will have a lasting impact that will mark the next three decades", Cosse stated.

A similar view was expressed by the President of ANCAP, Raul Sendic, who argued that "in a Uruguayan state-owned company, the first thing to discuss is always the strategy that the company should have in relation to the growth of the national economy and in relation to the country's social development". After listing the many internal changes that ANCAP has processed during the last decade, Sendic stressed the importance of "establishing a close alliance with the research community, with the academia and with those in charge of innovation. Public enterprises should promote and should fund scientific research conducted in the country". The President of ANCAP reported that his company is already doing exactly that: "we have working agreements with the University of the Republic, with the National Agency for Research and Innovation (ANII), and now we are in talks with the Clemente Estable Institute. At the same time, we are also striving to identify and develop internal talent already present within ANCAP".

The historical significance of public enterprises in the country's social and economic evolution had been already recognised in the opening session of the seminar by Professor Gerardo Caetano, from the University of the Republic. "The Uruguayan case consists of an array of well-established public companies that have withstood the ravages of neoliberal privatisation that in other countries of the region had devastating effects on the structure and roles of the state", Caetano noted, recalling that "in Uruguay, for over 100 years, we have been engaged in a continuous discussion on the weaknesses and strengths of the specific configuration of our public enterprises".



The historian argued that “the old idea that conceived the public as a synonymous of the state is no longer valid”, and that “today, we must recognise different dimensions of what we call public”.

On the other hand, Caetano stressed that “we cannot forget that the country has gone from an investment rate of 10 percent to a productive investment rate of more than 22 percent in the last ten years, mainly through foreign direct investment. This has been a real economic revolution! And this new reality poses to public companies of a small state such as Uruguay many new and profound challenges”.

Prospects for future joint work

The three convening organisations—TNI, ANTEL and DNI-MIEM—conceived the seminar not as an isolated activity, but as part of a broader international debate, exchange and research on the present and the future of public enterprises in the current global context. In this regard, during the three days of the meeting, and in particular in the final two sessions, several ideas were proposed to follow up the process initiated in Montevideo.

The relevance of such a process was highlighted by Fiona Dove, Executive Director of the Transnational Institute, who noted that “the various presentations given at this seminar demonstrated the importance of further work around the theme of public enterprises in this particular moment of the world economy. We must strengthen the joint work of those who are motivated by sustainable and human development and not only by the pursuit of economic growth”.

The President of ANTEL, Carolina Cosse, announced in the closing panel that the three organisations will publish a book based on the presentations made by the various speakers. TNI, ANTEL and DNI-MIEM are already working in that direction. The seminar technicians already provided the TNI research team

the audio files and text documents from all presentations, and TNI has already got in touch with the presenters to coordinate their contributions to the publication. It is expected that the book will be published in English and Spanish in the first quarter of 2013. It is hoped that the publication will constitute a useful and relevant input for other international events, discussions and exchange on the subject of public enterprises being planned for next year.



The Montevideo seminar was attended by two members of a scientific committee of the International Centre for Research and Information on the Social, Public and Cooperative Economy (CIRIEC), a global network of researchers working on public enterprises

and related topics. Professors Massimo Florio and Luc Bernier are part of the coordinating team of an international research project on 'The Future of Public Enterprises: Mission, Performance and Governance', that looks to systematise diverse experiences and provide a comparative analysis of state-owned companies in different countries and sectors.

Professor Florio explained the context, objectives and methodology of the CIRIEC project. The project design assumes that "the analytical tools traditionally used to examine the performance of public enterprises are no longer appropriate to account for recent changes in the economic and social environment"; that "the current economic crisis has increased the importance of a proper understanding of how public enterprises could contribute to economic development"; and that "international organisations such as the OECD, the World Bank and the United Nations are once again interested in this issue".

The objectives of the project are to "re-open a debate on public enterprises and their contribution to inclusive growth and society; update the existing normative theory on public enterprises; investigate the impacts of liberalisation on their performance and public mission; understand the key factors of success or failure of these companies in relation to their public goals and wider societal welfare; and create a multi-disciplinary network of international scholars to examine the new roles and contribution of public enterprises to society".

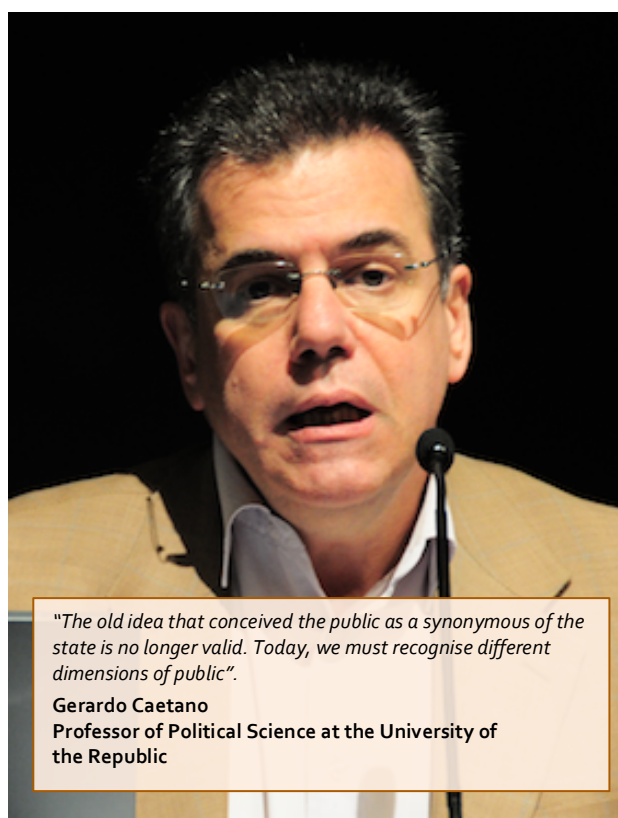
In the context of the seminar, several Uruguayan researchers and government officials expressed their interest in creating the Uruguayan chapter of CIRIEC, in order to carry out research focused on the developmental performance and prospects of SOEs in the country. This would mean opening a new space for the confluence of researchers, public officials and directors of leading state companies.

One of the major initiatives to be conducted by the Uruguayan chapter of CIRIEC would be the design and implementation of a research project to be implemented over the next one to two years. For this purpose, the research team would adapt to the concrete reality of Uruguay the methodological proposals already developed by CIRIEC, the MSP, TNI and other networks active in this field.

The other international research initiative in progress presented at the seminar was the Municipal Services Project (MSP). Professor McDonald explained its structure and objectives as "a research programme aimed at exploring alternatives to the privatisation and commercialisation of public services in the areas of electricity, health, water and sanitation in Africa, Asia and Latin America". The MSP activities are based on the joint work "of academics, trade unions, NGOs and social movements from all regions of the world". While the first two phases of the programme (2000-2007) focused on criticism to privatisation, the MSP is currently centred on "the analysis of the re-

sults and the conditions for sustainability and replicability of alternative models of services delivery, not only at the municipal level".

Several of the researchers who gave presentations at the seminar referred to the limited progress of academic work on the current situation of public enterprises in Latin America, given the general absence of current scholarly work in this field. In the case of Uruguay, some ongoing studies about some specific companies, primarily focused on the perspective of economic history, were reported. A similar situation was observed in other countries of the region. This shows the need to complement the historical studies with inputs from other disciplines, including a systematic and in-depth appraisal of the present nature and performance of these companies and their prospects for future development.



Many speakers at the seminar in Montevideo also highlighted the relevance and importance of research, discussion and exchange of experiences about the present and future of public enterprises in the light of the current global crisis. In particular, the representatives of UNCTAD (Richard Kozul-Wright) and the South Centre (Manuel Torres) expressed their interest in the development of new instances of cooperation in this field. In this sense, seminar participants informally considered the possible organisation of a second workshop in 2013, deepening the discussion around the topics raised in Uruguay.

More specifically, the representative of the South Centre suggested the possibility of organising a sem-

inar in Asia, preferably co-organised in partnership with public enterprises of that region.

The Director of the Uruguayan Agency for International Cooperation (AUCI), Martin Rivero, also highlighted the importance of South-South technical exchange in this field. In his presentation, Rivero said that “public companies have great potential to improve the capabilities for development”, adding that “public services are a key component in the creation of the appropriate and necessary infrastructure for human development”. The capacities of the host country to provide technical cooperation in this specific field were emphasised by Rivero, arguing that Uruguay’s state-owned enterprises “share a universalist vision and a strong commitment to social inclusion. In some companies, this is very explicit, whereas in others it is somewhat less obvious, but in all cases there is a developmental perspective that defines the value of the national experience, which could be offered as a basis for cooperation to other countries in the region and the world”.

The entire seminar could be followed not only by the Uruguayan public that was present in the conference centre of ANTEL, but by a global audience, since Adinet.TV (the Internet channel of the state-owned telecom company) live-streamed all presentations during the three days of the seminar.

At the closure of the seminar, the National Director for Industrial Development, Sebastian Torres, thanked all the participants and said that “we hope that this effort will be taken up in other initiatives. We believe in promoting new spaces like this, maybe not in Montevideo and perhaps in some other country in Latin America; some participants have even raised the possibility of a meeting in Asia”. Speaking on behalf of the three convening organisations, Torres concluded that “we want to strengthen this network and we assume the challenge of working together on an issue that, although it is very high on the public agenda, until now did not have spaces for debate and exchange of ideas with the same quality we had at this seminar in Montevideo”.

PRESENTERS AND MODERATORS		
Name	Organization	Country
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