Preface

I react pragmatically. Where the market works, I’m for that. Where the government is necessary, I’m for that. I’m deeply suspicious of somebody who says, ‘I’m in favor of privatisation,’ or, ‘I’m deeply in favor of public ownership.’ I’m in favor of whatever works in the particular case.

John Kenneth Galbraith, Booknotes interview C-SPAN, 1994

John Kenneth Galbraith thus expressed the need to evaluate the best production model for any particular product or service without prejudice of ideology. Indeed, the study of privatisation has always been a subject of controversy and it is quite disheartening when the academic world avoids such questions that in the public arena are the topic of heated debate. It is my belief that by conducting honest research into privatisation, scholars can only improve our understanding, and enhance rational deliberation, of the extent to which such processes might be considered to work and of the tools that might be deemed most useful to improve performance.

The book in your hands undertakes a review of the recent trend towards the increasing involvement of the private sector in the motorway sector. In this review I seek to present: (1) the main features of this wave of privatisation – in ownership, management and/or financing – underpinned by various models that were developed last century; (2) the theoretical background explaining how privatisation and public–private partnerships (PPPs) are designed; (3) the main challenges in terms of privatisation design and regulation; and (4) an initial evaluation of some of the critical aspects affecting the success of private participation, which arise from the study of the theoretical elements of privatisation and a historical review of individual country experiences. Overall, therefore, this book provides a general overview of the current state of research into road privatisation and reports a set of policy recommendations that should be considered before, during and after involving the private sector in the motorway sector.

It is my hope that this book can help those interested in the economics of motorways obtain a comprehensive picture of the main elements that need to be taken into account when considering the privatisation and nationalisation of motorways. Those of you who tend to back calls for privatisation will find the reasons for the successes of privatisation poli-
cies and public–private partnership contracts, while those who are more reluctant to accept private involvement will be able to focus on the failures of reforms that have sought to introduce private ownership, management and/or financing. However, I would like to think that, whatever your perspective, this book is able to highlight the fact that the privatisation of motorways is an especially pressing reality, and that the chapters that follow can shed light on what is a very complex dilemma.

This book has been made possible thanks to the help, support and suggestions received from many colleagues and friends. I am especially grateful for the insights and advice that I have collected over the years from many scholars. Among these, Germà Bel inspired within me a passion for the world of transport infrastructure policy and, in particular, issues related to the privatisation and regulation of motorways. Indeed, his suggestions and comments have been particularly influential in the decisions adopted in the development of this book and have, undoubtedly, greatly improved the finished product. I would also like to thank Xavier Fageda and Alejandro Estruch for reading and commenting on draft chapters of this book and Anastasiya Yarygina who has provided excellent support in the construction of its tables, figures and indexes as well as in the style editing of the manuscript.

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Daniel Albalate
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