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THE POLITICAL ECONOMY OF BUS SERVICES IN LATIN AMERICA**

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Para meu pai.

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PREFACE

This dissertation adopts a cumulative structure, comprising three distinct research papers. It complies with the guidelines established for the preparation and defense of doctoral dissertations at the Centro de Investigación y Docencia Económicas (CIDE). Each research article is an original and unpublished work, authored solely by the researcher behind this doctoral dissertation. These articles are interconnected from theoretical, empirical, and methodological perspectives, addressing specific facets of the overarching question that guide this doctoral research endeavor.

The subsequent pages present each article as an individual chapter, accompanied by an introduction and conclusion offering broader insights into the dissertation. Terms, acronyms, and theoretical and empirical elements within each chapter are interlinked, fostering a cohesive structure throughout the dissertation. While structured as independent articles, there exists a discernible thread that guides the entirety of the dissertation narrative.

ABSTRACT

Why do some cities deliver better and more affordable public transportation services than others? This dissertation investigates urban bus systems in major cities of the Global South, focusing on the political factors that have shaped the historical development of these services. By examining the cases of Buenos Aires (Argentina), Mexico City (Mexico), and São Paulo (Brazil), it explores how the affordability and quality of bus services have evolved over time in these Latin American metropolises. In the early 20th century, these cities had bus systems that were quite similar in terms of quality and fare prices for users. However, during the second half of the century, each city's bus system developed differently, resulting in significant contrasts. To address the question of why there are differences in the affordability and quality of urban bus systems among Global South metropolises, this dissertation is organized into three distinct parts.

Considering the significant gap in the political science literature on the provision of urban public transportation, the first part of this dissertation proposes a conceptual and analytical framework to characterize, classify, and contrast different bus systems based on their levels of affordability and quality. By intersecting these two dimensions in a 2x2 table, four distinct ideal types of “fare regimes” are identified: inclusive top-notch (high quality and affordability), expensive mediocrity (low quality and affordability), prohibitive high-end (high quality, low affordability), and cheap service trap (low quality, high affordability). This typology of fare regimes forms the foundation for subsequent analyses, facilitating the classification of how each city's bus system has evolved over the last century. For example, Buenos Aires has consistently maintained an inclusive top-notch bus service over the past decades. In contrast, São Paulo has fluctuated between an inclusive top-notch and an expensive mediocrity system, and Mexico City has shifted from an inclusive top-notch service to a cheap service trap.

The remainder of this dissertation elucidates how cities with initially inclusive top-notch bus systems diverged onto different developmental trajectories. To achieve this, Part 2 conducts a macro-level analysis of significant episodes that prompted substantial structural changes within the bus systems. The central thesis posits that privatization – the transfer of operations to the private sector – constituted a critical juncture for urban bus systems in each city, fundamentally transforming service standards and power distribution among key stakeholders. I argue that the outcomes of privatization varied due to the distinct coalitions that emerged in

each city, with enduring legacies observable to the present day. Employing new historical and qualitative data sets and utilizing comparative historical methods, I demonstrate that city administrations with a technical-bureaucratic orientation, such as São Paulo's, gravitated towards privatization through a formal business model. This approach fostered local oligopolies and resulted in a predominantly prohibitive high-end regime. Conversely, left-wing populist governments, exemplified by Buenos Aires, championed the interests of former bus drivers, thereby sustaining an inclusive top-notch bus system. Finally, corporatist administrations, like those in Mexico City, aligned with groups that reinforced their corporatist foundation, leading to a cheap service trap regime.

Finally, Part 3 investigates how recent democratic governments have navigated the enduring legacies of privatization within the urban transportation sector. Amid institutional and political inertia, where private actors possess well-defined interests and positions, I employ Process Tracing and qualitative data from various sources to illustrate that changes in bus systems over the past three decades have been predominantly incremental. Based on the related literature, I argue that these changes have been driven by political-electoral factors influencing service governance as these cities transitioned to democracy in the 1980s and 1990s. In this context, dynamics related to the median voter, partisan politics, credit claiming, and blame avoidance account for the incremental yet significant transformations observed in Buenos Aires, Mexico City, and São Paulo bus systems in recent years.

The findings of this dissertation provide significant insights into how political dynamics have historically influenced public transportation policies and outcomes in urban settings. Theoretically, this work contributes to the broader political science discourse on the provision of public goods in major cities, particularly by addressing a topic that remains underexplored in the literature. Additionally, the empirical evidence presented in this dissertation offers insights into how the developmental trajectories of Buenos Aires, Mexico City, and São Paulo can be generalized to other cities in the Global South. This is particularly relevant given that the privatization of bus operations and the transition from authoritarianism to democracy are phenomena observed in numerous cities across the region.

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ACRONYMS

APTA	American Public Transportation Association
ARDF	Asamblea de Representantes del Distrito Federal
BRT	Bus Rapid Transit
CAF	Development Bank of Latin America and the Caribbean
CAT	Coalición de Agrupaciones de Taxistas del DF
CEPAL	Comisión Económica para América Latina y el Caribe
CIP	Conselho Interministerial de Preços
CMTC	Companhia Municipal de Transportes Coletivos
CNOP	Confederación Nacional de Organizaciones Populares
CNRT	Confederación Nacional Revolucionaria del Transporte (México)
CNRT	Comisión Nacional de Regulación del Transporte (Argentina)
CoNTA	Comisión Nacional de Transporte Automotor
CROC	Confederación Revolucionaria de Obreros y Campesinos
CT	Congreso del Trabajo
CTC	Companhia de Transportes Coletivos do Estado do Rio de Janeiro
CTC-GB	Companhia de Transportes Coletivos do Estado da Guanabara
CTCBA	Corporación de Transportes de la Ciudad de Buenos Aires
CTM	Confederación de Trabajadores de México
DOTA	Doscientos Ocho Transporte Automotor S. A.
EMMTR	Empresa Mixta Municipal de Transporte del Rosario
ETR	Empresa de Transporte de Rosario
EZLN	Ejército Zapatista de Liberación Nacional
FCT	Federación de Cooperativas de Taxistas del DF
FTM	Federación de Taxistas de México
GPRTU	Ghana Private Road Transport Union
GPS	Global Positioning System
INEHRM	Instituto Nacional de Estudios Históricos de las Revoluciones de México
MDB	Movimento Democrático Brasileiro

MORENA	Movimiento de Regeneración Nacional
MPL	Movimento Passe Livre
OECD	Organisation for Economic Co-operation and Development
OSA	Omnibus Services Authority
PAN	Partido Acción Nacional
PPP	Purchasing Power Parity
PRD	Partido de la Revolución Democrática
PRI	Partido Revolucionario Institucional
PSDB	Partido da Social Democracia Brasileira
PT	Partido dos Trabalhadores
RTP	Red de Transporte de Pasajeros de la Ciudad de México
SEMOVI	Secretaría de Movilidad
SETRAVI	Secretaría de Transportes y Vialidad
SMT	Secretaria Municipal de Mobilidade e Trânsito
SPTrans	São Paulo Transportes
SUTAUR-100	Sindicato Único de Trabajadores de Autotransportes Urbanos de Pasajeros
	Ruta-100
TBA	Transportes de Buenos Aires
UN	United Nations
UNESCO	United Nations Educational, Scientific and Cultural Organization
UOI	Unión Obrera Independiente
UTA	Unión Tranviarios Automotor
WRI	World Resources Institute
ZMVM	Zona Metropolitana del Valle de México

INTRODUCTION

The Puzzle of Urban Transportation Provision in the Global South

Sidinéia resides in Paralleiros, a neighborhood in the southern region of São Paulo, Brazil. Her daily routine involves commuting to a community library, where she works, and then to college, where she studies Administration. Commuting between home, work, and studies, Sidinéia relies on six different buses, spending a minimum of five hours per day on public transportation.¹ Similarly, on the opposite side of Latin America, Adriana from Mexico dedicates a significant portion of her day to commuting from home to work. Residing in Ixtapaluca, she undertakes a five-hour journey with four transfers en route to the center of Mexico City, where she works as a cook.² Meanwhile, in Argentina, Hernán faces a similar daily ordeal, commuting between Moreno and the Ciudad Autónoma de Buenos Aires. To arrive at work by 7:00 am, Hernán finds himself departing home as early as 4:30 am. He also contends with issues like crowded buses and prolonged waiting times, a phenomenon that has become increasingly prevalent since January 2024.³

The daily journeys undertaken by Sidinéia, Adriana, and Hernán serve as emblematic illustrations of the obstacles encountered by numerous urban commuters in the Global South. Challenges such as expensive fares, overcrowded vehicles, irregular schedules, security concerns, and lengthy waiting and commute times are frequently cited issues. Consequently, many public transport users find themselves with limited time available for rest, leisure, and socializing with family and friends. These hardships associated with public transport usage render the daily commute experience of Global South residents more constraining than inclusive in various aspects. This reality is particularly pronounced for the poor and peripheral populations, who constitute the primary users of public transport in cities across the Global South.

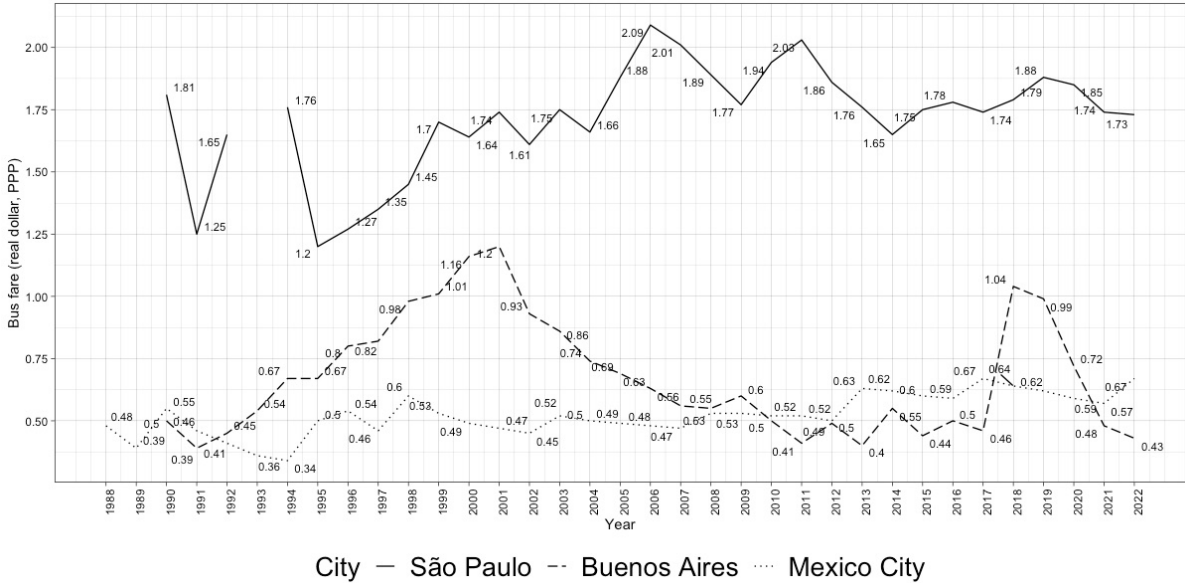
¹ Story reported by BBC News Brasil (2019). Source: (2019, January 14). Como é a rotina dos trabalhadores que passam quase um terço do dia dentro de ônibus, metrô ou trem. BBC News Brasil. <https://www.bbc.com/portuguese/brasil-46226332>

² Story reported by El País (2024). Source: (2024, January 27). Así se escapa la vida de Adriana: cinco horas de transporte público al día para poder trabajar. El País. <https://elpais.com/mexico/2024-01-28/asi-se-escapa-la-vida-de-adriana-cinco-horas-de-transporte-publico-al-dia-para-poder-trabajar.html>

³ Story reported by Página 12 (2024). Source: (2024, January 28). Pasajeros denuncian el mal funcionamiento de los colectivos. Página 12. <https://www.pagina12.com.ar/707882-pasajeros-denuncian-el-mal-funcionamiento-de-los-colectivos>

Despite shared problems, empirical evidence indicates that Global South cities are not equally unequal in terms of public transport. In essence, public transportation systems in the Global South exhibit notable disparities from place to place. For instance, Sidinéia benefits from access to newer, safer, and more comfortable buses compared to Adriana, attributable to São Paulo's active policy of fleet renewal and replacement over recent decades. Conversely, Adriana spends less money on public transport than Sidinéia, owing to the Mexico City government's implementation of a low-price policy. Meanwhile, Hernán, residing in Buenos Aires, relies on a bus system recognized as one of the most affordable globally, with quality levels potentially surpassing those of Mexico City but possibly trailing behind those of São Paulo.

Figure 1. Evolution of bus fare in São Paulo, Buenos Aires, and Mexico City – adjusted for PPP dollars



Source: Information regarding bus fares was gathered from Buenos Aires Data (2024), Di Ciano (2016), Gobierno CDMX (2017), Gobierno de México (1987, 1990, 1995, 1996), Gobierno del Distrito Federal (1999, 2008, 2013) and SPTrans (2024). PPP (purchasing power parity) conversion factors used are sourced from OECD Stats (2023). To facilitate bus fare comparisons over various periods and across different currencies, values in local currency have been standardized using PPP dollar values for each respective year.

Figure 2. Ordinary Bus in São Paulo



Source: Author photograph (2022).

Figure 3. Microbus in Mexico City



Source: Author photograph (2023).

Figure 4. Ordinary Bus in Buenos Aires



Source: Author photograph (2023).

As depicted in Figures 1, 2, 3, and 4, notable disparities exist among urban transport systems in the Global South. These disparities are evident not only between different cities but also within the same city, evolving over time. In the context of urban bus affordability, empirical data exemplify fluctuations in the inflation-adjusted costs of bus fares among the three largest cities in Latin America in recent decades. As depicted in Figure 1, these data reveal substantial disparities in the pricing of public transportation services within these cities. São Paulo consistently stood out with the highest bus fares throughout the examined time frame, thus establishing its position as the least affordable city for public transportation among the three. Conversely, Buenos Aires exhibited variability in bus fare rates over time but generally maintained a lower average fare in comparison to São Paulo. Lastly, Mexico City consistently upheld its status as the most affordable choice among the three cities, offering the lowest bus fares on average.

Furthermore, disparities in the provision of urban bus services extend to other dimensions of public transportation, including quality standards. Figures 2, 3, and 4 exemplify some of these discrepancies by illustrating the diverse types of urban buses utilized in São Paulo, Mexico City, and Buenos Aires. São Paulo distinguishes itself by possessing the most modern, comfortable, safe, and environmentally sustainable bus fleet among the cases under examination. Conversely, Mexico City's buses exhibit a discernibly older age, greater safety concerns, higher environmental impact, and reduced passenger capacity. Meanwhile, the urban bus fleet in Buenos Aires occupies an intermediary position in terms of quality – although the city vehicles offer certain amenities, they generally manifest an older and more environmentally polluting profile in comparison to their counterparts in São Paulo.

The disparities in affordability and quality levels underscore several pertinent puzzles concerning public transport provision in Global South cities, especially regarding urban buses. First, from an aggregate perspective, why do some cities have bus systems that are more affordable and present higher levels of quality? Second, what are the underlying factors and mechanisms that elucidate the variations between and within cities? What explains the historical fluctuations observed in these systems? Why have some cities improved their urban bus system, making it more inclusive, while others have not? Why do some cities prioritize affordability while others prioritize quality?

This dissertation seeks to answer these questions, examining the complexity surrounding public transport provision in Global South cities. My central argument is that the disparities in the provision of urban public buses across these cities are rooted in politics. I argue that decisions made by public-private coalitions during critical junctures have significantly shaped the predominant patterns of affordability and quality in urban transportation services. Specifically, the events of bus service privatization that unfolded in many cities during the latter half of the previous century have profoundly influenced service standards and sector organization. I find evidence that before privatization, urban bus services among Global South cities exhibited considerable similarity, characterized by a notable state centrality in delivering affordable and high-quality service. However, during privatization, divergent trajectories emerged in urban bus services, largely influenced by the prevailing political dynamics. Following privatization, disparities persisted as the enduring legacy of privatization became apparent. Subsequent governments only managed to enact incremental reforms, which, while improving certain service aspects, left certain elements unchanged. I empirically validate the argument using the cases of Buenos Aires, Mexico City, and São Paulo. Initially, these three cities boasted urban bus services that were remarkably similar. However, over time, they have evolved to exhibit markedly distinct service provisions.

The argument is further developed in the subsequent chapters. Chapter 2 delves into the historical dimension, elucidating how varied privatization strategies have engendered divergent patterns of bus services across Global South cities. Chapter 3 zooms in on micro-level episodes of changes within bus services, outlining the incremental reforms enacted by various administrations post-privatization. However, preceding these discussions, Chapter 1 lays the groundwork by presenting a conceptual and analytical framework. This framework aids in categorizing and comparing urban bus systems by intersecting the dimensions of affordability and quality. Collectively, these three chapters shed light on the inception and evolution of public transportation systems from political and historical perspectives. Given the limited presence of political science literature on this topic, this dissertation also contributes to enriching the discourse surrounding the politics of urban public goods.

Explaining Disparities in Public Transport Provision

Chapter 1. Classifying Urban Bus Systems

The provision of public transport varies significantly across cities in the Global South. On one end of the spectrum, some cities are boasting Bus Rapid Transit (BRT) systems comprising large, modern, comfortable, and sustainable buses traversing dedicated lanes, ensuring a more efficient, safe, and cost-effective journey across multiple facets. Conversely, other cities rely on systems centered on low-capacity vehicles (such as combis or minibuses), which are aged, unsafe, and often operated by informal or semi-formal providers. These systems may feature high fares and intense competition among operators, resulting in negative externalities that diminish service quality. In some instances within the same city, these contrasting public transport services may coexist, catering to different demographics or areas. Furthermore, between these two extremes lie intermediate models that incorporate only some of the aforementioned characteristics.

The first chapter of this doctoral dissertation centers on presenting a framework designed to comprehend the diversity in public transport provision among cities in the Global South. Highlighting affordability and quality as fundamental aspects of transportation policy and politics, I unveil a typology devised for categorizing and comparing urban bus systems (Table 1). This framework, termed "fare regimes," serves as a cornerstone for the subsequent analyses.

Table 1. Typology of Fare Regimes

DIMENSIONS		Affordability	
		Low	High
Quality	High	PROHIBITIVE HIGH-END	INCLUSIVE TOP-NOTCH
	Low	EXPENSIVE MEDIOCRITY	CHEAP SERVICE TRAP

Source: Author's elaboration.

As illustrated in Table 1, four distinct ideal types of "fare regimes" emerge from the intersection of affordability and quality: prohibitive high-end, inclusive top-notch, expensive mediocrity, and cheap service trap. Additionally, each type may be associated with a particular stakeholder. For instance, low-quality systems typically involve informal or semi-formal operators, with limited state involvement in terms of regulation and inspection. Conversely, high-quality systems often rely on formal operators, such as companies, and exhibit more significant state regulation and inspection. Regarding affordability, the primary variable pertains to the State's role as a financier and controller of bus fares for users. In highly affordable (i.e., cheap) systems, the State typically finances the service through subsidies (to maintain high quality) or merely controls the price without allocating substantial resources to enhance quality. In systems with low affordability (i.e., expensive), it is generally observed that the State allocates minimal resources to the system, or a significant portion of these resources is improperly appropriated by private operators.

A key scope condition of this typology is that it is founded on hybrid provision systems (Post et al., 2017), wherein both the public and private sectors collaborate within the sector. Typically, the State assumes the role of regulator and financier, while the private sector concentrates on service operation and vehicle acquisition. In services primarily controlled by the State, encompassing operations as well, the typology may be applicable for classifying bus systems based on levels of affordability and quality. However, it's worth noting that the anticipated relationship between stakeholders differs in this context.

Chapter 2. Macro Episodes of Change

Employing the typology introduced in Chapter 1, Chapter 2 delves into the macro episodes of change in public transit systems. In particular, it focuses on the trajectory of fare regimes in major cities across the Global South over the 20th century. Empirically, I scrutinize how Buenos Aires managed to sustain an inclusive top-notch urban bus system throughout this period, while other Latin American cities transitioned from inclusive top-notch to predominantly cheap service trap (Mexico City) and prohibitive high-end (São Paulo) systems. As highlighted, the varying trajectories are attributed to the privatization of bus operations, which served as a pivotal event that fundamentally reshaped the sector in each analyzed city.

I argue that during the latter half of the 20th century, governments across numerous cities in the Global South opted to privatize urban bus services in an attempt to diminish or eradicate state involvement in service operations. This privatization occurred within authoritarian or fragile democratic contexts, where civil society's capacity to influence outcomes was diminished. The decision for privatization was primarily driven by external pressures, including demographic shifts and rapid urban expansion, which compelled state transport entities to significantly increase the provision of urban mobility services. However, influenced by distinct critical antecedents related to local transport sector organization, political support bases, and state capacity, each city formed disparate privatization coalitions, resulting in divergent outcomes for once-similar urban bus systems.

City administrations characterized by a technical-bureaucratic orientation, such as São Paulo, gravitated towards privatization under a formal company model, fostering local oligopolies and yielding a predominantly prohibitive high-end regime – offering middle to high-quality services but at expensive user fares. Left-wing populist governments, as exemplified by Buenos Aires, championed the interests of former bus drivers and were able to sustain an inclusive top-notch bus system characterized by middle to high-quality services at affordable fares. Lastly, corporatist administrations, like those in Mexico City under the PRI (Partido Revolucionario Institucional), aligned with groups reinforcing the corporatist base, resulting in a cheap service trap regime – marked by low-quality services but affordable fares.

Chapter 3. Incremental Reforms

Following the examination of macro episodes of change in Chapter 2, elucidating the factors that propelled cities in the Global South towards diverse trajectories and legacies of fare regimes, Chapter 3 delves into the ability, or lack thereof, of post-privatization governments to reform these legacies amid institutional and political inertia. Specifically, I scrutinize the factors and mechanisms underlying the endeavors of recent democratic administrations in Buenos Aires, Mexico City, and São Paulo over the past three decades to enact reforms that altered levels of affordability and quality.

My findings indicate that reforms in the urban public transport sector predominantly fell into two categories. Firstly, there were efforts to uphold favorable aspects of legacies, such as maintaining high quality or affordability standards. Secondly, reforms aimed to address

unfavorable aspects of legacies, such as low quality and expensive fares. However, throughout these reform endeavors, city governments encountered formidable resistance from a robust network of private actors, inherited from previous eras, who often functioned as veto players, blocking reform initiatives within the sector.

Table 2. Factors Driving Transportation Policy Reform

Factor	Probability of Occurrence	Expected Effect on Legacy
Median Voter	High levels of electoral competition The majority of voters are poor	Increase affordability and/or quality levels.
Partisan Politics	High levels of electoral competition Parties with distinct ideological orientations and/or distinct policy preferences	Increase affordability and/or quality levels.
Credit Claiming	Possibility of re-election Possibility of election to higher Executive levels (more likely in national capital cities)	Increase affordability and/or quality levels.
Blame Avoidance	Political instability Possibility of re-election Party polarization Reduced number of parties	Status quo (if legacy is favorable)

Source: Author's elaboration.

By articulating arguments presented in the related literature, I posit that both categories of urban public transport reforms occurred as city governments endeavored to partially reshape transportation legacies through inclusive top-notch, redistributive measures aimed at mitigating resistance from private transportation stakeholders, including bus companies and drivers. These reforms often followed the "path of least resistance," opting for politically safer approaches that reconciled voter and private interests within the same policy framework. This strategic maneuvering allowed city governments to alleviate resistance to policy changes by positioning private transportation stakeholders as secondary beneficiaries of the reforms. Moreover, I argue that in recent decades, characterized by democratic environments with regular and free elections, city governments have been incentivized to reform their urban bus systems. In this context, I articulate explanations already presented in the related literature to contend that incentives for

transportation policy reform are intricately intertwined with electoral-political factors, such as the median voter, partisan politics, credit claiming, and blame avoidance (Table 2).

I assert that these four factors play a pivotal role in elucidating transportation reforms in Global South cities by generating political incentives for elected officials to either alter or uphold transportation policy legacies. While these reforms have largely been incremental, they have yielded positive outcomes in terms of preserving inclusivity in inclusive top-notch systems or steering other reforms toward greater inclusivity in prohibitive high-end and cheap service trap regimes. Additionally, I suggest that the greater the presence of these factors in each city over time, the higher the likelihood of reforms occurring in the urban bus service.

Alternative Explanations

Within the political science debate, several arguments have emerged as alternative and competing explanations for the disparities in public goods provision in urban environments within the Global South. These arguments often focus on diverse factors, including state capacity, political regime type and change, the Pink Tide, political participation, multi-level governance, partisan politics, and clientelism, among others (discussed further in the chapters). However, the evidence in the following chapters suggests that while these variables are significant, they are likely secondary causal factors.

Furthermore, an influential argument in the debate surrounding goods provision focuses on civil society, emphasizing the contentious aspect of social movements in exerting pressure on governments to enhance and broaden goods provision (Castells, 1974, 1977). Much of the research within this debate suggests that the level of organization and intensity of pressure exerted by social actors correlate positively with the incentives for governments to expand access to goods (Harvey, 2012; Miraftab, 2009). It is also assumed that governments are inclined to respond to the demands of social movements, particularly in cases of widespread protests, to preempt the emergence of further and more severe demonstrations, and avert potential electoral repercussions, especially in highly competitive electoral environments (Garay, 2016).

Numerous studies in the Latin American region delve into the influence of urban social movements on the allocation of resources and investment in the provision of public goods by city governments (Rossi, 2023). These works offer insights from both historical and contemporary lenses. Historically, they highlight instances of mobilization during authoritarian

periods (Gohn, 2004; Leuschner & Hellmeier, 2024; Sabato, 1992; Vieira, 2020), while contemporary perspectives focus on the role of protests and contestations in shaping urban policy decisions and outcomes (Grindle, 2009; Holston, 2009; Kapiszewski et al., 2021a; Kingsbury, 2017; Oliveira et al., 2016; Oxhorn, 2023).

In addition to the influence of social movements by contentious politics, another strand of literature explores how civil society participation in institutional channels can also shape policy outcomes (Annunziata & Goldfrank, 2023; Goldfrank, 2011; Mayka, 2019). Participation in policy councils or initiatives like participatory budgeting, for instance, allows social demands to be incorporated into the formulation of public policies. Classic examples from the literature, such as the case of participatory budgeting in Porto Alegre, Brazil, underscore the significance of such institutional mechanisms in fostering citizen engagement and influencing policy decisions (Fedozzi & Martins, 2015; Marquetti, 2003).

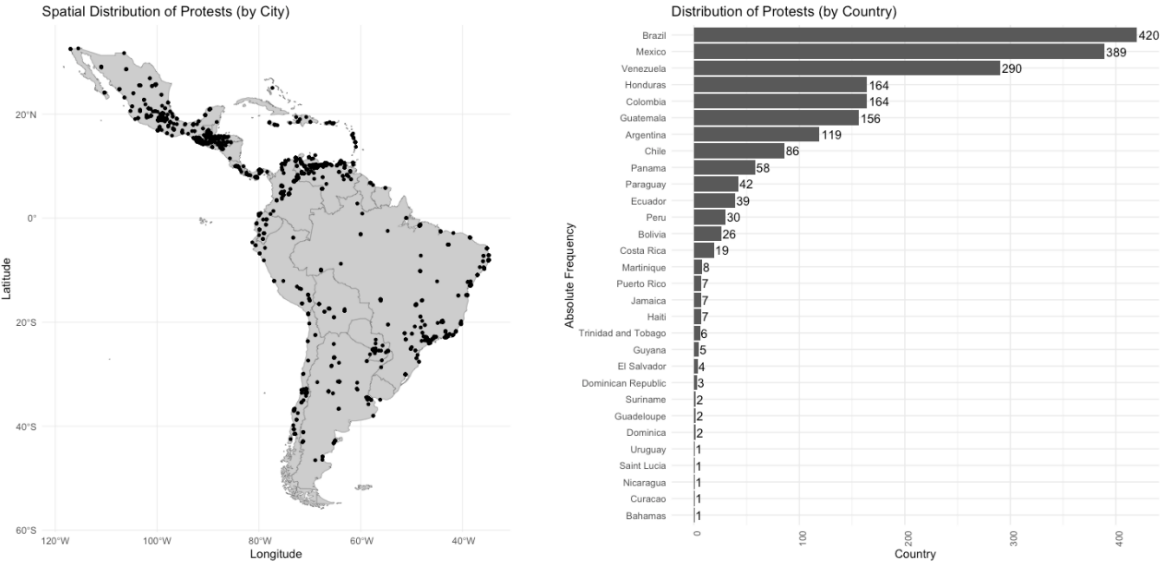
The literature also underscores the ability of organized civil society groups to integrate into government and policy sectors, thereby shaping policy outcomes from within (Bradlow, 2022). This phenomenon is particularly evident during left-wing municipal administrations when individuals from civil society transition into roles as decision-makers and technical bureaucrats. After these administrations conclude, they often return to their civil society origins (Lavalle & Szwako, 2023). This cycle allows social movements to exert influence on decision-making and implementation processes by embedding themselves within city governments, facilitating change from within the state administration.

The significance of the social movement argument is particularly pronounced within the realm of public transportation in the Global South, given the scale and frequency of mobilizations surrounding this issue in recent years. A noteworthy example occurred in Brazil in 2013 when the country witnessed an unprecedented wave of protests in its contemporary history. Triggered by fare hikes implemented by several mayors in medium and large cities, citizens across the nation took to the streets to voice their discontent and demand improved urban transport conditions. What began as small-scale protests organized by movements like the Free Fare Movement (Movimento Passe Livre – MPL) in May escalated significantly in June, spreading to major Brazilian cities and drawing participation from various social movements with diverse agendas (Alonso & Mische, 2017). In São Paulo protest leaders rallied hundreds of

thousands under banners such as "for a life without turnstiles" [*“por uma vida sem catracas”*] and "free fares" [*“tarifa zero”*].

Moreover, these issues are not exclusive to Brazilian cities; similar mass mobilizations have unfolded in other major cities across the Latin American continent. In 2019, following a 30-peso fare increase in Santiago's metro system, thousands of residents clashed with law enforcement and targeted public infrastructure in the capital city to reverse the government-approved hike. Mirroring the events in São Paulo and other Brazilian cities in 2013, Santiago protesters flooded the streets with chants such as "out of order due to abuse," "do not pay," and "evade."

Figure 5. Events of Public Transportation Protest in Latin America (From January 2018 to April 2024)



Source: Author's elaboration with data from ACLED (2024).
 Note: n = 2,060.

Figure 5 illustrates the contentious nature of public transport within the urban landscape of Latin America. From January 2018 to April 2024, a total of 2,060 protest events related to public transportation were documented throughout cities in the region, involving commuters, urban social movements, and transport workers' unions. These protests spanned across the entire region, with notable concentrations in Brazil, and Mexico. In Brazil, many demonstrations were

linked to bus fares and irregular frequencies. Meanwhile, in Mexico, protests were often led by drivers' associations advocating for fare adjustments from the government.

Paradoxically, I argue that social movements have played a secondary role in shaping the affordability and quality levels of urban bus systems in recent decades. While protests and demonstrations, particularly on a large scale, can exert pressure on governments and potentially influence political calculations, empirical evidence suggests that protests alone provide an incomplete explanation for public transportation reform in the cases under examination. Three primary reasons support this assertion.

Firstly, large-scale protests specifically targeting public transport issues are relatively rare, and when they do occur, they often intersect with broader social issues, diluting the focus on transportation-related demands. This was evident in the massive protests that occurred in Brazilian and Chilean cities in 2013 and 2019, respectively. In São Paulo in 2013, protesters rallied under the slogan "It's not just the 20 cents" [*"Não são só 20 centavos"*] referring to the bus fare increase (Folha de S.Paulo, 2013). Similarly, in Chile, demonstrators proclaimed "It's not just the 30 pesos, it's 30 years of indifference" [*"No son los 30 pesos, son los 30 años de indiferencia"*] (Los Angeles Times, 2019). In both cases, while transportation issues served as catalysts for the protests, the demands extended beyond the transport sector to encompass broader national themes rather than solely urban, local concerns. Although governments chose to revoke fare increases in response to these protests, no structural changes were observed in the transport sector afterward. Instead, more significant reforms were often observed in other sectors, as seen in Chile, where the 2019 protests prompted initiatives to change the Constitution.

Secondly, most protests related to public transport tend to be small-scale and led by loosely organized groups with localized actions, limiting their spatial reach to specific neighborhoods or areas. In the case of São Paulo, for example, one of the interviewees, who has been working in organized civil society for years, stated the following: "There isn't much of a social movement among bus users. Somewhat due to cultural issues, the bus is associated with the poorest, so no one wants to recognize themselves as a bus user. Unlike the bicycle, which becomes a symbol of life, and people recognize themselves as cycling activists. Historically, social bus movements are very local. They mobilize because a bus route was cut, for example [...] But these are very specific events." Something similar was reported by an interviewee in Buenos Aires, an academic expert in transport. According to this informant, there are no relevant

social movements in the sector. Another interviewee in Buenos Aires, who has worked in different government institutions over the past few decades, shared a similar opinion. Furthermore, he also reported that in Argentina, protests related to public transport "raise very specific issues, such as the route path, the interval between vehicles, the lack of punctuality". In this sense, these are not events carried out by movements with constant and influential activity in the sector; numerically, these are more local, small events, with very specific demands.

Thirdly, there is significant evidence indicating that reforms within the transportation sector are typically initiated and propelled by city politicians, who prioritize issues based on their party's electoral agendas. As elaborated in Chapter 3, the case of bus fares serves as a prime example of this phenomenon. In Mexico City, for instance, a high-ranking government official revealed during an interview that the determination of concessionary transport fares in the city is purely political, stemming from government negotiations with local operators. While the potential negative political ramifications of constant or sudden fare increases on users and civil society are taken into account, adjustments are primarily driven by political and electoral considerations. According to this informant, an unwritten agreement exists between the government and operators, stipulating that approximately every three years, fares will be recalibrated to reflect the period's inflation rate. This agreement is viewed favorably by the government as it reduces the need for frequent fare updates, while operators benefit by knowing that under this policy of extended adjustments, the government is less likely to demand high levels of service quality.

In Buenos Aires, political-electoral considerations also appear to be the predominant factor in determining bus fares. For instance, during 2001 and 2002, amid a severe national economic crisis, a subsidy policy was implemented to significantly lower urban bus fares. According to several interviewees, this initiative was not driven by pressure from the civil society or operating companies but rather emerged from the government's own volition. While the concern over potential protests regarding transport fares certainly existed, the decision was primarily electoral in nature – reducing fares aimed to secure the public support of urban groups crucial for the government's stability in a crisis scenario.

Finally, in São Paulo, a free fare bus policy on Sundays also exemplifies the centrality of the electoral, rather than societal, element in defining urban bus service standards. Implemented in December 2023, by a right-wing government without major visible social

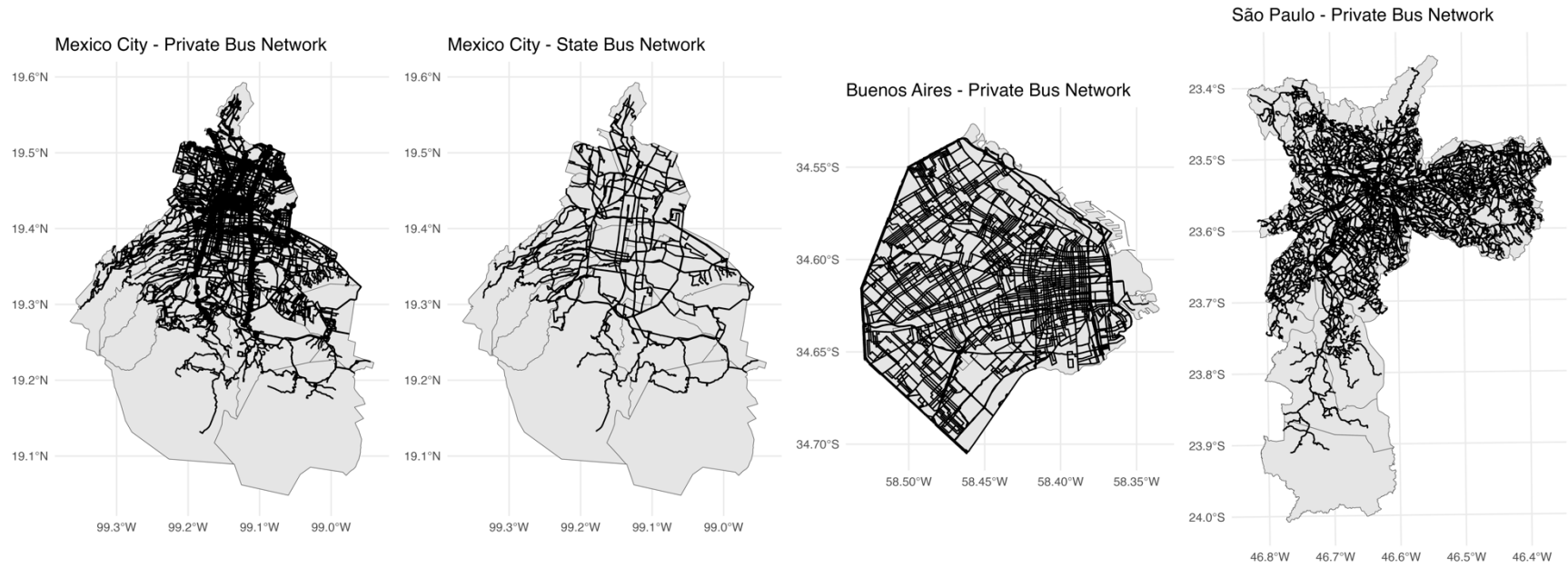
agendas, the free fare appears in a pre-election context, in which the incumbent (Ricardo Nunes) wants re-election and to claim credit for a policy defended for years by left-wing parties and some urban movements. However, the policy was designed and implemented without much dialogue with the main political and societal defenders of this proposal. And an important ally of the government in the São Paulo City Council, Milton Leite, assumed in January 2023, before the policy was implemented, that "either the free fare comes, or, in the future political clash, (Guilherme) Boulos [left-wing candidate for mayor of São Paulo] will say he will do this and win the election" (Veja São Paulo, 2023).

Main Cases: Buenos Aires, Mexico City and São Paulo

The urban landscapes of Buenos Aires, Mexico City, and São Paulo constitute the primary subjects of analysis in this dissertation. The focus lies on conducting a historical and systematic comparison of their urban bus systems, situated within the context of three major cities in the Global South. The aim is to assess how particular political events and stakeholder coalitions contribute to shaping the evolution of affordability and quality standards over time. The selection of these three cases is strategic, aiming to capture maximum variation in outcomes, such as differing fare regime types. This approach facilitates an exploration of how cities with similar background conditions have nonetheless forged distinct trajectories in their urban bus services.

In terms of similarities, Buenos Aires, Mexico City, and São Paulo stand as some of the largest cities globally, also ranking as the three most populous cities in Latin America and within their respective countries. Across the 20th century, they shared a parallel demographic and urban trajectory, characterized by significant urban expansion, particularly notable from around 1950 onwards. Consequently, this expansion often resulted in disorderly urban sprawl, typified by a spatial organization that centralized goods and services in central areas, predominantly inhabited by middle- and high-income residents, while lower-income populations were concentrated in peripheral regions with limited access to public amenities. Within this landscape of spatial and social inequality, the imperative to formulate political responses to the escalating demand for urban necessities remained a constant challenge across all three cases.

Figure 6. Bus Network in Mexico City, Buenos Aires, and São Paulo



Source: Author's elaboration with data from several sources. Mexico City: Gobierno de la Ciudad de México (2024). Buenos Aires: Secretaría de Transportes (2023). São Paulo: CEM (2015).

In terms of urban public transport, these cities also share significant historical parallels. For instance, the inception of urban bus services occurred during approximately the same historical period across all three cities. Moreover, the governments of Buenos Aires, Mexico City, and São Paulo played pivotal roles in the early decades of these services, primarily functioning as operators until the lead-up to privatization. Additionally, these cities have developed public transit systems heavily reliant on urban buses. Even today, buses remain the primary mode of public transit, although trains and subways complement the urban mobility systems of these metropolises. The bus network's coverage is extensive, encompassing nearly all populated areas of these cities. The bus fleets are substantial, with 12,029 buses in Buenos Aires, 31,912 in Mexico City, and 14,052 in São Paulo as of 2020 (Restrepo et al., 2022). Predominantly, bus operators are private entities, although there are exceptions, such as some few routes directly operated by the State still existing in Mexico City (Figure 6).

At the national level, Buenos Aires, Mexico City, and São Paulo are situated within the most industrialized and economically advanced countries in Latin America, undergoing analogous economic and political transformations in recent history. Economically, despite periods of rapid expansion, many of these nations have grappled with moments of crisis, particularly concerning inflation. Politically, the prevalence of authoritarian regimes spanning several decades mirrors the trajectories of these three countries, as does the transition to democracy in the latter part of the last century.

Despite these shared characteristics, the three cities differ in theoretically interesting ways. First, while Buenos Aires and Mexico City serve as the national capitals of Argentina and Mexico, respectively, São Paulo holds the status of a Brazilian state capital. Related to this administrative divergence, variations exist in the extent of national government involvement in the provision of public services within these cities. Buenos Aires has experienced consistent federal interference over time, whereas Mexico City has seen a reduction in federal intervention since 1997, though it remains more prevalent compared to São Paulo. Thus, the analysis of these three cities allows for exploring the significance of multi-level government arrangements for the affordability and quality levels of urban bus systems. Consequently, throughout the three chapters, I refer to the "city government" not only in terms of the "local government" or "municipal government," but also considering how state actors at other levels influence city political dynamics.

Second, the cases exhibit variations in the prevailing political regimes before the democratization movements of the late 20th century. While all three city-countries experienced periods of authoritarianism or fragile democracy, Mexico stands out for its predominance of single-party governance with a corporatist orientation. In contrast, Argentina and Brazil witnessed instances of governments with a more militarized, technocratic orientation, and instances of left-leaning populist orientation, contingent upon the historical period under consideration. As delineated in Chapter 2, these political distinctions are pertinent for comprehending the governmental decisions made during the privatization of bus services in these three cities at different junctures throughout the last century. Furthermore, they provide insights into the formation of distinct legacies concerning the organization of private actors and levels of affordability and quality.

Third, governance dynamics during the recent democratic era, including levels of electoral competition, partisan dynamics, and institutional frameworks, also differ among cases, offering an opportunity to evaluate the influence of these political dimensions on the contemporary evolution of urban bus systems. In Chapter 3, I investigate how the recent political landscape in Buenos Aires, Mexico City, and São Paulo has engendered distinct conditions for democratically elected governments to undertake incremental reforms of the urban bus legacies inherited from prior authoritarian periods.

Furthermore, as previously noted, the historical divergence in outcomes among urban bus systems with similar origins permits to juxtapose trajectories and identify the moments and factors that contributed to their divergence. In recent decades, after privatization, Buenos Aires has cultivated an inclusive top-notch bus service, whereas Mexico City has become ensnared in a cheap service trap, and São Paulo has developed a service that is prohibitively expensive for many bus users. These disparities, evident in the decision-making processes of stakeholders regarding affordability and quality levels over time, facilitate an assessment of the impact of political factors and mechanisms on fare regimes.

Methods and Data

To comprehend the intricacies surrounding the historical and political evolution of urban bus systems, I employed a predominantly qualitative methodology, underscored by the utilization of diverse technique approaches.

Chapter 2 delves into the genesis and enduring impacts of legacies in public transportation systems of major Latin American urban hubs. Employing Comparative Historical Methods – Causal Historical Narrative and Process-Oriented Comparison, this chapter scrutinizes and contrasts the long-term trajectories of urban bus policies. The principal aim is to conduct a comprehensive historical analysis, exploring causal relationships and sequences systematically, particularly how privatization initiatives have profoundly influenced the affordability and quality of bus systems in Buenos Aires, Mexico City, and São Paulo.

Chapter 3 shifts focus to the contemporary democratic era, employing Process Tracing to examine theoretical assumptions regarding legacy reform within the urban transport sector. By pinpointing and elucidating the factors and mechanisms linking political-electoral factors to changes in legacies, this chapter identifies pivotal political reform events that have shaped the affordability and quality of urban bus systems in Latin America's largest urban centers.

In the comprehensive scope of the dissertation project, I relied on four main sources of data. First, I conducted extensive 18-month fieldwork to acquire foundational insights into the bus systems of Buenos Aires, Mexico City, and São Paulo. Spanning from August 2022 to January 2024, this fieldwork involved frequent utilization of their bus services across various routes, schedules, days of the week, and neighborhoods. Additionally, I seized the opportunity to visit governmental agencies and transport company facilities, thereby accessing pertinent data concerning the organizational structures of both public and private actors within each city.

Second, I conducted a total of 62 interviews with key transportation stakeholders situated in Buenos Aires, Mexico City, and São Paulo. I undertook these interviews with pivotal transportation stakeholders situated in each city. This diverse array of interviewees encompassed state bureaucrats, elected or appointed officials, bus drivers, representatives from private bus companies, academic experts, and members of civil society organizations, particularly those from the third sector and independent international entities.

The distribution of interviews across each city is detailed in Table 3. Table 4 outlines the distribution of interviews categorized by stakeholder type, while Table 5 illustrates the distribution of these interviews across each respective city.

Table 3. Author's Interviews by City/Case

CITY	NUMBER OF INTERVIEWS
Buenos Aires	17
Mexico City	22
São Paulo	23
TOTAL	62

Source: Author's elaboration.

Table 4. Author's Interviews by Type of Stakeholder

TYPE OF STAKEHOLDER	NUMBER OF INTERVIEWS
State Bureaucrats	14
Academic Experts	14
Elected/Appointed Officials	12
Representatives from Private Bus Companies	9
Civil Society Organizations	9
Bus Drivers	4
TOTAL	62

Source: Author's elaboration.

Table 5. Author's Interviews by Type of Stakeholder and By City

CITY	TYPE OF STAKEHOLDER	NUMBER OF INTERVIEWS
Buenos Aires	State Bureaucrats	6
	Academic Experts	6
	Elected/Appointed Officials	0
	Representatives from Private Bus Companies	4
	Civil Society Organizations	0
	Bus Drivers	1
Mexico City	State Bureaucrats	1
	Academic Experts	6
	Elected/Appointed Officials	7
	Representatives from Private Bus Companies	1
	Civil Society Organizations	5
	Bus Drivers	2
São Paulo	State Bureaucrats	7
	Academic Experts	2
	Elected/Appointed Officials	5
	Representatives from Private Bus Companies	4
	Civil Society Organizations	4
	Bus Drivers	1

Source: Author's elaboration.

Potential interviewees were approached through various means such as email, telephone, or in-person contact. Selection criteria were based on their direct involvement in or extensive knowledge of urban transport services at local, regional, national, or international levels. Employing the snowball technique facilitated the acquisition of a more comprehensive range of perspectives; after each interview, respondents were encouraged to recommend additional individuals or institutions who could contribute valuable insights to the research.

Interviews were conducted in both Spanish and Portuguese, accommodating the linguistic preferences of the interviewees. Sessions were held either face-to-face or virtually, depending on the interviewee's preference. In certain instances, repeat interviews with the same individual were conducted. Some respondents agreed to participate under conditions of anonymity or confidentiality.

During and after the interviews detailed handwritten notes were taken to capture key points and observations. On occasions with consent and prior notification to the interviewee, recordings of the interviews were made to ensure accuracy in transcribing statements. No form of compensation was provided to the respondents for their participation.

The interviews were conducted using a semi-structured approach, typically commencing with an open dialogue concerning the interviewee's professional background. As discussions progressed, I introduced questions designed to elicit pertinent data for the empirical component of the research. The specific questionnaire utilized varied depending on the type of interviewee involvement in the transportation sector. Nevertheless, all interviewees were asked more general inquiries, encompassing topics such as key stakeholders within the transportation sector, interrelationships, and alliances among stakeholders, perceptions regarding the quality and pricing of bus services, and overarching expectations for the sector. Furthermore, questions across all interviews aimed to discern patterns of continuity and change within the urban transport sector over time.

Interviews with state bureaucrats and elected/appointed officials primarily centered on their governmental tenure, addressing aspects such as policy implementation, reform endeavors, encountered challenges, and perceptions regarding bureaucratic-political dynamics across executive, legislative, and judicial branches. Conversely, interviews with bus drivers focused on their professional trajectories, as well as those of their affiliated companies and unions. Queries delved into their interactions with government entities, business stakeholders, and fellow drivers. Similarly, interviews with representatives from private enterprises revolved around organizational trajectories and interrelations with other stakeholders. Interviews involving representatives from the third sector and international organizations followed a more tailored approach, with inquiries typically focusing on the individual and institutional performance of the interviewee, as well as broader relational dynamics within the urban transport sector. Interviews with academic experts served not only to address the aspects mentioned above but also to assess and contextualize data obtained from alternative sources. These conversations, characterized by their more conversational tone, facilitated the refinement and enhancement of various facets of the empirical research conducted within this project.

Third, secondary sources augment my data collection endeavors. Employing document analysis, I extracted relevant historical and contextual information about the establishment of

bus systems in each city, the processes involved in privatizing state-owned enterprises, the consequent outcomes of privatization, and the evolution of urban bus systems post-democratization. This method also facilitated an examination of the diverse stakeholders engaged at each phase of these progressions. The scrutinized documents spanned various genres, predominantly comprising official governmental publications (including legislative decrees, policy reports, political statements, and administrative records), alongside newspaper publications. The bulk of official governmental documentation was accessed through in-person consultations at both public and private repositories. In Buenos Aires, archival materials from the *Archivo Histórico de la Ciudad* and the *Biblioteca Nacional Mariano Moreno* were referenced. Mexico City's focus revolved around the collection of transportation documents curated by Professor Dr. Priscilla Connolly, housed at the *Universidad Autónoma Metropolitana (UAM), Azcapotzalco*. São Paulo's archival materials were drawn from the *Arquivo Histórico Municipal* and the *Centro de Documentação e Estudos da Cidade de São Paulo (CEDESP)*. Furthermore, select documents were also accessed and obtained digitally via the official governmental websites of the respective cities and countries. This archival endeavor culminated in amassing a repository exceeding 3,000 pages, detailing the historical underpinnings of urban bus systems across each city.

Newspaper publications served as a complementary resource, furnishing invaluable data regarding significant events, historical contextualization of political shifts, public opinion, and the evolving urban landscape. Noteworthy publications consulted included *La Nación* and *Página 12* for Buenos Aires, *La Jornada* and *El Universal* for Mexico City, and the document archives of *Folha de S. Paulo* for São Paulo. Additional news sources were accessed via the *Google News* platform. The selection of these publications was based on their prominence in the local and national media landscape, the duration of coverage, and the availability of historical archives on their respective websites. The majority of newspaper articles were accessed digitally through the online platforms of the respective publications.

Secondary sources in the form of scholarly articles and books were pivotal in elucidating the genesis and evolutionary trajectories of urban bus systems in major Latin American cities. This body of literature was accessed through visits to public libraries such as the *Biblioteca del Archivo Histórico de la Ciudad* for Buenos Aires, the *Biblioteca Mário de Andrade* for São

Paulo, and university libraries including *UNSAM (Universidad Nacional de San Martin)*, *El Colegio de México*, and *USP (Universidade de São Paulo)*.

Lastly, another significant source of data comprised requests for access to information, conducted following the transparency laws of each city and country. Primarily, I sought data regarding the affordability and quality of bus systems, including information on fares, subsidies, fleet size, number of private operators, number of trips, and average fleet age, particularly when such data were not readily available on official government platforms.

Outline of the Dissertation

The remainder of the dissertation is structured into three chapters, each focusing on the historical and political developments of urban bus services in prominent Global South cities. Chapter 1 introduces the typology of fare regimes, which serves as the framework for subsequent analysis. Chapters 2 and 3 apply this typology to examine and compare the cases of Buenos Aires, Mexico City, and São Paulo, drawing from both theoretical frameworks and empirical data. Following these chapters, the conclusion offers a reflection on the broader significance and implications of the dissertation's findings. It acknowledges limitations, discusses external validity, and suggests potential avenues for future research.

CHAPTER 1 – HOW TO STUDY URBAN TRANSPORTATION POLICIES AND POLITICS IN THE GLOBAL SOUTH? A Conceptual and Analytical Framework

ABSTRACT

Urban transportation significantly impacts the daily lives of city residents worldwide, serving as a persistent focal point for contentious disputes. Despite this, political science mainstream studies have allocated relatively little attention to urban transport compared to other urban public goods. Recognizing this scholarly gap, I propose a comprehensive conceptual and analytical framework to facilitate an in-depth examination of urban transportation systems' intricate political, economic, and social dynamics. From the user's perspective, the framework centers on two key dimensions: affordability and quality. It demonstrates how the interplay between these dimensions engenders four discernible types of "fare regimes" – prohibitive high-end, inclusive top-notch, expensive mediocrity, and cheap service trap. The framework's primary purpose is to provide political scientists with robust analytical tools for both theoretical and empirical investigations in urban transport. The framework's utility is illustrated through an examination of specific fare regimes in urban bus systems operating in Global South cities.

Keywords: Public transportation, Affordability, Quality, Fare Regimes.

1.1. Introduction

There is a growing body of research in political science dedicated to the provision of public goods and services within urban settings. In recent decades, an increasing volume of scholarly work in this discipline has focused on comprehending the political, social, and economic determinants linked to the availability (or scarcity) of public goods in cities worldwide (John et al., 2012; Kumar & Stenberg, 2022; Le Galès & Robinson, 2023; Post et al., 2017). In a similar vein, the rapid and substantial expansion of the global urban population (United Nations Human Settlements Programme, 2022), the escalating significance of city governments in national and international arenas (Amen et al., 2016; Kübler & Pagano, 2012; Sellers, 2005; Tavares, 2016), and the unique characteristics associated with urban policies and politics (Marques, 2017; Post, 2018) served as elements that heightened the interest of political scientists in the dynamics of urban goods.

However, the distribution of research within political science has been uneven when it comes to different types of urban public goods. To date, research endeavors have predominantly concentrated on sanitation and water (Bradlow, 2022; Herrera, 2017; Herrera & Post, 2014; Kumar et al., 2022; Post, 2014), street light and electricity (Auerbach, 2019; Lee, 2023; Min, 2008), education (Bhavnani & Lee, 2018; Harding & Stasavage, 2014; Lee, 2023; Sandholtz, 2023), public health (Ziblatt, 2008), housing (Bradlow, 2022; Marques & Bichir, 2023; Marques, 2021), security (Moncada, 2016) and slum upgrading (Auerbach, 2019; Gohn, 2004; Ren, 2020). In contrast, there has been a relatively limited focus on other essential urban public goods, especially urban transportation. Despite the crucial role of mobility services in the daily lives of urban residents and their inherently contentious nature (Davis, 1994), political scientists have allocated comparatively little attention to this essential public service.⁴

Advancements in political studies related to urban public goods can enhance the understanding of transportation services. Moncada's (2016) model, designed for analyzing security policies in Colombia, provides valuable insights into the relationships between local governments, businesses, and private companies, for instance. Additionally, research on how

⁴ The research conducted by some authors (Bril-Mascarenhas & Post, 2015; Campos, 2016b; da Cruz et al., 2022; Holland, 2023; Li & Wyczalkowski, 2023; Marques, 2021; Marsden & Reardon, 2017; Pérez & Bertranou, 2023; Pflieger et al., 2009; Post et al., 2017; Wirth, 1997), as elaborated later on this paper, stands as an exception within the limited scope of political scientists' examination of the provision of transportation services.

electoral dynamics affect the delivery of public goods (Bhavnani & Lee, 2018; Harding & Stasavage, 2014; Sandholtz, 2023) can be applied to study the political incentives behind expanding transportation service coverage and enhancing its quality.

However, public transportation systems have unique characteristics like non-divisibility, spatial-territorial flows, service delivery versatility, and private sector involvement (explained later in this chapter). These attributes distinguish mass transit from other public goods, highlighting limitations in current political science approaches to the topic. Furthermore, much of the existing transportation literature has primarily emerged from neighboring disciplines, including geography, public administration, economics, urban studies, and engineering (Bittencourt & Giannotti, 2021; Carruthers et al., 2005; Connolly, 2018; El-Geneidy et al., 2016; Falavigna & Hernandez, 2016; Finn, 2008; Gómez-Lobo, 2011; Herszenhut et al., 2022; Lucas, 2012; Paulley et al., 2006; Pereira & Karner, 2021; Vale, 2020). While this literature contributes to the measurement, theory development, and conceptualization of transportation dimensions, it has made limited progress in understanding the political factors influencing transportation service outcomes in different cities.

This paper addresses these limitations by introducing an innovative conceptual and analytical framework. This framework empowers political scientists to study urban transport policies and politics, fostering the development of theoretical and empirical analyses, measurement of distinct service dimensions, and classification of urban transport systems in various cities over time. It primarily concentrates on urban buses, recognizing their significance in urban mobility. The focus is on cities in the Global South, considering the unique aspects of service provision in the developing world (Post, 2018).

First, the framework prioritizes the importance of several key steps in the analysis of transport policies and politics. These steps encompass (1) the identification of relevant stakeholders, (2) the examination of both formal and informal regulatory frameworks within the sector, and (3) the evaluation and selection of transport dimensions. I contend that these steps are essential components of any political analysis of urban transport systems.

Second, the framework includes a typology that categorizes urban transport systems into four distinct "fare regimes": prohibitive high-end, inclusive top-notch, expensive mediocrity, and cheap service trap. Each fare regime focuses on the user's perspective and exhibits variations in the central elements of transportation. These ideal types primarily differ based on two key

dimensions: affordability, which relates to the relationship between urban transport fares and users' ability to pay, and quality, which encompasses service coverage, frequency, and vehicle attributes.

I posit that affordability and quality, despite their distinct characteristics, are interrelated dimensions, as there exists a mutual dependence between them. Empirical evidence suggests that variations in quality often influence affordability levels, and vice versa. In light of this, the typology of fare regimes, which encompasses both affordability and quality dimensions, provides researchers with a systematic approach to jointly scrutinize urban transport policies and politics, while also facilitating the classification and evaluation of cases.

The chapter is organized as follows. Section 1.2 discusses why urban transportation policies and politics are important. Section 1.3 offers a comprehensive review of political science studies concerning urban transportation. Section 1.4 highlights the similarities and differences between transportation services and other urban goods and services. Section 1.5 introduces the important steps to consider when analyzing transport policies and politics. Section 1.6 presents the typology of fare regimes. Section 1.7 presents an illustration of the fare regime types among Global South Cities. Finally, Section 1.8 concludes the chapter.

1.2. Why Urban Transportation Policies and Politics Are Important?

Urban transportation plays a pivotal role in contemporary societies. Extensive literature suggests that robust, accessible, and sustainable urban transportation systems can significantly improve access to citizenship, drive economic development, enhance the well-being of vulnerable populations, and generate various positive externalities in urban areas. Conversely, dysfunctional or unreliable mobility systems can engender negative externalities and incite redistributive conflicts. Here is an overview of the significance of transportation in these domains.

First, access to reliable transportation is a fundamental element of citizenship. It enables individuals to participate in civic, social, and economic activities. Public transportation systems provide mobility to people who might otherwise be marginalized, allowing them to access education, healthcare, and community engagement (Cass et al., 2005; Hernández, 2017). Accessible transportation can also alleviate unemployment, reduce poverty, and contribute to

the mitigation of class-based urban segregation (Li & Wyczalkowski, 2023). In this regard, transportation policies emerge as potent instruments of social policy, fostering spatial justice in both advanced industrial societies and Global South contexts (Bittencourt & Giannotti, 2021; Lucas, 2004).

Second, transportation infrastructure exerts a direct impact on economic development. Efficient transportation systems facilitate the movement of goods and people, reducing transaction costs and boosting trade. Well-planned transportation networks also attract investments, create job opportunities, and stimulate local economies (Davis, 1994). The American Public Transportation Association (APTA) reports that a \$1 investment in public transit is projected to generate \$5 in economic returns. Additionally, every \$1 billion allocated to public transportation creates around 50,000 jobs, and each \$10 million in capital investment in public transportation results in a \$30 million increase in business sales (APTA, 2023).

Third, transportation services have the potential to enhance the economic well-being of the most vulnerable groups. Transportation costs can substantially impact urban family households, particularly in low-income communities. For instance, in urban areas of Brazil, residents may allocate a larger proportion of their household income to transportation than to food (Instituto Brasileiro de Geografia e Estatística, 2019). Similarly, Carruthers et al. (2005) reveal that in cities in the Global North, such as New York, Los Angeles, and Chicago, the poorest individuals may dedicate up to 10% of their earnings to transportation. Consequently, affordable and accessible public transportation options can alleviate the financial burden on households, making it easier for them to fulfill other basic needs and enhance their quality of life.

Fourth, well-structured transportation networks can generate positive externalities, which encompass benefits that extend beyond individual commuters. For instance, investments in public transportation can result in reduced traffic congestion, diminished air pollution, and lower greenhouse gas emissions (Pereira & Karner, 2021; Vickerman, 2021). In recent years, numerous cities globally have devised and implemented policies aimed at making transportation systems more sustainable (Batista, 2022; C40 Cities, 2021; CEPAL, 2019; Schneider, 2020; WRI Cities, 2015). These advantages enhance the overall quality of life in urban settings and have a favorable impact on the environment and public health (Hanna et al., 2021; Johansson et al., 2017; Parrish & Zhu, 2009; UNEP, 2017).

Conversely, transportation policies can also engender negative externalities. For instance, regions with heavy reliance on private cars may experience escalated traffic congestion, increased air pollution, and heightened noise levels. These negative externalities can have adverse health effects and diminish the overall well-being of a community (Instituto Saúde e Sustentabilidade & Greenpeace, 2017; International Institute for Sustainable Development, 2021; Toledo & Nardocci, 2011). Moreover, these adverse effects stemming from transportation externalities can disproportionately affect vulnerable groups, including domestic workers, informal laborers, the elderly, and children (Hoffmann & Rud, 2022; Jans et al., 2018; Montoya-Robledo et al., 2022).

Furthermore, in recent decades, transportation services have emerged as a significant focal point for class-based redistributive conflicts and contentious politics. Across the globe, large-scale protests by civil society groups have erupted in response to government-initiated alterations in transportation policies. Notable examples include the extensive protests during the June Journeys in Brazilian cities in 2013 and the massive protests in Chilean cities in 2019 (Garcés, 2019; Holston, 2014). In many instances, these large street demonstrations originate from transportation grievances but expand their scope to encompass demands unrelated to transportation (Alonso & Mische, 2017).

Besides protests led by popular movements, private sector associations in many cities globally have also frequently mobilized. In municipalities where the state is not the sole provider of urban transport, private transportation operators responsible for managing public routes have become influential local political players (Post et al., 2017). Strikes and mobilizations initiated by these actors, including private companies, concessionaires, and labor unions, aiming for higher public transport fares or improved working conditions, are common. These mobilization events occur regularly both in the Global South, including cities like Bangalore, Kathmandu, Cape Town, and Mexico City (La Jornada, 2021; Reuters, 2023; The Indian Express, 2023; The Kathmandu Post, 2023), and in Global North cities such as Auckland, Paris, and London (Crisis 24, 2022, p. 24; Stuff, 2023; The Guardian, 2022).

In conclusion, transportation policies and politics have a profound impact on various aspects of society, encompassing access to citizenship, the promotion of economic development, the influence on family household finances, the generation of positive and negative externalities, and the potential to trigger large-scale demonstrations. Thus, the aspects discussed above

underscore the relevance of urban mobility in the everyday lives of countless commuters, workers, governments, and businesses across the globe.

1.3. Studies Of Urban Transportation in Political Science

Despite its significance, urban transportation remains an understudied area by political scientists. To date, much of the political science literature related to the provision of urban public goods and services has concentrated on other research topics. An in-depth examination of articles published in political science journals underscores the limited attention given to urban transportation.

Table 6. Number of Urban Transportation Studies in Political Science Journals (English)

Journal	Time Range	Published articles
Urban Affairs Review	1969-2023	39
American Journal of Political Science	1973-2021	1
Comparative Politics	1968-2021	1
British Journal of Political Science	1971-2017	1
Political Studies	1959-2023	1
Political Science Quarterly	1886-2017	1
American Political Science Review	1906-2023	0
Comparative Political Studies	1968-2023	0
World Politics	1948-2023	0
Annual Review of Political Science	1998-2023	0
Research & Politics	2014-2023	0
Journal of Politics	1939-2017	0

Source: Author's elaboration. The search was conducted using the following keywords: transportation, transport, bus, buses, ferry, rail, train, subway, metro, and transit. These keywords were sought in the titles or abstracts of research articles (when both search options were available). The search specifically focused on research articles and did not include book review essays or research reports. The search results were assessed, and articles unrelated to urban transport were excluded. The selection of leading journals was based on rankings published by Google Scholar Metrics and Scimago Journal Rank. Additional supplementary materials can be accessed in the Appendices section of this paper.

Table 6 provides a concrete illustration of the limited scholarly focus on the analysis of urban transport within several prominent English-language political science journals. Remarkably, even journals with extensive time ranges, such as the American Political Science

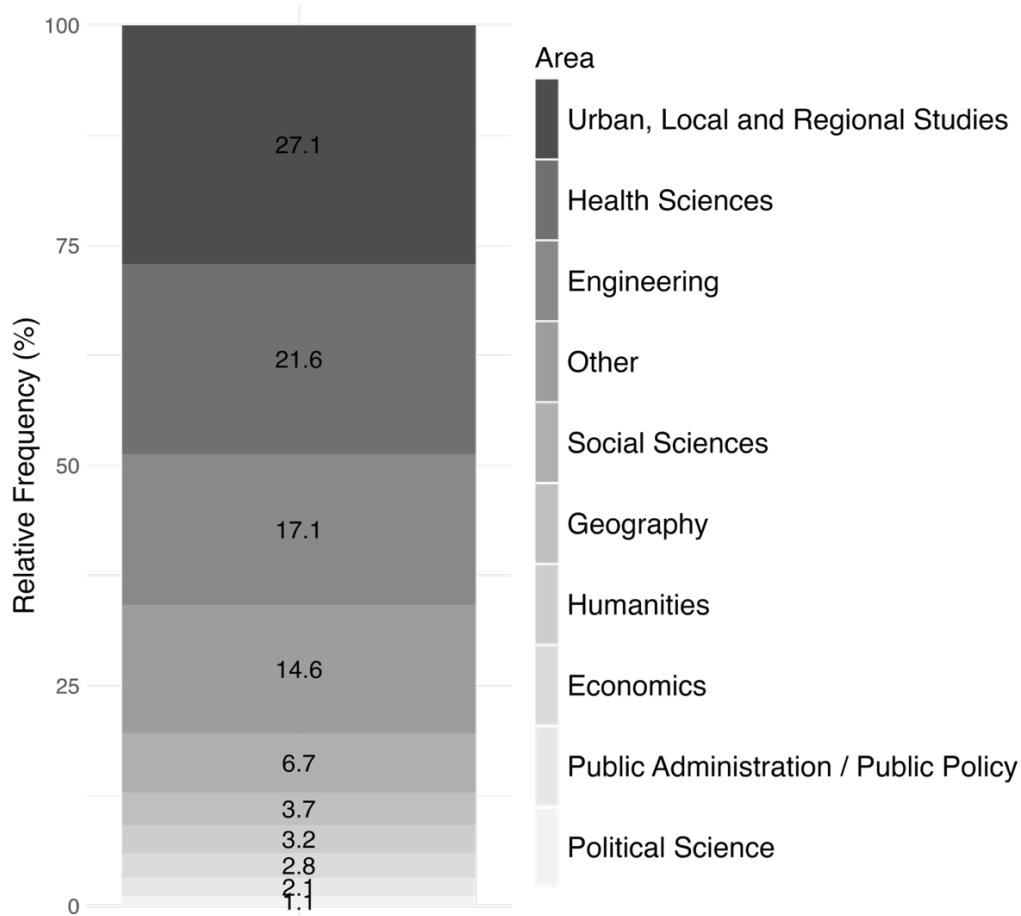
Review, have historically devoted minimal attention to the subject of transportation. In the case of the *Urban Affairs Review*, the discipline's leading journal in the subfield of urban politics (Kumar & Stenberg, 2022), only 39 out of 1,737 research articles published from December 1969 to November 2023 were exclusively dedicated to the study of urban transportation systems.

Furthermore, these publications exhibit several limitations regarding the provision of urban public transport. While some articles directly address the stakeholders and interests involved in the delivery of transportation services, elucidating issues of governance (da Cruz et al., 2022), private interests (Wirth, 1997), and state capacity and informality (Goodfellow, 2015), the majority focus on other themes, such as the relationship between transportation and gentrification, or do not necessarily treat transportation as a dependent variable. Additionally, only 5 out of the 44 identified publications focus on analyzing cities in the Global South, indicating a significant Global North bias in the literature.

The lack of interest among political scientists in urban transportation is evident not only in English-language journals but also in publications in Portuguese and Spanish. A systematic search on the Scielo platform, which predominantly hosts articles in these languages, revealed that political science's relative contribution to the urban transport literature is limited (Figure 7). Notably, a significant proportion of these studies, equivalent to 27.1% of the total, falls within the urban, local, and regional studies domain, totaling 171 articles. Furthermore, health Sciences and engineering also exhibit considerable presence, contributing to approximately 21.6% (136 articles) and 17.1% (108 articles) of the studies, respectively. In contrast, political science's contribution is notably modest, comprising 1.1% of the total studies, which corresponds to 7 published articles. Even when political science and social sciences journals are combined, the resultant percentage remains below 8%, indicating a considerably lower level of research interest in urban transportation compared to other academic disciplines.

These findings highlight the considerable room for further development in political science's research on urban transportation services. Despite its multiple relevance, this area has received relatively limited attention in recent years. Thus, there is a distinct opportunity for political scientists to conduct comprehensive investigations and advance our understanding of the intricate dynamics related to urban transportation policies and politics.

Figure 7. Distribution of Urban Transportation Studies in Scientific Journals (SciELO)



Source: Author's elaboration. n = 630. The data was collected via searches conducted on SciELO - Scientific Electronic Library Online, utilizing a set of specific keywords: "transporte urbano", "transporte público", "movilidad urbana" and "mobilidade urbana". These keywords were sought in the titles or abstracts of research articles. The search specifically focused on research articles and did not include book review essays or research reports. A total of 630 articles, spanning the years 1997 to 2023, were identified and found in 261 distinct publications. The journals were categorized based on their official descriptions. It is worth noting that, to assess discipline-specific contributions, political science was categorized separately from Social Sciences. Urban, Local, and Regional Studies also include demographic works. The "Other" category pertains to publications with a wide-ranging focus, featuring content from highly diverse academic fields. Additional supplementary materials can be accessed in the Appendices section of this paper.

1.4. Urban Transportation and Other Public Services

Political science literature has been expanding its trajectory of analyzing public goods and services in urban settings (Kumar & Stenberg, 2022). While these studies identify political

factors and dynamics relevant to the analysis of urban transport systems, they often lack a comprehensive framework that characterizes the typical configurations of this policy sector.

One key similarity between urban transport and other public goods is the role played by both state and non-state actors. Post et al. (2017) highlight that in the developing world, it is common for private actors to play significant roles in delivering various services, resulting in "hybrid regimes" for local public goods. The level of state involvement and the nature of state participation can vary among different cases and types of public services, similar to the role of the local private sector. In the context of urban transport, the substantial involvement of the private sector in directly operating mobility systems aligns its provision with other services such as solid waste collection, recycling, power generation, and distribution (ibid).

Private sector involvement in urban goods and services is emphasized by Moncada (2016) in the context of public security. He argues that the relationships between local businesses and state actors are essential for understanding the nature and results of projects aimed at addressing urban violence. Similarly, in the realm of public transport, the direct and indirect participation of the private sector in service provision highlights the significance of stakeholder relationships in determining the success or failure of urban mobility policies. Therefore, delving into the urban political economy of urban transport services offers a promising research avenue for political scientists (Post, 2018).

Another shared aspect between urban transportation and other services is the pricing logic. In many Global South cities, transportation costs can significantly affect family budgets, leading governments to introduce subsidies to ease the financial burden of urban travel (Castro & Szenkman, 2012; Pérez & Bertranou, 2023). Government actions can also directly influence the consumer prices of other goods and services, such as fuel and electricity (Bril-Mascarenhas & Post, 2015). This suggests that the motivations and factors behind urban transport pricing can exhibit significant parallels with other public goods and services.

Nonetheless, despite these existing similarities, I argue that urban transportation exhibits some differences compared to other goods and services. These differences suggest that urban transportation adheres to some distinctive set of logic and processes, which must be integrated into political analyses of the sector.

First, urban transport possesses a characteristic of non-divisibility that sets it apart from other services, though it's not unique. This means that various aspects of transportation services,

such as affordability and quality, are challenging to tailor to individual needs. Typically, improvements in factors like frequency, fares, or vehicle quality have broad-reaching effects, affecting numerous commuters and multiple geographic areas rather than specific individuals. This operational logic of urban bus services significantly differs from policies related to allocating social housing units or improving slum areas, where goods or services may target particular individuals. Consequently, urban transport policies reduce the potential for clientelistic relationships, as politicians or intermediaries face significant challenges in catering to individual clients (Marques, 2021).

In geographical terms, another distinctive aspect of urban transport is its intricate relationship with the spatial dynamics of the city. Although urban mobility systems have fixed infrastructure within the urban area, they continuously traverse the city's terrain, functioning as a continuous "line" service. This dynamic nature sets buses and trains apart from "point" services like education, health, and housing, which typically have a more concentrated and restricted geographic attribution (Holland, 2023). Furthermore, as urban transport traverses the city, it shares space with other users, such as car drivers, leading to conflicts over the allocation of limited urban space and tensions over spatial usage. Consequently, public transport systems can become focal points for political-spatial disputes, potentially escalating the costs of policies that prioritize their use over the interests of non-users. In the terminology introduced by Holland and Schneider (2017), many aspects of public transport systems can be categorized as "hard redistribution policies."

Thirdly, urban transportation delivery presents a unique versatility compared to most urban public goods. Urban transport systems offer various modal options, including buses, trams, trains, subways, ferries, and cable cars, each with its own set of spatial, operational, and user-related implications. Even within a single modal, significant variations exist, with buses, for instance, ranging from high-capacity vehicles operating along extensive corridors to smaller minibuses on shorter journeys.

Lastly, a notable characteristic of urban transport, especially in the context of hybrid regimes, is its private sector configuration. An examination of urban political economy reveals significant diversity in market structures, with the bus sector serving as a prominent example. Some bus systems are run by major private corporations, while others are operated by medium or small-sized companies, associations, or individual operators (Álzaga et al., 2021; Barter, 2008;

Campos, 2016b; Finn, 2008; Pérez & Bertranou, 2023; Post et al., 2017; Wirth, 1997). Consequently, certain urban transport markets involve fragmented operations with numerous stakeholders, while others have more consolidated arrangements with fewer private actors involved in service delivery. The configuration of private operators is often linked to the type of services they offer, including the use of large or small vehicles, the level of service professionalism, and the level of (in)formality of the operators responsible for service delivery (Barter, 2008; Post et al., 2017).

In summary, the comparison of urban transportation services with other public services highlights both shared characteristics and distinctive features that shape the sector's political dynamics. While political science and related disciplines have increasingly delved into the analysis of urban public goods, there remains a significant gap in constructing a comprehensive framework for understanding urban transport political particularities.

1.5. How To Study Transportation Policies and Politics

For a comprehensive analysis of transportation policies and politics, incorporating their distinctive features, I posit that political scientists should consider a set of three main steps. These steps encompass (1) the identification of relevant stakeholders, (2) the examination of both formal and informal regulatory frameworks within the sector, and (3) the evaluation and selection of transport dimensions. These steps not only help define critical elements of urban transport services but also provide analytical tools for understanding the outcomes of transport policies.

In this section, the focus of my analysis will consistently be on urban bus services, primarily because they have a more prominent role in the modal share of transportation within cities in the Global South. Buses play a dominant role in daily mass transit commutes, surpassing modes like subways or trains.⁵

⁵ For instance, data from the most recent Origin and Destination surveys conducted in the biggest Latin American metropolises reveals that in São Paulo, in 2017, urban buses accounted for 65% of mass transit trips. In Mexico City, this figure is approximately 80%.

Step 1. The Identification of Relevant Stakeholders

The existing body of urban politics literature has underscored the significance of various stakeholder groups in shaping and executing policies within urban contexts. This literature recognizes that pivotal categories of stakeholders include political parties, elected officials, governmental bureaucracies, private enterprises, labor unions, community associations, social movements, and third-sector organizations (Marques, 2021b; Marsden & Reardon, 2017; Post, 2018; Stone, 1993). Building upon this understanding and the contextualization of the transportation sector, I contend that there are a minimum of four key stakeholder groups that hold substantial influence over bus policies and politics.

The first category of relevant stakeholders encompasses **state actors**, comprising individuals from the Executive, Legislative, and Judicial branches at various tiers of government (local, regional, and federal). The significance and roles of these government actors are contingent upon the specific federative arrangements within each particular context. For instance, in São Paulo, urban bus matters are primarily overseen by local executive authorities, while in Buenos Aires, the federal executive branch plays a more prominent role in urban bus policies.

Within the Executive power, responsibilities related to transportation are often distributed among specialized bureaucracies, transport and mobility secretariats (e.g., SEMOVI in Mexico City and SMT in São Paulo), or decentralized public enterprises (e.g., SPTrans and Metrobús). The allocation of power among these state entities varies from case to case, leading to variations in their respective roles and responsibilities in overseeing transport services.

Finally, a relevant characteristic of state actors is their level of activity and involvement in the bus public service. In general, the government is responsible for regulating and managing the bus system – for example, setting fares and establishing minimum standards for vehicle operations. Additionally, some state actors are also responsible for forming public companies that regulate and operate urban buses (such as the case of RTP – *Red de Transporte de Pasajeros* of Mexico City).

In many Global South cities, as previously mentioned, bus service operations are outsourced to private entrepreneurs (Post et al., 2017). In this context, private operators providing transportation services have become influential local political actors. Considering this, the second group of relevant actors is composed of **private operators**. In Latin America, private

operators in the urban transport sector vary in structure. They can be individuals or companies and cooperatives, with different fleet sizes and operational capacities (Brasileiro & Henry, 1999). For example, in major Brazilian cities, a few large companies with extensive fleets and numerous employees manage bus operations across multiple routes. Conversely, in other Latin American cities, the market is less concentrated, with smaller and medium-sized companies operating buses with fewer employees. Some cities even have individual operators, like the "hombre-camión" model in many Mexican cities.

The third group of stakeholders encompasses **bus drivers** who play a crucial role in service delivery and are among the primary daily actors in bus operations, akin to street-level bureaucrats. Bus drivers are also noteworthy due to their interactions with the government and private operators, often advocating for improved working conditions, which can impact service costs. Typically, bus drivers wield more influence when private operators exhibit greater professionalism and formalization. In scenarios where large and medium-sized companies operate the system, drivers are typically formal employees and are part of political pressure networks through labor unions. In cases where individuals operate the system, private operators and bus drivers fall within the same stakeholder category.

The fourth category of key stakeholders comprises **commuters** or **bus users**, as the entire bus system is conceived and executed to enable their mobility within the city. Commuters play an indispensable role because they engage with all other stakeholders and possess the capacity to advocate for a more comprehensive and superior bus service, either individually or through civil society organizations. Additionally, through their fare payments, commuters make substantial contributions to the financial resources necessary for the bus system's operation, particularly in situations with limited state subsidies.

Finally, other stakeholder groups maintain direct or indirect connections to the bus governance process, including entities like vehicle manufacturers, funding agencies, NGOs, and research centers. Nevertheless, despite the significance of these stakeholders concerning specific aspects of bus policy, their influence is presumed to be rather constrained, given that their engagement in the sector tends to be more indirect, restricted, or infrequent.

Step 2. The Examination of Formal and Informal Regulatory Frameworks

Another pivotal aspect in the realm of urban transportation policies and politics is the dynamic interplay between formal, informal, and semiformal rules that govern bus services. Whether these rules are officially mandated by regulatory bodies or emerge organically through stakeholder interactions, they collectively mold the intricate landscape of urban mobility. This interaction between structured regulations and unwritten norms has far-reaching implications for the functioning and user experience of bus services within a city.

Formal rules, often established by governmental authorities, lay the groundwork for regulations, standards, and operational protocols that guide the functioning of bus systems. These rules ensure safety, reliability, and quality of service, ultimately safeguarding the interests of passengers and the broader urban community. Furthermore, formal rules play a central role in defining service affordability, establishing bus fare values, determining the amount of state subsidies, and allocating distinct transportation costs based on various population groups, such as the elderly, students, public officials, or the unemployed.

In contrast, informal rules, which may emerge from the interactions among stakeholders, encompass unwritten agreements, social norms, and uncodified practices. These informal rules can either complement or challenge formal regulations, significantly influencing the day-to-day operation and decision-making within the bus sector. The synergy or tension between formal and informal rules is a crucial factor in shaping the overall user experience and the effectiveness of bus services, as these unwritten norms often dictate aspects of service interaction, user expectations, and the social acceptance of bus transportation within a city.

In addition to formal and informal rules, semiformal rules exist as a middle ground. These rules are neither as explicit as formal regulations nor as unstructured as informal norms. Semiformal rules are often partially codified practices or guidelines that have evolved from formal rules but now offer flexibility. An illustrative example of a semiformal rule can be seen when a bus concession, which has lapsed or lost its formal validity over time, continues to be “valid” because none of the stakeholders formally renew it.

According to the related literature, the rules governing bus services may vary considerably among cities in the Global South. As an example, Post et al. (2017) highlight the existence of public transport systems that exhibit well-structured formal regulations, as observed in the recent case of Santiago de Chile. In such instances, governments proactively oversee

various facets of the service, regulating concession criteria, market competition, fare pricing, operating expenditures, and the specifications of vehicles and daily operations that significantly influence the overall quality standards of the system.

Conversely, Post et al. (2017) also identify systems in which the formal regulatory framework is less comprehensive or inconsistently enforced. In such situations, a more "independent" provision of bus services, marked by limited state control, paves the way for the emergence of informal arrangements. These informal rules, established through opaque interactions among relevant stakeholders, take center stage and facilitate the proliferation of numerous paratransit operators to meet local mobility needs, as illustrated by the Nairobi case.

Step 3. The Evaluation and Selection of Transport Dimensions

The literature on urban transport originating from disciplines such as geography and engineering has historically engaged in a debate concerning the essential dimensions of mass transit systems. This debate is primarily normative, focusing on theoretical ideals. It aims to delineate the attributes of a transportation system characterized by inclusivity, equity, accessibility, safety, sustainability, and efficiency, with practical applications in mind (Humberto, 2023; Lucas et al., 2019, 2019; Martens, 2012; Martens et al., 2014; Pereira et al., 2017; Pereira & Karner, 2021).

In the referred literature, accessibility stands out among various transport dimensions. Despite ongoing debates on its conceptual definition, there is agreement that accessibility entails enabling diverse populations to use mass transportation systems, irrespective of factors like socioeconomic status, gender, disability, age, ethnicity, or residential location (Pereira et al., 2017). An accessible transport system, as defined by Martens et al. (2014), empowers individuals with high mobility, allowing them to move with minimal time and spatial constraints. Empirically, an accessible transport system is characterized by factors such as affordability, availability, reliability, sustainability, connectivity to opportunities and services, and ensuring the well-being of the user (Lucas et al., 2019).

Although the concept of accessibility holds a central position in the literature mentioned above, studies vary in how they link this concept with other dimensions. Some take a comprehensive approach, viewing accessibility as a universal dimension that includes measures like travel time and transit fares (El-Geneidy et al., 2016). In contrast, an alternative set of

analyses supports a segmented approach, where accessibility is just one of several dimensions, each assessed independently (Bittencourt & Giannotti, 2021). Gomide et al. (2006), for instance, propose a framework that not only encompasses accessibility but also considers availability, acceptability, and affordability as transport dimensions.

In the field of political science, examining urban transport services through different dimensions is essential for gaining a nuanced understanding of the complexities involved in public service provision within urban settings. While it's common to think of transportation as a singular concept, breaking it down into various dimensions allows researchers to explore the diverse facets of urban mobility. For political scientists, I contend that two critical dimensions, affordability, and quality, hold particular significance in identifying and characterizing the political dynamics of transportation policies and politics. These dimensions encapsulate the intricate web of political, economic, and social agreements forged by various stakeholders over time, shaping the outcomes of urban transport systems.

Affordability, as one of these key dimensions, delves into the financial aspects of public transportation by assessing the connection between service costs and the financial capacities of users. Understanding this dimension is crucial for evaluating the equity of urban transport systems and deciphering how transportation policies impact the economic well-being of different population segments. Furthermore, affordability reveals the sources of revenue for financing transportation systems (including the presence or absence of public subsidies) and the potential disputes between state and non-state actors regarding contributions to service financing.⁶

On the other hand, quality, as defined here, focuses on the reliability, coverage, and overall passenger experience of transportation services. It encompasses factors such as service regularity, vehicle conditions, safety features, and passenger comfort. Quality plays a crucial role in understanding how effectively transportation services cater to commuters' needs, influencing user satisfaction and the functionality of the system. Moreover, quality discloses the

⁶ Urban bus systems rely on revenue to cover operational and administrative costs. Globally, these revenues mainly come from public subsidies and commuter fares. A key principle is that a higher portion of public subsidies can lead to reduced user fares, making the bus system more affordable.

operational costs of a transportation system, as elevated quality standards generally lead to higher expenses.⁷

Quality and affordability are closely linked, with quality determining the expenses of a transportation system and affordability involving agreements among stakeholders to generate the revenues for these costs. The bus fare's value, for instance, depends on overall system expenses and the role of public subsidies in the revenue stream. Low expenses may lead to an affordable fare but could compromise service quality, while high expenses covered by public subsidies can result in both an affordable fare and higher quality standards.

In this paper, the analysis of quality and affordability is predominantly framed from the user's perspective. For instance, a bus system is deemed affordable if the fare is low for the user, even though maintaining such low fares can be costly for city governments due to the subsidies required. In the most extreme case, a free-fare urban bus system is not truly free, as the costs are borne by someone other than the user. Therefore, emphasizing the user's perspective primarily addresses the overall user experience, while less attention is given to the arrangements that influence the broader dimensions of quality and affordability.

In summary, both affordability and quality offer a comprehensive perspective on urban transport, which political scientists should incorporate into their analyses. Recognizing and differentiating these dimensions within urban transport systems enables political scientists to refine their research focus and address specific aspects of public service provision more effectively. This approach enhances the understanding of urban mobility challenges and the ultimate impact of transportation policies.

1.6. Fare Regimes: An Analytical Framework

After a comprehensive examination of the relevant stakeholders, regulations, and dimensions within urban transport policy and politics, a pivotal analytical step involves deliberating on the intricate interactions among these elements. I posit that these elements are interconnected both theoretically and empirically. For instance, the formation of high-quality

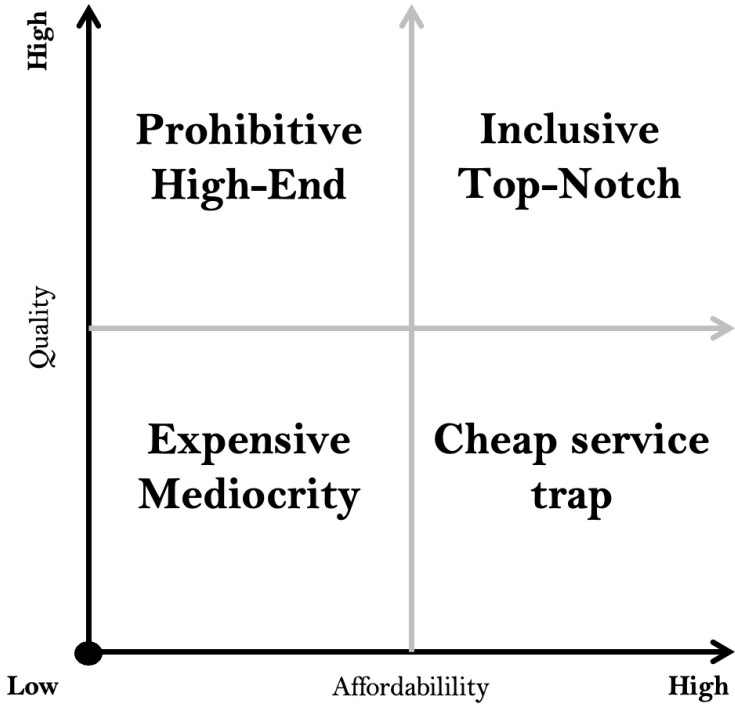
⁷ In the case of an urban bus system, various expenses, including fuel, maintenance, administration, and labor charges, are associated with its operation. Ideally, increased expenses should result in higher quality standards, including more vehicles, better bus quality, well-compensated employees, extensive spatial coverage, shorter waiting times, and safer, more efficient commutes.

and affordable bus systems typically involves specific stakeholder groups (government and private operator actors) and adheres to distinct types of service regulation.

Considering the above, I propose an analytical framework to facilitate the classification of transportation systems and the identification of recurring service patterns. This framework equips political scientists with important means to categorize transportation systems into four primary "fare regimes" categories. These fare regimes are primarily distinguished by their varying degrees of affordability and quality.

Figure 8 provides a visual representation of how different combinations of affordability and quality lead to the delineation of distinct fare regime types.

Figure 8. Typology of fare regimes



Source: Author's elaboration.

The framework presented in Figure 8 provides valuable insights for scrutinizing urban bus services. Urban bus systems, with distinct characteristics, set them apart from other transportation modes like subways and trains, notably in terms of governance and the involvement of both state and non-state actors. The significance of this framework becomes

evident in Global South cities, given the unique dynamics that influence the formulation and execution of urban public policies in the developing world (Post, 2018).

Hereafter, I provide more elaborate definitions for each of the fare regime types.

Prohibitive High-End Regime

This fare regime is characterized by high-quality service but low affordability, particularly for the poor segments of the population. It likely arises from the combination of high operational costs and a revenue model heavily dependent on user fares, with limited or no state subsidies.

While the prevalence of this fare regime is generally uncommon due to the financial constraints faced by many urban transport users in Global South cities, specific Latin American cities have instituted prohibitive high-end fare regimes within distinct segments of their bus systems. This is exemplified by the implementation of differential services, providing express routes with limited stops, or utilizing vehicles offering enhanced amenities. An illustrative instance is the executive bus system in Rio de Janeiro, colloquially referred to as "Frescão."

In the context of relevant stakeholders and regulatory dimensions, prohibitive high-end regimes are marked by significant state engagement in determining bus fares, enforcing rigorous quality standards, market regulation, and operational oversight. Consequently, the transport service in such regimes is subject to comprehensive regulation, with formal rules governing various facets of the service. Private operators in such regimes are often represented by well-established companies, characterized by a high degree of professionalism. In specific cases, these transport enterprises exert substantial influence within local political arenas, proactively attempting to mold the state's policy decisions in the transport sector.

Inclusive Top-Notch Regime

Inclusive top-notch fare regimes represent the optimal scenario for a city committed to providing its residents with a superior public transportation experience. Within these regimes, bus fares are affordable to individuals with lower income levels, and the system's overall quality is elevated. This elevated quality results from a combination of increased operational expenses and substantial government involvement in financing the system.

Buenos Aires, in Argentina, serves as a prominent example of an inclusive top-notch fare regime. Additionally, numerous Bus Rapid Transit (BRT) services, introduced in recent decades

to counteract the deficiencies of informal or semiformal services, align with this category. An illustration of this is observed in the *Metrobús* system in Mexico City. Nevertheless, despite the generally elevated quality levels associated with BRTs, their fares may not consistently be deemed affordable across cases, as evidenced by the BRT system in Rio de Janeiro.

In terms of stakeholders and regulations, the primary distinction between inclusive top-notch and prohibitive high-end regimes lies in the significant state contribution to financing the operational costs of the urban bus system. In this context, the State not only actively regulates quality standards but also financially supports the elements that ensure the system's higher quality levels. Within inclusive top-notch regimes, private operators also tend to exhibit a high degree of formalization and professionalization. Notably, the power dynamic between state and non-state actors in inclusive top-notch regimes often tends to be more balanced.

Expensive Mediocrity Regime

In contrast to the preceding type, the expensive mediocrity fare regime embodies the most unfavorable scenario for public transportation commuters in the Global South. In short, the confluence of low-quality and expensive fares arises from a system in which expenses and revenues fail to adhere to the logic delineated earlier. In this context, even though the bus system might incur substantial expenses, these elevated costs do not manifest as improved quality due to the appropriation of resources by other stakeholders.

During the 1980s, Santiago, Chile, and La Paz, Bolivia, shared a common experience characterized by the imposition of expensive mediocrity fare regimes within their urban transport systems. This era saw the implementation of measures that significantly curtailed both the quality and affordability of transportation services in these Latin American cities.

In the context of expensive mediocrity fare regimes, state authority is notably constrained or absent when it comes to the regulation, financing, and oversight of the transportation service. Private operators often lack a high degree of professionalism. However, they normally wield substantial political influence at the city level. Attempts to enhance the bus system's quality or reduce fares encounter obstacles. Concurrently, the demands from private operators for increased fares present a dilemma for the government in its pursuit to enhance affordability without resorting to the implementation of a public subsidy program.

Cheap Service Trap Regime

This fare regime is prevalent in Global South cities, featuring an affordable transportation fare despite notably subpar system quality. This situation often results from government pressure to maintain low fares, despite limited state subsidies for operational costs. The relatively modest total revenues further constrain opportunities to enhance expenses and elevate service quality. Typically linked to informal transportation services, cheap service trap services can be alternately termed "semi-formal," "paratransit," "alternative," "provisional," "clandestine" or "popular" transport (Tun et al., 2020).

In the late 20th century, these regimes emerged in several Global South cities as local governments reduced their involvement in transport services, delegating operating rights to associations or individual owner-operators (Finn, 2008; Wirth, 1997). Characterized by numerous operators and lacking state subsidies, these regimes often use smaller-capacity vehicles like vans and minibuses, evolving from collective taxi services (Connolly, 2017). A notable example of a cheap service trap regime is the minibus system in Mexico City.

Concerning private operators, they tend to be organized into associations or operate as individual entities. Consequently, the private sector often displays a higher degree of fragmentation than in regimes where service quality is higher. Levels of sector formalization are also generally low, thereby limiting opportunities for improving the system's quality. In terms of the State's role, its actions primarily revolve around defining the final fare value. With limited state capacity, regulatory and supervisory functions remain restricted, as well as market regulation. In numerous cases, the interaction between state and non-state actors is based more on informal or semiformal rather than formal dynamics.

The Micro Foundations of Fare Regimes

In addition to the general descriptions of each ideal fare regime type, I emphasize two additional and significant aspects: the segmentation of bus systems and the asymmetries related to affordability and quality. These elements are referred to as the micro-foundations of fare regimes, as they provide a detailed examination of each ideal fare regime type, facilitating a more nuanced analysis of the interplay between affordability and quality.

The segmentation of bus systems involves organizing the system to offer distinct services for various commuter groups, resulting in services characterized by distinct fare regimes. This

includes multiple complementary services, each operating under a unique institutional framework, and involving different stakeholders. Concerning affordability, a segmented bus system typically implements different fare structures for various commuter segments (e.g., elderly, students, low-income) and service types (e.g., express, executive, regular). In terms of quality, it offers services of both high or medium quality (such as executives and Bus Rapid Transits) and lower-quality services, often associated with minibuses, among other forms of informal or semiformal services. Illustratively, São Paulo's bus system in the 2020s exemplifies a typically segmented system concerning affordability, with fares varying based on the commuter's age, occupation, or economic segment. In contrast, Mexico City's bus system in the same period typifies a segmented system in terms of quality, underscoring the disparities between minibuses and Metrobús services, as elaborated upon in subsequent sections of this chapter.

Another significant aspect regarding fare regimes pertains to the asymmetries concerning affordability and quality. Typically, the affordability of a public good or service holds more prominence for both users and policymakers, especially in economically unequal environments (McRae, 2015). When confronted with the decision to enhance only one dimension, be it affordability or quality, existing literature suggests that service users often prioritize lower fares over improved quality (Kumar et al., 2022). I argue that this preference primarily arises from economic and psychological factors.

Regarding the economic factor, the greater emphasis on affordability over equivalent improvements in quality for public goods can be attributed to the constrained budgets of the average user in unequal settings. Given these financial constraints, people tend to opt for lower costs when choosing a public service (Post & Ray, 2020). Moreover, behavioral economics literature indicates that when individuals face decisions involving risk or uncertainty – such as choosing between quality and affordability – they generally prefer the safer or less ambiguous option. This tendency to favor certain outcomes over those that are merely probable is referred to as risk aversion (Werner, 2016). This concept, examined by prospect theorists, underscores how people are inclined to avoid uncertain choices in favor of more predictable outcomes (Kahneman & Tversky, 1979).

Conversely, the heightened emphasis on affordability diminishes the political attractiveness of quality improvements (McRae, 2015). This asymmetry in the valuation of

different service dimensions incentivizes elected officials to invest more in affordability and less in other areas, such as quality. Additionally, in the realm of providing public goods, it is often more straightforward and feasible for policymakers to take credit for reducing or eliminating fares rather than implementing substantial quality improvements (Harding & Stasavage, 2014).

Moreover, some studies suggest that enhancements in service quality or the effective implementation of good policies in developing countries may not always result in increased support for incumbent politicians in subsequent elections (Ferraz & Finan, 2008; Sandholtz, 2023). Furthermore, as Bril-Mascarenhas and Post (2015) have observed, subsidies aimed at lowering the cost of public services can become deeply ingrained. Once these subsidies are established, the fear of potential public backlash, whether at the ballot box or through protests, drives politicians to maintain low prices.

In addition to value allocation and political incentives, there are inherent operational and institutional asymmetries between affordability and quality. Affordability can gradually improve if policymakers avoid changing fares, particularly in contexts with persistent inflation, which is common in many Global South cities. Conversely, high-quality services tend to deteriorate if not consistently maintained and updated. For instance, a reliable and efficient bus system necessitates regular maintenance and vehicle replacement. Consequently, maintaining the existing rules and dynamics in an urban bus system leads to a pattern of drift change (Mahoney & Thelen, 2009)⁸, yielding varying outcomes: affordability tends to improve, while quality is likely to decline.

In conclusion, these identified asymmetries highlight the micro foundation of fare regimes on an imbalanced risk-reward structure. The asymmetries are shaped by processes related to blame attribution, credit claiming, citizen value allocation, and institutional dynamics. Consequently, I posit that these asymmetrical dimensions have significant implications for transitioning from one type of fare regime to another within a city over time. In essence, it proves to be a formidable challenge for policymakers to escape from the "cheap service trap" without an external shock, considering that the quality-affordability trade-off inherently favors

⁸ According to Mahoney and Thelen (2009), a policy drift means “the changed impact of existing rules due to shifts in the environment” (p. 16). Usually, “drift occurs when rules remain formally the same but their impact changes as a result of shifts in external conditions. When actors choose not to respond to such environmental changes, their very inaction can cause a change in the impact of the institution” (p. 17).

affordability. Therefore, the natural inclination for urban bus systems is to transition toward a cheap service trap regime.

1.7. Illustrations of the Four Types of Fare Regimes in Global South Cities

Drawing upon an extensive literature review and data collection, Table 7 categorizes urban transport systems according to the four ideal types of fare regimes. This classification encompasses diverse cities in the Global South over various periods.

While Table 7 encompasses a restricted number of cases, it furnishes valuable insights into two pivotal facets of fare regimes within urban bus systems. Primarily, it underscores the inclination of cities to shift from one fare regime to another over time. Particularly noteworthy is the observable trend of transitions between expensive mediocrity, prohibitive high-end, and inclusive top-notch regimes, while the cheap service trap category demonstrates fewer instances of such shifts. This implies that cities frequently undergo adjustments in their strategies for balancing affordability and quality within their transport systems unless they become entrenched in the cheap service trap regime.

Secondly, the table underscores the common occurrence of multiple bus systems (or fare regimes) coexisting within the same city. Furthermore, it is not uncommon for these distinct systems to fall into different fare regimes. For instance, Mexico City stands as an illustrative case, with the *Metrobús* system classified as inclusive top-notch, while the microbus system aligns with the cheap service trap regime. This phenomenon suggests that cities may employ a variety of approaches to urban transportation, resulting in diverse fare regimes within the same urban landscape.

In the subsequent sections, I apply this framework to analyze the cases of São Paulo and Mexico City. This analysis illustrates the four distinct fare regimes outlined in this paper and demonstrates how the framework enhances our understanding of urban transportation systems. By employing this framework, we gain valuable insights into the nuanced interactions between affordability and quality, as well as the specific impacts of various fare regimes on user experiences and policy outcomes. This approach provides a comprehensive view of some factors shaping urban transportation systems and highlights the broader implications for transportation policies.

Table 7. Fare Regimes Illustrations

DIMENSIONS		Affordability	
		Low	High
Quality	High	<p>PROHIBITIVE HIGH-END</p> <p>São Paulo (1980s) São Paulo, 2020s (non-subsidized users) Rio de Janeiro, 2020s (Frescão) Brasília, 1980s Curitiba, 1980s, 2020s Belo Horizonte, 2020s</p>	<p>INCLUSIVE TOP-NOTCH</p> <p>São Paulo, 2020s (subsidized users) Buenos Aires, 1980s Buenos Aires, 2020s Mexico City, 2020s (Metrobús) Accra (Ghana), 2000s (MMT) Bogotá, 1980s Kuala Lumpur, 2020s Santiago, 2020s</p>
	Low	<p>EXPENSIVE MEDIOCRITY</p> <p>Santiago (Chile), 1980s La Paz, 1980s (trufis) Rio de Janeiro, 1980s, 2020s Nairobi, 2020s (matatus) The Metropolitan Zone of the Valley of Mexico (excluding Mexico City), 1990s-2020s</p>	<p>CHEAP SERVICE TRAP</p> <p>Mexico City, 1990s-2020s (peseros, micros, combis) Accra, 1980s-2000s (tro-tro) Lima, 1980s-2020s (combis) La Habana, 1980s Quito, 1990s Bangkok, 1990s-2020s (songthaews)</p>

Source: Author's elaboration. Each case was categorized both quantitatively and qualitatively, utilizing primary data sourced from official government databases and secondary data obtained through a review of news articles and specialized literature. Key sources of secondary data included: Barter (2008); CEPAL (1991); Dimitriou and Gakenheimer (2011); Finn (2008); Kustar et al. (2023); Post et al. (2017); Tun et al. (2020); Wirth (1997).

São Paulo, Brazil

São Paulo is an illustrative case encompassing various fare regimes, considering the city's urban transport system's historical shifts between prohibitive high-end, and inclusive top-notch fare regimes. In the 1980s, the quality of the urban bus system was deemed moderate, with some service aspects receiving positive evaluations while others were criticized. Additionally, fares during this period were set at relatively high levels.

Concerning quality, analysis of public opinion through local newspaper surveys and news reports from the 1980s indicates that the city's bus services received some unfavorable ratings (Folha de S. Paulo, 1985). Common criticisms revolved around issues such as overcrowded vehicles and extended intervals between buses (Folha de S. Paulo, 1988).

Additionally, users and transport experts frequently raised concerns about vehicle degradation as a significant problem within the system (Folha de S. Paulo, 1982). However, despite these challenges, the city's bus service during this period demonstrated higher levels of organization and regularity compared to typical cases of cheap service trap or expensive mediocrity regimes.

Regarding fares, an examination of the relationship between the national minimum wage and the cost of local bus fares highlights the substantial financial burden placed on the city's most financially vulnerable commuters. In the early 1980s, a passenger needed 10% of the national minimum wage to meet their monthly bus expenditure, equivalent to 50 fares. However, throughout the 1980s and 1990s, this financial burden substantially escalated, reaching approximately 45% of a single national minimum wage by 1999. In contrast, residents of other Latin American cities during the same period faced considerably lower monthly transportation costs. For instance, in Buenos Aires and Mexico City, these expenses never surpassed 20% of the national minimum wage throughout the entire period under consideration.

Considering the above, São Paulo in the 1980s would be categorized as a case exemplifying a prohibitive high-end fare regime, in alignment with the typology introduced by this chapter. This classification arises from the dynamic between a bus system predominantly controlled by influential private companies, characterized by above-average levels of professionalism, and a state that emphasized quality but had limited regulatory oversight capacity.⁹ Private operators exerted continuous pressure on the government to increase fares, particularly amid high national inflation rates, while city authorities, although possessing some regulatory authority over vehicle maintenance and replacement, lacked sufficient mechanisms to ensure regulatory adherence across the board.

Notably, fare policies granted substantial authority to these private companies, empowering them with responsibilities for fare collection and cost spreadsheet preparation, which influenced the government's pricing decisions. These fare rules also incentivized private operators to maintain smaller fleets than necessary, sometimes leading to vehicle overcrowding (Brasileiro & Henry, 1999; Campos, 2019; Santini, 2019).

However, starting in the 1990s, São Paulo's bus system experienced important gradual transformations. Legislative reforms bolstered the local government's authority in managing

⁹ From 1946 to 1995, São Paulo was served by a public company known as CMTC (Companhia Municipal de Transporte Coletivo), which operated several city bus routes. However, CMTC's involvement in the transportation sector gradually diminished over the decades, eventually leading to its dissolution in 1995.

fare collection and operational expenses, concurrently enhancing the supervision of private operators (Gregori, 2021). In the early 2000s, the introduction of technological innovations, such as electronic ticketing and GPS systems, further bolstered the government's regulatory capabilities and rebalanced the power dynamics between state and non-state actors (Campos, 2016b, 2019, 2021). Furthermore, an active public subsidy policy facilitated fare reductions for specific groups, encouraged broader fare integration throughout the system, and supported the maintenance of a modern operational fleet.

Figure 9. Ordinary bus in São Paulo, 2023



Source: Author photograph (2023).

As a result of a series of reforms launched in the early 1990s and 2000s, São Paulo's urban bus system has improved its quality service, particularly when contrasted with other urban bus systems in the Global South. These reforms incentivized private operators to professionalize their services, improving overall quality. The operational fleet is now relatively modern, featuring amenities such as air conditioning, internet connectivity, and USB ports for cell phones, all achieved through a proactive vehicle-renewal policy. Enhanced state oversight, including real-time monitoring, has yielded improved performance indicators related to vehicle intervals and system efficiency.

Regarding fare affordability, the situation is nuanced. The system offers notable affordability to specific social groups (like students, formal workers, the elderly, and people with disabilities) due to discounts and free contributions introduced by the local government over the years. Moreover, since December 2023, all users have been able to ride buses without paying fares on Sundays. However, fares can be relatively high for those not falling within these categories, disproportionately impacting the budgets of less affluent residents (Instituto Brasileiro de Geografia e Estatística, 2019). Consequently, São Paulo's urban transport system operates with a duality of fare regimes, concurrently embodying prohibitive high-end and inclusive top-notch approaches within a single system.

Figure 10. Inside an ordinary bus in São Paulo, 2023



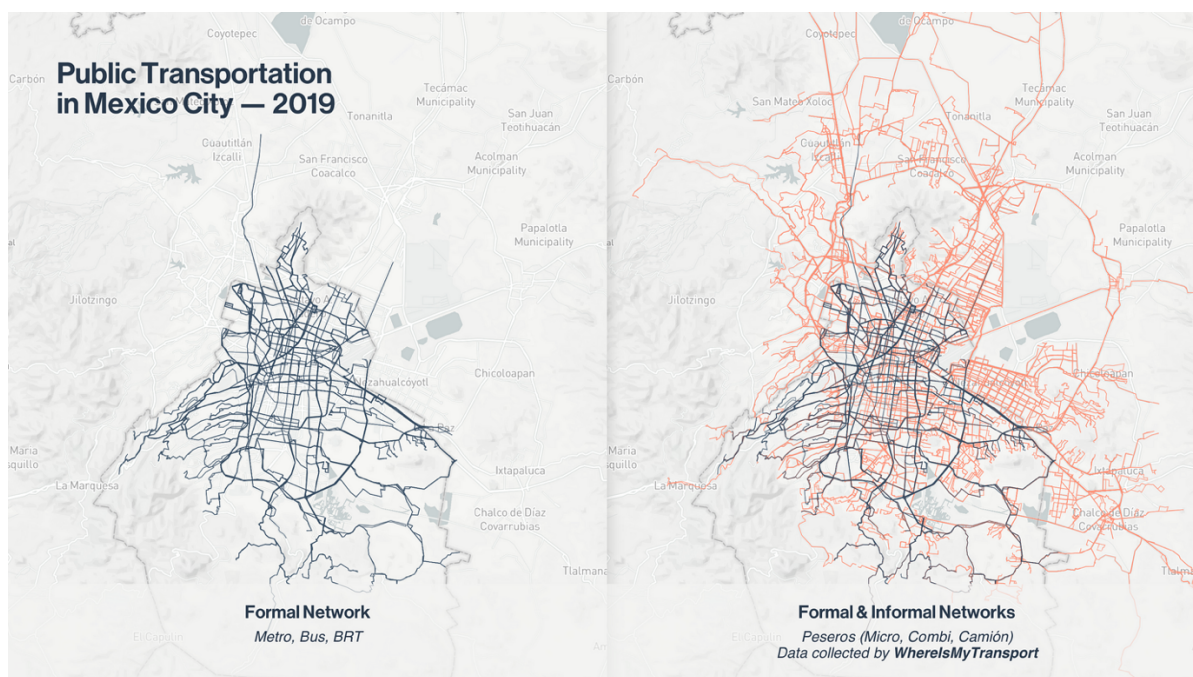
Source: Author photograph (2023).

Finally, the regulatory framework of São Paulo's bus systems is a notable aspect that has evolved over the last three decades. Covering concession agreements, operational guidelines, and financial arrangements, these regulations address diverse facets of the system. They not only outline the roles and responsibilities of different stakeholders but also play an active role in creating a structured and formalized environment within the sector.

Mexico City, Mexico

In contrast to the São Paulo case, the urban bus system in the Mexican capital, over the past few decades, can predominantly be categorized as a "cheap service trap" regime. While the city now features inclusive top-notch, high-quality, and affordable fare systems (such as *Metrobús*, a bus rapid transit system established in 2005), a substantial portion of public transport journeys (approximately 70%) continues to rely on low-capacity vehicles, notably minibuses and combis, often referred to as *peseros*, *camiones*, *micros* or *pulpos*. These vehicles are recognized for their affordability and extensive spatial coverage but are also associated with a lower standard of service quality and operate with lower levels of formality (Figure 11).

Figure 11. Formal and Informal Public Transportation Network in Mexico City



Source: Where is My Transport (2019).

As illustrated in Figure 11, the informal network system, predominantly comprising minibuses and combis, sprawls across a considerable expanse of the Metropolitan Zone of the Valley of Mexico, enveloping municipalities adjacent to the Mexican capital. However, there is an important contrast: microbus and combis fares in the metropolitan area typically exceed those

in the capital, notwithstanding comparable low-quality standards in both locales. Consequently, the transportation network in the metropolitan area may be characterized as expensive mediocrity, following the fare regime classification advanced within this paper.

The history of Mexico City's peseros traces back to the 1950s when taxis started offering bus-like services with fixed routes and fares (Connolly, 2017). However, it wasn't until the late 1980s that this mode of transport gained prominence in the city's public transportation system, as the state introduced minibuses as a solution to urban transport challenges. By the 1990s, minibuses had become a dominant mode of transportation, handling a significant share of daily public transport trips – a trend that continues to the present day (Negrete, 2018; Wirth, 1997).

Mexico City's minibus system, in general terms, resembles similar services found in other parts of the world, such as the *micros* in Lima (Peru), *trufis* in Bolivian cities, *tro-tro* in Accra (Ghana), *candongueiro* in Luanda (Angola), *daladala* in Dar es Salaam (Tanzania) and *marshrutkas* in some former Soviet Union cities (Finn, 2008).

The minibus service in Mexico City is often operated by associations of individual drivers (known as the "*hombre-camión*" model), although government efforts have been made in recent years to consolidate them into formal companies. Given this setup, the sector operates in a highly fragmented manner, with a limited number of association directors exerting substantial control over the sector (Carrillo et al., 2020; Nava & Ramírez, 2008; Wirth, 1997).

The allocation of operating permits in the minibus system is often non-transparent, with many concession owners obtaining their licenses through political connections. Formal regulations governing the system are often deficient, focusing mainly on fare structures and rarely defining minimum quality standards. Consequently, the professionalization levels in the sector are notably low, and drivers frequently work long hours under precarious conditions (Nava & Ramírez, 2008; Negrete, 2018).

From the perspective of users, despite the affordability and high vehicle numbers during peak hours, the quality of service is typically poor. Vehicles are old and emit several pollutants, drivers lack adequate training, and they often drive with open doors, posing safety risks to passengers. Furthermore, during off-peak hours or in areas with lower passenger demand, the limitations in urban transport service provided by minibuses become even more pronounced.

On the government front, there is limited capacity to monitor and enforce regulations on private minibus operators. The ties many drivers have with influential politicians, combined

with lax formal rules, often lead to self-regulation within the system (Nava & Ramírez, 2008; Wirth, 1997). Numerous local government initiatives in recent years have aimed to professionalize service delivery. These projects seek to incentivize fleet renewal, regularize driver status, and enhance operational control and safety by installing cameras, GPS, and electronic ticketing. However, these reform efforts, although numerous, have generally resulted in limited changes.

Figure 12. Microbus in Mexico City, 2023



Source: Author photograph (2023).

Figure 13. Inside a microbus in Mexico City, 2023



Source: Author photograph (2023).

1.8. CONCLUSIONS

This chapter has introduced a novel conceptual and analytical framework to address a significant research gap in political science literature related to urban transportation policies and politics. Focusing on urban bus systems in Global South cities, this framework equips political scientists with valuable tools to comprehensively analyze and better understand this often-overlooked essential public service.

The framework underscores the importance of key steps in analyzing transport policies and politics, including identifying stakeholders, evaluating regulatory frameworks, and considering transport dimensions. I contend that these steps are indispensable for a comprehensive and systematic approach to the study of urban transport systems, illuminating the particularities of this field.

At the core of this framework is the typology of fare regimes, which categorizes urban transport systems into four ideal categories: prohibitive high-end, inclusive top-notch, expensive mediocrity, and cheap service trap. These fare regimes are intrinsically linked to two pivotal dimensions: affordability and quality. The interplay between these dimensions highlights their mutual influence, where changes in one significantly impact the other, ultimately shaping the

urban transport landscape. This typology provides a structured approach for political scientists to explore, classify, and analyze urban transport systems, yielding valuable insights into the underlying political dynamics.

The framework's utility is exemplified through its application to the analysis of fare regimes in urban bus systems in Global South cities, with specific case studies focusing on São Paulo and Mexico City. While further empirical validation across diverse urban settings is necessary to fully assess the framework's relevance and validity, these case studies demonstrate its potential to advance both theoretical and empirical research in the field of urban transportation policies and politics. Consequently, this framework offers a promising avenue for enhancing our comprehension of urban governance and the provision of public goods in cities worldwide.

APPENDIX

Appendix 1

Table 8. Urban Transportation Papers in Political Science Journals (English)

Title	Authors	Year	Journal
Balancing Regionalism and Localism: How Institutions and Incentives Shape American Transportation Policy	Gerber, Elisabeth R.; Gibson, Clark C.	2009	American Journal of Political Science
Policy Making and Rationality in Sweden: The Case of Transport	Richardson, J. J.	1979	British Journal of Political Science
Taming the "Rogue" Sector: Studying State Effectiveness in Africa through Informal Transport Politics	Goodfellow, Tom	2015	Comparative Politics
The New York City Transit System: Public Ownership, Civil Service, and Collective Bargaining	Macmahon, Arthur W.	1941	Political Science Quarterly
Symbolic Meta-Policy: (Not) Tackling Climate Change in the Transport Sector	Bache, Ian and Reardon, Louise and Bartle, Ian and Marsden, Greg and Flinders, Matthew	2015	Political Studies
The Politics of Economics in Transit Planning	Haines, Richard L.		Urban Affairs Quarterly
Arguing over Transportation Sales Taxes: An Analysis of Equity Debates in Transportation Ballot Measures	Lederman, Jaimee; Brown, Anne; Taylor, Brian D.; Wachs, Martin		Urban Affairs Review
Transportation Planning in a Mature Metropolis	Leiper, Joseph McC.		Urban Affairs Quarterly
Addressing Women's Fear of Victimization in Transportation Settings: A Survey of U.S. Transit Agencies	Loukaitou-Sideris, Anastasia; Fink, Camille		Urban Affairs Review
Rail Transit Security in an International Context: Lessons from Four Cities	Loukaitou-Sideris, Anastasia; Taylor, Brian D.; Fink, Camille N. Y.		Urban Affairs Review
Equality and Bus Transit Funding Policies	Neff, Pamela J.		Urban Affairs Quarterly
The Political Economy of Free-Fare Transit	Scheiner, James I.; Starling, Grover		Urban Affairs Quarterly
Routes to the Future of Urban Public Transit	Schofer, Joseph L.		Urban Affairs Quarterly
Federal and Local Urban Transportation Policy	Veatch, James F.		Urban Affairs Quarterly
Assessing the Impact of Ferry Transit on Urban Crime	Weber, Bryan; Cappellari, Paolo		Urban Affairs Review
Breaking the Cycle: Regulation and Transportation Policy	Avery, George A.		Urban Affairs Quarterly

Capital Investment and the Decline of Mass Transit in New York City, 1945-1981	Cohen, James K.		Urban Affairs Quarterly
Light-Rail Investment in Seattle: Gentrification Pressures and Trends in Neighborhood Ethnoracial Composition	Hess, Chris L.		Urban Affairs Review
Comments on "Transportation Policy in Mexico City" by Clifford J. Wirth	Hirsch, Werner Z.		Urban Affairs Review
Metropolitanism, Transportation, and Employment for the Central-City Poor	Marando, Vincent L.		Urban Affairs Quarterly
Distribution of Federal Transportation Subsidies: Cities, States, and Regions	Pucher, John		Urban Affairs Quarterly
Collaboration Is Not Enough: Virtuous Cycles of Reform in Transportation Policy	Weir, Margaret; Rongerude, Jane; Ansell, Christopher K.		Urban Affairs Review
Corporate Strategies and the Decline of Transit in U.S. Cities	Whitt, J. Allen; Yago, Glenn		Urban Affairs Quarterly
Transportation Policy in Mexico City: The Politics and Impacts of Privatization	Wirth, Clifford J.		Urban Affairs Review
Building the Capacity to Act Regionally: Formation of the Regional Transportation Authority in South Florida	Alpert, Lenore; Gainsborough, Juliet F.; Wallis, Allan		Urban Affairs Review
Networked Urban Governance: A Socio-Structural Analysis of Transport Strategies in London and New York	da Cruz, Nuno F.; Rode, Philipp; McQuarrie, Michael; Badstuber, Nicole; Robin, Enora		Urban Affairs Review
The Contributions of Metropolitan Government to the Success of Toronto's Public Transit System: An Empirical Dissent from the Public-Choice Paradigm	Friskien, Frances		Urban Affairs Quarterly
Urban Transportation: Who Governs?: The Difficulties of Travel Management in French Cities	Lefevre, Christian; Offner, Jean-Marc		Urban Affairs Quarterly
Be Careful what You wish for: The House Price Impact of Investments in Transportation Infrastructure	Mikelbank, Brian A.		Urban Affairs Review
Regionalism Redux: Exploring the Impact of Federal Grants on Mass Public Transit Governance and Political Capacity in Metropolitan Detroit	Nelles, Jen		Urban Affairs Review
Can Location Value Capture Pay for Transit? Organizational Challenges of Transforming Theory into Practice	Salon, Deborah; Sclar, Elliott; Barone, Richard		Urban Affairs Review
Residential Location and Household Spending: Exploring the Relationship Between Neighborhood Characteristics and Transportation and Housing Costs	Schouten, Andrew		Urban Affairs Review
Rejoinder to the Comments of Professor Werner Z. Hirsch on "Transportation Policy in Mexico City"	Wirth, Clifford J.		Urban Affairs Review
The Transformation of the Pacific Electric Railway: Bradford Snell, Roger Rabbit, and the Politics of Transportation in Los Angeles	Adler, Sy	1991	Urban Affairs Quarterly

Same City, Different Worlds: Examining Gender- and Work-Based Differences in Perceptions of Neighborhood Desirability	Shlay, Anne B.; DiGregorio, Denise A.	1985	Urban Affairs Quarterly
Understanding the Pursuit of Happiness in Ten Major Cities	Leyden, Kevin M.; Goldberg, Abraham; Michelbach, Philip	2011	Urban Affairs Review
Beyond Neoliberalism: A Policy Agenda for a Progressive City	Joy, Meghan; Vogel, Ronald K.	2021	Urban Affairs Review
Tracking “Choice” in the Housing Choice Voucher Program: The Relationship Between Neighborhood Preference and Locational Outcome	Wang, Ruoniu	2018	Urban Affairs Review
Risk, Stress, and Capacity: Explaining Metropolitan Commitment to Climate Protection	Zahran, Sammy; Grover, Himanshu; Brody, Samuel D.; Vedlitz, Arnold	2008	Urban Affairs Review
Neighborhood Satisfaction: A Study of a Low-Income Urban Community	Ciorici, Patricia; Dantzer, Prentiss	2019	Urban Affairs Review
Job Decentralization and Central-City Well-Being: An Empirical Study with Sectoral Data	Deka, Devajyoti	1998	Urban Affairs Review
A Strategic Framework for Building Civic Capacity	Page, Stephen	2016	Urban Affairs Review
Urban Policy and National Political Economy	Yago, Glenn	1983	Urban Affairs Quarterly
Continuity and Change of Urban Policies in São Paulo: Resilience, Latency, and Reanimation	Leão Marques, Eduardo Cesar	2023	Urban Affairs Review

Source: Author elaboration.

Appendix 2

Table 9. Urban Transportation Papers in Political Science Journals at Scielo Platform

Title	Authors	Year	Journal	Language
Chile: Transantiago recargado	MARDONES Z, RODRIGO	2008	Revista de Ciencia Política (Santiago); 28(1); 103-119	Spanish
APORTES PARA A MELHORIA DA GESTÃO DO TRANSPORTE PÚBLICO POR ÔNIBUS DE BOGOTÁ, A PARTIR DAS EXPERIÊNCIAS DE BELO HORIZONTE E CURITIBA*	Rojas Parra, Fernando	2006	Papel Político; 11(2); 557-594	Portuguese
Algunas reflexiones sobre la movilidad urbana en Colombia desde la perspectiva del desarrollo humano	Dangond Gibsone, Claudia, Jolly, Jean-François, Monteoliva Vilches, Alejandra, Rojas Parra, Fernando	2011	Papel Político; 16(2); 485-514	Spanish
El caciquismo en México: la otra cara de la democracia mexicana. El caso del caciquismo urbano en el Estado de México	Solís Sánchez, Ismael	2016	Estudios políticos (México); (37); 167-192	Spanish
As jornadas de maio em Goiânia: para além de uma visão sudestecêntrica do junho brasileiro em 2013	Tavares, Francisco Mata Machado, Roriz, João Henrique Ribeiro, Oliveira, Ian Caetano de	2016	Opinião Pública; 22(1); 140-166	Portuguese
Más allá del “modelo” chileno: una aproximación multi-sectorial a las relaciones Estado-mercado	Maillet, Antoine	2015	Revista de Sociología e Política; 23(55); 53-73	Spanish

PLANEACIÓN PARTICIPATIVA EN BOGOTÁ Y MEDELLÍN: RELACIÓN CON CIUDADES DE COLOMBIA Y SURAMÉRICA	Torres-González, Jaime	2012	Análisis Político; 25(74); 29- 48	Spanish
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Source: Author elaboration.

CHAPTER 2 – BRINGING THE PRIVATE SECTOR BACK IN: Understanding the Effects of Privatization on Urban Bus Services in Latin America

ABSTRACT

Why did certain Latin American cities develop affordable and/or high-quality urban bus services while others did not? I contend that historical experiences with privatization play a pivotal role. During the second half of the 20th century, Latin American city governments opted to privatize urban bus services in response to demographic and urban growth pressures that strained state-owned companies' capabilities. However, with varying critical antecedents related to the local organization of the transport sector, political support base, and state capacity, each city produced different privatization coalitions, resulting in divergent outcomes for urban bus systems once similar. While some cities witnessed the emergence of affordable, quality systems post-privatization, others experienced the establishment of expensive, low-quality services. I validate this argument using Comparative Historical Methods and by analyzing the cases of Buenos Aires, Mexico City, and São Paulo. The findings illustrate how distinct privatization models have forged disparate long-term legacies for urban bus services in major Latin American cities, particularly in terms of affordability, quality, and the organization of stakeholders.

Keywords: Public Transportation, Urban Bus Services, Privatization, Latin American cities.

2.1. Introduction

During the latter half of the 20th century, the Global South experienced substantial urban expansion, with cities like Buenos Aires, São Paulo, and Mexico City undergoing significant increases in both geographical area and urban populations (United Nations Human Settlements Programme, 2022). In several cases, this urban growth coincided with political governance under authoritarian leaders who grappled with escalating demands for enhanced urban public goods.

Despite shared characteristics in urbanization and political responses to urban public goods demands during the past century, empirical evidence reveals notable divergences in policy outcomes across Global South cities. In some instances, authoritarian governments have fostered more inclusive or expanded access to urban public goods over the past century, while in other cases, the authoritarian legacy seems to have imposed more restrictive conditions on access and quality (Kapiszewski et al., 2021a; Marques, 2017).

The divergences in authoritarian legacies are particularly evident in urban transportation services. In the late 1990s, over half of Mexico City's population perceived the bus service as inefficient, environmentally harmful, and of subpar quality, despite being relatively affordable for a significant portion of the population (Wirth, 1997). In São Paulo, opinions about bus services varied: while the majority of residents on the outskirts considered the service to be bad, residents of more centric areas evaluated the service more positively (Folha de S.Paulo, 1990). In Buenos Aires, concerns about bus fares gradually increased in the late 1990s. Still, the urban bus services stood out for their middle to high quality and affordability during the last decades of the 20th century, distinguishing them from counterparts in other Global South cities (CEPAL, 1991).

This chapter addresses the variations in urban bus legacies across major Global South cities, aiming to answer critical questions: How did urban bus systems evolve in major Global South cities during the 20th century? What factors shaped the legacies left by authoritarian regimes in the region? Most importantly, why have cities with similar political and urban characteristics produced distinct historical outcomes in their urban bus services?

My response to these research questions is rooted in the historical development of urban bus services throughout the 20th century. I assert that a pivotal historical event for transportation

services in the Global South can be traced back to foundational moments when authoritarian or fragile democratic administrations chose to privatize bus services, thereby transferring operational control to the private sector. Before the era of privatization, urban bus services in Global South cities exhibited substantial similarities. However, post-privatization, each urban bus system embarked on distinct trajectories. In this context, I argue that privatization is the critical juncture (Collier & Munck, 2022), leading otherwise similar cases to diverge. Privatizing bus services in the latter half of the 20th century significantly reshaped power dynamics in the policy sector. This entailed bolstering private operators' influence while reducing the sway of public transport bureaucracies. Moreover, privatization redefined service standards, notably affecting affordability and quality levels.

However, the privatization of bus services, while widespread in the Global South, exhibited significant divergences in implementation. For instance, in São Paulo, Brazil, the government pursued privatization with a comprehensive regulatory framework, defining operator criteria and service standards, fostering an organized market dominated by a few powerful entities. This led to a *prohibitive high-end fare regime*: a system of middle quality, with relatively unaffordable fares for the general public, excluding specific groups (such as seniors, students and formal workers). In contrast, in Mexico City, Mexico, governments privatized bus services without a cohesive regulatory framework, resulting in unspecified service requirements and informal relationships among stakeholders, leading to excessive atomization among private operators. Despite providing low-quality service, the state-regulated fares ensure affordability, making the Mexican capital a case of a *cheap service trap regime*. Buenos Aires, Argentina, adopted a middle-ground approach, with a regulatory framework outlining criteria and service standards, maintaining some organization while allowing diversity among private operators. The outcome was an *inclusive top-notch fare regime* system, with middle-quality service with affordable fares.

I argue that the variations in bus services among cities in the Global South regarding their privatization approaches can be primarily explained by the public-private coalitions established during the privatization process. To comprehend the formation of different coalitions in each city, I emphasize the three critical antecedents that shape coalition formation.

Firstly, the configuration of the local transport sector before privatization played a pivotal role, with governments responding to economic and operational crises of state transport

companies by opting for strategies like granting permissions or concessions to existing local transport actors. External participation through bidding proved unsuccessful, leading to an emphasis on local stakeholder involvement.

Secondly, the government's local political support base significantly influenced privatization strategies, with administrations strategically advancing the interests of local groups aligned with their political agenda. Administrations with a bureaucratic-technical orientation, exemplified by São Paulo, leaned towards privatization under the company model, favoring local oligopolies, while left-wing populist governments, as seen in Buenos Aires, prioritized the interests of previous bus drivers. Corporatist governments, such as in Mexico City, turned to groups reinforcing the corporatist foundation.

Lastly, the state's capacity during privatization affected the level of regulation, with enhanced capacity favoring well-regulated systems and limited state capacity leaning towards deregulation, thereby shaping the regulatory landscape of privatization initiatives.

To test this argument, I examine the long-term trajectory of bus policies and politics in Latin America's three largest cities – Buenos Aires, Mexico City, and São Paulo. These cases exemplify a spectrum of variations in privatization coalitions and outcomes, spanning from a left-wing populist government and drivers producing inclusive top-notch urban bus services in Buenos Aires, to a corporatist party and state structure fostering a cheap service trap in Mexico, and bureaucratic-technical administrations aligned with formal private companies yielding expensive mediocrity bus systems in São Paulo. The empirical and methodological framework employed is rooted in Comparative Historical Methods, drawing data primarily from historical sources, including official government documents, news articles, interviews with key stakeholders in the three cities, and previously published historical works.

This chapter contributes to the literature on urban politics and policies in four significant ways. Firstly, it underscores the significance of examining urban transportation, an essential public service in the daily lives of urban residents, yet relatively underexplored within the field of political science. Second, employing a historical and comparative perspective, the chapter facilitates an understanding of how diverse urban transport systems have evolved, emphasizing the significant influence of temporal as well as political, economic, social, and spatial dynamics in shaping this progression. Third, by integrating perspectives from both political science and urban studies, the chapter encourages interdisciplinary dialogue and establishes connections

between scholarly traditions that have not always been closely interconnected. Lastly, the chapter enriches our comprehension of public service provision in cities within the Global South. By identifying and comparing historical paths of urban bus services, this chapter aligns with a growing tradition of comparative urban research that aims to comprehend the shared challenges faced by numerous metropolises worldwide (Le Galès & Robinson, 2023).

The structure of this chapter is organized as follows. Section 2.2 discusses the relevant literature contributions and elucidates the chapter's argument and hypotheses. Section 2.3 describes the situation of urban bus services in Latin American cities during the transition to democracy. Section 2.4 details the data and empirical strategy employed. Section 2.5 presents the research findings. Finally, Section 2.6 concludes the chapter with closing remarks.

2.2. Theory and Argument

Related literature

Despite the crucial role of bus services in urban life, the political science literature on public transport is notably lacking. The discipline has insufficiently explored the political factors associated with the provision of urban public transport services, despite their significant impact on intraurban mobility, health, economic prosperity, access to opportunities, and family expenses.

Nevertheless, political science literature has consistently examined the provision and allocation of public goods across diverse political regimes, especially in the Global South. Ethnographic fieldwork conducted in countries such as India, Ghana, and Argentina has revealed that the urban poor experience varying levels of access to goods and services based on their degree of political organization and the formal and informal relationships they establish with party brokers and local politicians (Auerbach, 2019; Auerbach & Thachil, 2023; Auyero, 2000; Heller et al., 2023; Paller, 2019; Szwarcberg, 2015). Related studies in other countries and cities have investigated the impact of the cohesion and embeddedness of local state actors with other relevant urban stakeholders – including private companies, civil associations, social movements, and federal and state governments – on the effective delivery of goods (Bradlow, 2022; Cleary, 2007; Moncada, 2016).

Moreover, scholarship on the provision of goods in urban environments has also explored how electoral factors shape the production and delivery of goods. Marques (2021), for instance, highlights that factors such as the median voter, electoral competition, and party politics are crucial to understanding how São Paulo has produced and allocated more and better public services over recent decades. Additionally, Bertorelli et al. (2017) investigation in Bangalore demonstrates that the political knowledge and electoral participation of citizens, especially the poorest, positively correlate with greater and better access to urban goods and services.

Several studies have also linked variations in the provision of public goods to the type of political regime. One argument posits that democratic regimes, with broad suffrage and citizen participation, positively impact service allocation. Increased suffrage and electoral participation enhance citizens' control, prompting rulers to prioritize accountability and responsiveness (Harding & Stasavage, 2014; Min, 2008; Olson, 1993; Przeworski et al., 1999; Sen, 1999).

The literature on public goods provision has also examined contexts that lack some of the democratic characteristics previously mentioned. Authoritarian leaders or elites may strategically expand public goods for several reasons: to prevent rebellion and insurrection (Desai et al., 2009; Paglayan, 2022), to increase public support for the regime (Dickson et al., 2016), through the influence of policy communities (Duckett & Wang, 2018), or due to particular social contracts guiding the relationship between autocrats and citizens (Ho, 2019). Svobik (2012) highlights distinctions within authoritarian regimes, noting that personal autocracies may lack incentives for state investment in improving citizens' quality of life. In contrast, regimes governed by dominant parties may foster closer relationships with the population, encouraging the distribution of goods, particularly to loyal followers. Wallace (2014) argues that in urban settings autocrats may provide better goods and services to urban residents to enhance regime longevity, thereby managing urbanization to secure public support.

The insider-outsider dichotomy is another lens through which the supply and distribution of public goods are analyzed in authoritarian regimes. Authoritarian regimes often perpetuate historical inequalities in access to public goods, offering benefits to a restricted group (insiders). In contrast, democratic regimes succeeding dictatorships tend to extend the benefits of public

goods to a larger percentage of the population, a process termed "inclusion of the outsiders" (Arretche, 2018; Holland & Schneider, 2017; Kapiszewski et al., 2021a).

In Latin America, formal urban workers were historically insiders, benefiting from the first inclusion process through corporatist and Bismarckian policies. The third wave of democratization led to the abandonment of this corporatist perspective, initiating a second inclusion process where formal employment was no longer the sole determinant of access to public goods. Rights were expanded to informal urban and rural workers, although challenges in accessing minimal public services persisted (Arretche, 2018; Kapiszewski et al., 2021a).

While explanations rooted in clientelism, elections, regime types, and the insider-outsider dichotomy have significantly contributed to understanding the provision of goods in urban settings, they exhibit limitations in elucidating the divergent historical outcomes of urban bus services. For instance, the non-divisibility of urban bus services limits the applicability of clientelism and the insider-outsider dichotomy, as access to these services cannot be easily distributed to specific clients. Additionally, many critical junctures in the urban bus sector occurred during the 20th century when Latin American cities were governed by dictatorships or dominant party regimes, which constrains the explanatory power of electoral dynamics. Regime-type arguments also impose important limitations. Despite numerous urban transport systems in Latin America being initiated and managed under comparable authoritarian regimes, such as military dictatorships in Argentina and Brazil, a marked divergence is evident when comparing the outcomes of bus services in São Paulo and Buenos Aires. Similarly, the Mexican case, governed by a distinct authoritarian regime centered on a single party's hegemony, contradicts the expected outcome of a more inclusive and redistributive urban bus system.

Considering the limitations highlighted above, I contend that the contrasting bus legacies observed in Global South cities can be largely attributed to the privatization efforts undertaken by their respective governments throughout the last century. Before entering the privatization era, the urban bus services among cities shared significant similarities in terms of fares and quality. However, following privatization, each urban bus system followed a distinct trajectory, shaping the nature of their service outcomes.

In political economy literature, the process of privatizing the provision of public goods is often referred to as a "hybrid regime." Within this regime, the extent of state involvement and the nature of state participation can vary across different instances and types of public services,

reflecting the engagement of the local private sector (Post et al., 2017). In the urban bus sector, the privatization process usually involved outsourcing the operation to the private sector, with the public sector retaining responsibility for regulating and supervising the service (Wirth, 1997).

In the latter half of the 20th century, privatization emerged as a widespread phenomenon across public service sectors in the Global South (Llanos, 2002). Herrera and Post (2014), focusing on the water sector, underscored that privatization was driven by the aim to insulate service providers from political influences. The expectation was that privatization would curtail political interference in service management, emphasizing technical considerations over political aspects.

In the urban bus sector, privatization emerged as a prevalent trend in response to the decline and breakdown of formal bus services operated by the State, especially in the context of rapid urbanization, and urban sprawl. Following a period of globally centralized, affordable, and efficient state-run bus systems in the early 20th century, many Global South cities faced challenges in expanding their bus services alongside rapid urban growth. To cope with escalating demand, numerous local governments opted to privatize either the entirety or portions of their urban bus systems (Connolly, 2017; Finn, 2008; Wirth, 1997), leading to contrasting service outcomes over time. In many cases, recommendations from international organizations, such as the World Bank, played a significant role in the wave of bus service privatizations during the 1980s and 1990s. During this period, it was frequently argued that private bus operations were more competitive and efficient, created more jobs, and significantly reduced expenses for city finances (Armstrong-Wright, 1986; World Bank, 1986).

Argument and Hypotheses

To understand the contrasts in bus service trajectories post-privatization in the Global South, I draw on the literature on path dependence¹⁰ and critical junctures¹¹ (Collier & Munck, 2022; Collier & Collier, 2002; Mahoney, 2000; Pierson, 2004). Within this framework, I posit that each city experienced a critical juncture during the privatization process, wherein governments made distinct choices regarding the outsourcing process.

¹⁰ According to Mahoney (2000), path dependency refers to “historical sequences in which contingent events set into motion institutional patterns or event chains that have deterministic properties” (p. 508).

¹¹ Collier and Munck (2022) define critical junctures as “a concentrated macro episode of innovation that generates an enduring legacy” (p. 34).

First, I argue that privatization emerged as a critical juncture due to its profound impact on urban bus operations. The privatization of bus services resulted in (a) the reconfiguration of institutional rules, encompassing new competencies, responsibilities, and operational parameters; (b) the establishment of new state and non-state stakeholder coalitions; and (c) a realignment of power dynamics within the policy sector. Consequently, privatization produced innovations across the entire sector, as service provision was outsourced to the private sector. Considering that this process predominantly unfolded during authoritarian or unstable democratic periods, it is likely that the influence of commuters or civil society organizations on this transformation was limited in most cases. Moreover, most privatization of bus services occurred mainly without the presence of median voter mechanisms (Meltzer & Richard, 1981). Additionally, the lasting legacies of privatization highlight its transformative and enduring nature, establishing structures resistant to change.

Second, I posit that the impetus for governments to opt for privatization was primarily exogenous, driven by the intense demographic and urban growth experienced by cities in the Global South, particularly in the latter half of the preceding century (Marques, 2016). Confronted with escalating demand and constrained state supply, governments chose to confer greater responsibility to the private sector in the operation of urban buses as a strategic response to the pressure to enhance and expand transportation services. In this context, the rise of privatization appears to be more closely associated with external factors rather than internal elements, such as pressure from private actors advocating for privatization.

Third, I argue that distinct government choices regarding the privatization of bus services shaped the trajectories of bus services in cities. In certain cases, privatization unfolded within a comprehensive regulatory framework, defining numerous service standards. Governments proactively oversaw various aspects of the service, including regulating concession criteria, market competition, fare pricing, operating expenditures, and vehicle specifications. These measures significantly influenced the overall quality standards of the system. This form of privatization would be categorized as a "regulated provision" hybrid regime (Post et al., 2017). Barter (2008) categorizes this scheme as "well-regulated" franchises, where operators (usually middle-scale private firms), granted exclusive rights to serve a specific route or area, have obligations to provide comprehensive services and meet established standards.

Conversely, in different instances, privatization was constrained in its regulatory reach, lacking essential elements for service operation. In such cases, bus services followed a more "independent" hybrid regime model (Post et al., 2017), characterized by limited state control and a fragmented number of service operators (such as associations and individual owner-operators). Informal arrangements often emerged, leading to opaque interactions among stakeholders. The absence of comprehensive concession criteria and less formal relationships typically resulted in the proliferation of numerous paratransit operators to meet local mobility needs. Barter (2008) describes this privatization approach as "deregulation," characterized by minimal state influence over service outcomes, even though fare pricing is usually well-regulated by public officials.

In between well-regulated and deregulated privatization models, there are instances of a balanced approach to privatizing bus services. In these cases, governments introduce a regulatory framework that specifies criteria for operators and outlines service standards, including quality and fares, with less strict enforcement. Operators are granted the right to serve routes with simple service obligations and some exclusivity, creating a market with a degree of organization while allowing diversity among private operators (usually small-scale private firms or associations). However, under this model, the public sector does not actively ensure the overall efficiency of the system, resulting in incumbents often remaining in place indefinitely, and license renewals lack stipulations for competitive tendering. Barter (2008) would classify this privatization model as a "passive franchise," and according to Post et al. (2017), it represents a less developed version of a "regulated provision" hybrid regime.

Finally, considering the above, I posit that an examination of public-private coalitions during privatization can elucidate why Latin American city governments adopted various forms of privatization. To comprehend the formation of contrasting coalitions, I argue that three *critical antecedents*¹² played a pivotal role.

Firstly, the configuration of the local transport sector before privatization played a crucial role. Confronted with the economic and operational crises of state transport companies, governments chose privatization strategies such as granting permissions or concessions to actors already entrenched in the local transport scene. Efforts to involve external actors through

¹² According to Slater and Simmons (2010), critical antecedents are "factors or conditions preceding a critical juncture that combine with causal forces during a critical juncture to produce long-term divergence in outcomes" (p. 889).

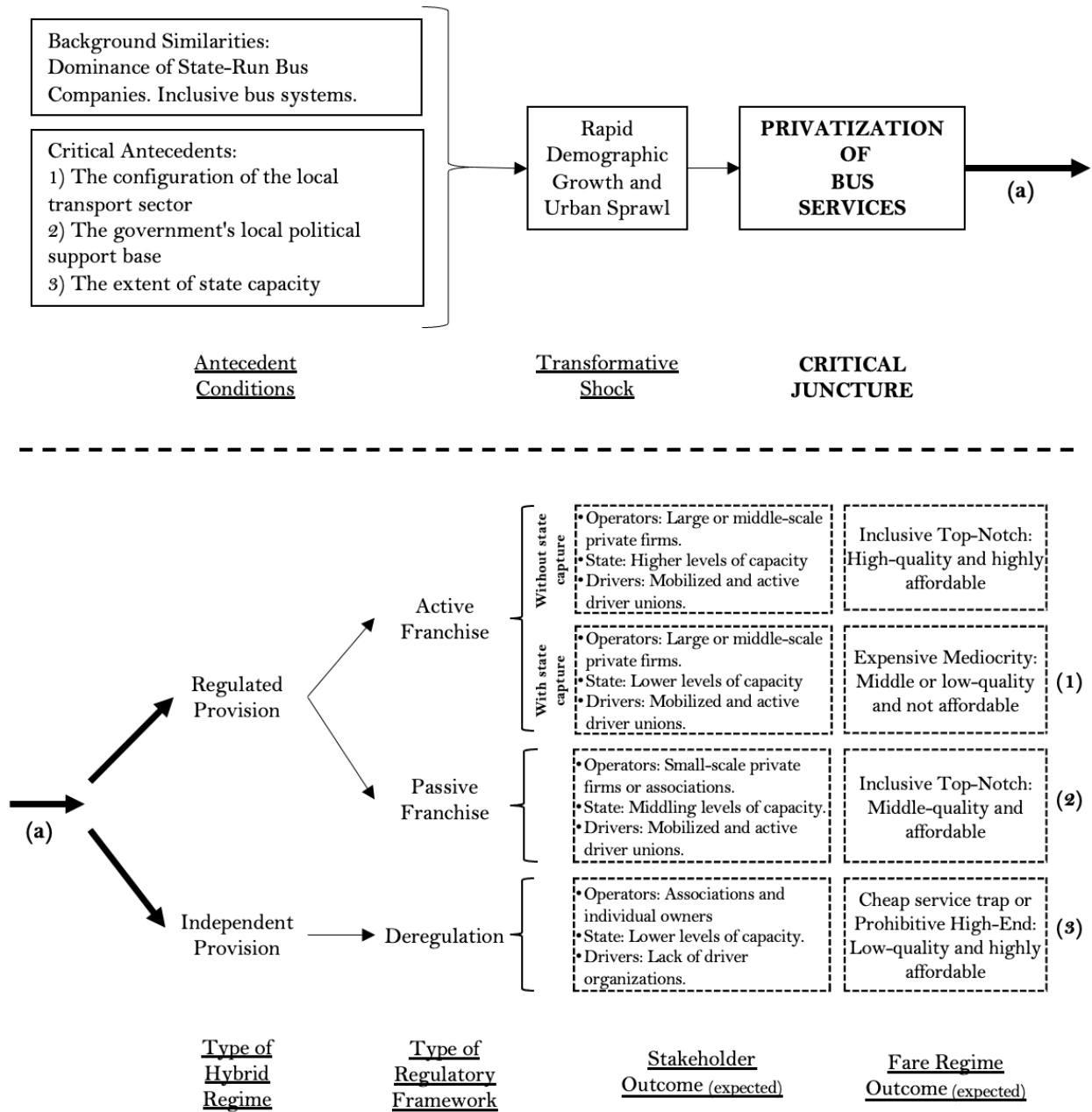
bidding historically proved unsuccessful.¹³ The considerable entry costs associated with urban bus services, encompassing competition, fleet management, garages, understanding of socio-spatial dynamics, adherence to regulations, and familiarity with local customs, rendered seeking external actors impractical. Consequently, governments were confined to augmenting the participation of existing private transport sectors within each city.

Secondly, the local political support base of the government played a significant role in shaping privatization strategies. In concert with the privatization process, governments strategically advanced the interests of local groups aligned with their political agenda. Privatization initiatives were designed to benefit and favor local groups that supported the ruling regime. Consequently, this approach resulted in concessions being granted to various economic and social groups, thereby reflecting the diverse support coalitions on which Latin American city governments heavily relied. In this context, administrations with a more bureaucratic-technical orientation tended to gravitate towards privatization under the company model, thereby favoring the establishment of local oligopolies. Simultaneously, left-wing populist administrations, enjoying robust worker and union support, tended to prioritize privatization efforts that considered the interests of previous bus drivers. In contrast, corporatist governments turned to groups that reinforced the corporatist foundation of the local political regime in their pursuit of privatization endeavors.

Finally, the extent of state capacity had a decisive impact on the degree of regulation implemented in the privatization process. Governments endowed with enhanced capacity, cultivated during previous periods, were typically inclined towards promoting hybrid regimes characterized by more stringent regulation, often featuring active franchises. Conversely, governments with limited capacity during privatization leaned towards adopting the deregulation formula, leading to reduced oversight and control over the privatized services. Therefore, the state's capacity at that particular juncture emerged as a determinant factor shaping the regulatory landscape of privatization initiatives.

¹³ E.g.: Before privatizing the state transport company with established local players, the Buenos Aires government initially tried to privatize it through an open tender that welcomed international actors. However, this attempt was unsuccessful as no international actors expressed interest in participating in the bid (Pérez & Bertranou, 2023).

Figure 14. The Argument in Brief



Source: Author's elaboration.

Note: (1) São Paulo; (2) Buenos Aires; (3) Mexico City. No instances have been identified for the active franchise without the state capture sequence.

Figure 14 visually illustrates the pivotal role played by a critical juncture, namely privatization, in shaping four distinct paths for the development of bus services. While antecedent conditions and transformative shocks are crucial factors preceding privatization, governmental decisions also assume a central role. Key decisions included the selection of the hybrid regime type (regulated or independent), the regulatory framework type (active/passive franchise or deregulation), and the choice of the private operator responsible for delivering urban bus services. Rooted in historical junctures, these decisions led to varied outcomes in terms of fare regimes (Chapter 1). Once these legacies were established, they significantly constrained the range of options available for subsequent governments.

I anticipate that this argument will elucidate the outcomes of urban bus systems in large metropolises, where the significant demographic dimensions and extensive urban areas create mobility needs and demands markedly different from those in smaller or medium-sized cities. This analysis is also specifically framed within the context of Latin America, considering the region's historical, political, economic, and urban characteristics, though parallels may be drawn with other regions, especially countries and cities in the Global South. Additionally, given the argument's focus on a specific mode of urban public transport (buses), it is not intended to be generalizable to the policy outcomes of other transport modes, such as subways and trains.

Considering the previous elements, I posit two central statements: (1) The historical origins of divergent urban bus service outcomes in Global South cities can be traced back to the privatization of this service; (2) The historical disparities observed in urban bus service outcomes, particularly in terms of stakeholder organization and types of fare regimes, are predominantly shaped by critical antecedents that exerted influence over government privatization decisions. In this sense:

Hypothesis 1: Cities governed by bureaucratic-technical administrations are more likely to adopt a regulated provision model of privatization with active franchising. This approach can result in two distinct outcomes: an expensive mediocrity fare regime in cases of state capture¹⁴ or an inclusive top-notch fare regime in the absence of state capture.

¹⁴ In this paper, state capture refers to a situation where groups or companies exert excessive influence over the policies, regulations, and laws of a specific public policy sector, steering them to their own advantage.

Hypothesis 2: Cities governed by left-wing populist administrations are more likely to adopt a regulated provision model of privatization with passive franchising, leading to an inclusive top-notch fare regime.

Hypothesis 3: Cities governed by corporatist administrations are more likely to adopt an independent provision model of privatization with deregulation. This can lead to a cheap service trap fare regime if governments maintain strict fare control or a prohibitive high-end fare regime if governments decide to deregulate also the fare.

2.3. Background: Urban Buses in Latin America During Re-Democratization

In the late 20th century, numerous countries in the Global South underwent democratization (Haggard & Kaufman, 2016). Notable examples include Brazil, Mexico, and Argentina, where concerted efforts were made to dismantle autocratic structures and embrace democratic principles. However, the new democratic governments faced a critical challenge in dealing with the legacies left by their authoritarian predecessors, both nationally and at the local-city level (Kapiszewski et al., 2021a; Marques, 2021; Pribble, 2013).

The challenges stemming from the legacy of the authoritarian era are particularly pronounced in the domain of urban bus services. A closer examination of the Latin American context reveals a broad spectrum of scenarios, encompassing well-ordered to poorly regulated systems, and varying from high to low levels of affordability and quality (CEPAL, 1991).

São Paulo: Prohibitive High-End Regime

Following over 15 years governed by "bionic mayors,"¹⁵ São Paulo underwent a transformative moment in 1985 with the advent of universal suffrage and the end of the Brazilian military dictatorship (Marques & Hoyler, 2021). The bus transport system inherited by the new democratic leaders presented a mixed legacy with both favorable and unfavorable aspects.

On the favorable side, São Paulo's legacy included a well-regulated municipal bus system, setting it apart from other Global South cities during a similar historical period. Previous

¹⁵ The term "bionic mayors" is a literal translation of "prefeitos biônicos." It refers to municipal leaders directly appointed by the Brazilian military dictatorship to govern state capitals.

authoritarian governments had established comprehensive rules covering several service aspects, such as routes, vehicle specifications, operating zones, and private operators' obligations (Brasileiro, 1996; Brasileiro & Henry, 1999; Campos, 2016b). This resulted in a well-organized bus system with clear rules and regulated market competition, operated on technical principles by a relatively small number of established companies.

Conversely, the unfavorable aspect of the legacy was the significant concentration of the sector's operations in a few private companies' hands. This concentration, combined with the state's limited capacity for supervision and financing, hindered effective enforcement of the rules. Despite the organized and regulated nature of the system, quality has only achieved moderate levels, and affordability has remained limited due to relatively high user fares for the general public (Gregori, 2021). The strong presence of organized private operators, collectively resisting government initiatives, hindered well-intentioned reform efforts and resulted in partial state capture of the transportation sector.¹⁶ Consequently, São Paulo's bus system embodied a nuanced legacy, well-regulated, middle quality, but contending with challenges tied to state capture and obstacles in enhancing service affordability.

Mexico City: Cheap Service Trap Regime

In contrast to São Paulo, Mexico City's bus service legacy, governed by the one-party *Partido Revolucionario Institucional* (PRI) leaders for nearly 70 years, featured a highly affordable fare but suffered from low operational quality and significant fragmentation among private operators. By December 1997, with the end of the PRI era in the Mexican capital, the city's surface public transport predominantly relied on low-capacity vehicles like minibuses and combis, operated by thousands of individual operators (Davis, 1994; Nava & Ramírez, 2008).

During the 1990s, minibus service in often adhered to the "*hombre-camiión*" model (Restrepo et al., 2022). Under this arrangement, each minibus route had its association, comprising numerous individual licensees responsible for vehicle procurement and operational arrangements. Association leaders frequently cultivated connections with various public

¹⁶ For instance, in 1990, a comprehensive coalition involving private transportation companies and diverse sectors of civil society, including media representatives and some local deputies, effectively obstructed a municipal Executive project. Despite garnering significant support from a substantial portion of the local population, the proposal advocating for free fares for all municipal buses was ultimately blocked (Gregori, 2021).

officials, influencing the process of granting operating rights. In response, the government issued concessions in a non-transparent manner, driven more by political considerations than technical criteria (Negrete, 2018).

This model engendered a notably high level of disorganization in the system. The regulatory framework governing the system was limited, encompassing a few aspects, and market competency was intense and minimally regulated. Combined with minimal government commitment to establishing service standards and monitoring daily operations, this led to subpar service quality. Nevertheless, the government maintained stringent control over the fare, keeping it at relatively low levels and ensuring the system's affordability (Connolly, 2017; Islas Rivera, 2000; Legorreta & Flores, 1995; Wirth, 1997).

Buenos Aires: Inclusive Top-Notch Regime

In Buenos Aires, the legacy of Argentine populist and dictatorial regimes positioned its bus system between São Paulo and Mexico City. Post-1983, democratic governments inherited a system with a relatively favorable balance between quality and affordability, though challenges persisted in regulating and organizing the private sector (Álzaga et al., 2021).

During the re-democratization period, Buenos Aires distinguished itself by effectively combining affordable pricing with middle to high-quality bus services, presenting a favorable scenario compared to other Global South cities undergoing political transitions. Despite slightly higher fares than those in Mexico City, the transportation system achieved relative affordability, contributing to increased inclusivity (CEPAL, 1991). Simultaneously, the bus service exhibited commendable characteristics in terms of frequency, age, and technical aspects, reflecting some government commitment to quality (Pérez & Bertranou, 2023).

The equilibrium between affordability and quality in Buenos Aires' bus service was established through a well-defined regulatory framework, although it might be comparatively less extensive and undergo fewer periodic reviews of bidding contracts than São Paulo's system. Market competition was moderately regulated, providing companies exclusivity on particular routes while permitting competition across various city areas. The formalization of small-size operators in the 1970s contributed to a more organized system (Álzaga et al., 2021), avoiding excessive concentration seen in São Paulo, reducing the likelihood of state capture, and steering clear of the significant fragmentation experienced in the case of Mexico City.

2.4. DATA AND RESEARCH DESIGN

This chapter draws on qualitative research, utilizing an empirical and methodological framework rooted in Comparative Historical Methods – Causal Historical Narrative and Process-Oriented Comparison (Lange, 2013; Mahoney & Rueschemeyer, 2003). The investigation focuses on comparing and contrasting the long-term trajectory of bus policies and politics offering a historically grounded explanation. The primary objective is to conduct an in-depth causal historical investigation of processes and sequences, employing systematic analyses to elucidate how transportation processes unfolded over time.

The empirical investigation focuses on the urban bus systems of the three largest cities in Latin America: Buenos Aires, Mexico City, and São Paulo. The selection of these cases aligns with the diverse case selection strategy proposed by Gerring (2008), which aims to achieve maximum variation along crucial dimensions (i.e., outcomes). In this sense, choosing these three cities provides an opportunity to explore diverse outcomes resulting from the privatization of bus services (see Figure 14). Additionally, given the shared background similarities among the three cities, such as the dominance of state operations before privatization, the case selection method facilitates a controlled comparison, where these similarities function as control variables (Slater & Simmons, 2010).

Regarding data collection, this study engages with qualitative data collected during an 18-month fieldwork period conducted between August 2022 and January 2024 in Buenos Aires, Mexico City, and São Paulo. Throughout this timeframe, I directly observed the bus systems in each city, visited government offices and transportation company facilities, and conducted 62 in-depth, semi-structured interviews with key transportation stakeholders. These stakeholders included state bureaucrats, elected/appointed officials, bus drivers, representatives from private bus companies, academic experts, and civil society organizations. The fieldwork proved instrumental in understanding the dynamics of the transport sector over the decades and provided valuable insights into the effects of privatization on bus services in the three cities under investigation.

Furthermore, this chapter predominantly relies on an extensive array of primary and secondary historical sources. A crucial foundation is laid by official government documents, which grant access to legislative decrees, policy statements, and administrative records detailing

the privatization of bus services in the chosen cities. This scrutiny is complemented by a thorough analysis of news articles, providing historical perspectives on policy shifts, public opinion, and unfolding events in the dynamic urban landscape. The archival effort involved amassing an extensive repository of historical documents exceeding 3,000 pages sourced from archival repositories in Buenos Aires, Mexico City, and São Paulo.

To conduct a systematic analysis of cases and construct a causal argument, the data is analyzed and processed using Collier and Munck's (2022) five-step template, specifically designed for historical investigations concentrated on critical junctures. The template is structured according to the subsequent sequential phases: antecedent conditions, transformative shock, critical juncture, aftermath, and legacy. Each phase in the template adheres to a temporal-historical continuum. The primary aim of the template is to facilitate the systematic organization and derivation of causal inferences within historical analyses (Collier & Munck, 2022).

Finally, to enhance the transparency of qualitative data and provide a more comprehensive understanding of the interpretation and causal analysis, this article has been prepared using Annotation for Transparent Inquiry (ATI). Incorporated in select passages within the results section as footnotes, these annotations serve to amplify the text by introducing and sharing supplementary evidence. I use annotations to provide contextual information and bolster empirical claims presented in the text.¹⁷

2.4. VARIETIES OF BUS PRIVATIZATION AND ITS LEGACIES

Overview

Drawing from the critical antecedents of each city, Table 10 provides an overview of the public-private coalitions established during the privatization of urban bus services in major Latin American cities, linking each coalition to a distinct outcome. In essence, the data demonstrates that collaborations between the public and private sectors, at specific junctures in the 20th century, can elucidate the legacies of urban transportation in these cities, thereby delineating diverse paths in terms of affordability and quality.

¹⁷ For additional information on ATI, see: <https://qdr.syr.edu/ati>

Table 10. The Privatization of Bus Services and its Outcomes in Latin American Cities

CITY	PRIVATIZATION COALITIONS	PRIVATIZATION OUTCOMES (Fare Regimes)
	Government Orientation + Type of Private Operator	
Buenos Aires	Left-wing Populist + Bus Drivers	INCLUSIVE TOP-NOTCH
Mexico City	Corporativist + Corporate Associations	CHEAP SERVICE TRAP
São Paulo	Technocrat + Formal Private Companies	PROHIBITIVE HIGH-END

Source: Author's elaboration.

In line with the importance of critical antecedents in understanding events at a critical juncture (Slater & Simmons, 2010), the first observation regarding the paths of various privatization types is that the stakeholders advocating for privatization had already been established well before services underwent privatization. This suggests that at the critical juncture of urban bus service privatization, the relevant stakeholders were deeply ingrained in their respective local contexts. Particularly, private operators who benefited from privatization were not outsiders; they were already operating in the sector, albeit in a limited capacity as a significant portion of the operation was directly controlled by the State. Therefore, privatization did not necessarily involve the introduction of new actors but rather the reshuffling of roles and responsibilities among existing actors within the urban transport sector in each city. In this process, the government's orientation (whether populist, corporatist, or technocrat) played a significant role, as politicians opted to favor groups of private actors associated with their local political support base.

For instance, in Buenos Aires, the privatization of urban buses commenced in 1955 under the left-wing populist government of Juan Domingo Perón. Faced with the inadequacies of the public transport company (*Transportes de Buenos Aires – TBA*) to keep pace with the rising demand, Perón's primary alternatives were to either implement a concession policy involving existing local private operators or to initiate public bidding processes to attract external actors. However, neither option proved politically feasible or attractive in the short term. Workers at

TBA opposed privatization that would grant more operational rights to the local private transport sector, while attempts to involve international actors failed due to lack of interest.

Confronted with a significant dilemma – where privatization seemed almost inevitable due to the public company's insolvency and public discontent – Perón opted to implement a policy benefiting TBA's own drivers. This entailed providing them with vehicles and permissions to operate specific routes previously managed by the State. On one hand, this approach aimed to avoid conflicts with state workers during the privatization process. On the other hand, it served to bolster support from a crucial segment of Perón's political base in Buenos Aires. Throughout his presidency, Perón fostered strong ties with the Argentine working class, including unions representing urban transport workers affiliated with *Unión Tranviarios Automotor* (UTA). Thus, establishing a policy of urban bus concessions centered on workers aligned with the government's left-populist orientation at the time, ensured continued backing from a vital urban demographic amidst national political turbulence.

In contrast, in Mexico City and São Paulo, the political and social landscapes surrounding privatization did not incentivize governments to adopt a model of concessions and permissions that favored workers within public transport companies. In Mexico City, privatization unfolded during the 1980s and 1990s amid a notable decline in the PRI's control over the local government. During this period of political crisis for the PRI, workers from the public transport company (Ruta 100) emerged as significant adversaries of the ruling party. Many bus drivers reportedly shifted their support to the *Partido de la Revolución Democrática* (PRD), a party in opposition to the PRI, which gained prominence following the 1985 earthquake. Simultaneously, PRI officials accused Ruta 100 workers of affiliating with organizations, such as the *Ejército Zapatista de Liberación Nacional* (EZLN), known for their strong opposition to the party.

In the face of opposition from state transport workers, adopting a privatization model akin to Buenos Aires became politically impractical in Mexico City. To counter the resistance from Ruta 100, local PRI leaders pursued a dual-pronged strategy. Firstly, they gradually diminished the significance of the Ruta 100 service in the city by reducing its human and vehicular resources. Additionally, outspoken leaders from Ruta 100 faced persecution by PRI members. Another crucial element of this approach was leveraging the privatization of the service to bolster the party's corporatist structure in the city. Particularly from 1988 onwards,

the decision was made to allocate bus operating permits to collective taxi groups associated with the *Confederación Nacional de Organizaciones Populares* (CNOP) and the *Confederación de Trabajadores de México* (CTM) – corporate entities established by the PRI in the 1930s and 1940s. Consequently, in a context marked by crisis and internal strife, privatization in Mexico City unfolded with a pronounced corporatist undertone, aligned with the prevailing government orientation at that time.

In São Paulo, the privatization process unfolded gradually over several decades, commencing in the late 1940s and culminating in 1995. During the peak phases of privatization, spanning from the 1950s to the 1970s, tensions between the government and workers at the state-owned company were comparatively less intense than in Mexico City. Nonetheless, significant frictions persisted between local politicians and bus drivers, impeding the emergence of a privatization model similar to that of Buenos Aires. Throughout this period, workers from the public bus company (*Companhia Municipal de Transportes Coletivos - CMTC*) frequently went on strike over labor disputes, including wage issues and dismissals. Moreover, the company consistently operated at a financial deficit year after year due to its high costs and inefficiency, prompting mayors to undertake various initiatives aimed at reducing the municipal transport company's expenses, as documented in newspapers from that era.

Moreover, throughout the 1950s, 1960s, and 1970s, São Paulo was predominantly governed by right-wing politicians with a particular technocratic orientation. Many of these mayors were engineers who advocated for "purely technical" solutions to the city's mobility challenges. Efficiency was consistently prioritized during this period, particularly under the military dictatorship (1964-1985), with a concerted effort to diminish the significance of the perceived inefficient state transport company. Simultaneously, close ties between bus entrepreneurs and influential local political figures, potentially involving lobbying and bribery of councilors, exerted pressure on the government to diminish CMTC's role and grant more permissions to the local private sector. Consequently, the privatization of urban bus services in São Paulo predominantly unfolded within an environment characterized by organized transport companies with lobbying influence. Additionally, various governments, driven by a technocratic ethos, argued that transferring public operations to the private sector would enhance service efficiency.

The diverse approaches to the privatization of bus services in Buenos Aires, Mexico City, and São Paulo yielded distinct legacies, particularly concerning affordability and quality. Empirical evidence indicates that post-privatization, these cities embarked on divergent trajectories in these aspects.

In Buenos Aires, the privatization under a populist left-wing government resulted in an inclusive top-notch legacy, marked by affordable fares and above-average service quality. To a significant extent, this model thrived due to the federal government's backing of operators throughout various stages of the process. Despite the initial limitations in the legal framework of concessions, the continuity of routes from the public company by new operators, coupled with incentives to avoid competition among themselves, along with gradual legal amendments aimed at enhancing service quality, contribute to comprehending how privatization yielded favorable outcomes for commuters reliant on public transportation. Moreover, the presence of an extensive train and subway network, combined with a less sprawling urban area compared to other cities, potentially facilitated the establishment and consolidation of an inclusive top-notch bus system.

In Mexico City, the PRI-led privatization, characterized by a corporatist approach, resulted in a low-quality urban bus system with affordable fares. Strict fare control enabled party leaders to mitigate public dissatisfaction with the subpar and unreliable bus service. However, the lack of quality stemmed from extensive deregulation and underfunding of the service, compounded by the state's limited capacity to enforce technical and operational standards. Indiscriminate granting of permissions aimed at broadening the party's corporatist support base further exacerbated the decline in quality, intensifying competition among operators and leaving certain areas of the city underserved.

In São Paulo, the technocratic privatization model, dominated by a small group of private companies, resulted in a comparatively higher service quality than observed in other Latin American cities during the same historical period. The privatization process, spanning decades, aimed at efficiency and established a comprehensive legal framework covering various aspects of service quality. However, privatization also gave rise to significant fare issues, particularly from the 1980s onward, coinciding with reduced federal government control and support for urban transport. While glimpses of an inclusive top-notch system emerged during the privatization process, notably in the 1970s, the subsequent decline in state capacity, especially

in the 1980s, shifted the balance towards a prohibitive high-end regime. Politically, maintaining these higher fares for commuters was feasible because not all users paid the full amount. For instance, from 1985 onward, formal workers received employer support that covered most of their commuting costs,¹⁸ and other groups, such as the elderly and students, benefited from discounts and gratuities.

In the forthcoming sections, I delineate the diverse trajectories and political maneuvers of privatization, substantiated by historical data that validate the findings of this chapter. The examination commences by elucidating the inception of bus systems in each city, subsequently tracing the transition from municipalization to privatization. The analysis adheres to a causal and chronological progression, following the framework proposed by Collier and Munck (2022).

Antecedent conditions – Bus Systems Origins and Service Municipalization

Before the privatization era, the urban bus systems in Buenos Aires, São Paulo, and Mexico City shared significant background similarities. These similarities can be dissected across two distinct moments influencing the evolution of public transportation in these major Latin American cities before privatization: (1) their origins and (2) the historical development process before privatization.

Between the 1910s and 1920s, bus services emerged in major Latin American cities, initially introduced by foreign transportation companies as complementary services in the tram sector.¹⁹ However, the predominant growth of buses occurred as individual drivers and vehicle owners sought to complement existing transportation routes served by trams, trains, and subways. Over time, these drivers gradually took over the local bus sector from foreign companies.

In the early stages, buses had limited capacity, often using modified cars or small trucks capable of accommodating around 10 passengers. In this context, the origin of bus services

¹⁸ This benefit, known as "vale transporte," stipulates that both the employer and employee share the costs of commuting for formal workers. Under this model, the employee contributes up to 6% of their salary, while the employer covers any additional expenses.

¹⁹ Analytic Note: Foreign-owned companies, particularly those from Britain and Canada, wielded significant influence in the early establishment of public transport systems in major Latin American cities. Examples include the Anglo-Argentine Tramways Company in Buenos Aires, the Mexico Tramways Company in Mexico City, and the São Paulo Tramway, Light, and Power Company in São Paulo. While many of these companies primarily focused on electric transport, such as trams, some also integrated buses into their operations.

became connected with the emergence of collective taxi services – vehicles with taxi characteristics that followed fixed routes and had predetermined fares (Legorreta & Flores, 1995; Ruiz Díaz et al., 2008). However, as time progressed, these collective taxi services underwent expansion and integration of larger vehicles (Álzaga et al., 2021; Connolly, 2017).

In Mexico City, the bus/collective taxi service began in July 1916 after a significant strike on tram services (Legorreta & Flores, 1995). In São Paulo, it emerged in 1924 following an energy crisis that impeded the operation of existing electric trams (Lopes, 1985). In Buenos Aires, the service started within the context of a general economic crisis (Pérez, 2021).²⁰ In their early days, bus services operated without state regulation or control, as vehicle owners provided the service without formal permission or concession. Unlike other transportation companies, such as trams and trolleybuses, which adhered to stricter standards for fares and service quality, the bus sector lacked formalization and specific technical or operational standards.

As time progressed, a service initially conceived as a modest solution to the challenges of urban mobility arising from the cities' growth experienced substantial expansion (Sávio, 2010). This growth was primarily propelled by the lucrative nature of bus operations and the prevailing deficiencies in spatial coverage within the formal transport network of the cities during that era.²¹ Consequently, despite their artisanal and unprofessional origins, these services gained prominence in the urban landscape (Campos, 2016b).

As bus services expanded, competition arose, particularly with other transportation modes like trams. This competition caused discomfort for governments and tram companies, exacerbated by the rapid growth of bus services in the 1920s and 1930s. The increasing number of bus operators led to disorder and service failures, posing challenges for users and government

²⁰ Source Excerpt (in Spanish): “Hacia fines de la década, el mercado de transporte colectivo de pasajeros en la región dio a luz un nuevo competidor. También afectado por la progresiva atracción de la demanda que significaba el ómnibus para ese entonces, y en el marco de una crisis económica general, los propietarios de taxis se organizaron y en 1928 aparecieron en las calles de Buenos Aires los primeros taxis-colectivos. Con tarifas superiores a los ómnibus y tranvías, pero más bajas que los servicios normales de taxis y que se pagaban al bajar del vehículo, los taxis-colectivos trasladaban en sus inicios hasta 5 pasajeros, con frecuencias de 4 minutos, cubriendo diversos recorridos. El éxito del nuevo sistema de autotransporte propició que ya en la primera semana se establecieran numerosas líneas y que progresivamente las cabinas, gracias al ingenio de los mecánicos y carroceros locales, fueran ampliando su capacidad”. Data Source: Pérez, 2021, p. 4.

²¹ Analytic Note: In contrast to tram companies, which needed substantial investments in infrastructure and vehicle acquisitions to extend their services to expanding city zones, operators of collective taxis or small buses faced significantly lower acquisition and operating costs. Moreover, the inherent characteristics of buses provided greater flexibility in serving new urban development areas. Capitalizing on these comparative advantages, buses gradually supplanted trams and other transportation modes in the spaces they previously occupied over time.

authorities alike. All these issues prompted governments to intervene in the bus service to counteract the perceived threat that the expanding bus service posed to the city's mobility landscape (Campos, 2016b; Davis, 1994; Ruiz Díaz et al., 2008). The first initiatives included the issuance of operating permits in Mexico City in 1918 (Legorreta & Flores, 1995), the introduction of minimal technical standards in São Paulo in 1926 (Campos, 2016b), and a 1932 decree in Buenos Aires regulating technical and operational aspects (Pérez & Bertranou, 2023).

Over time, the outcome of numerous government interventions in the sector manifested as the progressive municipalization²² of bus services. Historical documents reveal that municipalization efforts in the three cities aimed to achieve better organization, improved management of urban transport services, and enhanced service quality. The municipalization process varied in its timing and implementation.

Buenos Aires and São Paulo exemplify cities that municipalized their urban bus services during the first half of the 20th century. In 1936 and 1946, respectively, the governments of both cities established transportation companies with prominent state participation – *Corporación de Transportes de la Ciudad de Buenos Aires (CTCBA)*²³ and *Companhia Municipal de Transportes Coletivos (CMTC)*.²⁴ These companies were created under very similar arguments and logic, seeking to consolidate transport operations under a single entity.²⁵ While private

²² Municipalization refers to the process whereby the State consolidates the operation of urban bus services under public companies. This often entails the expropriation of private sector concessions and vehicles.

²³ Analytic Note: Law No. 12,311, approved by the Argentine Congress in October 1936, granted authority to the Executive Branch to create the *Corporación de Transportes de la Ciudad de Buenos Aires (CTCBA)*, later renamed *Transportes de Buenos Aires (TBA)*.

²⁴ Analytic Note: In São Paulo, Decree-Law No. 365 of 1946 addressed the establishment of the *Companhia Municipal de Transportes Coletivos (CMTC)*.

²⁵ Analytic Note: Historical records offer indications that the municipalization of bus services in São Paulo was influenced by the municipalization process that occurred in Buenos Aires several years prior. A document originating from the São Paulo local government in 1946 explicitly mentions that the *Companhia Municipal de Transportes Coletivos (CMTC)* would, to some extent, incorporate elements of the municipalization model implemented in Buenos Aires. This strategic decision was driven by the perceived effectiveness of the Buenos Aires model in improving local urban mobility services. Source Excerpt (in Portuguese): 27- Em Buenos Aires, também, a Municipalidade, com a Lei n.º 12.311, de 30 de setembro de 1936, iniciou a unificação dos transportes locais em moldes semelhantes ao plano de Londres, porém menos radicais. A Corporação de Transportes da Cidade de Buenos Aires, resultou da necessidade imperiosa da coordenação em virtude da situação ruínosa das empresas, mórmente de bondes e subterrâneos, bem como de melhorar a qualidade dos serviços prestados ao público. Os princípios fundamentais constantes da Lei n.º 12.311 foram: a) coordenação sob regimes autônomos e fusão de tôdas as empresas que realizavam o transporte coletivo de passageiros no perímetro da Cidade de Buenos Aires; b) exclusividade ou monopólio de transporte concedido à Corporação, dentro desse perímetro; c) direção única dos serviços por meio de uma comissão mixta, composta de representantes do Governo Federal, Municipalidade e proprietários das empresas de transportes coletivos; d) a Corporação deverá ser "self-supporting", por meio de tarifas que remunerem as despesas de custeio, os fundos de reserva e de renovação das instalações, e os capitais empregados, na base de 7% para juros e amortizações; e) estrito cumprimento das leis trabalhistas (estas leis não

actors participated in their formation, often as shareholders, the State took a central role in their inception and initial development. Conversely, in Mexico City, the municipalization process unfolded at a comparatively slower pace, between the 1940s and the 1980s. The primary state-owned company responsible for operating bus services, *Ruta 100*, was created in 1942 but initially had limited participation in the sector.²⁶ It wasn't until the 1980s that *Ruta 100* gained prominence by assuming responsibility for operating all routes previously managed by private companies affiliated with the *Alianza de Camioneros*.²⁷

Although the municipalization trajectories of Buenos Aires, São Paulo, and Mexico City may have varied in timing, their bus systems share significant background similarities in the phases they underwent. This includes the period from their inception (1910s and 1920s) until just before their complete or near-complete municipalization. At the peak of the municipalization of services, state participation in bus operations surpassed 80% in the three cities.²⁸ However, the bus systems of the three cities differed in some important elements, referred to in this chapter as *critical antecedents*. In a general sense, these differences matter as

estavam sendo cumpridas pela situação em que se encontravam as empresas); f) - oportuna preferência, em igualdade de condições, aos materiais e "implementos" do país, em relação aos estrangeiros. Data Source: Prefeitura do Município de São Paulo (1946). Remodelação do serviço de transporte coletivo da Cidade de São Paulo.

²⁶ Source Excerpt (in Spanish): "La Ruta 100 surgió en 1942, cuando sus unidades empezaron a circular por Paseo de la Reforma; en 1958 la adquirió el entonces Departamento del Distrito Federal y se convirtió en la empresa estatal de autobuses más importante y eficiente que ha tenido la ciudad. Con el crecimiento y el predominio que tuvieron las empresas privadas de autobuses durante los años 60 y 70, operó de manera marginal, pero la situación cambió en 1981, a partir del retiro de concesiones privadas del gobierno de Carlos Hank González. Todas las unidades de todas las empresas privadas del transporte que operaban en ese entonces en el Distrito Federal pasaron a depender de Ruta 100; para 1983 cubrían 86 por ciento de superficie del área urbanizada de la capital mexicana. En sólo dos años pasaron de 4 mil 800 a 7 mil 100 kilómetros de servicio en trayectos mejor planificados y con las tarifas más bajas que los autobuses del estado de México; inclusive varias rutas penetraban hacia diversos municipios conurbados. Fue la época de oro del servicio público de transporte, fundamentado en una política social de subsidios plenamente justificada. La mayoría de la unidades eran los antiguos delfines de las empresas expropiadas y se adquirieron nuevas unidades llamadas metrobuses." Data source: (2004, September 23). "De cocodrilos al pulpo verde, el transporte dominante de la urbe". La Jornada. <https://www.jornada.com.mx/2004/09/23/02an1cul.php?origen=cultura.php&fly=1>

²⁷ Analytic Note: According to Davis (1994), members of the Alianza de Camioneros, who were involved in the bus business, maintained close ties with leaders and politicians from the PRI (Partido Revolucionario Institucional), the dominant political party governing Mexico and its capital under a one-party system throughout most of the 20th century. The close association between Alianza de Camioneros members and the government may explain the relatively delayed municipalization of a significant portion of Mexico City's bus service.

It wasn't until the early 1980s, following numerous conflicts between the government and the Alianza, that the decision was made to revoke its private concessions and centralize a significant portion of the bus operations under state control.

²⁸ Analytic Note: In Buenos Aires, during the period from 1936 to 1955, the state-owned company CTCBA/TBA monopolized nearly 100% of bus and other transportation modes' operations, including trams and subways. In São Paulo, CMTC's peak participation in municipal bus operations was observed in the 1950s, reaching a control of 90% of the sector. In Mexico City, Mobility Surveys data from 1986 revealed that approximately 85% of bus/minibus trips in the Mexican capital were serviced by Ruta 100 vehicles.

they will influence the trajectories of the bus systems during the privatization period of the service.

Firstly, variations in the local configuration of the transportation sector were evident, specifically in the organization of the private sector. Despite state-owned companies controlling significant segments of local operations, certain private operators persisted, serving peripheral or inter-municipal routes not absorbed during municipalization. However, the organizational structures of these private operators diverged significantly. In São Paulo, a considerable share of these private bus routes was operated by formally recognized companies endorsed by the local government.²⁹ In contrast, in Buenos Aires and Mexico City, these operators adopted comparatively less formal structures, often organizing themselves into informal or semiformal associations with varying degrees of hierarchy and interaction with incumbent governments.

Secondly, a significant contrast lay in the political support bases of local governments. Despite the dominance of authoritarian or fragile democratic regimes in São Paulo, Buenos Aires, and Mexico City during the municipalization period, some city governments pursued governance through alliances with local businessmen under a more technocrat orientation, as seen in São Paulo. Others, such as Buenos Aires, focused on urban workers as their political support base. Meanwhile, governments in cities like Mexico City adopted a corporatist structure, integrating specific groups into state-controlled organizations to address their demands directly, aiming to mitigate public protests against the regime. These political dynamics, although not exclusive to the transportation sector, bear crucial implications for government decisions when state transport companies confront crises driven by escalating service demand, prompting increased private sector involvement in the local urban mobility context.

Lastly, a pertinent divergence among cities pertains to the extent of state capacity preceding the privatization of the bus service. While municipalization was a common trend, governments varied in structuring and equipping their state-owned companies. In some instances, such as São Paulo, these entities demonstrated robust capacities for fleet acquisition, regulation, and personnel training to supervise operations. Conversely, in other cases, such as Buenos Aires and Mexico City, state-owned companies exhibited limited capacities,

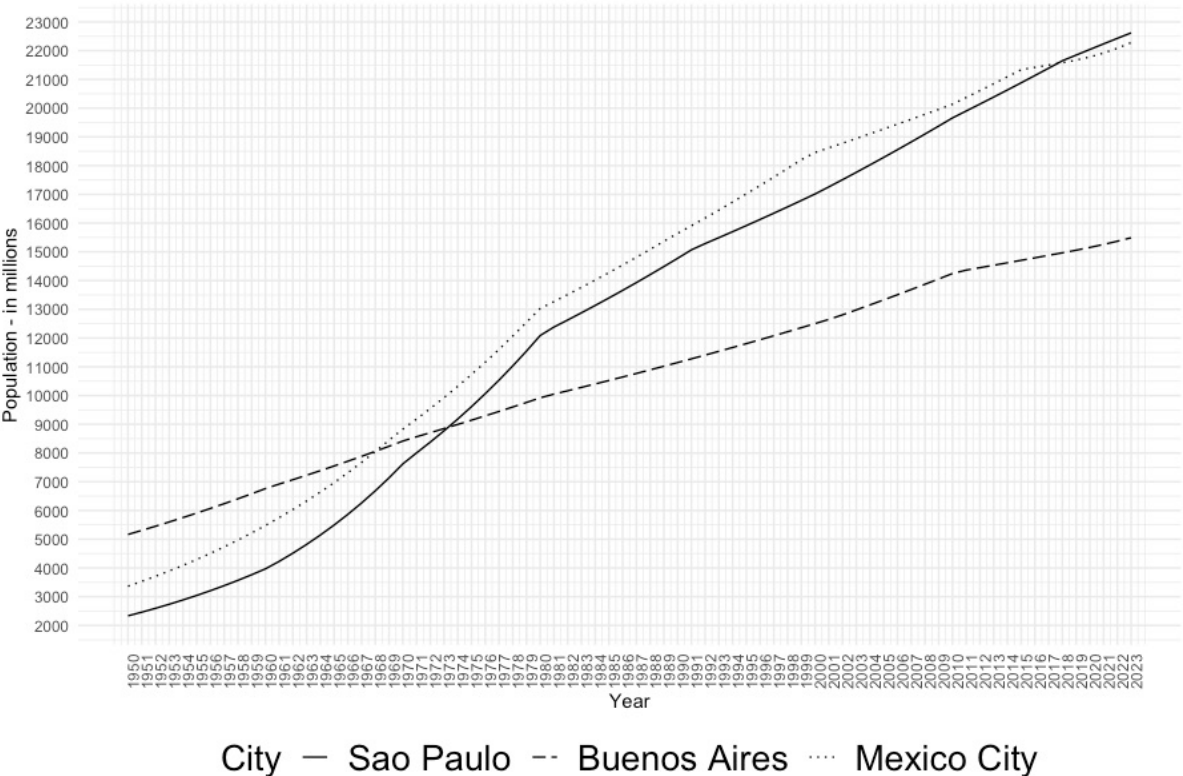
²⁹ Analytic Note: During the municipalization efforts of the 1940s, private bus companies were granted permission to operate "rural routes" in São Paulo. These routes extended to the city's outskirts, covering newly developed urban areas experiencing demographic expansion. However, these "rural routes" were restricted from traversing the city center.

characterized by less substantial state investments in fleet acquisition, regulation, and personnel training to oversee operations.

Transformative Shock - Exogenous Sources of Change

After a comprehensive municipalization process, state-owned bus companies encountered difficulties in preserving their near-total dominance over bus service operations. Over the years and decades of managing and operating an extensive network of buses and routes, external (exogenous) shocks, such as demographic boom and urban sprawl, presented challenges for companies such as *TBA*, *CMTC*, and *Ruta 100* in maintaining their prominent role in the local provision of bus mobility services.

Figure 15. Demographic Trajectory of Buenos Aires, Mexico City, and São Paulo (1950-2023)



Source: Author’s elaboration with data from UN-Habitat (2022).

Throughout most of the last century, many cities in Latin America experienced a significant demographic explosion (Figure 15), primarily due to a large number of people migrating from rural areas to urban ones. For instance, Buenos Aires witnessed a doubling of its metropolitan population from 5.166 million in 1950 to 12.504 million in 2000. In a more rapid process, Mexico City's population grew from slightly over 3.365 million in 1950 to 18.457 million in 2000, while São Paulo's population increased from 2.334 million to 17.014 million during the same period (United Nations, Department of Economic and Social Affairs, Population Division, 2018).

During the time of significant demographic growth in Latin America, there was also a considerable expansion of urban areas in major cities. People migrated to prominent urban centers, leading to the emergence of new zones of urban occupation on the outskirts (Caldeira, 1996; Costa et al., 2021). These new zones absorbed a significant portion of the migrating population.

In broad terms, the demographic boom, coupled with frequently disorderly urban expansion, placed considerable strain on the transportation systems of major Latin American cities. Grappling with the rapid pace of demographic and urban growth, state transport companies found themselves increasingly pressed to enhance the capacity and spatial coverage of their services (Davis, 1994; Finn, 2008). In certain instances, the solution involved the construction of subway lines, exemplified by Mexico City and São Paulo inaugurating their first lines in the 1960s and 1970s. Nevertheless, the high construction costs associated with such infrastructure, juxtaposed with the lower costs and greater operational flexibility of bus routes, prompted state transport companies to reassess their urban bus service models.

In response to the escalating demand for urban mobility services, an additional and prominent strategy involved the acquisition of new buses and the establishment of new or extended routes.³⁰ Nevertheless, despite the expansion of service offerings, state-owned bus companies encountered challenges in aligning their operations with the rapid growth in demand.

³⁰ Analytic Note: Notably, in Buenos Aires, the CTCBA/TBA fleet saw the integration of hundreds of buses from the post-Second World War period until the mid-1950s (Ruiz Díaz et al., 2008). In Mexico City, the fleet of the state-owned company, STE (Servicio de Transportes Eléctricos), predominantly comprised of trolleybuses, underwent substantial expansion from the introduction of the first trolley in 1951 until the 1980s. Similarly, the fleet and routes operated directly by the Mexican government through Ruta 100 experienced significant growth throughout the 1980s (Legorreta, 2004; Legorreta & Flores, 1995). Finally, in São Paulo, CMTC acquired a series of new buses in the 1950s and commenced in-house production, especially of trolleybuses, from 1958 onwards (Prefeitura de São Paulo, 2017).

The burgeoning expansion of the urban area significantly elevated the unit costs associated with the production and operation of the service.³¹ Simultaneously, the policy adopted by various governments to keep fares relatively low, making them affordable to a significant portion of the local population but without providing requisite subsidies, resulted in persistent economic and financial imbalances for these transportation companies.³²

In response to the challenges posed by demographic and urban growth, including rising costs and financial deficits, state-owned transport companies initiated a reduction in their bus operational roles. This involved progressively delegating concessions and permissions to the private sector, exacerbating the economic challenges faced by these state-owned companies.

The Politics of Critical Juncture – Bringing the Private Sector Back In

Following the transformative shock of demographic growth and urban expansion on the public transport network, the era of centralized, efficient, and affordable state bus systems concluded in numerous Latin American cities. In this transition, drivers, associations, or private bus companies, initially marginal players during the municipalization era, gained increased prominence in the urban transport sector. Nonetheless, the privatization of urban buses, considered an episode of innovation in many Latin American cities, unfolded in diverse ways across the region. The subsequent sections illustrate these variations.

Buenos Aires

In contrast to trends observed in other Latin American urban centers, the privatization of bus services in Buenos Aires featured active involvement from bus drivers. This dynamic was influenced by intricate governmental relations closely linked with the *UTA*, a prominent labor

³¹ Analytic Note: In line with the economic literature on transportation, expansions in the urban area result in even more substantial increases in the unit costs of service production. In simpler terms, the larger the city, the higher the unit costs associated with providing transportation. This phenomenon is attributed to the spatial growth of the city, which leads to an extended average travel distance and necessitates an expansion in service spatial coverage. Consequently, any improvements in transport service productivity might not fully offset the rise in unit costs linked to service production (Sandroni, 2011).

³² Analytic Note: Since the mid-20th century, fare-related matters have been a significant source of conflict between transportation users and governmental authorities. In 1947, for instance, following an escalation in tram and bus fares, São Paulo experienced a fervent mobilization that led to the occupation of various public buildings, including CMTA and City Hall. The protest even involved the stoning of the car belonging to the then acting mayor, Stokler das Neves (Duarte, 2005). The intensity of the demonstrations was so substantial that the fare adjustment was temporarily halted, and it was only in 1953, six years later, that the fare saw a readjustment.

union representing certain public transport workers in Argentina. This close alignment between the government and drivers was particularly evident during the presidency of Juan Domingo Perón (1946-1955; 1973-1974).

Under President Perón's leadership in July 1955, the initial phase began with the transfer of vehicles from *TBA* to state-employed drivers.³³ This allocation, at a ratio of one vehicle for every two employees, resulted in 795 vehicles being transferred to 1,590 operators/owners. Subsequently, in 1961, 49 bus lines and 1,463 vehicles transitioned to private ownership. Additionally, from 1962 to 1963, the replacement of trams and trolleybuses with conventional buses marked the completion of privatization. Throughout the 1960s, concessions were exclusively awarded to *TBA* drivers or driver associations formed during the first privatization phase, promoted by Perón. Despite privatization, the government retained regulatory authority over the service.

From a political perspective, the form of privatization adopted in Buenos Aires can be attributed to the strong coalition ties forged between political leaders and *colectivo* drivers during the 1940s and 1950s. Before Juan Domingo Perón assumed the presidency in 1946, the urban transport situation in Buenos Aires was highly complex. Despite efforts since 1936 to centralize operations under a single state entity, small business owners and drivers operating *colectivos* resisted expropriation by the State. This resistance to government intervention translated into political support for Perón in the mid-1940s, especially as his potential presidency loomed closer. Notably, on October 17, 1945, also known as "Peronist Loyalty Day," these small private bus operators mobilized in support of Perón's cause (Figure 16).

³³ Resolution no. 240, 1955.

Figure 16. Popular Mobilization on October 17, 1945, Peronist Loyalty Day (*Día de la Lealtad Peronista*)



Source: Página 12 (2021).

When Perón assumed the Argentine presidency for the first time, in 1946, a significant local political support base comprised *colectivo* drivers not yet affiliated with the state company. In this context, numerous transportation policies implemented by the populist left-wing president between 1946 and 1955 aimed to favor this local support base, as well as the broader working class, which played a pivotal role in his electoral success.

During his initial years in office, Perón successfully integrated independent drivers into the State, advancing municipalization efforts through increased federal government involvement in managing and financing Buenos Aires' urban bus system. The CTCBA transitioned into TBA (*Transportes de Buenos Aires*), falling under the jurisdiction of the National Transport Company (*Empresa Nacional de Transportes*) and the Federal Ministry of Transportation. As part of this federalization process, an active policy was adopted to reorganize routes, change their visual

appearance,³⁴ and expand services through the State's acquisition of thousands of vehicles. Additionally, fare control measures were implemented, including freezes or reductions, aimed at alleviating costs for users.

Through these extensive transformations in both quality and affordability, Perón's initial two administrations (1946-1955) converted Buenos Aires' urban bus system into an inclusive top-notch fare regime. Over time, despite occasional periods of fluctuations or decline, empirical analysis suggests that many of these inclusive top-notch characteristics of the bus system have remained consistent, particularly during administrations led by Peronist politicians, although not exclusively.

During Perón's first two administrations (1946-1955), transportation policies were geared towards bolstering Perón's popularity among transport workers.³⁵ Consequently, during the bus system privatization process, despite pressure from organized business interests, the government pursued a policy of gradually transferring vehicles, resources, and operational rights directly to transportation workers. In many respects, this privatization model aligned with Perón's left-wing populist ideology, while also enabling the government to retain the support of the workers. This state-union alignment proved crucial and enduring, as subsequent administrations, particularly under Arturo Frondizi (1958-1962), adhered to this gradual privatization approach centered on empowering bus workers.

Also, the privatization of bus services in Buenos Aires unfolded within a significant backdrop of political, macroeconomic, and organizational factors. Politically, it is notable that both the Perón and Frondizi administrations grappled with substantial tensions with the Argentine military, leading to their respective overthrows in 1955 and 1962.³⁶ The privatization of bus services occurred amid this turbulent political environment, as elected presidents sought to preserve their governance stability amidst coup attempts. Faced with the looming crisis of the

³⁴ Analytical Note: It was during this era that buses in Buenos Aires began to feature the "Fileteado Porteño" style, a distinctive artistic expression that continues to adorn many vehicles traversing the streets of the Argentine capital today.

³⁵ Analytical Note: The enduring alliance between Peronist politicians and transport workers persisted over time. For instance, in 1973, during Perón's bid for a third term as Argentina's president, UTA members staged a demonstration in support of the politician outside his residence. Records of the event are available on the Archivo Histórico de RTA webpage. Link: <https://www.archivorta.com.ar/asset/peron-saluda-a-los-trabajadores-de-la-uta-00-09-1973/>

³⁶ Analytical Note: The initial phase of privatization took place on July 8, 1955, during Perón's tenure. This period in Argentina was marked by a political crisis following an initial military coup attempt, highlighted by the bombing of Plaza de Mayo on June 16, 1955. The second stage of privatization unfolded amidst ongoing violence between civilian and military armed factions across the nation.

state transport company, these presidents chose to extend support to a politically organized group entrenched in Buenos Aires, which had served as a crucial supporter of the regime in the preceding years.

Economically, the privatization of bus services in Buenos Aires was marked by the macroeconomic and industrial landscape prevailing in Argentina during the 1950s and the 1960s. Initially, both phases of privatization occurred against the backdrop of relative macroeconomic stability at the national level, creating favorable conditions for aspiring bus operators. This stability provided an advantageous business environment for acquiring and maintaining vehicles, facilitating the transition from smaller, less profitable minibuses to larger and more lucrative vehicles. Furthermore, post-Second World War policies incentivized significant changes in Argentina's economy, particularly in the heavy automobile sector. Manufacturers such as Mercedes-Benz and Scania established a presence in Argentina during the 1950s, bolstering domestic heavy vehicle production. This catalyzed the growth of a robust national automobile market, supported by government policies, facilitating access to vital inputs for new local bus operators. Consequently, the privatization era saw improved vehicle quality, characterized by enhanced technical and operational attributes.

Finally, another crucial aspect of the Buenos Aires bus privatization was the level of organization among drivers. Historical records indicate that the *UTA* was well-structured during this period, maintaining key relationships with other national union movements like the *Confederación General del Trabajo* (CGT) and governmental figures, particularly Peronists. Even before Perón's initial privatization phase, bus drivers had voiced opposition to privatization models involving worker layoffs. Consequently, the adopted model aimed to benefit them, particularly in light of limited external/international interest in the sector.³⁷

Consequently, the Argentine State's privatization strategy for urban bus services, primarily involving several concessions to former state company employees, resulted in a significant proliferation of bus operators. To address this issue, many drivers expanded an existing organizational model known as "*sociedad de componentes*."³⁸ This cooperative

³⁷ Analytical Note: In 1952, Perón attempted to privatize bus services via an international tender; however, no interested parties came forward.

³⁸ Source Excerpt in Spanish: "la forma social mediante la cual se organizaba la prestación del servicio de colectivos era la sociedad de componentes. En esta estructura económica, cada línea estaba compuesta por varias unidades y los mismos choferes eran dueños de un coche o de una parte de este. En cuanto a su tamaño, las líneas tenían en promedio 40 coches por recorrido y un número similar de empresarios." (Pérez, 2021, p. 4).

arrangement, as described by an interviewee, involved members who owned one or more vehicles, collectively managing various aspects of the service, including maintenance, driver payments, repairs, and aesthetic upkeep.³⁹ Despite its decentralized nature, the overall professionalism of these cooperatives remained low during privatization, and notably, the concept lacked legal regulation by the Argentine State.⁴⁰

From a comparative perspective, the *sociedad de componentes* in Buenos Aires exhibited a lower degree of organization and professionalism compared to the private bus companies in São Paulo. Nonetheless, they boasted a more advanced organizational framework in contrast to the private transport organizations in Mexico City.

The regulatory framework governing bus services during privatization displayed a blend of comprehensiveness and ambiguity. State intervention in defining routes, fares, and frequencies provided some control over market competition, as each operator's role was specified, and route extensions mandated state approval. *Sociedades* also monitored each other, reporting deviations to authorities for potential sanctions.⁴¹ However, certain service aspects were less regulated. Elements like competitive bidding, vehicle specifications, and operator standards were insufficiently addressed. It was not until the 1970s and 1980s that the Argentine State expanded its regulatory scope, with systematic oversight introduced in 1993 during President Carlos Menem's tenure.

Comparing the privatization regulatory framework of the 1950s and 1960s with Barter's typology, Buenos Aires can be classified as an example of passive franchising. Despite the state's attempts to impose obligations on operators transitioning to private entities, regulations were generally limited, and the state's efficacy in monitoring and enforcing compliance was inadequate. Consequently, while the system exhibited relative organization and transparency in identifying operators and routes, it lacked essential operational prerequisites to elevate it from a

³⁹ Source Excerpt: "The sociedad de componentes was something entirely commonplace, not regulated by any specific rules, but it functioned as a cooperative for its members, who were owners of one or several vehicles and sometimes even a fraction of a vehicle. Cooperative members took care of everything, from maintenance to driver payments, managing these aspects independently, handling repairs, and even contributing to the aesthetic aspects of the vehicles." Data Source: Interview with a transportation specialist, and an Argentine government official.

⁴⁰ Only in the 1970s, with the approval of new state regulations, did *sociedad de componentes* find themselves compelled to transform into legal entities (corporations or *sociedades anónimas*) (Pérez & Bertranou, 2023).

⁴¹ Source Excerpt in Spanish: "Frente a la baja fiscalización estatal, la dinámica de control quedó centrada en las acciones empresarias. Estas desarrollaron un mecanismo de vigilancia cruzada entre empresas mediante el cual los desvíos de recorridos no autorizados, o cualquier violación a las normas que pudiera afectar la rentabilidad o el funcionamiento esperado de alguna, era rápidamente denunciado a la autoridad" (Pérez, 2021, p. 8).

medium-quality to a high-quality system. However, the substantial state intervention in fare control, combined with relatively low operational costs due to minimal requirements, led to a privatization model where fares, on the whole, remained affordable.

Mexico City

Although sharing some similarities, the privatization of bus services in Mexico City followed a distinct path from that observed in Buenos Aires. While both cities achieved affordability through privatization, Buenos Aires maintained medium service quality levels, whereas Mexico City experienced a decline, leading to the establishment of a low-quality system.

Considering the parallels between the two, both the Argentine and Mexican privatization processes unfolded swiftly, spanning less than a decade, against a backdrop of political turbulence. In Mexico City, the transition from state to private sector dominance coincided with the tumultuous period of the 1980s and 1990s, marked by an institutional crisis within the hegemonic PRI party.⁴² Economic downturns and austerity measures, compounded by events like the devastating 1985 earthquake, strained the PRI's corporatist model in the Mexican capital.⁴³ Faced with dwindling urban political support, the PRI struggled to address escalating public transit demands amidst a severe macroeconomic crisis, a contrast to the relatively stable economic conditions witnessed in Buenos Aires and São Paulo during their privatization endeavors.

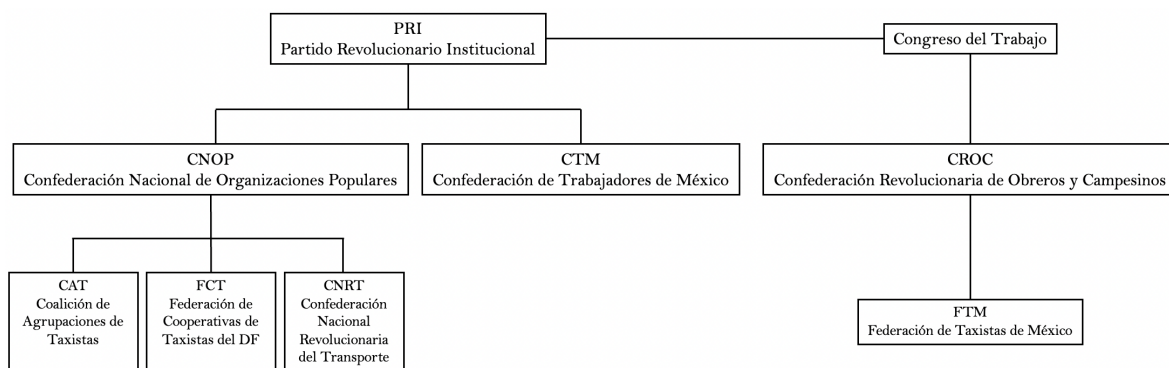
In response to the urban crisis, PRI leaders in Mexico City strategically leveraged bus service privatization to bolster certain elements of the party's corporatist structure. This included

⁴² Analytical Note: The PRI formally governed Mexico City between 1928 and 1997.

⁴³ Analytical Note: Multiple sources, including historical documents and interviews, document the significant impact of the 1985 earthquake on Mexico City. Apart from the evident physical devastation, the earthquake also altered the perceptions of many citizens regarding the governance of the Mexican capital under the PRI. As noted by Davies (1994): "The September 1985 quake threw millions onto the street and wrought widespread infrastructural destruction. Equally important, the quake tarnished the reputation of Mayor Aguirre and shook the faith of many in the Mexico City government, the PRI, and the Mexican political system as a whole by exposing the inability of local and national politicians to manage the city's most basic services in a time of disaster. Widespread questioning of the ruling party and politics, as usual, rose to the surface because the earthquake hit three of the most mobilized and politically active neighborhoods of the city, where local residents were already well organized in urban social movements and beginning to challenge the evident neglect of popular demands. [...] Another reason the earthquake gave life to long-standing urban opposition to the PRI was that both local and national governing agencies failed to rapidly or efficiently assess the political and material damage. Indeed, the earthquake spurred Mexico City residents to struggle for greater participation and control over urban servicing and their own political destinies, which challenged the PRI as never before" (p. 281-282).

reinforcing collective taxi groups associated with the *CNOP*, *CTM*, and *CROC* – corporative organizations created in the 1930s and 1940s to facilitate popular and labor participation in party politics. In this process, multiple bus service concessions were granted to collective taxi groups such as the *Coalición de Agrupaciones de Taxistas del DF (CAT)* and others (Legorreta & Flores, 1995). Figure 17 depicts the interrelations and connections between these different PRI corporatist organizations, particularly during the 1980s.

Figure 17. PRI Corporatist Structure and Main Transport Associations



Source: Legorreta and Flores (1995, p. 158-159).

Concurrently, the privatization effort in Mexico City aimed to diminish the influence of the state bus company, *Ruta 100*, which had started aligning itself with opposition parties like the *PRD* and opposition organizations like the *EZLN*.⁴⁴ This opposition strategy of *Ruta 100* workers led the government to initiate a downsizing of its fleet and routes. From the mid-1980s to 1995, the state company's bus fleet diminished from 7,000 vehicles to 2,783, and its workforce underwent a reduction from 23,000 to 8,600, encompassing drivers and other employees (Wirth, 1997)

Additionally, since its establishment in 1982, the *Ruta 100* workers union (*Sindicato Único de Trabajadores de Autotransportes Urbanos de Pasajeros Ruta-100 - SUTAUR-100*) has

⁴⁴ Source Excerpt in Spanish: “Una de las memorias que tengo de la Ruta 100 de los años ochenta y noventa era la vinculación con el Movimiento Proletario Independiente (MPI). Los autobuses siempre tenían propaganda del MPI y su “no a la farsa electorera”. El líder del MPI era a su vez el abogado de Ruta 100 y, en algún momento acusado de participar en el Ejército Zapatista de Liberación Nacional (EZLN).” Data source: (2019, June 12). "Centro de Barrio | El retorno de Ruta 100". El Sol de México. <https://www.elsoldemexico.com.mx/analisis/centro-de-barrio-el-retorno-de-ruta-100-3752629.html>

resisted assimilating into the corporatist framework of the PRI. A notable instance of this resistance is that the SUTAUR-100 was not affiliated with the *Congreso del Trabajo (CT)*,⁴⁵ an organization aligned with the PRI (Figure 17), but rather with the *Unión Obrera Independiente (UOI)*,⁴⁶ an entity that opposed the government's corporatist bureaucratic structure. Also, Ruta 100 workers frequently promoted a series of protests in the Mexican capital (Figure 18, as an example).⁴⁷

The privatization model adopted in Mexico City aimed to address four primary objectives. Firstly, privatization sought to navigate the local political crisis by strengthening a crucial base of political support – namely, transport organizations – while also addressing the growing demand for public transit, particularly in peripheral areas. This was perceived as a strategic move to shore up support amidst electoral challenges and waning voter confidence in the party's leadership.

Secondly, the privatization model aimed to mitigate the impact of the economic crisis in Mexico City. Following the global privatization trend of the 1980s and 1990s, it was anticipated that granting concessions to individual transport drivers with minimal financial burdens on the government would yield positive outcomes for local employment. Emphasizing a low-capacity

⁴⁵ Source Excerpt in Spanish: “El Congreso del Trabajo (CT) ha sido el último intento para unificar el movimiento obrero organizado en México. Su formación es resultado de la fusión de las confederaciones y los sindicatos de industria nacionales. El CT ha seguido, en general, "la orientación marcada por la CTM de alianza con el Estado". Data Source: Lastra, 1999. Available at: <http://historico.juridicas.unam.mx/publica/rev/hisder/cont/14/cnt/cnt3.htm#N1>

⁴⁶ Source Excerpt in Spanish: “El 1o. de abril de 1972 se constituyó la Unidad Obrera Independiente (UOI), con el propósito de tener una organización disciplinada de los trabajadores, manejada por ellos mismos. En 1983 contaba con una membresía aproximada de doscientos mil trabajadores. Esta central agrupa tres tipos de asociados: a) Los sindicatos que hayan logrado su independencia del aparato burocrático patrono-gobierno. b) Grupos sindicales de cualquier central o sindicato. c) Trabajadores sindicales o agrupados.” Data Source: Lastra, 1999. Available at: <http://historico.juridicas.unam.mx/publica/rev/hisder/cont/14/cnt/cnt3.htm#N1>

⁴⁷ Examples of SITAUR-100 demonstrations:

(1) Source Excerpt (in Spanish): "En 1989 se declaró inexistente una huelga que iniciaron los trabajadores de Ruta 100; en el intento fallido, hasta el ejército entró a operar el transporte. Aparentemente el sindicato perdió fuerza, pero con el paso del tiempo terminó fortalecido y, a su vez, Ruta 100 alcanzó costos estratosféricos de operación, o al menos eso fue lo que se acusó cuando se declaró la quiebra en 1995." Data source: (2019, June 12). "Centro de Barrio | El retorno de Ruta 100". El Sol de México. <https://www.elsoldemexico.com.mx/analisis/centro-de-barrio-el-retorno-de-ruta-100-3752629.html>

(2) Source Excerpt (in English): "In March 1995, SUTAUR-100 went on strike for higher wages. The strike included SUTAUR-100 actions to block the city's main arteries with 2,500 Ruta-100 buses, violent confrontations between the strikers and police, and hundreds of public demonstrations directed against the DF government. The capital administration broke the strike by incarcerating eleven top SUTAUR-100 officials and deploying the police and army to take control of Ruta-100 operations. A judge who planned to release the 11 SUTAUR-100 leaders and a magistrate in charge of investigating the charges against them were assassinated (Gonzalez Ruiz 1996; Proceso 26 June 1995, 20)." Data Source: Wirth, 1997, p. 177.

vehicle model necessitated a greater number of buses to meet demand, thereby creating more job opportunities for drivers. Additionally, the surge in vehicle sales also benefited groups affiliated with the automobile industry, amplifying the economic advantages of privatization for certain PRI-related entities.

Figure 18. Protest by Ruta 100 Workers in 1989



Source: INEHRM (2019).

Regarding this matter, a World Bank representative provided the following statement during an interview: “The World Bank, during the crisis of the 1980s, began issuing recommendations regarding the divestment of state-owned enterprises, managed or controlled by the government. One of those recommendations was applied to the public transport system – Ruta 100, for example, in the case of Mexico City. [...] It's hard to say, but the World Bank contributed to this recommendation. We were in the 1980s, a time of crisis or lost growth, ‘the lost decade’. In this context, a recommendation was made that public transport should be handed over to private entities. And in low-capacity units so that it generates employment.”⁴⁸

⁴⁸ Interview with a transportation specialist, and World Bank analyst. Source Excerpt In Spanish: “El Banco Mundial, en en la época de las crisis de los 80s empieza a emitir recomendaciones sobre la desincorporación de las empresas públicas, administradas o manejadas por parte del Estado. Una de esas recomendaciones se aplicó al sistema de transporte público - Ruta 100, por ejemplo, en el caso de Ciudad de México. [...] Es duro decirlo, pero el Banco Mundial contribuyó con esta recomendación. Veníamos en la época de los 80s, en una época de crisis o de crecimiento perdido, "la época de pérdida". En este contexto se saca una recomendación de que el transporte público debería de darse a los privados. Y en unidades de baja capacidad para que eso genere el empleo.”

Third, the empirical analysis indicates that the PRI's primary focus concerning urban mobility was not to invest in bus services but to extend Mexico City's subway network. Since its establishment in 1969, the subway has consistently been a flagship project for the party, with an emphasis on party leaders managing the system and its workforce. Even during economic downturns, PRI leaders prioritized expanding the subway network. To date, the party proudly highlights its role in constructing 11 out of the city's 12 subway lines.⁴⁹ Consequently, from a partisan viewpoint, the data suggests a stronger inclination among PRI leadership towards prioritizing the subway over urban buses.

Finally, as previously mentioned, the privatization model appears to have been influenced by the close ties transport leaders maintained within the PRI government. Reports suggest close relationships between PRI lawmakers and microbus manufacturers, with some leaders of collective taxi groups also holding influential political roles. Additionally, there are allegations of transporters making under-the-table payments to politicians in return for concessions and favors. Furthermore, the services offered by transport drivers played a crucial role in rallying support from the PRI base for party events.

From an organizational standpoint, the privatization of buses in Mexico City adopted a model referred to as *hombre-camión*, which integrates individuals or small associations operating smaller capacity vehicles (microbuses), commonly known as "*peseros*" or "*pulpos verdes*." Under this model, the government issues vehicle license plates to corporatist collective taxi groups, which then sell the licenses to their members in exchange for permission to operate specific transport routes. Each member typically owns one or more vehicles, commonly combis or microbuses, with single-vehicle owners often serving as drivers for their units. In cases where an individual owns multiple vehicles, operations are normally outsourced to drivers, who are

⁴⁹ Source Excerpt in Spanish: "Alejandro Moreno, presidente del Comité Ejecutivo Nacional (CEN) y diputado federal, Rubén Moreira, Coordinador del Grupo Parlamentario (GPPRI) en la Cámara de Diputados, e Israel Betanzos, dirigente del Comité Directivo Estatal (CDE) del Partido Revolucionario Institucional (PRI), afirmaron que la obra civil más grande de la historia de México, construida por gobiernos de este instituto político es el Sistema de Transporte Colectivo (STC) Metro, de la Ciudad de México. Al participar en el 52 Aniversario del inicio de actividades del transporte capitalino y la presentación del libro "Metropolitano. El Metro de la Ciudad de México", del escritor Agustín Dany, organizado por la Secretaría de Gestión Social del CEN, Lorena Piñón, el dirigente nacional afirmó que todo lo que han construido los gobiernos del partido durante décadas, ha sido fundamental para el progreso y desarrollo del país y recordó que fueron éstos los que impulsaron 11 de las 12 líneas del Metro." Data Source: (2021, September 09). "Presume PRI construcción de 11 de las 12 líneas del Metro en la CDMX". El Universal. Available at: <https://www.eluniversal.com.mx/nacion/presume-pri-construccion-de-11-de-las-12-lineas-del-metro-en-la-cdmx/>

seldom formalized and do not receive fixed salaries; instead, they pay a monthly fee for vehicle usage and retain any remaining earnings.

Privatization led to the near-complete deregulation of the bus service. Vehicle licenses issued by the government lacked stringent operational and technical criteria, and there were no comprehensive regulations on sectoral competition. In return for political backing, it was customary for governments to forgo enforcing operational standards stipulated by local laws. In connection to this issue, a prominent PRI leader in Mexico City during the 1980s and 1990s revealed in an interview that it was common practice for the government to forgive traffic fines or suspend regular vehicle inspections in exchange for transport sector leaders refraining from pushing for fare increases: “The fare increase was halted for many years and compensated by canceling fines. One could behave as they pleased in the city – speeding, disregarding traffic lights, making stops in the second or third lane - and they wouldn't penalize you. They would forgive them. It was a vicious cycle because they allowed the regulations to be violated to avoid raising the fare.”⁵⁰

Additionally, the State's limited capacity to monitor operations and enforce compliance rendered regulatory measures ineffective. Licenses were distributed indiscriminately, often favoring close collective taxi groups and PRI political figures. Numerous operators also engaged in operating without a license or duplicating license plates from vehicles registered by the government. Consequently, service provision became highly fragmented, with numerous individual operators competing for market dominance. This fragmentation precipitated a notable decline in service quality compared to the former state-operated bus service, *Ruta 100*.

The sole regulated aspect of the privatized system was the user fare, set by the state and largely adhered to by private operators. During privatization, these fares were relatively low considering the population's purchasing power. Consequently, while service quality remained low, the affordability of the fare ensured accessibility for a significant portion of the population. Interviewees noted that the government's aim in maintaining low fares was to prevent dissatisfaction among Mexico City residents. Many residents disapproved of the

⁵⁰ Interview with a PRI leader in Mexico City. Source Excerpt in Spanish: “El aumento de tarifa se frenó durante muchos años y se compensaba cancelando las multas. Uno podría portarse como quisiera en la ciudad - exceso de velocidad, no respetar los semáforos, hacer paradas en segunda o tercera fila - y no te sancionaban. Te las perdonaban. Era un ciclo vicioso, porque permitían violar el reglamento para no aumentar la tarifa.”

microbus/combi service and preferred the Ruta 100 buses, which were also inexpensive and offered better quality.

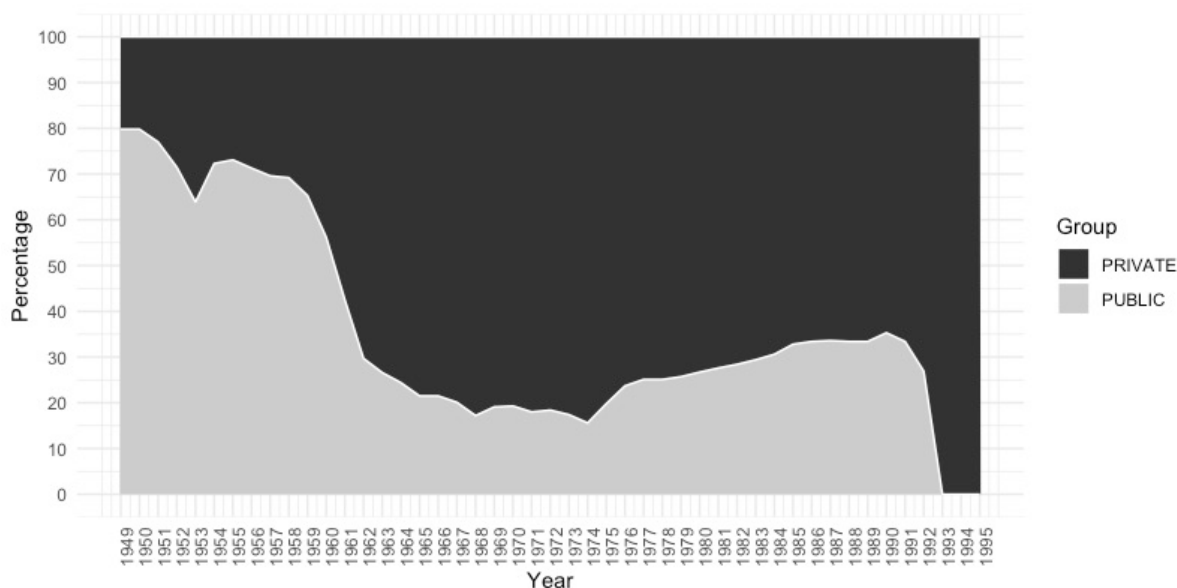
São Paulo

The case of São Paulo presents a distinctive model of bus service privatization compared to analogous initiatives in Buenos Aires and Mexico City. Instead of favoring drivers or governmental-linked organizations, São Paulo pursued a reduction in state involvement in the transport sector through a technocratic approach, entailing the allocation of operational rights to bus private companies.

Relative to other urban centers in Latin America, São Paulo's privatization of bus services unfolded at a more gradual pace, spanning from the 1950s to 1995 (Figure 19). Throughout this trajectory, the state-owned transport entity, *CMTC*, progressively ceded ground to private bus corporations, some of which had been established as early as the 1930s, predating municipalization. Theoretically, these concessions to the private sector were premised on technical principles (e.g., demand-based criteria) and executed through transparent, competitive bidding processes, aimed at establishing comprehensive requirements and obligations for license beneficiaries. However, in practice, business actors in the sector sought to exert influence over concession allocations through enduring ties with local political figures.

As depicted in Figure 19, the privatization trajectory in São Paulo was not entirely linear. While there were phases of notable private sector expansion, particularly in the early 1960s, there were also intervals during which the State regained partial control over bus operations, notably from 1974 to 1990. However, since 1993, the private sector has emerged as the sole operator of bus services in the city.

Figure 19. Share of Public and Private Buses in the São Paulo Fleet - 1949-1995



Source: Author's elaboration using data from (Brasileiro and Henry (1999)).

From a political perspective, the privatization of bus services in São Paulo can be analyzed by considering the coalition of stakeholders in favor of and against increased private involvement in the sector. The pro-privatization coalition comprised various right-wing administrations (both at local and national levels), local media outlets, and private transport companies. In contrast, opposing this coalition were CMTC unionized workers and left-wing or center-left governments that governed São Paulo, especially after the democratization period. Below, I detail the preferences of these stakeholder coalitions and trace the political evolution of bus privatization in São Paulo.

First and foremost, it's essential to highlight that the impetus behind privatization has predominantly come from right-leaning mayors, whether democratically elected or appointed by authoritarian governors or presidents. Throughout the latter half of the 20th century, as privatization unfolded incrementally, right-wing or center-right parties largely controlled São Paulo's political landscape (with only brief intervals of left-leaning governance between 1983-1985 and 1989-1992). Right-wing mayors often possessed technical backgrounds and garnered support from urban sectors more aligned with the private sector than with labor or popular interests. Notably, during the peak of privatization efforts (1950s-1970s), a considerable number

of São Paulo's mayors were engineers, along with their transport secretaries. Political figures like Prestes Maia advocated for ostensibly efficient and technically driven solutions to São Paulo's urban mobility challenges during a period of substantial demographic and urban growth.⁵¹

A speech published on January 2, 1977, by Olavo Setúbal, who served as mayor of São Paulo from 1975 to 1979, illustrates how a significant portion of the city's leadership viewed the municipal transport company as inefficient and negatively influenced by the city politics: “The CMTC was a right idea very poorly executed. It was right because it established that public transportation should have a single concessionaire. But it was poorly executed because it was subject to all the pressures of the worst political condition: favoritism in employment, inefficiency, lack of investments, and paternalistic fares. For about thirty years, starting with the gesture of a certain Captain Joaquim who ran CMTC without the slightest understanding of planning needs, private companies were summoned, through simple authorization letters, to complete work that the municipal company could not accomplish alone. The Setubal administration is now trying to bring order to this orgy of eminently political origins. Or political maneuvers? There is a tendency to turn private firms into subcontractors of the concessionaire, under defined conditions of advantages and obligations. But political pressures continue, don't they?” (Folha de S. Paulo, 1977a).⁵²

Furthermore, starting particularly in 1975, the Brazilian military regime's emphasis on enhancing professionalism and efficiency in transportation services across major urban centers

⁵¹ Analytic Note: Prestes Maia, an engineer, served as the mayor of São Paulo in two distinct periods: from 1938 to 1945 and from 1961 to 1965. He gained prominence in 1930 with his proposal of the “Plano de Avenidas,” which became a cornerstone of urban development in the city. Implemented not only during his mayoral terms but also under subsequent administrations, the plan envisioned a radiocentric circulation system, comprising large radial and marginal avenues connecting various parts of São Paulo. Emphasizing the role of buses in urban mobility, the plan even anticipated the eventual replacement of trams. Upon beginning his second term in 1961, Maia faced the challenge of addressing a significant deficit inherited from the previous local government at CMTC.

⁵² Source Excerpt in Portuguese: “A CMTC foi uma ideia certa muito mal executada. Era certa porque estabelecia que o transporte coletivo deveria ter um concessionário único. Mas foi mal executada porque ficou sujeita a todas as pressões da pior condição política: empreguismo, ineficiente, falta de investimentos, tarifas paternalistas. De uns trinta anos para cá, a partir do gesto de um certo capitão Joaquim que dirigia a CMTC sem o mais pálido entendimento das necessidades do planejamento, companhias particulares foram convocadas, por simples cartas de autorização, a completar um trabalho que a empresa municipal não conseguia realizar sozinha. A administração Setubal tenta agora pôr ordem nesta orgia de origens eminentemente políticas. Ou politiqueras? Tende-se a transformar as firmas particulares em subcontratantes da concessionária, em condições definidas de vantagens e obrigações. Mas as pressões políticas continuam, não é mesmo?”.

likely influenced the adoption of technical, “apolitical” approaches within this sector.⁵³ In this context, one of the primary objectives of the federal military government was to enhance car traffic flow in the nation's large cities, primarily through the training of local traffic engineering bodies, to a greater extent (Requena, 2015), but also through initiatives targeting public transport. Specifically for urban buses, federal investment and technical support mechanisms were established for local governments and private companies to organize and enhance the efficiency of the service. Moreover, from 1968 to 1981, the federal government took charge of determining municipal bus fares across all major cities in the country through the CIP (*Conselho Interministerial de Preços*).

In essence, the technocratic leanings of various São Paulo administrations over the second half of the 20th century facilitated the bus privatization process. These political stakeholders perceived the state-owned bus company as inefficient and believed that the private sector would be less susceptible to negative political influences, driving their support for privatization. Thus, the technocratic approach aligned with a government strategy aimed at diminishing CMTC's involvement while expanding the role of private companies in the sector. Eventually, this trajectory culminated in the dissolution of CMTC in 1995.⁵⁴

⁵³ Source Excerpt (in Portuguese): “A partir de meados da década de 70, o governo federal passou a intervir de maneira sistemática na área de transporte urbano, criando um aparato Institucional especializado e mecanismos de financiamento específicos para o setor. Em 1975, pela Lei 6261 de 14 de novembro, foi definido o Sistema Nacional de Transporte Urbano (SNTU), estabelecendo os principais parâmetros para a formulação e implementação de uma política federal específica para este setor. Em abril de 1976, o Decreto n 77406 criou a Empresa Brasileira de Transportes Urbano (EBTU), como órgão central do SNTU e vinculada ao Ministério dos Transportes. A EBTU caberia promover e coordenar a implantação da política nacional de transportes urbanos e exercer a coordenação técnica dos planos, programas e projetos que incluíssem realização de investimentos em transporte urbano e que necessitassem de apoio técnico ou financeiro da área federal. Com jurisdição em todo o país, as atribuições da EBTU consistem em: dar apoio técnico e administrativo aos órgãos do poder executivo vinculados ao Sistema Nacional de Transporte Urbano; assistir técnica e financeiramente os órgãos metropolitanos e municipais com o fim de promover e coordenar a nível nacional a elaboração; análise e implementação dos planos diretores de transporte urbano, gerir a participação societária do governo federal em empresas de transporte urbano, e, opinar quanto à prioridade e viabilidade técnica econômica dos projetos de transporte urbano. A EBTU caberia, ainda, gerir o Fundo de Desenvolvimento do Transporte Urbano (FDTU). Criado como sub-conta do Fundo Nacional de Apoio ao Desenvolvimento Urbano, o FDTU formou-se a partir da instituição de adicionais de 12% sobre os impostos existentes no setor de transportes: o Imposto unico sobre Lubrificantes e Combustíveis Líquidos (IULCLG) e a Taxa Rodoviária única (TRU). Institua-se, com isto, pela primeira vez na história do transporte no Brasil, mecanismos de financiamento próprios para o setor de transporte urbano.” Data Source: Cheibub, 1985, p. 7-9.

⁵⁴ Analytic Note: According to an interviewee in São Paulo, who held a key director role at CMTC in the 1990s, “the primary justification for the company's (CMTC) dissolution was its lack of sustainability from both operational and economic perspectives; there was no longer a necessity for its existence.” Source Excerpt: Report (in Portuguese) from Francisco Christovam about the CMTC extinction: “Na tentativa de salvar a CMTC, foi realizado um estudo detalhado de reengenharia, cujo objetivo era analisar as possibilidades de manutenção das suas atividades, fossem elas do ponto de vista institucional, empresarial ou operacional. Dentre as várias opções

The governmental technocratic orientation was exploited by bus companies to their advantage. Through bus company associations, private entities lobbied for favorable terms in negotiations with the government. For instance, a June 1977 article in the newspaper *Folha de S. Paulo* documented instances of bus operators bribing city councilors, highlighting attempts of state capture. In sum, this bribe aimed to influence the content of a crucial law in the privatization process, highlighting the significant role of business interests as a lobbying force (Figure 20).

Additionally, in October 1977, *Folha de S. Paulo* reported that representatives of transportation entrepreneurs from São Paulo met with the then-military president, Ernesto Geisel (1974-1979), expressing concerns over the "notorious growth of subsidized and competing public companies" and condemning "all direct and indirect nationalization procedures."

apresentadas para melhorar o desempenho da empresa, analisou-se a possibilidade da operação de linhas troncais em corredores segregados, a operação exclusiva de linhas alimentadoras de terminais de integração e até uma operação seletiva, utilizando somente veículos elétricos ou de grande porte. Como nenhuma hipótese mostrou ser viável, passível de ser implantada num prazo razoável e capaz de reduzir, drasticamente, o prejuízo gerado aos cofres públicos, na condição de acionista majoritária, a Prefeitura determinou o encerramento das atividades da companhia. Considerando as questões jurídico-administrativas, a situação econômico-financeira e o passivo trabalhista da empresa, optou-se por um processo diferenciado de privatização. Assim, para atingir o resultado esperado, decidiu-se transferir para a iniciativa privada, via processo licitatório, a operação das garagens, das linhas e da frota e não o controle acionário da empresa. Para realizar a transferência da operação das linhas, nos moldes da legislação vigente à época – Lei Municipal Nº 11.037/91 –, o processo licitatório foi dividido em três etapas. Na primeira, foram abertas vinte concorrências públicas, para a contratação de empresas privadas para a operação das linhas de ônibus, com novos veículos, pertencentes às empresas vencedoras do certame licitatório. Após a assinatura dos contratos com as 17 empresas vencedoras da licitação, cerca de mil novos ônibus foram introduzidos no sistema, substituindo veículos velhos da CMTC, que foram desativados e leiloados como sucata. Numa segunda etapa, foram realizadas outras quatro concorrências públicas, cujo objeto foi a operação das linhas de ônibus; porém, utilizando cerca de 1.500 ônibus ainda de propriedade da CMTC. Quando algum veículo dessa frota atingia o limite da sua vida útil ou perdía as condições de operacionalidade era, então, substituído por ônibus novos, de propriedade da empresa privada. Numa terceira etapa, foram realizadas mais três concorrências públicas, para a transferência da operação das linhas das três garagens que operavam veículos elétricos, do tipo trólebus. Nesse caso, adotou-se o conceito de operação de frota pública, ou seja, a empresa privada deveria operar as linhas com veículos pertencentes à empresa pública, pagando aluguel pela utilização da frota e das instalações fixas – garagem, pátio e oficinas – que continuaram de propriedade da CMTC. Assim que encerradas as atividades da Companhia Municipal de Transportes Coletivos – CMTC, em 8 de março de 1995, nascia a São Paulo Transporte S/A – SPTrans que, com um pouco mais de mil empregados, todos oriundos da extinta CMTC, se propunha a ser uma empresa de inteligência na sua área de atuação." Data source: (2021, July 26). Instituto de Engenharia. Available at: <https://www.institutodeengenharia.org.br/site/2021/07/26/por-francisco-christovam-cmtc-e-carris-a-historia-se-repete/>

Figure 20. Evidence of Lobbying by Bus Companies in the São Paulo City Council



Source: Folha de S. Paulo (1977).

In opposition to the political and economic forces favorable to privatization, there were reactions and counter-reactions from stakeholders seeking to challenge the increased private participation in urban bus operations. In this sense, several conflicts arose between the CMTC drivers' union and the right-wing government. For instance, during the Brazilian military dictatorship, instances of repression, torture,⁵⁵ and direct government intervention in the union

⁵⁵ Source Excerpt (in Portuguese): "A Comissão Estadual da Verdade Rubens Paiva ouviu nesta terça-feira, 15/10, o depoimento do ex-sindicalista Firmino Cardoso dos Santos. A oitiva foi conduzida pelo deputado Adriano Diogo (PT), presidente da comissão, e pelo coordenador do Subgrupo dos Trabalhadores da Comissão Nacional da Verdade, Sebastião Neto. Cardoso relatou que, nascido em Sergipe, veio para a cidade paulista de Santo Anastácio em 1945 e transferiu-se para a capital em 1947, ano em que começou a trabalhar como cobrador na Lapa Auto Ônibus. A empresa foi encampada pela CMTC e Cardoso foi promovido a motorista. Ele trabalhou na CMTC até 1981. Militante do Partido Comunista, Firmino era dirigente do Sindicato dos Condutores de Veículos de São Paulo quando o órgão sofreu intervenção, em 1975. Assim como outros sindicalistas, ele foi preso e levado ao DOI-Codi,

occurred.⁵⁶ In the 1990s, as privatization reached its completion, while many *CMTC* workers were absorbed into the new public company (*SPTrans*) established to oversee the private operation of the service, there were also instances of conflict stemming from drivers' resistance to the cessation of the state-owned company's involvement in city bus operations.

Furthermore, the limited instances of left or center-left governance in São Paulo during the latter decades of the 20th century also resisted privatization efforts. Under the administrations of mayors Mário Covas (1983-1985) and Luiza Erundina (1989-1992), significant confrontations arose between the government and private transportation firms.⁵⁷ Overall, both administrations aimed to diminish the influence of these companies and enhance the state's ability to regulate the service, particularly by exerting greater control over the system's financial operations.

However, despite the resistance demonstrated by opposition groups, they couldn't entirely halt the privatization momentum. The prolonged dominance of right-wing and technocratic administrations in the city, coupled with a persistent media campaign highlighting the perceived inefficiencies of *CMTC*, aligned with influential private companies possessing considerable mobilization capabilities, gradually reduced the operational role of the public sector.

onde ficou por cinco dias, sendo depois transferido para o Dops e para o presídio do Hipódromo, na capital paulista. Ele contou que no DOI-Codi foi torturado. "Eles queriam saber se nós éramos comunistas. Enquanto a gente não confirmava, era cacetada. Como eu não dizia nada, ameaçavam me jogar no rio Tietê", disse. O período total de prisão foi de seis meses. Posteriormente, Firmino foi absolvido e recuperou seus direitos políticos e sindicais. Voltou ao trabalho, mas nunca mais exerceu atividades no sindicato em que foi vice-presidente e secretário-geral. Firmino Cardoso dos Santos tem 86 anos e disse em seu depoimento que não gosta de lembrar o que aconteceu naquele período. Data source: (2013, October 15). "Comissão da Verdade ouve ex-líder do sindicato dos condutores". Assembleia Legislativa do Estado de São Paulo. <https://www.al.sp.gov.br/noticia/?id=338830>

⁵⁶ Source Excerpt (in Portuguese): "No período da Ditadura Militar, entre as décadas de 60 e 70, o sindicato, assim como todo o movimento sindical brasileiro, passou por uma fase muito difícil, sofrendo três intervenções do Governo que designou uma junta governativa para comandar a entidade, o que não impediu o crescimento da representação de trabalhadores de vários setores de transportes." Data Source: "Historia do Sindicato". Sindmotoristas. <http://www.sindmotoristas.org.br/historia-do-sindicato/>

⁵⁷ Analytical Note: Mário Covas, for instance, initiated an intervention in private bus companies in 1984. This action came after business owners protested against the mayor's refusal to approve a fare increase. As companies threatened to reduce bus services in the city, the mayor authorized *CMTC* to intervene in their operations. This intervention uncovered several irregularities, particularly in how companies calculated and reported their costs to the local government. Campos (2016, p. 82-86) provides a detailed account of the "Transport Intervention." Similarly, Luiza Erundina also confronted conflicts with private bus operators, particularly regarding fare adjustments. Since 1988, even during her electoral campaign, Erundina had criticized the influence of companies and opposed privatization. As mayor, in response to constant pressure from companies for fare hikes, Erundina approved Law No. 11,037 in 1991. This law transferred the financial management of funds collected through fares from private companies to the State, thereby reducing their control over the process.

From a legal perspective, São Paulo's case epitomizes an active, well-regulated franchising model (Barter, 2008). Analysis of concession contracts inked between the government and private entities during this period (particularly post-1976) reveals comprehensive arrangements governing market competition, route delineation, fare structures, service frequencies, and minimum vehicle specifications. In theory, privatization introduces a regulatory framework mandating operators to deliver high-quality services.

Certainly, the prolonged trajectory of privatization over multiple decades facilitated a thorough reevaluation and, to a certain degree, refinement of regulatory frameworks, thereby facilitating the establishment of a more technically sophisticated regime. In contrast to the more abrupt privatization experiences observed in Buenos Aires and Mexico City, São Paulo's privatization process unfolded gradually, affording additional opportunities for iterative review and potential enhancement of regulatory protocols.

Nevertheless, despite this robust regulatory apparatus, São Paulo grappled with the challenge of limited state capacity vis-à-vis the emergence of an oligopoly of influential private transport enterprises, capable of shaping local political and economic dynamics. While *CMTC* boasted considerable resources,⁵⁸ its ability to regulate and penalize private operators was rather limited. Additionally, with the end of the military dictatorship and the economic crisis in the 1980s, the local government's capacity to finance and oversee the bus service was greatly diminished, as the federal government relinquished control over fares and reduced its technical and financial assistance (Campos, 2016a; Cheibub, 1985).⁵⁹ Concurrently, the increasing influence wielded by bus corporations in the local political sphere bolstered their power to sway the sector and undermine the state's regulatory authority.

As a result, the São Paulo privatization model led to a situation where, despite regulations designed to ensure high service standards, the quality of urban bus services averaged out at a moderate level. Services were better in central neighborhoods and poorer in peripheral areas. Regarding fare structures, while initially affordable in the early stages of privatization,

⁵⁸ Analytical Note: *CMTC* was once regarded as the world's second-largest bus company.

⁵⁹ Source Excerpt in Portuguese: “Desde 1968, a arena decisória em torno da definição do preço das tarifas se localizava no nível federal. Esta era definida internamente ao Conselho Interministerial de Preços (CIP) com o objetivo de controlar a economia nacional. Fazia apenas três anos que a ditadura civil-militar havia decidido repassar para os municípios estas decisões, reposicionando o custo político pelos aumentos de tarifas para o nível local, reduzindo as probabilidades de evasão de culpa por parte dos prefeitos e colocando novas possibilidades para a governança urbana” (Campos, 2016, p. 82).

fares escalated over time, particularly under pressure from private operators seeking higher profit rates. Consequently, a once-affordable, inclusive top-notch bus system metamorphosed into a prohibitive high-end fare regime type – especially for segments of the population with limited purchasing power.

Long-term Legacies

In broad terms, the effects of privatization on urban bus systems in major Latin American cities have led to at least three notable policy legacies that democratically elected officials have struggled to alter.

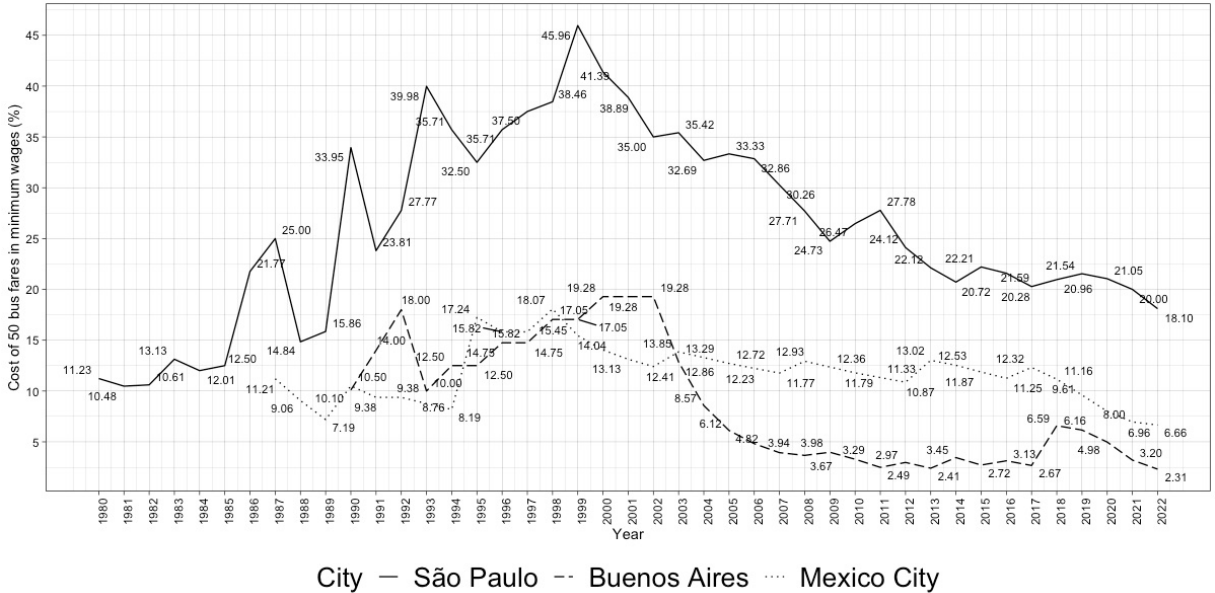
The first legacy pertains to the overall affordability of urban buses. Fare structures implemented during the privatization phase have demonstrated notable durability. Cities that initially established affordable, low-fare systems (such as Buenos Aires and Mexico City) during privatization seem to have maintained this characteristic over time, albeit with some adjustments influenced by external factors (such as macroeconomic instability).⁶⁰ Presumably, the sustained provision of low fares for an extended period could be linked to concerns about a potential political backlash against increases in essential service fares, a phenomenon commonly observed in developing countries. Consequently, the apprehension of encountering contentious political reactions may prompt democratically elected governments to lean towards maintaining service prices at relatively low levels, in a sort of “policy trap” (Bril-Mascarenhas & Post, 2015).

In contrast, cities like São Paulo, which introduced bus services with relatively high fares compared to the income levels of their populations, particularly the poorest, have seemingly perpetuated this pattern in the post-privatization era. As depicted in Figure 21, São Paulo's fare levels have consistently exceeded those of other large Latin American cities since at least the late 1980s. The decline observed after 1999 is primarily attributed to the policy of a real increase in the national minimum wage rather than a reduction in bus fare values. Unlike in other cities in the region, fare adjustments in São Paulo typically occur annually, except in election years. Despite the implementation of a subsidy policy for urban buses since the 1990s, these subsidies seem to have a more immediate impact on the quality of service than on the fare paid by the user. According to some interviewees, the continuation of this trend could be attributed to the

⁶⁰ As depicted in Figure 21, the uptick in bus fares in Buenos Aires, reaching their peak levels in recent decades, aligns with the economic turmoil witnessed by Argentina at the close of the 20th century and the onset of the 21st century.

significant political and economic influence that private bus companies still wield in the local urban landscape.

Figure 21. Cost of 50 Bus Fares in National Minimum Wages (São Paulo, Buenos Aires, and Mexico City)



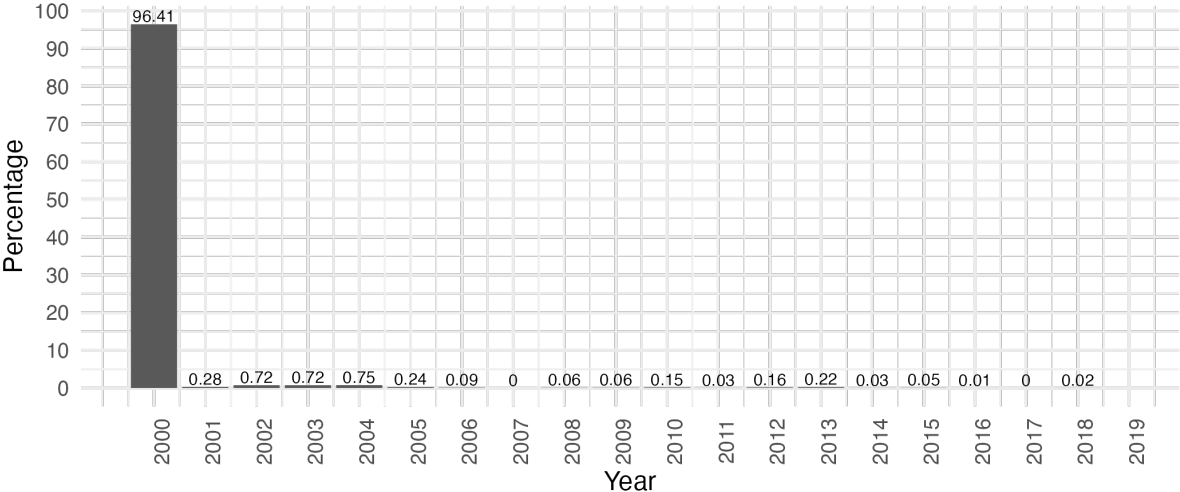
Source: Information regarding bus fares was gathered from Buenos Aires Data (2024), Di Ciano (2016), Gobierno CDMX (2017), Gobierno de México (1987, 1990, 1995, 1996), Gobierno del Distrito Federal (1999, 2008, 2013) and SPTrans (2024). Information regarding National Minimum Wages was gathered from ILO Stat (2023). Note: The chart illustrates the portion of the national minimum wage needed to cover the cost of 50 bus fares. This affordability calculation method aligns with the approach employed by the CAF - Development Bank of Latin America and UNESCO, which considers the average expenses for monthly round trips.

In examining the enduring impact of privatization on urban bus systems, another significant legacy emerges concerning the overall quality of service provision. Much like fare structures, quality standards established during the privatization era have demonstrated a remarkable degree of persistence over time, contributing to the formation of stable service levels.

Illustrating this legacy is the case of Mexico City, where the effects of privatization remain evident. Presently, a substantial proportion of public bus journeys in the city are still conducted using combis and minibuses operated by individual proprietors or small collectives under the *hombre-camión* model. These operators continue to deliver services characterized by low quality, irregular frequencies, featuring aged vehicles, lacking amenities, untrained personnel, and unsafe travel conditions. Notably, a considerable portion of the vehicles acquired

during the privatization wave of the 1980s and 1990s remains in circulation across the city, notwithstanding formal regulations stipulating a maximum vehicle age of 10 years (see Figure 22).

Figure 22. Composition of CDMX Microbus Fleet in 2018, According to Vehicle Year (%)



Source: Author’s elaboration with data obtained from Secretaría del Medio Ambiente de la Ciudad de México (2021). Note 1: Total number of microbus vehicles: 20,459. Note 2: The year "2000" should be read as "2000 and older".

Despite recent endeavors by democratically elected administrations aimed at reforming the system and improving service quality – illustrated by initiatives like the implementation of *Metrobús*, a *Bus Rapid Transit (BRT)* system, and efforts to consolidate individual operators and collectives into more professionally managed entities – progress has generally been gradual and incremental. Interviews with officials in Mexico City reveal an acknowledgment that microbuses are essentially self-regulated; *SEMOVI (Secretaría de Movilidad)* lacks monitoring and enforcement capabilities. The only aspect over which the government maintains strict oversight, reminiscent of the height of privatization, is the regulation of fare prices – a matter periodically embroiled in conflicts between private operators and government authorities. In this regard, it appears that Mexico City's bus system, particularly in the *hombre-camión* modality, has become trapped in a cycle of cheap service trap that successive administrations have found exceedingly challenging to alter.

Moreover, a final noteworthy legacy pertains to the organizational dynamics within the sector across the analyzed cities, particularly concerning the composition of private entities. Presently, it is evident that a significant proportion of bus operators in Buenos Aires, Mexico City, and São Paulo are still comprised of the same companies, individuals, or families that were established during the privatization era. While there have been isolated instances of stakeholder changes, the majority of key actors have persisted over time.

In Buenos Aires, despite observed trends toward business concentration over the past three decades (Pérez & Bertranou, 2023), the majority of present-day bus companies trace their origins back to the 1950s, during the initial phase of service privatization. According to some interviewees, while some firms have expanded and heightened their levels of professionalism in recent years, many of their leaders hail from families that obtained operating permits during the 1950s and 1960s. A prime example is the *DOTA* group, presently the largest transport company in the metropolitan area of Buenos Aires, commanding approximately 20% of the city's bus fleet.

Similarly, in São Paulo, the dynamics echo those of Buenos Aires. Though new private players entered the scene in the early 2000s, spurred by policies aimed at formalizing informal transport, a significant portion of today's operating companies originated during the privatization eras of the previous century. Key contemporary bus firms, such as *Sambaíba*, *Viação Gato Preto*, and *Santa Brígida*, trace their roots to this period. According to certain interviewees, many of these entities wielded considerable influence over the sector in the past and continue to do so today, consolidating substantial political and economic power.

In the context of Mexico City, interviews with government officials and operators affirm the persistence of the actor structure established during privatization in various respects. Numerous operators that entered the sector in the final two decades of the previous century remain active, predominantly under the *hombre-camión* model or through firms operating Metrobús buses or within concession corridors formalized by the state in recent years. According to a senior government bureaucrat, even today, "many individual operators from the past still maintain a spatial monopoly over parts of the city."

From a governmental perspective, the endeavors of recent democratic administrations to instigate changes in the bus service have encountered limitations imposed by inherited structures

and agreements. Politicians and bureaucrats across different contexts highlight the challenges in effecting substantive transformations due to entrenched legacies from previous eras.

In Mexico City, a senior government official revealed during an interview that many of their initiatives target the dismantling of the "*hombre-camión* trap," a complex web of arrangements that obstructs meaningful improvements in the bus service. This structural barrier hampers the government's capacity to enact significant reforms.

Similarly, in São Paulo, reports from high-ranking government bureaucrats underscore the difficulties in altering entrenched structures inherited from the dictatorship period. Despite efforts to enhance the capacity of the public company, SPTrans, over recent years, private entities have retained significant influence over the sector. During the periodic system bidding renewal process every decade, well-established companies often wield considerable sway in shaping the general operating regulations of the urban bus service, further entrenching their dominance.

2.5. Conclusion

This chapter has provided insights into the varied paths taken by urban bus services in major Global South cities, highlighting the significant influence of privatization initiatives during authoritarian or fragile democratic regimes. Through an examination of the historical evolution of urban transportation systems, this research has clarified how unique political, economic, and social factors have influenced decisions regarding privatization and subsequent policy outcomes in the urban transportation sector.

The analysis also reveals that the privatization of bus services in the second half of the 20th century served as a critical juncture in some Global South cities, fundamentally restructuring power dynamics and service standards within the sector. While this episode of innovation occurred in several places over the past century, the implementation of privatization varied significantly across cities, leading initially similar bus systems to divergent outcomes.

For instance, the analysis of the privatization of urban bus services in Buenos Aires, Mexico City, and São Paulo reveals distinct trajectories and outcomes, shedding light on the intricate interplay between political orientations, stakeholder coalitions, and historical contexts. Each city's privatization process unfolded within a unique political landscape, shaping the nature

of the public-private coalition and ultimately influencing the legacies of urban transportation in these cities.

In Buenos Aires, the left-wing populist approach to privatization led to an inclusive top-notch legacy characterized by affordable fares and relatively high service quality. This model, initiated under Perón's government, prioritized the interests of workers and relied on federal support to navigate the complexities of the privatization process. The close ties between the left-wing populist administration and the workers' union, particularly the *Unión Tranviarios Automotor (UTA)*, were instrumental in shaping the outcome. In a context of high political instability, the alignment of the government's agenda with the priorities of the union ensured a collaborative approach to privatization, where the concerns and needs of workers were given due consideration.

In contrast, Mexico City pursued a corporatist approach to privatization under the PRI administration, yielding an urban bus system characterized by low quality but affordable fares, thus manifesting what can be termed as a "cheap service trap" fare regime. Against the backdrop of a political crisis, PRI policymakers in Mexico City strategically employed bus service privatization to reinforce specific facets of the party's corporatist framework. This strategy entailed the allocation of bus operating permits to entities affiliated with the PRI's corporatist network. However, this mode of privatization precipitated near-complete deregulation of the bus service, culminating in significant adverse ramifications for service quality. Despite the implementation of fare control mechanisms ostensibly designed to mitigate public discontent, these initiatives served merely to obfuscate the fundamental issues stemming from deregulation and inadequate funding.

In São Paulo, the technocratic privatization model, championed by successive right-wing administrations and buoyed by a coalition of private companies, yielded a bus service of relatively higher quality compared to counterparts in other Latin American cities. This approach prioritized efficiency and sought to harness the expertise of private enterprises in improving service delivery. However, escalating fare issues emerged as a significant challenge in the privatization process. Coupled with diminished federal support and a decline in state capacity in the 1980s, this trend gradually shifted the dynamics towards a more prohibitive high-end fare regime. Consequently, access to public transportation became increasingly restricted for many residents. The close collaboration between private companies and the technocratic orientation

of right-wing governments played pivotal roles in shaping this variety of privatization in São Paulo.

Approaching these three cases from a comparative standpoint contributes to the advancement of our understanding of the intricate politics surrounding urban transportation systems, an area that has received relatively limited attention in political science literature. By delving into the complexities of how urban transportation policies are formulated, implemented, and shaped by various political forces, this research expands the scholarly discourse on the governance of urban infrastructures. This analysis underscores the importance of considering transportation as a critical aspect of urban governance, highlighting its significance in shaping the lived experiences of urban residents and the broader socio-political landscape of cities. Through this lens, the chapter enriches our comprehension of the intricate interactions between political actors, institutions, and policy frameworks in the realm of urban transportation, paving the way for further research and scholarship in this important area of study.

This chapter also makes a significant contribution through the application of the fare regime typology introduced in Chapter 1. By conducting political and historical analyses of the urban bus systems in Buenos Aires, Mexico City, and São Paulo, it becomes feasible to elucidate the origins of their fare regimes and the factors influencing their evolution over time. Consequently, this chapter offers a deeper understanding of fare regime politics, pinpointing the roles of public-private coalitions and critical junctures in shaping the trajectories leading to each type of regime.

Future research endeavors could delve deeper into exploring additional datasets and employing diverse analysis techniques to elucidate the intricate relationships between cases and the underlying mechanisms discussed in this chapter. Expanding the scope of analysis beyond the current framework could offer richer insights into the complexities of urban transportation systems in the Global South. Moreover, overcoming the potential limitations of this study would require broadening the external validity by incorporating a more diverse range of cases for comparative analysis, especially considering similar trends towards municipalization and privatization of urban bus services observed in other cities worldwide over the past century. Introducing new cases from various contexts could enhance the generalizability of findings and provide a more comprehensive understanding of the factors influencing the trajectories and outcomes of urban bus services.

APPENDIX

ADDITIONAL EMPIRICAL EVIDENCE

Illustrations of Bus Services

Buenos Aires

Figure 23. Buenos Aires in 1936



Author: Horacio Coppola

Source: Coppola (1937).

Note: The image depicts colectivos on the left (the first buses, collective taxis) and trams on the right.

Figure 24. Buenos Aires. *Colectivo* in 1934 (circa)



Author: Unknown

Source: Archivo General de la Nación Argentina (2023).

Figure 25. Buenos Aires. Bus from CTCBA in 1946



Source: Archivo General de la Nación Argentina (2023).

Note: Bus operated by the state-owned transportation company.

Figure 26. Buenos Aires. *Colectivo* and Bus in the early 1950s



Author: Unknown

Source: Archivo General de la Nación Argentina (2023).

Note: The photograph depicts a *colectivo* (left) and a bus (right) from the early 1950s. By the 1960s, *colectivos* expanded and evolved into conventional buses.

Figure 27. Buenos Aires. *Colectivo* from 1962



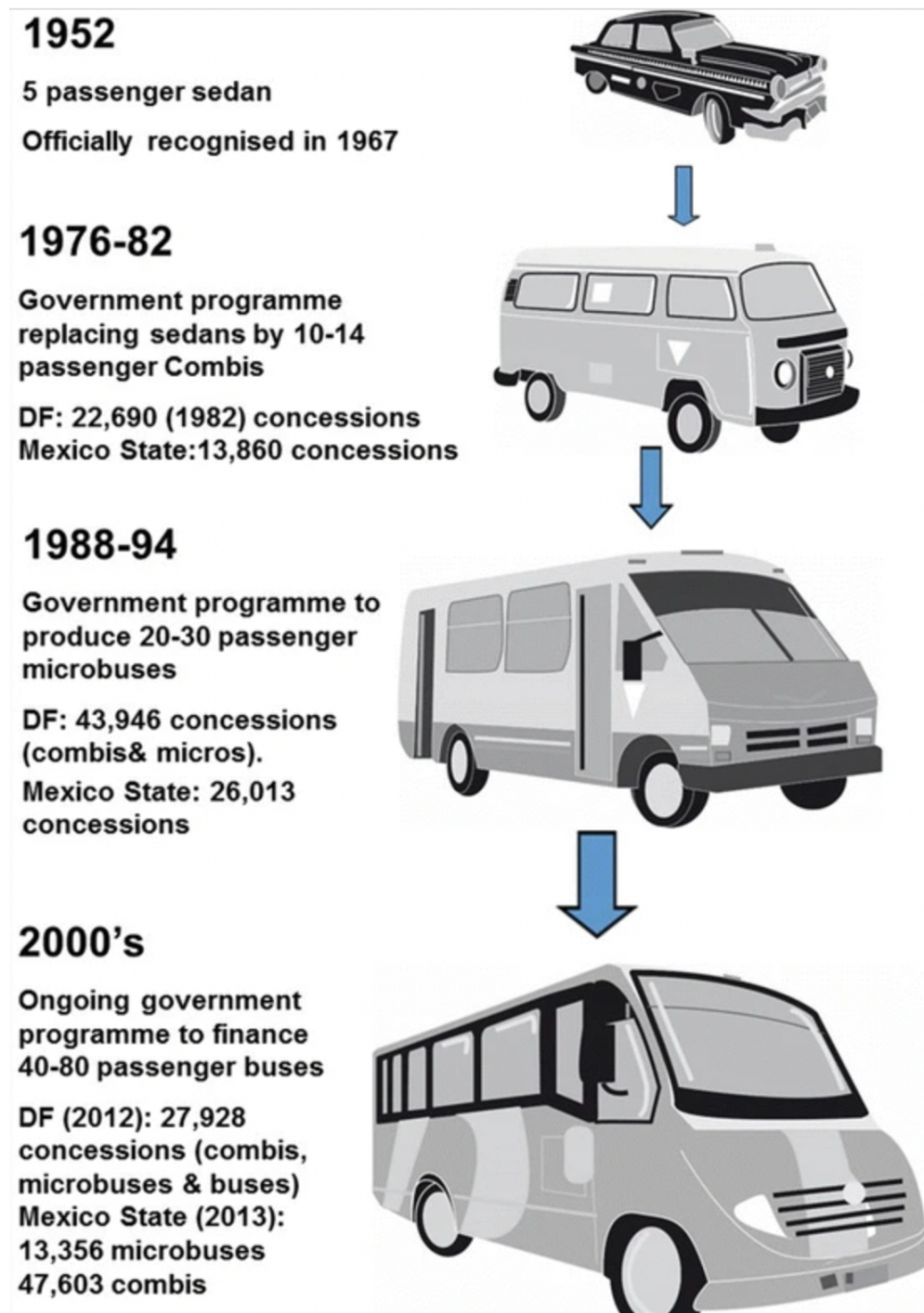
Author: Constanza Niscovolos

Source: Clarín (2022).

Note: Restored vehicle, year 1962. Photo from 2023.

Mexico City

Figure 28. The expansion of Mexico City's collective taxi system in four generations



Author: Elena Boils
Source: Connolly (2017, p. 164).

Figure 29. Mexico City. Ruta 100 bus from the 1980s.



Source: Pasajero7 (2016).

Figure 30. Mexico City. Combi and bus from the late 1980s.



Source: El Universal (2015).

Figure 31. Mexico City. Microbus from the late 1980s.



Source: Secretaría de Infraestructura, Comunicaciones y Transportes (2022).

São Paulo

Figure 32. São Paulo. *Jardineira* bus in the 1930s



Source: Museu Virtual do Transporte, SPTrans (2023).

Figure 33. São Paulo. CMTC bus in the 1940s



Source: Museu Virtual do Transporte, SPTrans (2023).

Figure 34. São Paulo. CMTC bus in the 1960s



Source: Museu Virtual do Transporte, SPTrans (2023).

Figure 35. São Paulo. CMTC bus inspection in the 1970s



Source: Museu Virtual do Transporte, SPTrans (2023).

Figure 36. São Paulo. Private company bus (Viação Gato Preto) in the 1970s



Source: Museu Virtual do Transporte, SPTrans (2023).

Figure 37. São Paulo. Passengers boarding on CMTC bus in the 1980s



Source: Museu Virtual do Transporte, SPTrans (2023).

Figure 38. São Paulo. Bus stop in the 1990s



Source: Museu Virtual do Transporte, SPTrans (2023).

CHAPTER 3 – REDEFINING ROUTES: The Political Dynamics of Reforming Bus Systems in Latin America

ABSTRACT

This chapter examines the political dynamics influencing transport policy reform in major cities of the Global South, with a particular focus on urban bus systems. By analyzing recent democratic periods, it explores the factors and strategies that drive reforms despite institutional inertia, addressing both negative inherited aspects, as well as positive ones. By articulating arguments presented in the related literature, I argue that many successful transport policy reforms implemented over the last few decades followed the path of least resistance, incorporating potential veto players as secondary beneficiaries of the reforms. Additionally, I find that changes in transportation legacies were mostly incremental, though significant in several respects. The key factors promoting these changes were political, including the influence of the median voter, partisan politics, credit claiming, and blame avoidance, which incentivized elected officials to address affordability and quality issues in urban bus systems. Using qualitative techniques, I conduct comparative analyses of São Paulo, Mexico City, and Buenos Aires to test and demonstrate the validity of this argument. The findings reveal that despite challenges stemming from legacies inherited from past authoritarian regimes, recent democratic administrations have enacted significant reforms in their urban bus systems, making them more inclusive than before. However, the number and intensity of reforms varied between cases, mainly due to the legacy and different political factors at play in each city over time.

Keywords: Public transportation, Affordability, Quality, Reform, Policy Change.

3.1. Introduction

During the 20th century, numerous cities in the Global South opted for the privatization of their urban bus services. As detailed in Chapter 2, following decades of monopolization by state-owned enterprises in the market, municipal authorities confronted a surge in demand for urban transportation attributable to population growth and urban sprawl. This scenario prompted these governments to concede operational rights to private actors, encompassing individuals, small associations, and corporatized companies. The privatization initiative led to divergent developmental pathways for cities that previously shared comparable transportation services, contingent upon the levels of service standards and the disposition of policy stakeholders. The imprints of previous authoritarian regimes were notably enduring, perpetuating their influence across the following decades.

However, despite the path-dependent contingency arising from 20th-century privatization initiatives, recent decades have witnessed notable departures from stagnation within the urban transportation sector. Under democratic governance, newly elected officials have reformed certain aspects of inherited policies, thereby reducing some transportation inequalities. These reforms have proven effective even in contexts where powerful transportation stakeholders would normally impede policy changes. In broad terms, these reform efforts can be categorized into two distinct yet interrelated types.

In the first kind of reform, initiatives aimed to improve affordability and quality standards that were deemed inadequate within the existing policy legacies. This policy goal was usually achieved by incorporating additional elements into pre-existing policy frameworks. This strategy often arises when city administrations encounter difficulties in challenging organized private interests and cannot undertake comprehensive regulatory overhauls. Consequently, they adopt a political strategy of implementing gradual, internally driven policy adjustments to minimize stakeholder resistance.

In São Paulo, attempts to make bus fares more affordable exemplify the first kind of reform approach. Faced with high fares, an early democratically elected government sought drastic changes, proposing to adjust property tax collections to offer fare-free bus services. Following considerable opposition from multiple stakeholders, subsequent administrations pursued more focused and incremental reforms aimed at reducing fares for specific demographic

groups. A similar scenario unfolded in Mexico City, albeit with a focus on quality. While the initial democratically elected administrations advocated for comprehensive reforms targeting immediate improvements, such as replacing minibuses with larger, higher-quality vehicles, the reality saw the gradual introduction of reforms that incrementally elevated quality standards.

In the second type of reform, the focus is on preserving positive aspects of urban bus service legacies, like good quality and high levels of affordability. Here, external shifts, like macroeconomic shocks, compelled city governments to enact policies designed to maintain service standards despite changes in the environmental context – epitomizing the persistence of legacy through policy adaptation. This was exemplified by Buenos Aires, which, as outlined in the preceding chapter, benefitted from a comparatively advantageous fare regime legacy. In the wake of Argentina's severe economic and inflation crisis in 2001, the legacy of affordable fares was threatened. Facing substantial price instability, the government implemented a public subsidy scheme to maintain pre-crisis fare levels, significantly altering the financing model of urban bus services to preserve their affordability.

Considering the above, this chapter aims to explain the trajectories of change within the legacy, highlighting punctuated times when city governments were able to partially transform the direction of transportation policies. This chapter endeavors to address the following questions: Despite the existence of contingent path-dependent processes, how were cities able to make reforms to their urban bus systems? What effect did these reforms have on the legacies inherited by preceding political eras? Furthermore, what mechanisms account for the emergence, implementation, and persistence of these reforms?

Firstly, I posit that city governments managed to partially reshape transportation legacies by enacting inclusive, redistributive reforms tailored to mitigate resistance from private transportation stakeholders, including bus companies and drivers. In this regard, reforms often followed the "path of least resistance," (Bonoli, 2012) opting for politically safer approaches that accommodated both voter and private interests within the same policy framework. This strategic maneuvering allowed city governments to mitigate resistance to policy changes by positioning private transportation stakeholders as second-order beneficiaries of the reforms. Consequently, as previously noted in the literature (e.g., Marques, 2021), this chapter finds that urban transportation reforms were mostly incremental, yet they produced significant impacts on the affordability and quality of bus systems.

Secondly, I contend that in the past few decades, characterized by a democratic environment with regular and free elections, city governments have had several incentives to reform their urban bus systems. These reforms have been motivated either by the desire to uphold positive aspects of existing legacies or to address deficiencies within these legacies.

According to the policy change literature, numerous factors can incentivize the emergence and implementation of reforms within established legacies. Social movement protests, for example, are frequently cited as significant catalysts for urban policy change (Harvey, 2012; Miraftab, 2009). The extensive mobilization related to transportation issues in Brazil during 2013 stands out as a prominent example frequently highlighted in this regard (Alonso & Mische, 2017; Holston, 2014). Nevertheless, while the influence of social protest cannot be dismissed, I articulate alternative explanations already presented in the related literature to contend that incentives for transportation policy reform are intricately connected with electoral-political factors.

Table 11. Factors Driving Transportation Policy Reforms

Factor	Probability of Occurrence	Expected Effect on Legacy
Median Voter	High levels of electoral competition The majority of voters are poor	Increase affordability and/or quality levels.
Partisan Politics	High levels of electoral competition Parties with distinct ideological orientations and/or distinct policy preferences	Increase affordability and/or quality levels.
Credit Claiming	Possibility of re-election Possibility of election to higher Executive levels (more likely in national capital cities)	Increase affordability and/or quality levels.
Blame Avoidance	Political instability Possibility of re-election Party polarization Reduced number of parties	Status quo (if legacy is favorable)

Source: Author's elaboration.

Table 11 provides a summary of four distinct factors, detailing the electoral contexts and institutional rules where each is likely to manifest, along with their expected effect on urban transportation legacies. These mechanisms draw upon factors traditionally emphasized in

political science literature as critical for understanding political reform processes, specifically: median voter theory (Marques, 2021a; Meltzer & Richard, 1981), partisan politics (Bonoli, 2012; Einstein & Glick, 2018; Huber & Stephens, 2012; Roberts & Levitsky, 2011), credit claiming (Cruz & Schneider, 2017; Grimmer et al., 2012; Harding, 2015; Harding & Stasavage, 2014; Oliveros et al., 2023), and blame avoidance (Bonoli, 2012; Bril-Mascarenhas & Post, 2015; Flom & Post, 2016; Malhotra & Kuo, 2008; Weaver, 1986).

Based on the literature previously mentioned, I argue that the four factors play a crucial role in explaining transportation reforms in Global South cities. These mechanisms individually generate political incentives for elected officials to change or maintain transportation policy legacies. Yet, it is anticipated that the true explanatory power of these factors often lies not in their isolation but through their combination. The mechanisms are not to be viewed as mutually exclusive entities but rather as components of a synergistic whole.

To evaluate the effectiveness of the proposed argument, I scrutinize instances of urban bus policy reform in three major cities in the Global South: Buenos Aires, Mexico City, and São Paulo. Specifically, I delve into events that have influenced both the affordability and quality of urban bus systems in these urban centers. These events encompass a range of policies, including the implementation of fare discounts and gratuities, the provision of subsidies for the sector, and the adoption of Bus Rapid Transit (BRT) systems. The temporal scope of this investigation is focused on the recent democratic periods of each city.

This chapter contributes to the existing body of knowledge by extending the application of these factors, particularly by including and examining cases that have not yet been explored in depth in the related literature. Additionally, one interesting aspect of this research lies in its approach to combining these factors and examining their associations with specific political contexts and policy legacies. This not only broadens the application of these well-established mechanisms but also introduces a nuanced layer to their analysis.

The structure of this chapter is organized as follows. Section 3.2 provides a comprehensive review of pertinent literature, shedding light on factors typically linked with transformative policy reforms. Section 3.3 elucidates the arguments associated with each mechanism and outlines the hypotheses under investigation. Section 3.4 delineates the empirical and methodological strategies employed. Section 3.5 outlines the trajectory of reforms and

political shifts within the transportation sector for each analyzed metropolis and presents the main research findings. Finally, Section 3.6 offers concluding remarks for this chapter.

3.2. Related Literature

Political science literature investigating policy stability and change is extensive and multifaceted. Previous studies have consistently underscored the significance of several factors in shaping governments' capacity to implement policy reforms that alter the status quo. In this discussion, I outline some of the main contributions of institutionalism, welfare, and urban political economy literature to this ongoing debate.

A considerable body of research delves into the role of institutional rules in policy reform processes, often emphasizing dynamics of policy stability rather than change. Institutional rules are critical as they shape political behaviors and influence policy outcomes (Lowndes & Roberts, 2013). Moreover, institutions determine the actors involved in proposing and debating political reforms, as well as the procedural requirements for implementing these reforms within decision-making arenas (Immergut, 1992). By defining the relevant stakeholders in the debate, institutional rules also specify the individuals or groups required to negotiate to change the status quo. According to Tsebelis (2002), each of these actors represents a potential veto player capable of obstructing political reforms if a broad consensus is not reached. As a result, an increased number of actors results in more veto points, diminishing the likelihood of political change (Tsebelis, 2002).

Another strand of the institutionalist literature underscores additional obstacles to political change posed by the temporal evolution of institutions (Davies & Trounstone, 2012). Pierson (1994), for instance, emphasizes that even when political leaders genuinely seek to radically alter policy directions, entrenched political legacies may render such changes infeasible. In line with a path-dependent contingency framework, once policies are established, they create constituencies of beneficiaries and interest groups that defend them, making significant expansions or contractions politically challenging (Pierson, 2004). As a result, political leaders aiming for policy change frequently choose gradual, incremental adjustments (Mahoney & Thelen, 2009), focusing on areas of least resistance to change (Bonoli, 2012; Pierson, 1994). Moreover, policy change should take place when external shocks (Mahoney,

2000) or the elasticity within institutions (Torfing, 2001) present "windows of opportunity" to reshape the status quo.

The social welfare literature represents another pertinent body of scholarship that scrutinizes the primary drivers influencing policy change and stability. In addition to investigating the impact of historical legacies on reforms (Kapiszewski et al., 2021b; Pribble, 2013), paralleling the approach of neo-institutionalists, scholars in the field of welfare also examine the effects of various factors such as the intensity of electoral competition (Altman & Castiglioni, 2020; Garay, 2016; Pribble, 2013), the activism of social movements (Anria & Niedzwiecki, 2016; Garay, 2016; Niedzwiecki & Pribble, 2023), macroeconomic conditions within a country (Madrid, 2003), and the significance of participatory institutions in shaping social policy outcomes (Einstein et al., 2019; Gurza Lavalle et al., 2005; Mayka, 2019).

Moreover, a significant portion of the welfare literature is dedicated to examining the influence of left-wing parties on the dynamics of policy expansion and retrenchment (Bradley et al., 2003; Huber et al., 2006; Huber & Stephens, 2012; Przeworski, 1988; Roberts & Levitsky, 2011). Within this domain, some scholars have noted that inclusive policies are not exclusive to left-wing parties (Pribble, 2013); however, their reform proposals often lean towards being more comprehensive and inclusive (Marques, 2021). Conversely, while there may be incentives for right-wing governments to enact reforms that expand social benefits rather than reduce them, the impact of such reforms tends to be more constrained. Additionally, fearing blame attribution and voter backlash, right-wing governments may opt to maintain the inclusive political reforms initiated by their left-wing counterparts (Bonoli, 2012).

Lastly, the political economy literature offers further insights into the discussion on policy stability and change. Khemani (2020) suggests that policy reforms tend to be particularly difficult in scenarios where (1) significant inequality exists, thereby hindering the ability of a privileged elite to advocate for political changes that might diminish their benefits and power shortly; (2) when influential political leaders lack the motivation to pursue change, or (3) when these leaders lack the legitimate authority required to enact reforms.

In urban contexts, some political economy studies have emphasized a pluralistic perspective, which recognizes the fragmentation of power among diverse urban actors with varying preferences and capacities to influence political outcomes (Dahl, 1961). This perspective acknowledges the relevance of non-governmental actors in urban politics. Molotch

(1976) further elaborates on this perspective by introducing the concept of the "growth machine," which emphasizes the role of coalitions between powerful land-based elites and local governments in driving changes in urban policies, often prioritizing economic interests over community welfare. Conversely, urban regime theorists delve into collaborative governance processes, highlighting partnerships between public and private sector entities, such as businesses and community groups, to address urban challenges and implement policies (Peters & Pierre, 2012; Stoker, 1998; Stone, 1993, 2012). Some scholars in the urban regime theory often emphasize the crucial role of mayoral leadership in advancing and sustaining reform agendas by navigating political conflicts and articulating collective goals among diverse stakeholders into a well-articulated policy purpose (Sapotichne & Jones, 2012). Furthermore, other works delve deeper into the examination of urban governance models and the intricate multilevel dynamics between local, national, and international forces, shedding light on their influence on local policy initiatives (Kübler & Pagano, 2012; Liesbet & Gary, 2003; Sellers, 2005).

3.3. Argument and Hypothesis

How can city governments in the Global South reform their contingent, path-dependent urban transportation legacies? The chapter's argument focuses on the strategies politicians employ to mitigate resistance from beneficiaries of the status quo, such as private operators and bus drivers. Additionally, it delves into the political and electoral incentives created by democratic institutions to encourage politicians to implement reforms that either uphold positive aspects of existing legacies or address deficiencies within them.

Gradualism to Mitigate Resistance from Veto Players

As per historical neo-institutionalist scholars, once policies are enacted, they tend to create groups of beneficiaries who typically oppose policy changes, fearing the loss of benefits provided by the existing policy framework (Pierson, 2004). In the realm of public transit policies, it's reasonable to assume that policies favoring private urban bus operators could lead these operators to resist government attempts to modify aspects of the service that might benefit users but harm their interests.

To address this potential resistance from veto players crucial to the implementation and delivery of public transit services, I argue that city governments devise tailored strategies to mitigate obstacles posed by private transportation stakeholders, including bus companies and drivers. These strategies often take the "path of least resistance" (Bonoli, 2012), opting for politically safer approaches that accommodate both voter and private interests within the same policy framework. This strategic maneuvering enables city governments to alleviate resistance to policy changes by positioning private transportation stakeholders as secondary beneficiaries of the reforms. As demonstrated by Bril-Mascarenhas and Post (2015) in the Buenos Aires case, these secondary beneficiaries, such as bus transport labor unions, play a significant role in shaping government strategies when reforming urban transportation policies.

An example of a strategy to circumvent opposition from veto players involves lowering urban bus fares or expanding the number of users eligible for discounts or free services, without altering the remuneration structure of private operators. Typically, city governments achieve this by instituting or increasing public subsidy policies to partially offset revenue losses for private companies (Bril-Mascarenhas & Post, 2015). Additionally, city governments may relax requirements concerning service quality, thereby reducing operational costs and preventing losses for private operators. However, such strategies are effective mainly when the reform scope remains limited, as broader reforms would invariably alter benefits acquired by the private sector through existing agreements. Nevertheless, even when incremental and gradual, these reforms can yield significant impacts on the quality and affordability levels of urban bus systems (Mahoney & Thelen, 2009; Marques, 2021).

Political and Electoral Incentives to Reform

While the first part of the argument emphasizes the predominantly gradual nature of changes within transportation legacies – as already demonstrated by some related works, an equally significant aspect of the argument focuses on the various incentives driving politicians to reform these legacies. Despite empirical evidence indicating the implementation of numerous transportation reforms in recent years, the incentives and factors behind these changes may vary across cities, given the distinct legacies inherited from past political periods.

By articulating arguments presented in the urban politics scholarship, I posit that in the past few decades, marked by a democratic environment with regular and free elections, many

city governments in the Global South have had different political incentives to reform their urban bus systems. Subsequently, I delineate four distinct factors, rooted in electoral contexts and institutional rules, that I argue generate political incentives for elected officials to alter transportation policy legacies.

Median Voter

The first factor of transportation policy reform proposed is rooted in the median voter theory (Meltzer & Richard, 1981). Tailoring this theory to the context of Global South cities and based on the theoretical contribution of previous works (Auerbach, 2019; Marques, 2021), I argue that it is plausible to assume that, given the significant low-income population in many of these cities or the substantial size of poor electorates, politicians and parties will have electoral incentives to establish inclusive, redistributive transit policies that benefit the poor. In essence, the larger the electoral population of poor people in a city, the greater the incentives will be for politicians to reform their transport systems to address unfavorable aspects of the legacy (such as poor quality or expensive fares) or maintain favorable aspects (such as good fares and quality).

Moreover, it is expected that the median voter mechanism is more likely to manifest in contexts characterized by high levels of electoral competition. In such environments, various political parties vying for success in executive and/or legislative elections are inclined to cater to the interests of poor voters. They do so by implementing policies that capture their attention and translate incumbent and party support into votes. Conversely, in contexts where a majority of voters are poor but there is a lack of robust political electoral competition, politicians and parties have less incentive to prioritize serving the poor. This is primarily because they are less susceptible to electoral punishment from these voters.

Partisan Politics

Another factor driving transportation policy reform pertains to partisan politics in urban settings. Drawing on the welfare and urban studies literature previously mentioned (Bonoli, 2012; Einstein & Glick, 2018; Huber & Stephens, 2012; Pribble, 2013; Roberts & Levitsky, 2011), I anticipate that left-wing parties will be more inclined to uphold and implement inclusive transportation policies, primarily due to their ideology, which typically prioritizes improvements

in the welfare of the poor. Consequently, the presence of inclusive transportation policies is expected to be smaller in right-wing administrations.

Additionally, I posit that apart from ideology, another significant party characteristic is the association and preference of parties with specific policy solutions. In many cities in the Global South, certain policies have historically been linked with particular political parties. For instance, the subway is usually associated with the *PRI* in Mexico City, the *Metrobús* with PRD-Morena also in the Mexican capital, the *Bilhete Único* with the PT in São Paulo, and controlled-subsidized fares with the Peronists in Buenos Aires, Argentina. Furthermore, there are instances of parties being more associated with policies prioritizing private transit over public transit, as seen with the PSDB in some administrations in São Paulo. Hence, it is expected that this association of parties with specific policies will also influence the content and direction of the reforms they propose in the urban transport sector.

Finally, similar to the median voter mechanism, I contend that the likelihood of this mechanism occurring is higher in cases with high electoral competition. However, in addition to electoral competition, the presence of parties with different ideological orientations and/or political preferences also plays a crucial role. In such scenarios, I expect that each party will adopt its own agenda and seek to promote transport policies that align with its preferences and ideology.

Credit Claim

The third factor associated with transportation policy reform that I propose is rooted in credit claiming. According to relevant literature, politicians are often driven by the desire to take credit for popular government actions (Bueno, 2023; Weaver, 1986). Essentially, politicians utilize credit claiming as a means of reward, associating themselves with a particular popular policy initiative to garner voter turnout in subsequent elections. To achieve this, politicians typically invest in visible and tangible policy initiatives that can be attributed by voters (Harding, 2015; Harding & Stasavage, 2014). They also utilize messaging strategies (Cruz & Schneider, 2017; Grimmer et al., 2012) and labeling (Oliveros et al., 2023) as key elements in linking their personal and party image with the policy.

In the urban landscape of the Global South, public transport plays a significant role in credit claiming, as improvements in quality and fares impact not only residents of the main city

but also the entire metropolitan region. Enhancing general service standards provides policymakers with an opportunity to undertake projects that affect a broader electorate.

Furthermore, evidence suggests that transportation policies are typically easily attributable (Harding, 2015). Mayors may employ various messaging strategies (inaugurations, election campaigns, brokers, posters, press releases, press ads, social media postings, and labeling using catchy names) to connect themselves with policy initiatives. Additionally, public transport usually plays a significant role in a mayor's political career, with several mayors nationally and even internationally recognized for their transportation reforms, such as Enrique Peñalosa in Colombia; Jaime Lerner in Curitiba; and Marta Suplicy in São Paulo. Mayors also use their transportation policies as key elements in their future election campaigns, as seen with Eduardo Paes in Rio de Janeiro, for instance.

Considering the aforementioned points, I assume that credit-claiming processes play a significant role in driving transportation reforms, as they create electoral incentives for politicians to promote such changes. This mechanism is more likely to occur in scenarios where city politicians can be re-elected or have the potential for election to higher executive levels, such as the presidency. This tendency is particularly pronounced in national capital cities, where mayors are often perceived as potential presidential candidates. Moreover, credit claiming is especially effective in facilitating more visible reforms, such as fare reductions or the implementation of new bus systems in prominent areas of the city, where politicians can easily take credit for these initiatives.

Blame Avoidance

While credit claiming can serve as a motivation for politicians to implement transportation reforms, the fear of being associated with unpopular initiatives can also incentivize politicians to uphold favorable aspects introduced by previous administrations (Bonoli, 2012; Bril-Mascarenhas & Post, 2015; Flom & Post, 2016). In light of the potential negative electoral consequences of reducing affordability, for example, politicians may opt to "minimize blame generating losses" rather than maximizing net benefits from credit claiming (Weaver, 1986, p. 373). In such cases, blame avoidance becomes a significant mechanism to explain why newly elected officials refrain from dismantling popular policies introduced by their predecessors, aiming to avoid voter backlash in subsequent elections.

In terms of transportation legacies, the primary theoretical anticipated effect of blame avoidance is the preservation of the status quo, particularly if it is viewed favorably by voters (Bril-Mascarenhas & Post, 2015), such as high levels of affordability and quality. In such scenarios, politicians are incentivized to either maintain existing conditions or introduce reforms that ensure the continuity of the status quo. For instance, in the context of blame avoidance, politicians may choose to retain lower fare levels or implement initiatives to modernize the bus fleet to sustain service quality. In essence, while the other three factors may account for more policy change, blame avoidance is expected to contribute more to policy stability.

However, the visibility of the policy is a pivotal consideration within the blame avoidance argument. Generally, given the asymmetry between affordability and quality perceptions among voters and commuters (Chapter 1), politicians may find stronger incentives to maintain the status quo in more visible aspects of transportation services, such as fare rates. Conversely, they may have less motivation to uphold high service quality standards, as this dimension is less directly accountable to users. Additionally, based on the related literature, I contend that blame avoidance is more likely to manifest in scenarios characterized by political instability, the possibility of re-election, partisan polarization, or a reduced number of parties. According to existing literature, these conditions heighten the likelihood of a politician being blamed, either by voters or opposing parties, for any deterioration in the urban transport service.

While each of the four factors individually incentivizes elected officials to either change or maintain transportation policy legacies, their true explanatory power often emerges from their combined effect. Rather than being viewed as mutually exclusive entities, these factors should be seen as interrelated components. This integrated approach not only elucidates the initial stages of reform processes but also provides insights into their persistence over time, indicating that the endurance of reforms may be fueled by the same logic that initiate them. The incidence and pace of reform initiatives within a city will likely escalate with the presence and interaction of multiple factors over time. It is plausible to assume that different factors may take precedence at different junctures within the same urban context, reflecting the dynamic nature of political, social, and economic landscapes.

Finally, this argument aims to clarify the outcomes of urban bus systems in large metropolises, where the significant population size and extensive urban sprawl generate unique mobility needs and demands compared to those in smaller or medium-sized cities. The analysis

is specifically framed within the Latin American context, taking into account the region's historical, political, economic, and urban characteristics, although it may also offer insights applicable to other regions, particularly the Global South. Furthermore, since the focus is on urban bus systems, the findings are not intended to be generalizable to the policy outcomes of other transportation modes, such as subways and trains.

3.4. Data and Research Design

This study examines urban bus policy reform instances in three major cities in the Global South: Buenos Aires, Mexico City, and São Paulo. Specifically, it investigates policy events that have impacted the affordability and quality of urban bus systems in these urban centers. These include the introduction and consolidation of bus subsidies in Buenos Aires following the 2001 economic crisis, bus fare integration and reduction in São Paulo, and the implementation and expansion of a Bus Rapid Transit System in Mexico City, known as Metrobús. These events represent significant gradual, incremental transformations in the urban bus legacies of these cities while exemplifying the different factors at play in each city that facilitated either policy changes or persistence.

The empirical strategy primarily employs qualitative methods. The central objective of data analysis was to meticulously trace, from a political and historical standpoint, the genesis and evolution of each policy initiative mentioned in the preceding paragraph. To achieve this, I utilize Process Tracing, which is particularly well-suited for case-based approaches, aiding in the identification and elucidation of the mechanisms linking causes to outcomes (Beach & Pedersen, 2019).

I leverage several qualitative sources to elucidate the processes linking transportation legacies to the outcomes of policy reform endeavors. For 18 months, from August 2023 to January 2024, I conducted 62 in-depth, semi-structured interviews with key transportation stakeholders. These stakeholders comprised state bureaucrats, elected/appointed officials, bus drivers, representatives from private bus companies, academic experts, and civil society organizations. Furthermore, during my stay in Buenos Aires, Mexico City, and São Paulo, I regularly utilized their urban bus systems and visited government offices and transportation company facilities, making observations and taking notes.

Moreover, the examination of policy documents played a pivotal role in the data collection process. The textual analysis of legislative decrees, policy statements, and administrative records yielded pertinent empirical material for analysis. Additionally, scrutinizing numerous news articles from various sources provided supplementary insights into the origins and evolution of transportation reform initiatives. Overall, the variety of qualitative sources enabled the triangulation of the collected data, enhancing the empirical robustness of the analysis.

To improve the transparency of qualitative data and offer a more detailed insight into interpretation and causal analysis, this chapter employs Annotation for Transparent Inquiry (ATI).⁶¹ Within the results section, select passages include footnotes that serve as annotations, enriching the text with additional evidence. These annotations provide contextual information and support the empirical claims made, thereby enhancing the overall comprehensibility and robustness of the analysis.

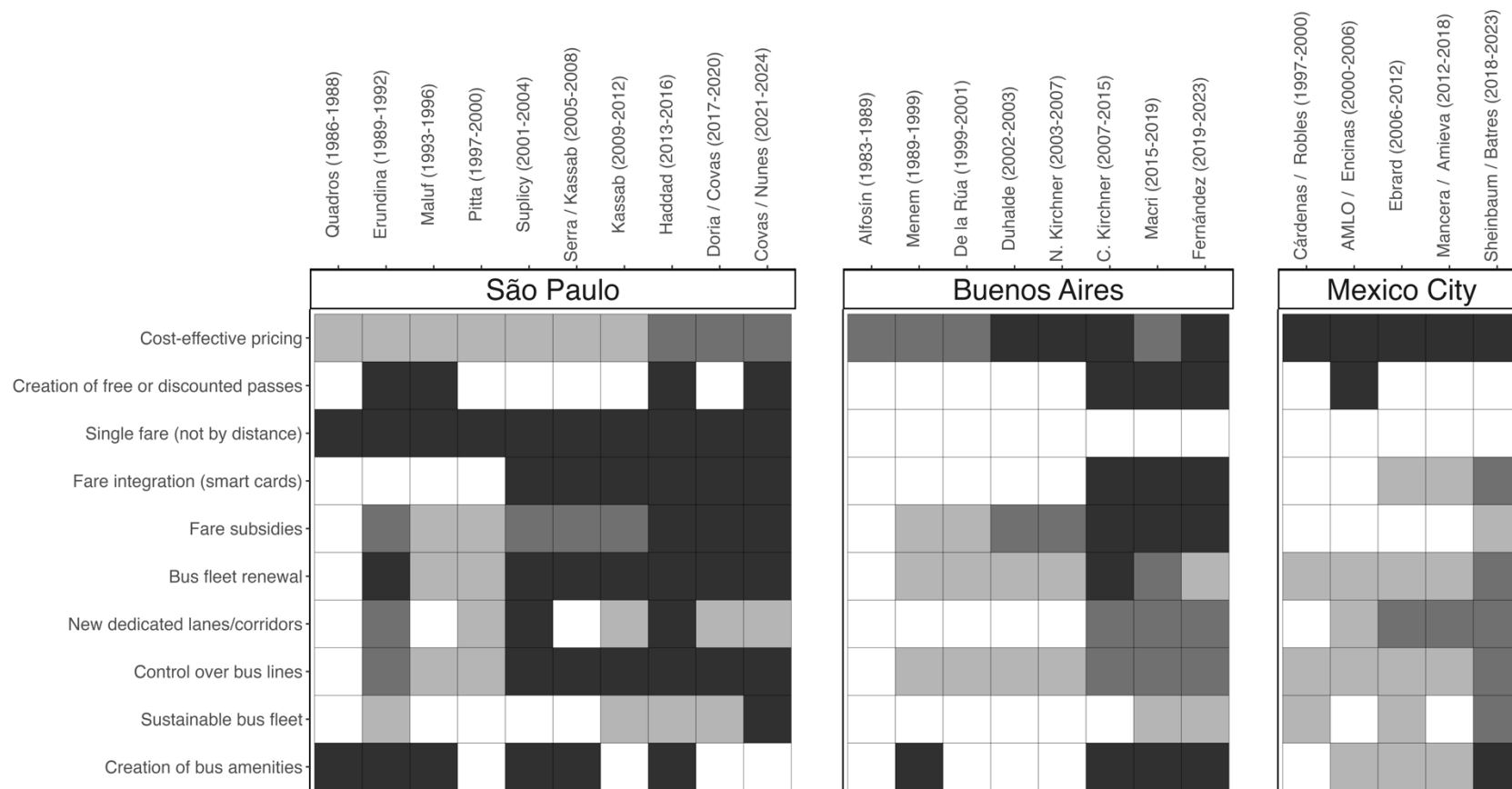
3.5. Trajectories of Bus Services in Latin America

As delineated in Chapter 2, during the transition to democracy, the three largest cities in Latin America exhibited distinct urban transportation systems. São Paulo, for instance, experienced a "prohibitive high-end" regime in the mid-1980s, characterized by moderate to high quality but unaffordable fares. Conversely, Mexico City's urban bus system, during its transition to democracy in the mid-1990s, fell into a "cheap service trap" category, featuring affordable fares but lower quality. In contrast, Buenos Aires maintained an inclusive top-notch system throughout the 1980s, characterized by both low fares and relatively high quality.

Given these distinct legacies, democratic administrations in the late 20th and early 21st centuries faced varying imperatives in reforming their urban transport systems. In São Paulo, the primary challenge focused on enhancing fare affordability while also maintaining or elevating quality standards. In Mexico City, priorities were geared towards improving quality while preserving low fares, reflecting its specific legacy. Meanwhile, in Buenos Aires, efforts were primarily directed toward sustaining comparatively high levels of affordability and quality.

⁶¹ For additional information on ATI, see: <https://qdr.syr.edu/ati>

Table 12. Bus Policy Trajectories Following Democratization: São Paulo, Buenos Aires, and Mexico City



Note 1: The color gradient in the table indicates the intensity of implementation of each policy. White cells indicate no implementation, and black cells indicate strong implementation.

Note 2: The table format and conceptual representation are based on the table published by Marques (2021, p. 16-17).

Note 3: Data Source. Policy classification data for São Paulo, covering the periods from Quadros to Haddad, are primarily derived from Marques (2021), with minor modifications, including adding some new analytical categories. All other policy classifications are based on a combination of primary and secondary sources.

Note 4: For Buenos Aires, the analysis emphasizes Argentine presidents rather than the capital's mayors due to the federal government's predominant role in urban transport policy. Nevertheless, the government of the Argentine capital is pertinent for certain initiatives, such as establishing new dedicated lanes/corridors.

Table 12 presents the trajectory of changes in the urban bus systems of São Paulo, Mexico City, and Buenos Aires following their transitions to democracy. The table's format and conceptual representation are based and adapted from Marques (2021, p. 16-17). Affordability and quality are disaggregated into five policy types each, with the presence and intensity of each policy depicted using various color scales across administrations. Considering that each city underwent democratization at different junctures, the temporal dimension varies across each case.

Table 12 illustrates significant patterns in the development of urban bus policies across major Latin American metropolises in recent decades. The first notable pattern is that, despite potential challenges stemming from legacies inherited from past authoritarian regimes, recent democratic administrations have enacted significant reforms in their urban bus systems. The table illustrates the introduction of numerous policy initiatives over time, with many reforms being sustained or expanded upon by subsequent administrations. This highlights a gradual evolution of reforms, with few cases of initiatives being discontinued by new politicians, and some later revived by future administrations.

Furthermore, as identified by Marques (2021) for the case of São Paulo, a comprehensive analysis of each initiative outlined in the table reveals that reform measures are typically introduced with low or moderate intensity, gradually gaining momentum and materializing with stronger implementation. This gradual approach to implementation may be attributed to the strategy adopted by many politicians of pursuing the "path of least resistance," employing incremental strategies that encounter less opposition from other stakeholders involved in urban transport policy.

Thirdly, when comparing the three cities, the table illustrates variations in the number and intensity of reform initiatives, as well as differences in focus between affordability and quality. São Paulo stands out for its comparatively higher number of reform initiatives, suggesting a greater departure from its previous legacy. Moreover, there appears to be a more consistent, gradual increase in affordability compared to quality, potentially influenced by the city's historical challenges with fare affordability.

In contrast, Buenos Aires exhibits fewer initiatives over the period, likely due to its more favorable historical legacy regarding affordability and quality. However, there is a notable increase in the number and intensity of initiatives during the last three administrations analyzed,

possibly in response to external factors jeopardizing the stability of high affordability and quality levels.

In Mexico City, there is a greater emphasis on quality-related initiatives, reflecting its less favorable historical heritage in this aspect. Many of these policies were initiated by early democratic governments and sustained over time, with an intensified implementation. In terms of affordability, fewer policies were observed across different administrations, although efforts to maintain universal fares for various bus systems at a relatively low level remained intense and consistent over time.

Lastly, an observable pattern evident from the table is that the urban bus systems in all three cities now appear to be more inclusive compared to the time of transitioning to democracy. Over recent decades, the number and intensity of reforms have seemingly yielded positive effects on the service, despite various inherited elements from the past that continue to exert influence, such as the composition of private operators. To some extent, these factors have influenced the changes observed over recent decades, albeit not entirely preventing the implementation of reforms.

3.6. The Process of Transportation Reform

Considering the political trajectories delineated in the previous section, I now embark on an in-depth examination and assessment of the factors and strategies associated with select reform initiatives. Specifically, I scrutinize the operation of these mechanisms in the creation of free and discounted bus passes in São Paulo, the introduction and expansion of new bus corridors in Mexico City, and the implementation and consolidation of bus subsidies in Buenos Aires. Through analyzing each of these initiatives, I illuminate the processes that likely facilitated their implementation and reinforcement over time.

In the São Paulo scenario, all four proposed mechanisms – median voter, partisan politics, credit claim, and blame avoidance – seems to have played pivotal roles in the implementation of fare reduction policies spanning from the end of the previous century to the present. The political, electoral, and institutional backdrop of the city over recent decades has fostered the prevalence of these mechanisms. This includes high levels of electoral competition for the mayoral position, characterized by a continual alternation between left and right parties at the helm of local governance, coupled with the prospect of re-election. Moreover, the prospect of

gubernatorial candidacy, particularly appealing to right-wing politicians given the State of São Paulo's more conservative profile, may have incentivized conservative mayors to uphold or expand transportation policies initiated by leftist predecessors. Overall, these mechanisms have enabled São Paulo to undergo the highest number of reforms in its urban bus system compared to the other two cases.

In the case of Mexico City, I posit that the mechanisms influencing the city's urban bus service reforms have been limited primarily to partisan politics and credit claims over the past few decades. The city's political landscape, characterized by minimal electoral competition and consistent governance by the same political faction since 1997 (either the PRD or defectors founding MORENA in 2014), alongside a predominantly left-leaning electorate, suggests a diminished role for mechanisms like blame avoidance and median voter in shaping reform processes. Instead, the association of the PRD-MORENA with specific policy solutions, particularly Metrobús, and mayors' aspirations for presidential candidacies, facilitated by popular and emblematic transport policies, emerge as key factors driving legacy changes.

Conversely, in Buenos Aires, where fare policy is predominantly under federal government control, I argue that the principal operational factors include partisan politics, credit claims, and blame avoidance. Peronist administrations' inclination toward maintaining low urban bus fares appears largely driven by party politics and credit claims. Meanwhile, electoral competition, reelection prospects, and the imperative to avoid blame seem to underpin the preservation, to varying degrees, of policies associated with Peronist governments by subsequent right-wing administrations, exemplified by Mauricio Macri's tenure (2015-2019).

Free and Discounted Passes in São Paulo

During the transition to democracy in the mid-1980s, São Paulo encountered a significant challenge regarding its bus system fare. Amid a national economic crisis, hyperinflation, and diminished federal support for the sector compared to previous decades, bus fares saw frequent and substantial increases. For instance, between 1988 and 1989, the fares underwent sixteen adjustments by the municipal government.

Luiza Erundina, who served as São Paulo's mayor from 1989 to 1992, reflected on this period in a 2020 interview: "Every month, there was a need to adjust the fare, due to pressure from inflation and pressure from private operators – who never reduced their profit expectations.

All cities, especially the large cities, the capitals, awaited São Paulo's decision so they could base their fare adjustments on ours, aiming to avoid political backlash and shift the burden onto the municipal government here in São Paulo...".⁶²

Similarly, public opinion in São Paulo expressed growing concern about the steep rise in fares and the ongoing decline in service quality. For instance, a survey published by the newspaper *Folha de S. Paulo* in 1985 highlighted that the population considered bus fares across Greater São Paulo to be excessively high.⁶³ Additionally, in the outskirts of the city, there was an increasing demand for improvements in service quality, with issues like overcrowding and long waiting times being particularly prevalent, albeit to a lesser extent in the central, wealthier areas of the city.

In the 1988 elections, Erundina, representing the left-wing PT party, pledged to tackle these issues, notably the fare problem, by proposing a socially inclusive top-notch fare structure to ensure access for the city's poorest residents. However, by 1990, the focus shifted to reforming the Urban and Territorial Property Tax (IPTU) to enhance progressivity. Erundina, alongside Lúcio Gregori, then Municipal Secretary of Transport, presented the "Free Fare" bill to the Municipal Council. This bill aimed to finance all bus service operating costs through increased revenue from a more progressive property tax, thereby enabling free public transport access for all users.

The project, to a large extent, would have been revolutionary, as it entailed a drastic change in how the bus service was financed in São Paulo. According to one of the interviewees, a PT councilor who served during the Luiza Erundina administration: "A project of this magnitude would have had enormous social repercussions. It was so promising that, in my opinion, if this project had been implemented, Luiza Erundina would have undoubtedly become

⁶² Source Excerpt in Portuguese: "Todo mês que havia necessidade de reajustar a tarifa, por pressão da inflação e por pressão dos empresários - que não diminuíam a sua expectativa de lucro nunca. As cidades todas, sobretudo as grandes cidades, as capitais, aguardavam a decisão de São Paulo para eles poderem se fundamentarem no reajuste que eles dariam em suas cidades, que eram para eles se livrarem do desgaste e aumentar o desgaste do governo municipal aqui em São Paulo...". Data Source: (2020, October 10). Lucio Gregori e Luiza Erundina (2) [Audio podcast episode]. In *Cidade livre*. Le Monde Diplomatique Brasil. <https://diplomatie.org.br/cidade-livre-02-lucio-gregori-e-luiza-erundina/>

⁶³ Source "Excerpt in Portuguese: "A pesquisa apontou que a população considera muito alta tarifa dos ônibus em toda a Grande São Paulo". Data Source: (1985, July 31). Pesquisa aponta piora nos transportes em São Paulo. *Folha de S. Paulo*. <https://acervo.folha.com.br/digital/leitor.do?numero=9215&keyword=%22servicos+da+CMTC%22&anchor=4154759&origem=busca&originURL=&maxTouch=0&pd=1293009bfc97e2ed3ee91f3417ef5411>

State Governor, and Lucio Gregori would have been a strong contender for mayor. So, from a political standpoint, it was a nightmare for all other parties."

According to numerous sources from that time, the project garnered significant popularity among the city's working-class population. This was largely attributed to the successful communication strategy of the government regarding the proposal, which included advertising in newspapers, and television, and hosting events in the outskirts of the city. One of the primary slogans of the government's campaign was "It's not free buses, it's income distribution." Figure 39 depicts one of the communication strategies employed by the city government.

However, despite intense publicity, the Free Fare bill was not even voted. According to interviewees and historical sources, a coalition consisting of opposition party councilors, media outlets, former transport secretaries (from right-wing governments), technocrats⁶⁴, and bus companies⁶⁵ effectively blocked the bill. Additionally, there was resistance within the mayor's own party (PT), as there were concerns that the proposal would lead to unemployment among bus fare collectors.⁶⁶ Moreover, potential connections between PT members and informal transport operators would have made full-party support for the proposal unfeasible.

⁶⁴ Source Excerpt in Portuguese: "Técnicos questionam a eficácia da tarifa zero. O projeto de tarifa zero nos ônibus da Capital enviado pelo Executivo à Câmara Municipal é inviável. A conclusão foi tirada ontem por técnicos e representantes de entidades ligadas ao transporte coletivo, durante um debate promovido pela Comissão Parlamentar de Transportes da Câmara. Para que o projeto possa ser aplicado, os debatedores sugeriram mudanças substanciais na proposta original, entre elas o subsídio apenas para pessoas que recebam até três salários mínimos. As objeções fundamentaram-se basicamente em quatro aspectos: falta de infra-estrutura para acompanhar o crescimento da demanda decorrente da passagem gratuita, aumento do paternalismo do Estado sobre os cidadãos, falta de dados concretos sobre as consequências da aplicação da medida e a premissa de que tudo o que é gratuito é depreciado pelo usuário." Data Source: (1990, October 12). Técnicos questionam a eficácia da tarifa zero. Diário Popular.

⁶⁵ Source Excerpt in Portuguese: "Os empresários da área de transportes são contra ao projeto da Prefeitura de São Paulo de implantar o sistema de "tarifa zero" (transporte gratuito) no serviço de ônibus da cidade, a partir de 1º de julho de 1991. "A proposta é demagógica, eleitoreira e inconsequente", diz o presidente da Associação Nacional das Empresas de Transportes Urbanos, Clésio Andrade.

O presidente do Sindicato das Empresas de Transportes Coletivos de Passageiros de São Paulo (Transurb), José Sérgio Pavani, 48, diz que "se o exemplo da municipalização se repetir na tarifa zero, não teremos meios de sobrevivência e o transporte irá ao caos". Segundo ele, as empresas não terão condições de dar manutenção nem de renovar suas frotas. [...] Essa proposta já nasceu morta", diz Manuel José Martins, 54, diretor da empresa Brasil Luxo. Se a Prefeitura pagar corretamente, para nós, tudo bem. Serão dois problemas a menos: os cobradores e os conferentes. Mas de onde vai sair o dinheiro?" Martins considera injusta a proposta da Prefeitura de aumentar o Imposto Predial e Territorial Urbano (IPTU) para financiar o projeto de tarifa zero. "Quem vai acabar pagando são os inquilinos. Em vez de melhorar, vai piorar". Data Source: (1990, October 5). Empresas criticam o projeto de Tarifa Zero. Folha de S. Paulo.

⁶⁶ Source Excerpt in Portuguese: "Proposta acirra disputa no PT. A "tarifa zero" está fadada a acirrar ainda mais os ânimos entre as tendências internas do Partido dos Trabalhadores. A idéia não foi bem recebida pela facção majoritária do PT - a Articulação. Seu principal líder e também presidente do partido, Luiz Ignácio Lula da Silva,

Figure 39. An Example of Government Advertising for the Free Fare Project

T-A-R-I-F-A
Z-E-R-O

TARIFA ZERO.

Saiba por que algumas pessoas são contra.

Existe uma polémica em torno da tarifa zero. Mesmo as pessoas que são mais carentes deste projeto ainda têm dúvidas. O que gera isso é a falta de informação. Muita gente pensa que os ônibus vão ficar mais lotados. **Porém, a gente sabe que a tarifa só será implantada com mais 4.500 ônibus circulando.** Estes ônibus serão comprados pelas empresas particulares. E as empresas serão pagas por quilômetro rodado e não pelas passagens. O que acontece com isso? É simples. As empresas de ônibus vão passar a ganhar mais e poderão investir mais. Para a população, a grande vantagem, além de andar de graça de ônibus, é que vai haver mais ônibus andando mais rápido e mais vezios. A outra medida da tarifa zero é a completa reestruturação nas linhas de ônibus. Com isso os ônibus vão poder andar mais depressa. O rescalonamento de horário vai ser obrigatório em toda a cidade. Com estas medidas, o fluxo de veículos vai diminuir e o trânsito melhorar. Novas linhas expressas serão criadas para os destinos e locais onde existe maior concentração de demanda. As faixas exclusivas e os corredores também possibilitarão maiores velocidades e menos espera nos pontos. Agora vem a parte do IPTU.

6,5 MILHÕES QUE NÃO PAGAM IPTU VÃO CONTINUAR NÃO PAGANDO.

Precisa ficar claro que os 6,5 milhões que não pagam IPTU vão continuar não pagando. Dos que pagam, 80% vão pagar de Cr\$ 100,00 a Cr\$ 2.000,00 por mês. O equivalente a duas passagens de ônibus por dia durante vinte e dois dias por mês. Este custo também é muito inferior a qualquer condomínio pago em São Paulo. Quem terá um aumento significativo no IPTU serão só as grandes indústrias, os shoppings centers, mansões, bancos e os clubes, que acredite ou não hoje não pagam nada de IPTU.

Vale ainda ressaltar mais uma vez que os 6,5 milhões que não pagam IPTU e que continuarão a não pagar são os 3 milhões de moradores de cortiços, 1 milhão de favelados e os 2,5 milhões de pessoas residentes em casas isentas.

DEPOIS DE LER TUDO ISSO FICA FÁCIL SABER QUAIS SÃO AS PESSOAS QUE AINDA ESTÃO CONTRA A TARIFA ZERO.

Com certeza são aquelas que todos os dias não gastam o seu dinheiro em passagens de ônibus.

Note: Document consulted in *Centro de Documentação e Estudos da Cidade de São Paulo – CEDESP* (2023, March).

não gostou, mas mediu as palavras ao comentar a proposta. Seus seguidores mais próximos, no entanto, não hesitaram em classificar de "oportunista" a medida, tomada às vésperas das eleições. O problema não é novo. Arrasta-se desde o início da gestão petista na Prefeitura. O retrospecto demonstra que, nem sequer para efeito de "público interno", o PT conseguiu unanimidade para enfrentar o problema prático do transporte público, tido como "ponto de honra" da administração. A primeira vítima foi a vereadora Tereza Lajolo, uma técnica no assunto, destituída da Secretaria de Transportes em agosto do ano passado, em plena campanha para a Presidência da República. A alegação foi falta de "resultados". O escolhido para substituí-la foi o empresário Adhemar Giannini, que saiu da obscura Secretaria de Abastecimento para a de Transportes. Era uma maneira de Erundina evitar críticas: Gianini é alinhado à Articulação. Caiu depois de denúncias de irregularidades na Companhia Municipal de Transporte Coletivo (CMTC) formuladas pelo Sindicato dos Condutores (onde prevalece outra tendência - a Causa Operária). O projeto da "tarifa zero" é finalmente, a grande cartada dos assessores mais próximos da prefeita, que integram o PT Vivo. O resto do partido foi surpreendido, não tinha idéia da amplitude da proposta. E ainda precisa ser convencido a cerrar fileiras em sua defesa." Data Source: Newspaper article discovered in the CEDESP archive (Centro de Documentação e Estudos da Cidade). The file lacked specific details regarding the place and date of publication.

In general, the blocking of the free fare proposal in the early 1990s demonstrates the challenges of implementing significant, impactful reforms in a context where powerful actors can obstruct legislative initiatives from the municipal executive. In this context, the government's decision not to expand its legislative coalition in the City Council, thereby remaining in the minority throughout its administration⁶⁷, suggests that only with broad coalitions could a project like the proposed one have a chance of approval.

However, despite the setback in eliminating fares, Luiza Erundina's government succeeded in implementing a series of more limited yet gradual and incremental reforms that significantly changed the financing structure of the bus system. According to reports from some interviewees, including high-ranking government officials, the opposition's blocking of the Free Fare project actually created better conditions for other projects to be approved. Fearful of being blamed for obstructing popular social reforms, transport businessmen and local opposition politicians were more receptive to the new measures proposed by Luiza Erundina's government.

In this context, the municipal administration enacted significant reforms in 1991 with the Municipalization Law⁶⁸, fundamentally changing the financial management of the bus service. This law introduced municipal subsidies for operating expenses, reducing reliance on fares to cover costs. By centralizing all fare-derived resources under municipal control, the law also eliminated companies' authority over fare collection. This consolidation improved resource management, empowering the government to restrict the intensity of fare hikes and improve service quality. With the Municipalization Law in effect in 1992, the municipal government expanded the number of users eligible for free access to the system by introducing a zero fare for people with disabilities.⁶⁹ This addition, alongside existing discounts and exemptions for students and seniors over 65, represented an incremental yet significant reform.

It is apparent that in recent decades, due to the challenges associated with implementing abrupt fare reductions, São Paulo mayors, especially those affiliated with left-leaning political

⁶⁷ Analytical Note: Out of the 53 councilors comprising the São Paulo City Council in 1989, only 17 belonged to the PT. If we include other left-wing parties like PCdoB, PCB, and PDT, Erundina's total vote count would only reach 20.

⁶⁸ Law no. 11,037 of July 25, 1991.

⁶⁹ Analytical Note: An institutional video from São Paulo City Hall, dated 1992 and produced during the Luiza Erundina administration, discusses the municipalization of public transport. Video available at: https://vimeo.com/26597446?embedded=true&source=vimeo_logo&owner=7821756

parties, have consistently pursued a strategy centered on the establishment and broadening of discounts and exemptions targeting specific demographic groups.

Table 13 outlines a chronological sequence of urban bus fare policies along with party-associated political ideologies and effects on affordability. Over recent decades, various initiatives have been introduced by both left-leaning and right-leaning parties, aiming to enhance the affordability of public transportation. Notably, left-leaning parties primarily introduced initiatives with positive effects on affordability, while right-leaning parties were responsible for both positive and negative impacts.

Positive reform initiatives included the introduction of free fares for specific demographics like people with disabilities, the elderly, and low-income students, as well as discounted fares for frequent commuters and integration with other transportation systems. However, some negative impacts were observed, such as the extinction of certain fare modalities, which affected affordability negatively. However, despite fluctuations, the overall trend indicates a continuous effort to enhance affordability, albeit with occasional setbacks due to changing political landscapes.

Table 13. Free and Discounted Passes Initiatives, São Paulo (1986-2023)

Year	Initiative	Party Ideology	Effect on Affordability
1992	Free fare for people with disabilities	Left	Positive
1993	Free fare for women aged 60 and over	Right	Positive
2004	Temporal fare integration with smart card (<i>Bilhete Único</i>)	Left	Positive
2005	Discounted fare for integration with metropolitan trains and subway	Right	Positive
2008	Discounted fare for commutes on sundays and holidays	Right	Positive
2013	Discounted fare for frequent commuters: monthly pass	Left	Positive
2013	Free fare for men aged 60 and over	Left	Positive
2014	Discounted fare for frequent commuters: weekly and daily pass	Left	Positive
2015	Free fare for low-income students	Left	Positive
2017	Extinction of some modalities of daily, weekly and monthly passes	Right	Negative
2020	Extinction of free fare for people between 60 and 64 years old	Right	Negative
2022	Free fare for people between 60 and 64 years old	Right	Positive
2023	Free fare on sundays	Right	Positive

Source: Author's elaboration.

According to the proposed argument, the prevalence of initiatives by left-wing parties can be attributed not only to the ideological leanings of their politicians but also to these parties' proclivity towards specific policy approaches. In the context of São Paulo, for instance, integration and fare reduction initiatives have historically been championed by the city's left-leaning administrations: Luiza Erundina advocated for free fares and expanded gratuities; Marta Suplicy implemented the *Bilhete Único* (smart card) system, reducing costs for users utilizing multiple bus lines; Fernando Haddad introduced various subsidies and discounts targeting socially and economically disadvantaged groups. These policies collectively reflect a political commitment to mitigate transportation inequalities by lowering or eliminating fares for those most in need. Furthermore, many of the policies became popular and were used by left-wing candidates to claim credit during local election campaigns.

According to long-standing SPTrans personnel interviewed for this study, there exists a clear directive from São Paulo's left-leaning administrations to reform the city's bus service, with a focus on fare reduction and quality enhancement. Furthermore, these policies exhibit a degree of continuity over time, despite periods of governance alternation between left-wing and right-wing or center-right administrations in São Paulo.

From an ideological standpoint, it is evident that despite their opposition to left-wing reform initiatives, right-wing administrations often opt not to terminate popular programs, such as the implementation of the smart card system. This strategic decision likely stems from a fear of public backlash associated with discontinuing widely supported reforms, leading to a choice to maintain initiatives initiated by political opponents. An exception to this occurred in 2020 with the cessation of the free fare for individuals aged 60 to 65, which resulted in negative repercussions and blame being attributed by the opposition. Subsequently, in 2022, the fare exemption for this demographic was reinstated by the same right-leaning government.

Regarding right-wing governmental reforms that have positively impacted the affordability of urban buses, empirical observations suggest that these strategies can be attributed to median voter and credit-claiming. For instance, José Serra (right-wing), who served as mayor between 2005 and 2006, recognized the popularity of the *Bilhete Único* introduced by his rival, Marta Suplicy (left-wing). In response, Serra incorporated the expansion of this initiative into his electoral campaign proposals in 2004, promising to integrate the card,

previously exclusive to buses, with the São Paulo train and subway system.⁷⁰ Rather than rejecting his opponent's popular initiative, Serra opted to pledge its enhancement, signaling to the city's poorest voters that the initiative would not be discontinued.

Furthermore, affordability improvements implemented by Gilberto Kassab in 2008 and Ricardo Nunes in 2023, both representing right-wing ideologies, align with a strategy aimed at appealing to the city's poorest electorate, as indicated by interviewees and secondary sources. Recognizing that the poorest demographic often supports left-wing candidates in elections, these right-leaning mayors – who assumed office following the resignation or death of the originally elected officials – targeted the median (poorest) voter by implementing policies traditionally associated with leftist ideologies, thereby garnering credit and votes from this important segment of São Paulo's electorate. In particular, Ricardo Nunes's introduction of free Sunday fares was strategically tied to his re-election ambitions and the broader political objectives of his party, the *Movimento Democrático Brasileiro* (MDB). A key political ally of Nunes, Milton Leite, who serves as the president of the São Paulo City Council and is a significant figure in the local transport sector, emphasized that failure to implement this policy would increase the likelihood of the left winning the next local mayor election.⁷¹ Additionally, Baleia Rossi, the national president of MDB, articulated in a media interview that the party aimed to transform São Paulo into a “case study” and elevate the Free Fare initiative to a “national banner” of the party.⁷²

Notably, bus companies did not oppose Nunes' free fare proposal, unlike their reaction to Erundina's similar policy in the early 1990s. This lack of resistance can be attributed to the

⁷⁰ Source Excerpt in Portuguese: "Uma das principais promessas de campanha de José Serra (PSDB), a integração do bilhete único dos ônibus de São Paulo com a rede sobre trilhos está prevista para começar no dia 28 de novembro, mas de forma parcial. [...] A intenção da administração tucana é que todos os trajetos da rede sobre trilhos estejam interligados ao bilhete único até abril de 2006, a seis meses das eleições." Data Source: (2005, September 02). Metrô Paulista vai estrear bilhete único. Folha de S. Paulo. <https://www1.folha.uol.com.br/fsp/cotidian/ff0209200518.htm>

⁷¹ Analytical Note: Milton Leite, president of the São Paulo City Council and an important ally of Nunes, stated in an interview on January 13, 2023: “Ou vem a tarifa zero, ou, no futuro embate político, o (Guilherme) Boulos vai dizer que vai fazer isso e ganhar a eleição.” Data source: (2023, January 13). “Ou fazemos a tarifa zero ou Boulos ganha a eleição”, diz Milton Leite. Veja S. Paulo. <https://veja.sp.abril.com.br/cidades/ou-fazemos-a-tarifa-zero-ou-boulos-ganha-a-eleicao-diz-milton-leite>

⁷² Analytical Note: In a statement to Folha de S. Paulo, Baleia Rossi stated about the Free Fare initiative in São Paulo: "We are going to make the São Paulo study a 'case' so that we can make it available and transform it into studies in other regions, as a brand, a flag of the MDB. It has great significance". Data Source: (2022, November 30). MDB wants zero bus fares as the party's flag based on the example of SP. Folha de S. Paulo. <https://www1.folha.uol.com.br/colunas/painel/2022/11/mdb-quer-tarifa-zero-de-onibus-como-bandeira-do-partido-a-partir-de-exemplo-de-sp.shtml>

fact that the proposal for free fares on Sundays was defended by the transportation companies themselves. These companies faced significant financial instability and crisis during the COVID-19 pandemic (not only in São Paulo but worldwide), which led to a sharp reduction in passenger numbers. Sundays historically have the lowest number of passengers and consequently the highest relative operating costs for the companies. Thus, the free fare policy, beyond its partisan and electoral objectives, was also designed as a subsidy to help the companies maintain financial stability and avert potential bankruptcies. The remuneration model for free fares on Sundays, based on passenger numbers, particularly benefits the companies' revenue; with more passengers utilizing the service on Sundays, the companies experience greater economic gains. Consequently, with the implementation of free fare on Sundays, bus companies began receiving increased economic subsidies from the City Hall.⁷³

Figure 40. Public Hearing on Free Fare, São Paulo City Council – February 27, 2023



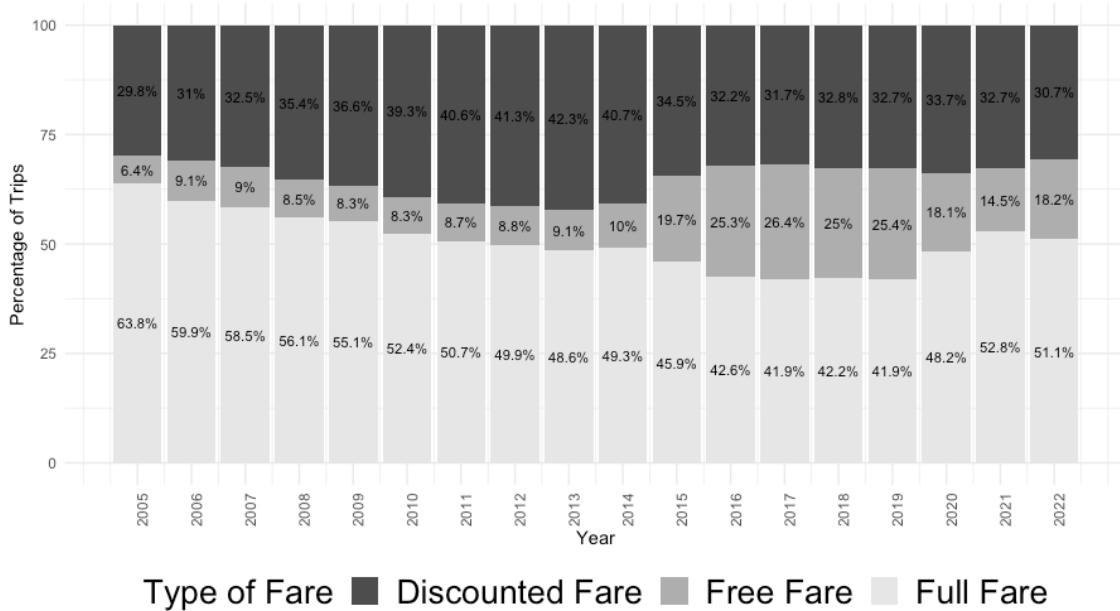
Source: Author photograph (2023).

Figure 41 illustrates the tangible impact of the aforementioned initiatives offering free and discounted passes. Overall, the data depict a consistent and steady upward trend in the

⁷³ Analytical Note: On April 17, 2024, the newspaper Folha de S. Paulo reported that three months after implementing the free fare on Sundays, the remuneration for bus companies had increased by 24% compared to their earnings on Sundays before the reform. However, "the number of vehicles on the streets remained practically the same," suggesting that operational costs did not significantly increase. Data Source: (2024, April 17). Com tarifa zero, Prefeitura de SP paga mais a empresas de ônibus pela mesma frota. Folha de S. Paulo. <https://www1.folha.uol.com.br/cotidiano/2024/04/com-tarifa-zero-prefeitura-de-sp-paga-mais-a-empresas-de-onibus-pela-mesma-frota.shtml>

number of users benefiting from free or discounted passes for urban buses in São Paulo, reflecting an ongoing process of inclusion of new social and economic demographics at preferential fare rates. The only deviation from this trend occurred in 2020, amidst the pandemic's profound impact on the local transportation network.

Figure 41. Proportional Distribution of Trips by Fare Type, São Paulo (2005-2022)



Source: Author’s elaboration with data from SPTrans (2023). Data was obtained via a request under the Access to Information Law. Data began to be produced after the introduction of the smart card in 2004.

Note: The Full Fare category encompasses commuters who paid using both smart-card (*comum*) and cash (*dinheiro*). The Discounted Fare category includes commuters who received partial subsidies for fare coverage, such as formal workers (*vale transporte*) and students. The Free Fare category comprises commuters who received full subsidies to cover the fare cost, including elderly individuals, people with disabilities, and low-income students.

Analyzing the data from Figure 41 alongside the previously discussed information reveals a notable trend: despite São Paulo's full fare being among the highest in Latin America, the proportion of bus commuters not paying the full fare has been steadily increasing. This gradual progression over recent decades suggests a growing inclusivity within the city's bus system, particularly benefiting the most vulnerable groups reliant on these services.

Although social movements' actions, particularly the significant and massive protests of 2013, are often credited with enhancing the system's inclusivity, it's noteworthy that many of

these fare reduction initiatives were already in motion before these movements gained momentum. The protests achieved significant milestones, such as preventing the fare hike proposed in 2013 and increasing the political costs linked to increasing the fare post-2013 compared to the pre-2013 era, as emphasized by some interviewees. However, numerous reforms proposed and implemented after 2013 had already been part of the local political discourse earlier, particularly during the tenure of leftist administrations.

Additionally, the incremental process of fare affordability reform also generated positive effects on service quality. As per the insights gathered from interviews with individuals working within the São Paulo government and representing companies in the transportation sector, the implementation of electronic ticketing systems has had a profound impact on operational dynamics. Notably, the introduction of digital cards has enabled both companies and governmental bodies to obtain detailed insights into the functioning of the service, facilitating improved planning of bus lines and routes. Additionally, according to a senior bureaucrat interviewed, the introduction of the *Bilhete Único* marked a pivotal moment for São Paulo in curbing informal and clandestine transportation practices. The interviewee remarked: "I believe that what truly eradicated illegal transport was the implementation of the *Bilhete Único*. With this system, users could integrate their trips, and those without the card had to pay a higher fare for the service."

New Bus Corridors in Mexico City

In the mid-1990s, as the hegemony of the *Partido Revolucionario Institucional* (PRI) waned across Mexico, particularly in Mexico City, the public transportation landscape in the capital, then known as the Federal District, was complex. Despite relatively low fares for various transportation modes, the quality of urban bus service was dire.

Following years of political strife between state urban transport workers and local and national governments, PRI politicians in 1995 chose to dissolve the public bus company in the Federal District, known as *Ruta 100*. Consequently, public transport in Mexico City increasingly relied on privately licensed minibuses and combis with limited capacity, a model referred to as *hombre-camión*. Despite the close ties between PRI leaders and *hombre-camión* operators, most of Mexico City's population criticized the service's operation.

A 1993 survey by Clifford Wirth revealed that only 14% of Mexico City residents favored reducing urban public bus services and increasing private microbus service, while 82% opposed it. In addition to service quality concerns, such as high insecurity and discomfort, environmental issues associated with minibuses also weighed heavily at the time. According to Wirth (1993): "The costs of minibus proliferation to Mexico City with regard to air pollution are significant. In 1990, Ruta-10 buses and buses in the municipios combined generated just 1.7% of all air pollution in the ZMVM; minibuses, however, generated approximately 14.8%. [...] In an interview on 23 November 1995, Representante Jose Luis Luege, president of the ARDF Commission on Traffic and Urban Transport (CTUT), estimated that minibuses in the DF generate seven times more air pollution (per passenger per kilometer) than the newest DF buses and that in more than half of the minibuses, leaded gasoline is used illegally" (p. 166).

Considering this challenging scenario, the first democratically elected *Jefes de Gobierno* (Mayors) of Mexico City were confronted with a problematic legacy regarding the quality of urban public transportation.⁷⁴ In response to the governance and remnants of PRI hegemony, empirical evidence demonstrates that post-1997 administrations sought to distance themselves, to varying degrees, from the influences of *PRIism* in Mexico City. To some extent, the departure from past policies is justified by the negative aspects of previous legacies and the relatively low levels of electoral competition in the post-transition democratic era. Hence, disassociating from prior policies, even ones with some popularity among the capital's residents (like the subway), is feasible because the attribution of blame by the opposition or media has not resulted in significant adverse electoral repercussions.

On one hand, there's a noticeable shift by PRD-Morena administrations away from prioritizing the subway as the primary urban mobility solution for the Mexican capital. Between 1969 and 1997 (PRI rule), the city witnessed the construction of 177.6 km of subway network,

⁷⁴ Source Excerpt in Spanish: Speech by Cuauhtémoc Cárdenas at his inauguration as Head of Government of the Federal District (1997): "Son muchas, muy diversas y muy fuertes las inconformidades de la gente respecto a cómo está la Ciudad de México hoy día. Es grande la irritación frente a una inseguridad que aumenta y aumenta; al manejo viciado del transporte; al ambulante, las licencias, los usos del suelo; a la caída general de la calidad de la vida; a las ineficiencias administrativas; a la voraz corrupción de fuera y de dentro; al cierre para grupos de población cada vez mayores, de oportunidades de trabajo, de estudio, de vivienda, de atención a la salud y de asistencia. En esta condición de incertidumbre y deterioro crecientes de todo y por todos lados, se ha mantenido a la ciudad por la incuria, la insensibilidad, la proclividad a la corrupción y/o la ineficiencia de las últimas administraciones." Data Source: (1997, December 05). Discurso de Cuauhtémoc Cárdenas en su toma de protesta como Jefe de Gobierno del Distrito Federal. Diario de Debates de la Asamblea Legislativa del Distrito federal. <http://www.aldf.gob.mx/archivo-1293b83d44938ce6db0c1ca5eb498c3a.pdf>

whereas from 1998 to 2023, only 47.4 km have been built.⁷⁵ Despite maintaining low subway fares, which have even been frozen for extended periods, it is evident that the lack of significant expansions and the gradual deterioration of infrastructure in recent years underscore the limited political will of PRD and Morena administrations to invest in the Mexico City subway system. Moreover, the enduring ties between subway workers and PRI politicians could partially account for the scant attention the service has garnered in the recent democratic era.⁷⁶

On the other hand, there's a consistent and recurrent effort to overhaul the city's microbus system, either by phasing it out or implementing reforms to enhance its quality across various dimensions. During Cuauhtémoc Cárdenas-Rosario Robles' administration (1997-2000), it was stated that microbus service quality was notably low, prompting the aim to "replace the *hombre-camión* culture with that of companies capable of delivering the best service in terms of efficiency, safety, and hygiene" (SETRAVI, 2000). Similarly, under the municipal governance of Andrés Manuel López Obrador (2000-2006), much of the transportation sector discourse focused on enhancing service quality, as "the neoliberal policies advanced by the governments of the 1980s led to a lack of modernization and zero sustainability in a strategic social service such as public transportation. As nowhere else in the world, in the Federal District, a record was broken: in 17 years, transportation provided by minibuses and buses grew at an accelerated and uncontrolled rate of 1,250%, breaking the balance that was maintained between state and private services" (SETRAVI, 2001).

Regarding the reform of the *hombre-camión* system, an examination of recent decades suggests that its transformation has been challenging. In an interview with a current senior leader of the Mexico City government, the interviewee acknowledged that implementing the reform has been complex, characterizing the *hombre-camión* system as a "difficult trap to escape". Nonetheless, despite these challenges, policies introduced since the early administrations of the democratic era have gradually succeeded in altering the bus transport network in Mexico City.

The Metrobús, launched in 2005, represents perhaps the most successful instance of urban mobility policy aimed at transforming the *hombre-camión* model in Mexico City. As a

⁷⁵ Marcelo Ebrard's administration (2006-2012) stands out as a clear exception to this trend, as a new and extensive metro line was constructed during his tenure.

⁷⁶ Analytical Note: Fernando Espino Arévalo, a prominent figure within the PRI, has served as a federal deputy for the party on multiple occasions. Remarkably, he has retained the position of General Secretary of the Metro Workers Union since 1978, maintaining uninterrupted leadership of the union for over 45 years.

Bus Rapid Transit System (BRT), Metrobús stands out for its extensive rapid transport network utilizing large buses (articulated and bi-articulated) equipped with dedicated lanes, off-board fare collection, enclosed stations, and platform-level boarding. These attributes enhance service quality by facilitating faster and more efficient vehicle circulation, as well as smoother passenger boarding and alighting procedures. Figure 42 illustrates the Metrobús service on line 1, on *Avenida de los Insurgentes*.

Figure 42. Metrobús, Mexico City



Source: Author photograph (2023).

Currently, the Metrobús network in Mexico City spans a total of 158.5 kilometers, encompassing seven distinct lines, outlined comprehensively in Table 14. Typically, each Metrobús line is strategically situated along significant avenues within the capital, facilitating connectivity between the city's north-south and east-west corridors. Moreover, aside from its internal integration, the network seamlessly interfaces with other modes of public transportation, including the subway and cable car services.

Table 14. Metrobús Network, Mexico City

Lines		Year of inauguration	Total Extension (in km)	Notes
1	Av. De los Insurgentes	2005	30	Expansion in 2008
2	Eje 4 Sur	2008	20	
3	Eje 1 Poniente	2011	17	Expansion in 2021
4	Buenavista-San Lázaro-Aeropuerto	2012	28	Expansion in 2021 and 2022
5	Eje 3 Oriente	2013	28.5	Expansion in 2020 and 2021
6	Eje 5 Norte	2016	20	
7	Av. Paseo de la Reforma	2018	15	

Source: Author elaboration with data from Metrobús (2024).

Based on data from 2017, the Metrobús system accounted for 8.8% of all public transport trips within Mexico City (INEGI, 2017). Given the network's ongoing expansion, this proportion is likely to have increased in recent years. Nevertheless, minibuses and combis remained the predominant mode of public transportation in the city, accounting for 67.8% of total trips in the same year (INEGI, 2017).

Regarding quality improvements, the Metrobús network has introduced several notable advancements, including reduced travel times, enhanced comfort and safety features in both stations and vehicles, and a decrease in air pollution stemming from public transportation. For instance, upon the launch of Line 2 in 2008, a Mexican newspaper highlighted significant benefits: "With the start of operations on the corridor, 1,110 minibuses will cease operating along *Eje 4 Sur*, with 310 of them being decommissioned, resulting in a reduction of 30,000 tons of greenhouse gas emissions annually. The travel time between terminals along 34 intermediate stations spanning 20 kilometers will be reduced from nearly 2.5 hours to 55 minutes, with a daily ridership of 145 thousand passengers."⁷⁷

⁷⁷ Source Excerpt in Spanish: "Con el inicio de operaciones del corredor, dejan de circular por Eje 4 Sur, mil 110 minibuses, de los cuales 310 serán chatarrizados, lo que significará dejar de emitir a la atmósfera 30 mil toneladas al año de gases de efecto invernadero, el tiempo de recorrido de una terminal a otra a lo largo de 34 estaciones intermedias en 20 kilómetros, se reducirá de casi 2 horas y media a 55 minutos, mientras que el número de pasajeros es de 145 mil diariamente." Data Source: (2008, December 17). Arranca inconclusa la línea 2 del Metrobús. La Jornada. <https://www.jornada.com.mx/2008/12/17/index.php?section=capital&article=039n1cap>

Interviewees indicate that the implementation of each Metrobús line follows a distinct negotiation process, tailored to the specific actors involved and the agreed terms. Some implementations were more conflictual than others. However, a prevailing strategy employed by the government involves integrating microbus operators into each new line of the system. For instance, during the inception of the first line along *Avenida Insurgentes*, government representatives engaged in direct negotiations with the drivers' association of *Ruta 2*. After extensive discussions, an agreement was reached wherein the association transitioned into a private company, and its minibuses and combis were phased out. In exchange, they were provided with new buses of greater capacity to operate within the newly established corridor in the early 21st century.

A prominent businessman in today's transportation sector, who witnessed the shift from the *hombre-camión* model to company-based operations on *Avenida Insurgentes*, shared insights into this transition during an interview:

"There were voices [from microbus leaders] saying yes and others saying no, with many doubts because the transition implies a total change, in terms of economy, operation, way of life, because we stopped operating and taking care of our units to enter a completely different and unknown company model. Several months of meetings were held, but we didn't make progress. There was a meeting with the Environment Secretary at that time, Claudia Sheinbaum, who was in charge of the project. It wasn't even the Secretary of Transportation and Roads, it was the Environment Secretary. A limit was established because we were forced to change or there would be the possibility that other people, other companies, would come to invest. So, under this model, we entered. We entered with 60 articulated units at that time. It was a total change because the *hombre-camión* is used to receiving money daily, managing their resources in their own way. So, it was another model where we were going to receive those dividends once a month with other conditions. We thought we were going to earn more, but obviously, when you talk about a company's transportation, you start talking about investments, stock, administration, and maintenance in another way and it implies a total change and that's what happened to us. From that point on, we have been operating for 18 years and the fleets have been expanding. We now have biarticulated buses. [...] And that gave rise to the transformation of public transportation in Mexico City. The CISA [*Corredor Insurgentes Sociedad Anónima*] group was formed, which has promoted the change of the model and, as I mentioned, it has expanded to 25

transport companies operating mainly in Mexico City but it also operates in Puebla, Hermosillo, Querétaro, and Monterrey."

During the López Obrador administration (2000-2006), the implementation of Metrobús Line 1 involved various political and economic actors. Apart from representatives of the city government, a coalition supporting the project included entities such as the World Bank and the World Resources Institute (WRI). These entities played crucial roles in financing and designing the project, drawing from experiences with Bus Rapid Transit systems implemented in other Latin American countries. Notably, between 2003 and 2005, government representatives, transport associations, and Mexican university researchers undertook visits to Bogotá (Colombia) and Curitiba (Brazil) to study the operational frameworks of these systems (C. E. S. Cruz & Lezama, 2008).

Figure 43. López Obrador and Claudia Sheinbaum Presenting Metrobús Line 1 Project



Source: El Financiero (2018).

Nevertheless, opposition to the Metrobús project emerged from both social and political spheres. Initially, many leaders in the microbus transport sector resisted the project, fearing that transitioning from individual operators to corporate entities would diminish their economic and

political influence. Some civil society organizations also criticized the initiative, citing concerns about transparency and public participation in its development. For instance, groups like *Presencia Mexicana A.C.* voiced apprehensions regarding the loss of public space, removal of parking spots along the avenue, tree removal, and the project's impact on *Insurgentes* and surrounding streets. From a political standpoint, opposition was particularly prominent among members of the PRI. Notably, Fernando Espino Arévalo, a PRI federal deputy and head of the Federal District Commission closely aligned with the Metro workers' union, vehemently opposed the Metrobús project. In several instances, Espino criticized the project, alleging inadequate planning, outdated technology, negligible environmental benefits, and insufficient vehicle capacity to address Mexico City's growing public transport demand (*Gaceta Parlamentaria*, March 15, 2005).

However, despite encountering some resistance, interviewees generally agree that the project was implemented without major issues. For instance, in the case of Line 1, two years of negotiations between the government and microbus operators, spearheaded by Claudia Sheinbaum, successfully navigated existing resistance through a combination of concessions and political pressure. Moreover, the government's popularity at the time, coupled with a parliamentary majority in the Mexico City Congress, appeared to overcome social and political hurdles to the project.⁷⁸

As for the network expansion under subsequent administrations, including Marcelo Ebrard (2006-2012), Miguel Mancera (2012-2018), and Claudia Sheinbaum (2018-2024), documentary evidence and interviews suggest that the success of the inaugural line, launched in 2005, bolstered efforts to counter potential obstruction of new lines. Despite specific resistance encountered during each line's implementation, particularly from neighborhood associations opposing Metrobús routes through certain city streets and microbus associations resistant to change, overall progress was achieved.⁷⁹

⁷⁸ Analytical Note: In the 2003 local elections, the PRD secured the majority in the Legislative Assembly of the Federal District with 37 seats out of the existing 66. Concurrently, the PRD also gained representation in the majority of the Delegations of the Federal District, winning 13 out of 15 positions. Subsequently, in the 2006, 2008, and 2012 elections, the PRD retained control of the local Assembly, either independently or through coalitions. However, starting in 2018, MORENA, the same party as the mayor, emerged victorious to secure the legislative majority.

⁷⁹ Analytical Note: In at least two instances, the opposition from affected residents successfully impeded the expansion projects of Metrobús. For Line 7, inhabitants of neighborhoods like Polanco, Lomas, and Chapultepec successfully halted the extension of the Metrobús line to Santa Fé. Similarly, for Line 3, residents of Xoco, General Anaya, and Santa Cruz Atoyac managed to obstruct the expansion of a segment of the line.

From the commuters' perspective, the service's popularity played a significant role in creating political incentives for its expansion.⁸⁰ Meanwhile, for microbus associations, the economic success experienced by operators transitioning to private transport companies facilitated negotiations for new lines, encountering less resistance. Notably, an interviewee, presently a businessman on Line 2 established in 2008, revealed that his decision to shift from the *hombre-camión* to the company model was influenced by the economic benefits reported by counterparts involved in the Line 1 project, launched three years prior.

Concerning the factors driving transportation reform, analysis of empirical data suggests that partisan politics and credit-claiming processes emerge as significant factors in elucidating the inception and expansion of Metrobús.

On one hand, there seems to be a concerted effort by parties like the PRD and MORENA to distance themselves from the legacy inherited from the PRI, bolstering the motivation of various mayors to propose and execute new mobility initiatives, such as Metrobús. This inclination to create distinct identities in Mexico City's public transport system reflects a strategic move to break away from the associations of past administrations. Leveraging the substantial popularity of these parties' leaders over recent decades, coupled with their intertwined history (as MORENA emerged from PRD dissenters), the Metrobús initiative has gained traction and expanded over time, embedding itself within the fabric of Mexico City and potentially garnering support for the affiliated party candidates. Consequently, local party politics in Mexico City seem to exert a significant influence on the nature and trajectory of reforms aimed at enhancing quality. With the PRD and MORENA's dominance in recent years, transportation reforms were primarily linked to Metrobús, overshadowing alternative policy avenues to some extent.

Indeed, in various electoral campaigns over recent years, it has become customary for mayoral candidates, formerly affiliated with the PRD and now with MORENA, to advocate for the expansion of Metrobús as a viable solution to enhance urban mobility in Mexico City. This trend is evident in electoral campaigns such as those of Claudia Scheinbaum in 2018 and Clara Brugada in 2024, where both candidates were the sole proponents of Metrobús network expansion. Conversely, parties like PAN and PRI typically advocate for alternative solutions,

⁸⁰ Analytical Note: In a survey conducted in 2021 among users of various Metrobús lines, 91.56 percent of respondents rated the service quality provided by Metrobús as excellent.

such as the expansion of the subway network or the modernization of microbuses employing strategies distinct from those proposed by the Metrobús project.

Moreover, given Mexico City's significance within the national political landscape, the legacy left by mayors in the Mexican capital holds substantial importance for their future political ambitions. Given the city's prominence and relevance on the national stage, nearly all former Mexico City mayors have aspired to run for the PRD or MORENA in the country's presidential elections, spanning from Cuauhtémoc Cárdenas to Claudia Sheinbaum, with the sole exception of Miguel Mancera, who became a federal senator. Thus, the ability to claim credit for policies enacted in the city emerges as a crucial element that mayors can leverage in their bids for the Presidency.

The electoral strategy of claiming credit is vividly demonstrated in the 2024 presidential elections. For instance, Claudia Sheinbaum, the former mayor of Mexico City and the presidential candidate for MORENA, champions her transportation legacy during a nationwide campaign, notably emphasizing the expansion of the Metrobús network, the introduction of electric buses, and the establishment of cable car systems in the Mexican capital. Should she secure the presidency, her platform pledges to extend these mobility initiatives to other cities across the country.⁸¹ Additionally, advertisements strategically placed throughout the city in early 2024 (see figure 44) aim to attribute credit to MORENA for its achievements in mobility within the nation's capital.

⁸¹ Source Excerpt in Spanish: “En sus propuestas, Sheinbaum se compromete a consolidar los proyectos estratégicos legados por Andrés Manuel López Obrador, como el Tren Maya, el Interoceánico, el Aeropuerto Felipe Ángeles, la refinería de Dos Bocas, así como la modernización de las seis refinerías y las plantas hidroeléctricas. También, aboga por dotar de transportes eléctricos a las principales ciudades mexicanas, por ejemplo, con líneas de trolebús, metrobús y cablebús.” Data Source: (2024, May 29). Las propuestas de Claudia Sheinbaum, la candidata de la coalición Sigamos Haciendo Historia. El País México. <https://elpais.com/mexico/elecciones-mexicanas/2024-05-29/las-propuestas-de-claudia-sheinbaum-la-candidata-de-la-coalicion-sigamos-haciendo-historia.html>

Figure 44. Government Claiming Credit for Affordable Transportation Fare, Mexico City

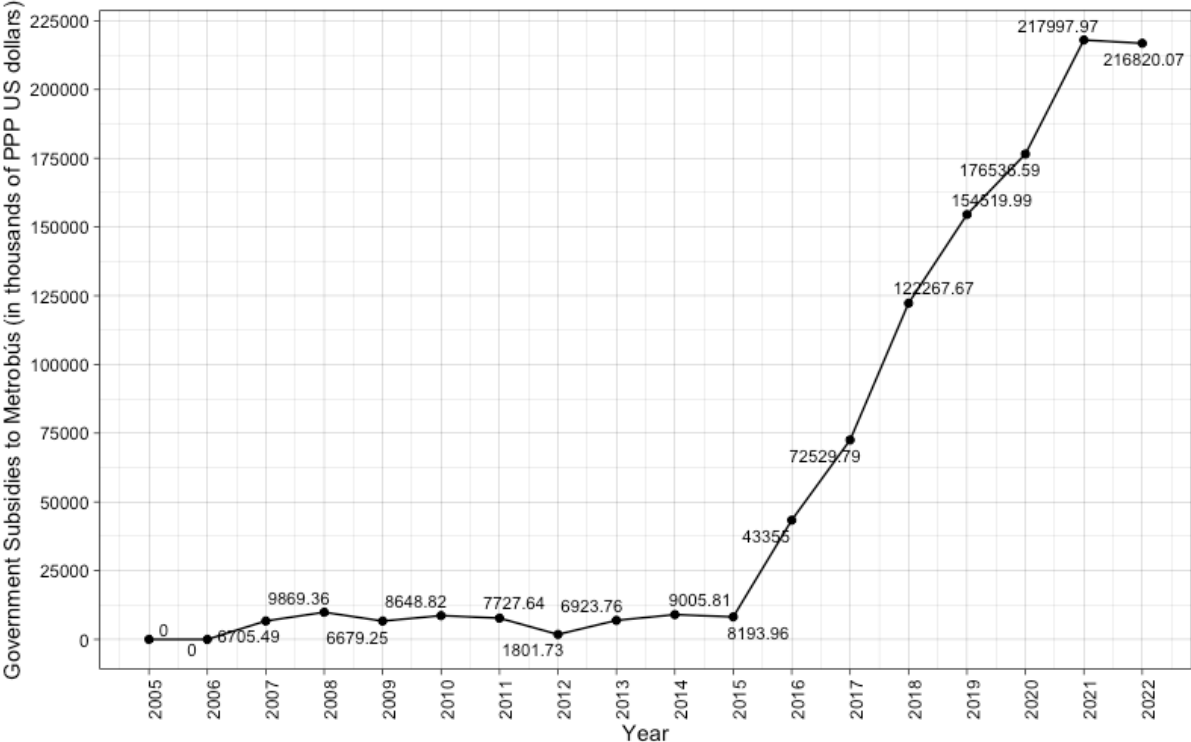


Source: Author photograph (2024).

Finally, while the primary focus of initiatives to construct and expand the Metrobús network has been on enhancing the quality of public transportation services, the issue of fares has also remained significant. Since its inception in 2005, the system has maintained fares equivalent to or lower than those of other transport services in the city, particularly microbuses and combis. Consequently, the fare policy associated with Metrobús has played a crucial role in enhancing the inclusivity of Mexico City's public transport network.

To ensure the affordability of fares, substantial subsidies have been allocated by the government to finance a portion of Metrobús operating costs, mirroring practices observed in numerous cities worldwide. Figure 45 illustrates the evolution of this subsidy allocation over time. It reveals that since the mid-2010s, when the government decided to freeze fares at 6 Mexican Pesos, subsidies for Metrobús have grown consistently. Based on documentary sources, this consistent provision of subsidies has not only ensured fare stability but has also facilitated the continuous renewal of the bus fleet and maintenance of stations, thereby generating positive effects on service quality.

Figure 45. Evolution of Government Subsidies to Metrobús, in thousands of PPP US dollars (2005-2022)



Source: Author elaboration with data from Metrobús (2023). Data was obtained via a request under the Access to Information Law.

Note: To facilitate comparisons over various periods, values in local currency have been standardized using PPP dollar values for each respective year.

Fare Subsidies in Buenos Aires

In contrast to the urban bus systems in the other two Latin American cities, Buenos Aires enjoyed a more favorable situation during the transition to democracy at the end of 1983. On one hand, the fare for utilizing the service was relatively affordable, considering the income levels of residents at that time. On the other hand, the service also maintained high levels of quality, particularly when compared to other bus services found in major Latin American cities during the same period. Therefore, the primary challenge for Argentina's capital during the transition period was to devise strategies to sustain these commendable levels of affordability and quality over the long term.

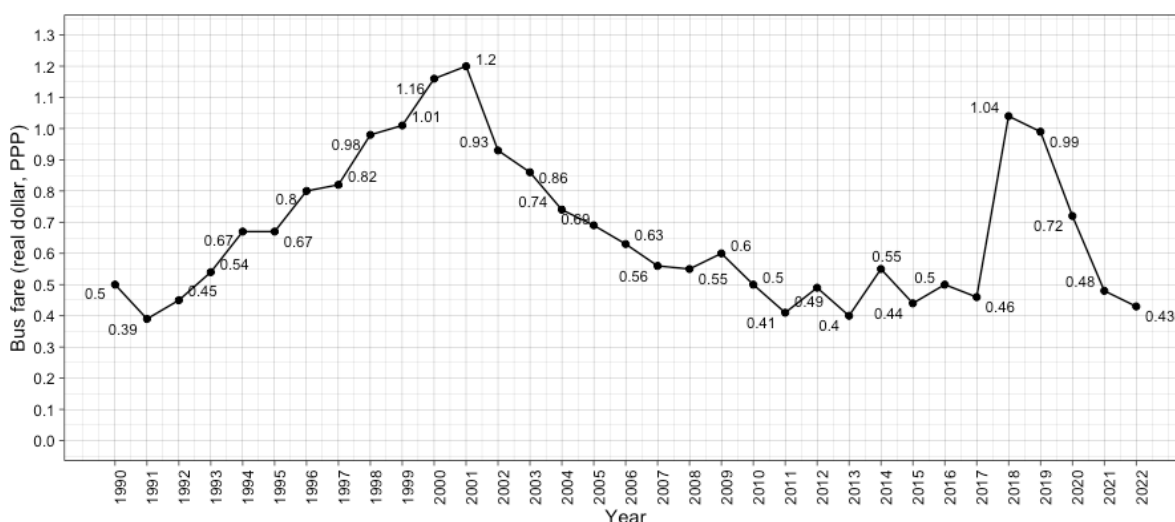
In recent decades, Argentina's macroeconomic instability has posed significant challenges to maintaining satisfactory levels of affordability for urban buses. Since the country transitioned to democracy, periods of pronounced price volatility have led to significant disruptions in how the government determines fares for this public service. This is particularly notable because historically, bus fares in Buenos Aires were determined by the national government. Even though formal governance of the capital shifted to local authorities in 1997, the national government continues to wield considerable influence over the local transport sector. As a result, national macroeconomic policies often have a direct impact on the pricing of the service at the local level.

In the recent democratic era, two distinct patterns have emerged regarding bus fare dynamics in Buenos Aires. On one hand, during periods characterized by minimal state intervention in price regulation, notably between 1992 and 2000, there was a trend of real and incremental increases in urban bus fares, leading to a decline in overall system inclusivity. Conversely, during phases of significant or moderate price control, evident during the latter half of the 1980s and the periods from 2001 to 2015 and 2019 to 2023, empirical evidence from various sources indicates a tendency towards more affordable fares, preserving and perpetuating the historical legacy of affordability.

Figure 46 depicts a trend of a gradual yet consistent increase in urban bus fares during the 1990s, following a period in the latter half of the 1980s characterized by price controls under President Raúl Alfonsín (1983-1989), amidst hyperinflations. According to insights from interviewees, the price evolution in the 1990s, amid macroeconomic stability, stemmed primarily from three factors. Firstly, the policy of deregulating public service prices initiated by

President Carlos Menem (1989-1999); the cessation of price freezes led to constant fare adjustments throughout the decade. Secondly, efforts to enhance system quality played a role. In 1994, for instance, a national transport oversight entity – *Comisión Nacional de Transporte Automotor (CoNTA)* – was established for the first time, with jurisdiction over Buenos Aires. Consequently, new regulations were enacted to professionalize drivers and bus companies, expand the fleet, and integrate more accessible vehicles. Given that these quality enhancements occurred without direct government subsidies, the increased operational costs were gradually passed on to the fare. Lastly, a third factor relates to the decline in bus demand, particularly since 1998, which diminished company revenues and consequently heightened pressure to raise user fares. From a political standpoint, the implementation of this reform involving gradual bus fare increases proved to be unpopular, particularly given the backdrop of a deteriorating macroeconomic situation in the country towards the end of the decade.

Figure 46. Evolution of Bus Fare in PPP US dollars, Buenos Aires (1990-2022)



Source: Information regarding bus fares was gathered from Buenos Aires Data (2024) and Di Ciano (2016). PPP (purchasing power parity) conversion factors used are sourced from OECD Stats (2023).

Note: To facilitate comparisons over various periods, values in local currency have been standardized using PPP dollar values for each respective year.

By the end of 2001, Argentina plunged into one of its most severe economic, social, and political crises in recent history. The country experienced a notable decline in GDP alongside a rapid resurgence of inflation. Socially, escalating prices and increased poverty rates triggered

widespread protests against the government. Politically, the mounting social unrest culminated in the resignation of President Fernando de la Rúa (1999-2001), ushering in a period of instability only partially resolved with the inauguration of Eduardo Duhalde as president on January 2, 2002.

The transport sector was deeply affected by the 2001 crisis. The bus drivers' union, historically aligned with Peronist governments, played a significant role in the protests against Fernando de la Rúa's administration. As the crisis escalated in December 2001, the union orchestrated a series of bus service interruptions in Buenos Aires.⁸² Meanwhile, businesses in the sector faced mounting pressure on multiple fronts due to increased input costs and a sharp decline in residents purchasing power. This combination precipitated a crisis within the sector.

Amidst this backdrop of social, economic, and political turmoil, with Peronist Eduardo Duhalde assuming the presidency without popular support and legitimacy, a landmark reform was introduced in the urban transport sector (but also in other public services, including gas, water, and electricity). For the first time since the service was privatized in the mid-1950s, the national government instituted a subsidy policy to mitigate the crisis's adverse effects on urban bus fares in Buenos Aires and across the country. As depicted in Figure 47, the implementation of subsidies had a significant initial impact in the Argentinean capital, resulting in a real reduction of over 20% in urban bus fares between 2001 and 2002.

According to some respondents and documents, Duhalde's decision to subsidize and subsequently decrease the price of public services was primarily a political move and was of an emergency and temporary nature. A significant industry figure, involved in Buenos Aires' transportation since the 1950s, explained in an interview: "There was no alternative. Overnight, diesel, spare parts, and all imported inputs became four times more expensive... If not, ticket prices would skyrocket." Another interviewee, a senior bureaucrat with experience in the sector since the 1990s, stated, "It was a demand from the State, especially during the 2001 crisis. There was a significant change in income, a very profound crisis... If the user had to pay the real value of transportation... perhaps at that very particular moment, they couldn't afford it. So, that's how

⁸² Analytical Note: On December 13, 2021, the newspaper La Nación published a news report detailing strikes and protests conducted by bus drivers amid the broader social upheaval. Data Source: (2001, December 13). La falta de transporte será clave, una vez más, en la huelga. La Nación. <https://www.lanacion.com.ar/politica/la-falta-de-transporte-sera-clave-una-vez-mas-en-la-huelga-nid358921/>

it started. At least for the government of that time, it seemed attractive. And in the subsequent governments, no one dared to remove them."

Politically, Duhalde's decision to subsidize urban transport, a policy maintained by subsequent Peronist administrations – Néstor Kirchner (2003-2007), Cristina Fernández de Kirchner (2007-2015), and Alberto Fernández (2019-2023) – aimed to distance themselves from the policies that led to the 2001 crisis. In his inauguration speech, Duhalde emphasized pacification and reconstruction in Argentina. Similarly, his successor, Néstor Kirchner, positioned himself against the economic and social policies of the Menem and de la Rúa governments. During his 2003 electoral campaign, Kirchner not only pledged to continue Duhalde's initiatives⁸³ but also positioned himself as someone avoiding blame for the failed policies of their predecessors. This involved revisiting past Peronist initiatives like price control and eventually claiming credit for policies that enhance access to public services in the capital.

Additionally, beyond facilitating high affordability, claiming credit and avoiding blame also seem to significantly influence the consolidation of subsidies over time, activating aspects of partisan politics. On one hand, the Peronist leaders strategically associate themselves with affordable public service prices in various campaigns and political speeches, using this initiative to garner political support through votes. Given the more conservative, anti-Peronist nature of the electorate in Buenos Aires, promoting this low-price policy in the capital also aids Peronist leaders in avoiding blame from a sector of the electorate that is not their main constituency but holds significant importance in the national political arena. As one interviewee noted, "All services in Buenos Aires are cheaper because that's where the votes are. They need to keep people calm."

On the other hand, the partisan dimension becomes evident when considering that non-Peronist presidents, such as Mauricio Macri (2015-2019) and Javier Milei (2023-), vehemently oppose the price control policies implemented by Peronist governments. Opposing low prices carries a cost, particularly among the poorest electorate who are the primary beneficiaries of such initiatives. In fact, Macri faced numerous social protests for partially reversing the transport subsidy policy established by Peronist administrations. However, linking price controls to the

⁸³ Analytical Note: Néstor Kirchner retained Roberto Lavagna as Economy Secretary, the same official who served under Eduardo Duhalde.

inflationary crises that Argentina has experienced in recent years could yield electoral political capital by attributing blame to Peronists for the country's macroeconomic problems.

In summary, the empirical analysis suggests that partisan politics, credit claims, and blame avoidance are key factors behind the persistence of affordable bus fares in Buenos Aires. In a political landscape characterized by high competition for the presidency and alternating power dynamics, these mechanisms serve to initiate and perpetuate bus system reform initiatives. Over the past decades, as depicted in Figure 47, the prevailing trend has been the continuation of low fares, reflecting efforts to uphold the legacy of high affordability. Although there were brief periods, such as between 2017 and 2018 under Macri's government, when attempts were made to reverse this trend, they proved unsustainable, and the trajectory of low prices resumed.

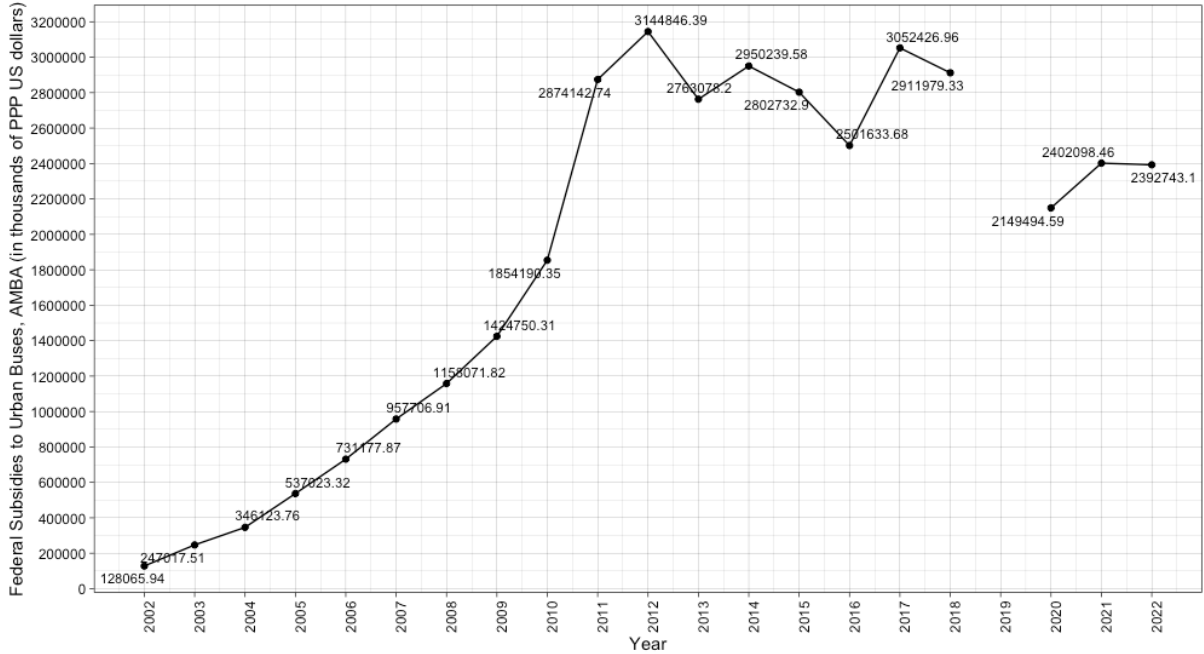
To some extent, this culture of low prices, steered by the State, has become ingrained in Argentina. As one interviewee noted, "The average Argentinean has grown accustomed to very affordable transportation, as well as cheap electricity, gas, and water. Following the 2001 crisis, it became a matter of public policy, at the government's discretion, to subsidize these essential services."

From the perspective of bus drivers and business owners, the data suggests that despite their ability to organize and lobby, favorable opinions regarding subsidies are not unanimous. Entrepreneurs interviewed reiterated on multiple occasions their preference to not rely on government subsidies. According to one, the transition from a fare-based financing model to one heavily reliant on subsidies "was worse because we relinquished control over our income and became reliant on the State. At that time [2001], subsidies were minimal, but now they constitute 90% of our revenue. We are practically entirely dependent on the State. If they fail to pay the subsidy, we cannot operate."

As for drivers, there are strong opinions against excessive subsidies. While they acknowledge its social impact, they also argue that over-reliance on the State has bolstered certain union leaders who may not necessarily advocate for the majority of drivers in the sector. Additionally, they, along with other stakeholders like academics and government bureaucrats, assert that the financing regulations introduced alongside subsidies have facilitated business concentration, leading to a reduction in the number of bus companies operating in Buenos Aires. Consequently, this concentration has empowered companies while diminishing the bargaining power of workers in significant negotiations. In this regard, although businesspersons and

drivers may be secondary beneficiaries of the subsidy policy, there's also a degree of resistance towards its continuation, indicating that mechanisms like lobbying and pressure from organized factions may play a lesser role in its emergence and consolidation over time. Considering the aforementioned points, political and electoral mechanisms appear to play a more central role in this discussion.

Figure 47. Federal Government Subsidies to Urban Buses, AMBA – Buenos Aires Metropolitan Area (2002-2022)



Source: 2002-2006: Bril-Mascarenhas and Post (2015). 2007: 2018: Oficina de Presupuesto del Congreso (2024). 2020-2022: Ministerio de Transporte (2024).

Note 1: Data from 2002 to 2018 were derived from the aggregate of all federal subsidies designated for urban buses. To estimate the portion of this subsidy allocated to the AMBA (Buenos Aires Metropolitan Area), 70% of the total subsidies nationwide were considered, based on previous estimations by CIPPEC (Centro de Implementación de Políticas Públicas para la Equidad y el Crecimiento). Note 2: To facilitate comparisons over various periods, values in local currency have been standardized using PPP dollar values for each respective year.

From an economic perspective, the financial costs tied to sustaining low fares have escalated. To navigate the political challenges linked with fare adjustments, several administrations have opted to either maintain fare rates unchanged (or adjust them to values lower than inflation) or implement more gradual and restrained corrections, rather than sudden ones.

As depicted in Figure 47, since the inception of subsidies in 2002, the federal subsidies for urban buses in the Buenos Aires Metropolitan Area have seen a significant uptick. A peak was witnessed in 2012, during Cristina Fernandez de Kirchner's tenure (2007-2015), who spearheaded an active policy of low fares and modernization of the bus fleet between 2006 and 2012. Between 2013 and 2016, there was a slight decline, attributed to the reduced allocation of federal funds for the procurement of new vehicles. However, there was another uptick in 2017, possibly linked to the introduction of some new complimentary services by Mauricio Macri's administration (2015-2019), despite his anti-subsidy stance.⁸⁴ Under Alberto Fernández's leadership (2019-2023), subsidies stabilized at a lower level, akin to the levels observed in 2010. According to several individuals working across various sectors of the industry, this reduced figure wasn't necessarily reflected in an increase in fares for users. Instead, it represented a governmental decision to curtail transfers for the renewal and enhancement of vehicles amid the backdrop of the COVID-19 pandemic and a new economic and inflationary crisis.

In broad terms, the empirical analysis indicates that fluctuations in fare values and federal subsidies correlate with the overall quality levels of the system. For instance, in 2002, amidst a significant crisis, subsidies were introduced to address the most pressing operational expenses, such as driver wages and fuel costs. During this period of fiscal constraints, the administrations of Duhalde and Néstor Kirchner opted to extend the lifespan of buses (from 10 to 13 years) to curtail the fleet's operational expenses. This decision resulted in a gradual deterioration of service quality between 2002 and 2007, marked by a continuous increase in the average age of vehicles (Figure 48).

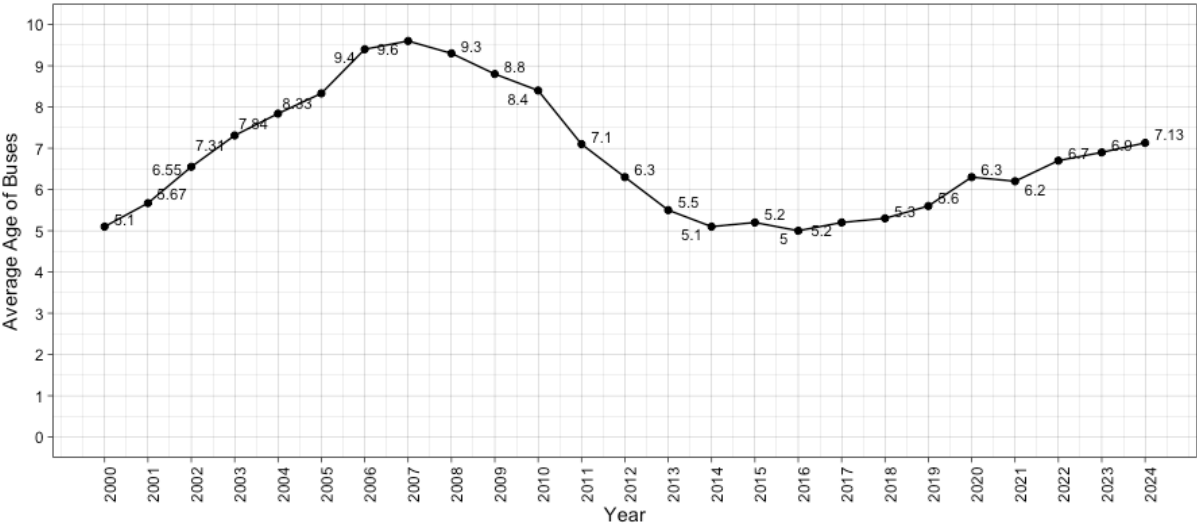
Upon taking office in 2007, during a period of improved macroeconomic stability, the administration of Cristina Fernández de Kirchner expanded the focus of the urban transport subsidy policy to include elements of vehicle renewal and fleet expansion.⁸⁵ Consequently, there was a notable decrease in the average age of the fleet between 2007 and 2013. However, due to the substantial increase in subsidies, coupled with the maintenance of low fares, a decision was

⁸⁴ Analytical Note: An academic authority on the subject suggested that under Mauricio Macri, the shift in subsidy policies was more rhetoric-driven than impactful. His most notable action was transferring subsidy responsibilities from the federal government to the provinces (states) for funding public services. However, in the context of Buenos Aires, there was minimal change.

⁸⁵ Analytical Note: From a legal perspective, this change in subsidies was implemented through the establishment of the *RCC - Régimen de Compensaciones Complementarias*, which increased the transfer of funds from the government to private companies.

made in 2013 to halt the expansion of the bus fleet across the Buenos Aires Metropolitan Area. This measure prevented companies from augmenting their vehicle numbers while simultaneously reducing financial support for fleet renewal. Consequently, the average age of vehicles began to rise once more – a trend that persisted until 2024.

Figure 48. Average Age of Urban Buses, Buenos Aires (2000-2024)



Source: AAETA (2024), Bril-Mascarenhas and Post (2015) and Sicra and González (2022).
 Note: Data from 2000 to 2005 pertain to vehicles operating under the *Jurisdicción Nacional* lines, primarily circulating within CABA (Ciudad de Buenos Aires). Data from 2006 to 2024 pertain to vehicles operating within the AMBA (Buenos Aires Metropolitan Area).

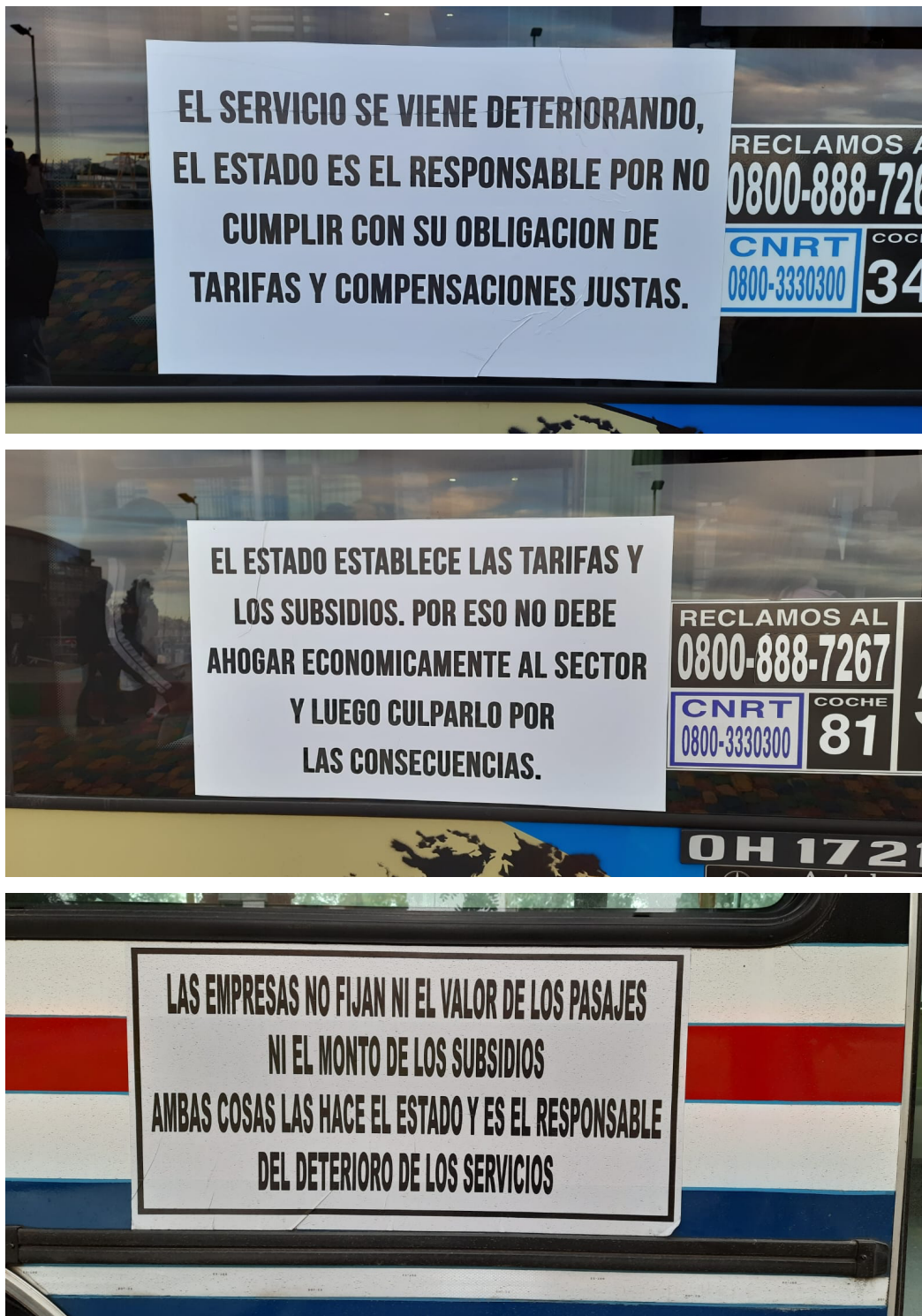
A spokesperson for bus entrepreneurs expressed the following view regarding the correlation between state subsidies and service quality during an interview: "Until the year 2015, you could say that the accounts were well managed. There was a proper update. In fact, when the sector had realistic incomes leveled with operating costs, the investment levels were very good, as the average fleet age reached three years. Vehicles were very new. Nowadays, it's closer to seven years. There are around 5,000 vehicles that are over 10 years old. By regulation, a vehicle shouldn't circulate with over 10 years of age, but since the State was not fulfilling its part, companies that lack sufficient financing and also have no credit find it more difficult to buy vehicles, which has led the State to normatively extend the maximum fleet age to 13 years, allowing them to circulate until then. It's not ideal because a 13-year-old vehicle is very worn out because... [...] The quality is for vehicles designed to last 10 years, so they don't have

adequate quality to be on the road for more than 10 years. That's why when they pass the 10-year mark, even though it's still regulated, the quality drops significantly. These vehicles have many problems: they catch fire, spend more time in the workshop than on the road. And that's what's happening. But when the calculations were done right, the sector renewed vehicles, and around 2500 brand-new vehicles were incorporated annually."

To illustrate the ongoing deterioration of the fleet and to hold the government accountable, bus companies have initiated the practice of affixing stickers on their buses, as depicted in figure 49. Additionally, through social media platforms, business owners have declared a reduction in service frequency in certain areas of the city, citing insufficient resources to fully meet the agreements set by the government and bus companies for service provision. Other stakeholders in the sector, including state bureaucrats and university-affiliated researchers, have also reported this process of underfunding the bus system in the last few years.

In summary, although Buenos Aires has maintained an inclusive top-notch urban bus system, a deeper analysis of the past four decades unveils a journey characterized by instability. The overwhelming federal influence on the service, along with the nation's macroeconomic fluctuations and divergent policy approaches to the sector by various political parties, has notably influenced the affordability and quality levels of urban buses.

Figure 49. Private Company Announcements on Deterioration of Services, Buenos Aires



Source: Author photograph (2023).

3.7. Conclusion

This chapter has aimed to delve into the political dynamics influencing the reform of transport policy legacies in major cities of the Global South. Building upon the broad and macro analysis of urban bus system formation in Chapter 2, my focus shifted to exploring the diverse mechanisms driving city governments to reform these legacies despite potential institutional inertia. The chapter examined reforms targeting the improvement of negative inherited aspects, such as low affordability or quality, as well as those aimed at preserving positive inherited aspects.

In this chapter, I undertook a comprehensive comparative analysis of the urban transport systems in the three largest cities of Latin America: São Paulo, Mexico City, and Buenos Aires. These cities, shaped by distinct historical contexts and socio-political landscapes, provided valuable insights into the factors and political incentives driving reforms in public transport services. The transition from authoritarian regimes, which had significantly influenced local transport systems, to democratic governance introduced voting and party competition as crucial elements in shaping local political dynamics.

As discussed, four significant factors linked to shifts in the city's bus services over recent decades have been delineated based on previous arguments presented in the related literature: the median voter, partisan politics, credit claiming, and blame avoidance. By examining each of these processes, the political and electoral incentives inherent in the recent democratic era were elucidated, highlighting their role in propelling the emergence and establishment of reforms within the transport sector.

In São Paulo, endeavors to introduce discounts and free services reflect the city's quest for inventive strategies to address transportation hurdles, particularly concerning its history of costly user fares. By dissecting the operation of the four factors within the city's dynamics over the past three decades, we gained insight into the feasibility and durability of such endeavors amid substantial electoral and party rivalries, along with conflicting interests among various stakeholders. Despite instances of impeding broader and more ambitious reforms, a trend of progressive incrementalism emerges in the evolution of São Paulo's bus system towards greater inclusivity during the recent democratic era.

In Mexico City, the inception and expansion of the Metrobús system stand as significant strides in enhancing public transport infrastructure and service standards, countering its

historically lackluster legacy in this realm. Nevertheless, the rollout of Metrobús lines has been intricately intertwined with broader political and partisan dynamics, including endeavors to diminish the longstanding influence of the PRI in the city. The triumph of the Metrobús network in surmounting potential resistance and rallying public and party backing, notably from the PRD initially and subsequently from Morena, underscores the pivotal role of party politics and credit-claiming processes in steering urban mobility initiatives' governance.

In Buenos Aires, the recent trajectory of the urban bus system reflects a nuanced interplay of political responses to the nation's economic instability, presenting challenges to sustain a historically inclusive top-notch system in terms of affordability and quality. The establishment and persistence of low bus fares post the 2001 crisis, primarily upheld by state subsidies, have been pivotal in ensuring broad affordability for commuters. However, this strategy has its trade-offs, as successive administrations grapple with the fiscal strain of maintaining affordable fares amid economic fluctuations, alongside potential repercussions on system quality. The strategic deployment of subsidy policies as political tools has emerged as a recurring theme, with parties leveraging or denouncing them for electoral advantages, while concurrently navigating dynamics of credit-claiming and blame attribution.

In all three cities, stakeholders ranging from drivers to entrepreneurs in the transportation sector have significantly impacted the implementation and consolidation of reforms. Whether by impeding broader reforms or facilitating their execution through partial benefits, these stakeholders emerge as pivotal actors in the urban bus sector. Their influence extends across various processes and negotiations within the sector, underscoring their central role in shaping its trajectory. While users and organized civil society groups undoubtedly influence the shaping of urban transport policies, this chapter underscores the overriding significance of political and electoral mechanisms in the reform of established urban bus systems. Despite the magnitude of protest events, such as those witnessed in São Paulo in 2013, which mobilized millions and ostensibly increased the costs of reducing service inclusivity, the empirical analysis conducted in this study suggests that grassroots pressures wield a lesser influence than anticipated by existing literature, at least in the three cases examined.

The theoretical contributions of this chapter extend the discourse on political electoral factors, typically applied to national politics, into the domain of local urban politics, specifically the urban bus sector. Additionally, it engages with existing analyses of policies in the Global

South, such as Marques' (2020) examination of urban policy reform in São Paulo and Bril-Mascarenhas & Post's (2015) exploration of the subsidy trap in Argentina – to mention just a few previous works. By doing so, the chapter not only reaffirms the importance of factors highlighted in previous studies but also introduces new insights and empirical data. This enriches the field of political science, offering a deeper understanding of the political economy of urban policy reform.

In light of these conclusions, the analysis of inclusivity in urban transportation systems in the Global South requires a holistic approach that integrates economic, social, and political considerations. Expanding the framework of analyzed cities, utilizing the proposed argument, would help test and demonstrate their validity, as well as shed light on the nuances and variations found in different urban contexts. Furthermore, a deeper investigation into the impact of urban transportation policies on citizens' lives, especially those of the most vulnerable communities, could inform more effective and inclusive policies for the future. Ultimately, a comprehensive understanding of the political and economic mechanisms shaping urban transportation systems is essential for promoting equity and accessibility in Global South urban centers.

DISSERTATION CONCLUSION

Revisiting the Chapters

Historically, cities in the Global South have often been characterized as facing significant governance challenges, where political, economic, and social complexities hinder governments from offering widespread access to high-quality public goods. However, empirical observations indicate substantial variation in the provision of public goods among cities in this region. While some cities face difficulties in consistently delivering such goods, others have shown greater success in creating conditions conducive to providing extensive access to essential public services.

This dissertation aimed to elucidate the disparities in the provision of public goods within urban contexts in the Global South, with a specific focus on urban bus systems in megacities like Buenos Aires, Mexico City, and São Paulo. Grounded in extensive historical and contemporary evidence, the research aimed to address key questions: Why do some cities boast superior bus systems compared to others? What political factors contribute to the affordability and quality discrepancies among these systems? And what underlying factors and mechanisms explain the variations both between and within cities? These questions hold significant theoretical relevance, as urban mobility systems have received comparatively scant attention from political scientists. Moreover, they bear practical significance, given the persistent challenges faced by millions of individuals in the Global South in accessing work, education, and leisure opportunities within their urban landscapes.

Across the three articles-chapters comprising this dissertation, I introduce a framework and an argument that shed light on the role of politics and historical events in elucidating disparities in the provision of urban bus services across cities in the Global South. The research highlights how interactions, conflicts, and coalitions among stakeholders have historically shaped the nature and scope of transportation policies in these cities.

The framework, outlined in the introductory chapter, revolves around the intersection of two fundamental dimensions in public transportation systems: affordability and quality. From this intersection, I propose four distinct types of fare regimes, facilitating classification and historical comparisons within the same city and across different cities. These fare regimes are as follows: (1) prohibitive high-end, characterized by high-quality service but unaffordable fares;

(2) inclusive top-notch, marked by both high-quality service and highly affordable fares; (3) expensive mediocrity, defined by low-quality service and unaffordable fares; and (4) cheap service trap, characterized by low-quality service yet very affordable fares.

Thus, I apply the fare regime typology to examine the cases of Buenos Aires, Mexico City, and São Paulo. Through a comparative historical analysis, I discern that these three cities initially possessed remarkably similar, inclusive top-notch urban bus services, characterized by significant state involvement in financing and operation. However, faced with substantial demographic and urban growth challenges, these inclusive top-notch systems encountered crises, prompting city administrations to transfer urban bus operations to private entities. Yet, each city pursued privatization differently, resulting in the emergence of distinct fare regimes post-privatization. For instance, while Buenos Aires succeeded in preserving an inclusive top-notch system, Mexico City transitioned from an inclusive top-notch system to a cheap service trap one, and São Paulo shifted from an inclusive top-notch system to a prohibitive high-end one.

Chapters 2 and 3 aim to elucidate the divergent paths taken by Buenos Aires, Mexico City, and São Paulo in developing their urban bus systems, despite their shared urban similarities. In Chapter 2, I argue that the varying approaches to privatization and their resulting outcomes were shaped by distinct factors such as the organization of the local transport sector, political orientations, and state capacity. As a consequence, each city formed unique public-private privatization coalitions, leading to disparate outcomes for what were once similar urban bus systems. Administrations with a technical-bureaucratic orientation, like São Paulo, favored privatization under a formal company model, resulting in a predominantly prohibitive high-end regime characterized by middle to high-quality services but expensive user fares. Conversely, left-wing populist governments, exemplified by Buenos Aires, upheld the interests of former bus drivers and maintained an inclusive top-notch bus system with middle to high-quality services at affordable fares. Lastly, corporatist administrations, such as those in Mexico City under the PRI (Partido Revolucionario Institucional), aligned with groups reinforcing the corporatist base, leading to a cheap service trap regime characterized by low-quality services but affordable fares.

Moving to Chapter 3, I delve into post-privatization governments' endeavors to reform these legacies amid institutional and political inertia. I argue that public transit reform unfolded as city governments aimed to reshape transportation legacies through inclusive, redistributive

measures to mitigate private stakeholders' resistance. These reforms typically followed the "path of least resistance," balancing voter and private interests within the same policy framework. This strategic approach helped alleviate resistance by positioning private stakeholders as secondary beneficiaries. Furthermore, I maintain that electoral-political factors, such as the median voter, partisan dynamics, credit claiming, and blame avoidance, have incentivized urban bus system reforms in recent democratic decades.

Contributions

The dissertation contributes to our understanding of the historical political economy of urban bus systems in several relevant ways. Firstly, it offers a substantial empirical contribution to urban political research. Across the three chapters, the dissertation presents essential empirical evidence illuminating the intricate dynamics that have influenced the evolution of urban bus systems in major cities across the Global South throughout the latter half of the 20th century and into the 21st century. This empirical foundation was established through rigorous fieldwork, involving extensive immersion in each case study city. Months were spent navigating their bus systems daily, conducting numerous interviews with key stakeholders in the sector, and compiling a comprehensive archive of documents. This meticulous data collection and analysis provide unprecedented insights into the political, economic, and social dimensions shaping the urban bus systems of Buenos Aires, Mexico City, and São Paulo.

Another significant contribution of this dissertation lies in its policy practical implications. The analysis underscores the crucial importance of studying urban public transport, an essential service in the daily lives of millions of urban residents, particularly the most marginalized segments of society. By emphasizing the pivotal role of transport policy in shaping urban development and influencing the quality of life of city dwellers, this study offers valuable insights for policymakers. It emphasizes the need for decision-makers to critically assess urban bus systems, with a focus on promoting more effective governance and adopting inclusive approaches. By doing so, policymakers can work towards reducing persistent urban inequalities and ensuring that transportation services meet the diverse needs of all residents, regardless of socio-economic status.

A third significant contribution of this research lies in its theoretical implications. As emphasized throughout this dissertation, urban transport policy and politics have received

surprisingly little attention in the field of political science. While other disciplines such as engineering, geography, and urban planning have made notable contributions to the debate, the political dimensions shaping the historical and contemporary development of urban mobility systems have remained largely unexplored. By delving into the complex political dynamics surrounding urban transport in the Global South, this study addresses this gap in the literature and paves the way for future research on this crucial aspect of urban governance.

A fourth notable contribution of this dissertation stems from the adoption of a historical approach, integrating the temporal dimension deeply into the analysis. While the literature on critical junctures, path dependence, and legacies has grown substantially in recent years (Collier & Munck, 2022), its application within urban studies has been relatively limited (Rast, 2012). Thus, by tracing the development of diverse urban transport systems and systematically examining the influence of temporal, political, economic, social, and spatial dynamics, this research enriches our understanding of the role of time and history from both theoretical and empirical standpoints.

Furthermore, this dissertation significantly enhances our understanding of public goods delivery between urban settings across the Global South. The identification and comparison of the divergent historical trajectories of urban bus services, along with the varied stakeholders involved across different urban contexts, aligns with the growing tradition of comparative urban research. This tradition challenges the notion that each city is inherently unique and merits study in isolation, instead emphasizing how metropolises worldwide encounter shared challenges. Understanding these shared challenges through a comparative lens is crucial for generating broader discussions about urban governance processes (Le Galès & Robinson, 2023). In this sense, this dissertation underscores the importance of cross-city comparisons in unraveling the complexities of urban service provision and advancing our knowledge of effective governance strategies in diverse urban environments.

Implications and Future Research

This dissertation raises several important implications that should be explored in future research endeavors. A potential avenue for further investigation involves exploring the extent to which urban bus services interact with other modes of urban mobility. While this dissertation briefly touches upon other mobility services such as the subway, it does not extensively analyze

how each transportation service can be viewed in a complementary and integrated manner. With the proliferation and expansion of various mobility services in many cities in the Global South (such as the recent development of the subway system in Santiago, Chile, for instance), there is a growing need for a broader and more holistic perspective on public transportation policy. Additionally, as cities increase the network and availability of alternative mass transport modes, the reliance on buses may diminish, potentially impacting how bus stakeholders organize themselves and how quality and affordability are regulated. Exploring these dynamics further could provide valuable insights into the evolving landscape of urban mobility in the Global South.

Future research endeavors could delve further into the role of the automotive industry in the comprehensive historical narrative of urban bus governance. While Chapter 1 acknowledges the industry as a pertinent actor in the sector, albeit less prominently than other stakeholders, some indications from interviewees and other sources suggest that the automotive industry's influence may be more significant and recurrent than initially presumed. For instance, in the case of Mexico City, prior studies have highlighted the ties between politicians and representatives of major bus manufacturers as pivotal in the promotion of minibuses throughout the 1980s and 1990s. Moreover, contemporary discussions underscore the industry's role in the transition from gas or diesel-powered buses to electric buses. It is generally assumed that there exists a substantial lobby from the green automotive sector advocating for the adoption of a less polluting and environmentally friendly bus fleet. However, resistance from segments of the industry that have been slower to integrate the environmental sustainability agenda into their production lines is also observed. Exploring these dynamics in greater depth could offer valuable insights into the interplay between industry interests, political actors, and urban transport policies.

Another promising direction for future research is to examine the parallels and distinctions in urban mobility service provision between cities in the Global North and South. While this dissertation concentrated on the Global South, particularly in major urban centers in Latin America, due to their historical, political, and social affinities, exploring the experiences of large cities in the developed world can offer valuable insights into shared urban dynamics and processes. Historically, prominent cities in the United States, such as Miami, San Francisco, Chicago, and New York, have grappled with informal or semi-formal transportation services,

often referred to as jitneys or dollar vans⁸⁶, which exhibit many characteristics comparable to the microbus services observed in Global South cities. Although the scale of these services in the Global North may differ, investigating their emergence and the approaches city governments adopted to address them over time would be intriguing and could provide valuable comparative perspectives on urban mobility governance.

Furthermore, while numerous cities in the Global North still maintain state-owned companies overseeing urban bus operations (examples include New York, Chicago, Paris, Lisbon, and Madrid), there are instances where services have been privatized over the past century. Examining the outcomes of these privatization processes and comparing them with similar initiatives in Global South cities holds theoretical and empirical significance. A notable case is that of the United Kingdom. For fifty years, bus services in London were under direct state operation through the London Transport Company. However, between the late 1980s and 1994, all bus services in the UK capital underwent complete privatization. Preceding this, in 1986, other cities in the UK privatized their state-owned bus services, in alignment with deregulation efforts outlined in the 1985 Transport Act.^{87 88}

A final and extensive avenue for future research entails examining the generalizability of the theory and findings presented in this dissertation to other contexts within the Global South. It prompts questions about the representativeness of Buenos Aires, Mexico City, and São Paulo concerning other cities. Are these cases reflective of broader trends observed in urban settings across the Global South? Does the proposed typology of fare regimes offer a useful framework for classifying and understanding urban transport systems in other cities? Was the privatization of urban bus services a critical juncture in other urban centers within the Global South? If so, did the legacies of privatization also have lasting impacts in these cities? In cases where privatization occurred, how did subsequent city governments manage to reform the system to alter levels of affordability and quality significantly? Preliminary exploration of available data for other cases offers initial insights into these questions and lays the groundwork for further investigation.

⁸⁶ The case of dollar vans in New York City: <https://projects.newyorker.com/story/nyc-dollar-vans/>

⁸⁷ Access to the 1985 Transport Act: <https://www.legislation.gov.uk/ukpga/1985/67/contents>

⁸⁸ Recent journalistic coverage has delved into the privatization processes concerning urban bus operations in the United Kingdom, such as: <https://www.theguardian.com/commentisfree/2021/jul/26/bus-privatisation-public-service-strategy-british-private-market> and <https://www.ft.com/content/dd36a27b-0cc1-4f76-83f4-842be98537bf>

Among the various types of fare regimes, the framework proposed in Chapter 1 appears to have utility beyond the context of the studied cities. Across numerous cities, microbus systems have emerged as a consequence of government initiatives to privatize system operation, mirroring the case of Mexico City. In addition to Mexico City, many other urban centers in Mexico also rely on vehicles with limited passenger capacity for their mobility networks (Carrillo et al., 2020), resulting in either affordable fares, indicative of a cheap service trap regime, or relatively expensive fares, akin to a expensive mediocrity regime. Table 15, presented below, enumerates various informal and semi-formal transport services across the Global South that resemble the Mexican case and may merit exploration in future research agendas.

Table 15. Informal / Semi-formal / Paratransit Bus Services in the Global South

Bus Type / Name	City	Country
Combis	Lima	Peru
Trufi	Several Cities	Bolivia
Marshrutka	Several Cities	Former Soviet Countries
Chapas and My Love	Maputo	Mozambique
Candongueiro	Luanda	Angola
Angkot	Bandung and Jakarta	Indonesia
Minibus taxi	Johannesburg and Cape Town	South Africa
Daladala	Dar es Salaam	Tanzania
Coaster	Amman	Jordan
Matatu	Kampala	Uganda
Matatu	Nairobi	Kenya
Tro-tros	Accra	Ghana
Rickshaws, Vikrams, Microbuses, Tata Magics	Several Cities	India
Songthaew	Bangkok	Thailand
Yipni/Jeepney	Several Cities	Philippines
Danfos	Lagos	Nigeria
Microbus	Cairo and Alexandria	Egypt
Microbus	Beirut	Libano

Source: Author's elaboration after consulting several transportation publications and databases.

Moreover, numerous cities worldwide have endeavored in recent years to diminish their reliance on informal or semi-formal microbus services through a strategy reminiscent of Mexico City's approach: the creation of Bus Rapid Transit Systems (BRT). Indeed, Bus Rapid Transit (BRT) systems have experienced considerable policy diffusion in recent decades, with influential global actors advocating for their widespread adoption. According to Global BRT Data (2024), the system is presently operational in 191 cities, comprising a global network spanning 5,842 km and facilitating the daily transportation of 31,596,612 passengers. Much of this network has been established in the Global South, serving as "a tool to formalize informal bus services in developing cities" (Galilea & Batarce, 2016, p. 127). Nonetheless, the diffusion of this public transport policy is also observable in cities in the Global North. Table 16 below delineates the extension and diffusion of BRTs across various regions of the world.

Table 16. Bus Rapid Transit Systems in the World

Regions	Passengers per Day	Number of Cities	Length (km)
Africa	491,578 (1.55%)	6 (3.14%)	152 (2.59%)
Asia	7,987,756 (25.28%)	46 (24.08%)	1,772 (30.33%)
Europe	3,169,846 (10.03%)	47 (24.6%)	950 (16.25%)
Latin America	18,505,436 (58.56%)	64 (33.5%)	2,044 (34.98%)
Northern America	1,005,796 (3.18%)	23 (12.04%)	815 (13.95%)
Oceania	436,200 (1.38%)	5 (2.61%)	109 (1.86%)

Source: Global BRT Data (2024).

Examples of Global South cities leveraging Bus Rapid Transit (BRT) systems to upgrade partially their informal and low-quality bus services abound. Lima, Peru, grappled with challenges posed by its informal microbus system, leading to the launch of the *Metropolitano* BRT system in 2010. Similarly, Dar es Salaam in Tanzania responded to its inefficient and unreliable bus services by implementing the DART BRT system in 2016. Furthermore, various South African cities, including Cape Town, George, Johannesburg, and Pretoria, have embraced

BRT systems to enhance their urban transport networks. These initiatives received substantial financial and technical backing from institutions like the World Bank, which views BRT as a cost-effective and swiftly implementable solution for cities striving to enhance mass transit accessibility amidst resource constraints. As articulated by a World Bank publication, "Building a BRT is much cheaper and faster, making it an attractive option for cities that are looking to develop high-quality mass transit with limited time or resources" (World Bank, 2023).

In addition to the similarities mentioned above, there are also points of convergence among cities concerning the historical trajectories of municipalization and privatization of their urban bus services, as discussed in Chapter 2. Many cities in the Global South have undergone a comparable sequence of events: initial bus service operation by private entities, the emergence of informal competition (such as fixed-route taxis), municipalization (either partially or fully) as an attempt to improve service quality, and subsequent privatization triggered by financial crises within state-owned enterprises. The following paragraphs illustrate examples from cities such as Accra (Ghana), Rosario (Argentina), Rio de Janeiro (Brazil), and Santiago (Chile).

In Accra, Ghana, the urban public transport landscape underwent a significant transformation during the colonial era and subsequent civilian and military governments until the early 1970s. Initially provided by city enterprises, these services were consolidated into a single state-owned entity known as OSA (Omnibus Services Authority) by the late 1960s. However, OSA faced financial difficulties by the mid-1970s, leading to a downward spiral of capacity and a slow process of market collapse. By 2000, OSA was bankrupt and ceased operations, paving the way for the dominance of the Ghana Private Road Transport Union (GPRTU), which organized over 80% of the tro-tro sector (Finn, 2008), showcasing parallels with Mexico City's experience.

In Rosario, Argentina, the city municipalized its entire bus services in 1932, establishing the Empresa Mixta Municipal de Transporte del Rosario (EMMTR), which later evolved into the Empresa de Transporte de Rosario (ETR). However, during a crisis in 1960, the decision was made to privatize the bus service, offering former employees of the Municipal Company the opportunity to operate it, mirroring the privatization model seen in Buenos Aires.

In 1962, Rio de Janeiro, Brazil, initiated the municipalization of a portion of its urban bus system by establishing the Companhia de Transportes Coletivos do Estado da Guanabara (CTC-GB), later renamed as CTC - Companhia de Transportes Coletivos do Estado do Rio de

Janeiro after 1975. However, in 1996, the public company underwent privatization as part of a broader privatization initiative involving various public entities under the government of Rio de Janeiro.⁸⁹

In Santiago, Chile, the state-managed urban bus service, initially operated by Empresa Nacional de Transporte S.A. from 1945 to 1981, underwent deregulation during Pinochet's military regime starting in 1979. This deregulation prompted the privatization of service operations and a reduction in state involvement in fare regulation, operator oversight, and vehicle inspection. A report by CEPAL, published in 1991, suggests that privatization led to a substantial increase in service provision – between 1979 and 1988, the bus fleet grew by 93%, while the city's population expanded by 34%. However, much of this fleet growth resulted from the substitution of large buses with smaller vehicles. This expansion also contributed to heightened traffic congestion and intensified competition among operators. Moreover, it is estimated that bus fares in Santiago surged by 158% between 1979 and 1988 following privatization (CEPAL, 1991). Consequently, throughout the 1980s, Santiago developed a expensive mediocrity regime system, closely resembling those observed in other Global South cities during a similar period.

However, the case of Santiago presents an intriguing empirical context, suggesting a successful departure from the trap of poor service provision. Previous research indicates that a series of reforms implemented for more than three decades effectively transformed the city's urban bus service from one characterized by low quality and affordability to a more inclusive and efficient system. In the early 1990s, Santiago's streets were inundated with minibuses engaging in intense competition, resulting in exorbitant fares compared to other Latin American cities. However, the current scenario reflects a significantly improved and organized bus system, featuring sustainable vehicles⁹⁰ and considerably lower fares.

Unraveling the intricate web of factors that facilitated Santiago's bus system transition calls for a deeper exploration in future research, especially in light of theoretical and empirical

⁸⁹ Decree No. 21,985, dated January 16, 1996, outlines the privatization of various public companies in Rio de Janeiro, including CTC. For further details, please refer to: <https://leisestaduais.com.br/rj/decreto-n-21985-1996-rio-de-janeiro-provides-for-inclusions-in-the-state-privatization-program>

⁹⁰ As per statistics from E-Bus Radar, projections indicate that by May 2024, Santiago is poised to boast the largest electric bus fleet in Latin America, comprising approximately 2000 vehicles. This fleet size is anticipated to constitute nearly 40% of the entire electric bus fleet across the region. For further information, please refer to: <https://www.ebusradar.org/>

insights derived from analogous cases like Mexico City – escaping the low-quality service trap posed a formidable challenge for the last urban administrations in the Mexican capital.

A comprehensive review of the literature surrounding the Chilean case underscores several pivotal elements that contributed to this transformation. This included a nuanced, non-linear process spanning over three decades, marked by a series of iterative reforms that often faced resistance from entrenched private operators (Barter, 2008; Estache & Gómez-Lobo, 2005; Muñoz & Gschwender, 2008; Post et al., 2017). Notably, the unwavering political commitment, exemplified by President Lagos's (2000-2006) proactive initiatives and adept credit-claiming strategies, played a significant role (Olavarría Gambi, 2013). Moreover, drawing lessons from successful urban models like Bogotá and Curitiba enriched Santiago's reform trajectory (Muñoz & Gschwender, 2008). Furthermore, robust state capacity, buoyed by substantial federal government intervention and generous financial resources directed towards fare subsidies, vehicle procurement, and infrastructural enhancements, seemed to bolster the reform efforts. Integral to the transition was the integration of existing bus operators from the informal or deregulated sector, achieved through rigorous negotiations and concessions, including compensatory measures for potential losses incurred, such as retiring obsolete buses (Muñoz & Gschwender, 2008; Olavarría Gambi, 2013). Additionally, the strategic deployment of policy instruments, such as smart cards and GPS technology, fortified state capacity, streamlining operational efficiencies and enhancing service delivery standards.

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