Contents

Acknowledgments xv
About the Editors and Contributors xix
Abbreviations xxxi

An Overview 1
Otaviano Canuto and Lili Liu

Part 1 Subnational Debt Restructuring 31

1 Brazil: The Subnational Debt Restructuring of the 1990s—Origins, Conditions, and Results 33
Alvaro Manoel, Sol Garson, and Monica Mora

2 Restructuring of Legacy Debt for Financing Rural Schools in China 81
Lili Liu and Baoyun Qiao

3 Managing State Debt and Ensuring Solvency: The Indian Experience 109
C. Rangarajan and Abha Prasad

4 Subnational Debt Management in Mexico: A Tale of Two Crises 145
Ernesto Revilla
Contents

Part 2 Subnational Insolvency Framework 177
5 Colombia: Subnational Insolvency Framework 179
Azul del Villar, Lili Liu, Edgardo Mosqueira,
Juan Pedro Schmid, and Steven B. Webb

6 France's Subnational Insolvency Framework 221
Lili Liu, Norbert Gaillard, and Michael Waibel

7 Hungary: Subnational Insolvency Framework 261
Charles Jókay

8 United States: Chapter 9 Municipal Bankruptcy—
Utilization, Avoidance, and Impact 311
Michael De Angelis and Xiaowei Tian

9 When Subnational Debt Issuers Default: The Case
of the Washington Public Power Supply System 353
James Leigland and Lili Liu

Part 3 Developing Subnational Debt Markets 377
10 Transition from Direct Central Government
Onlending to Subnational Market Access in China 379
Lili Liu and Baoyun Qiao

11 The Philippines: Recent Developments in the
Subnational Government Debt Markets 417
Lili Liu, Gilberto Llanto, and John Petersen

12 Russian Federation: Development of Public
Finances and Subnational Debt Markets 455
Galina Kurlyandskaya

13 South Africa: Leveraging Private Financing for
Infrastructure 495
Kenneth Brown, Tebogo Motsoane, and Lili Liu

14 Caveat Creditor: State Systems of Local
Government Borrowing in the United States 539
Lili Liu, Xiaowei Tian, and John Joseph Wallis

Index 591
Boxes

1.1 The 1993 Federal Immediate Action Plan 43
1.2 The Real Plan, 1994 44
1.3 The Fiscal Responsibility Law (Complementary Law No. 101, May 4, 2000) 52
3.1 State Borrowings 113
6.1 Subnational Financial Rules: Fundamental Principles, France 231
7.1 Major Acts Regulating the Municipal Sector, Hungary, 1990–2011 264
7.2 Powers of the Trustee: Article 14 (2) of Hungary’s Municipal Debt Adjustment Law 282
7.3 Restrictions on a Municipality Undergoing Debt Adjustment in Hungary 283
13.1 Section 139 Intervention in the Greater Johannesburg Metropolitan Municipality 499

Figures

1.1 National, State, and Municipal Tax Collection and Disposable Revenue in Brazil, 1970–2010 38
1.2 SELIC Interest Rate in Brazil, August 1994–April 2011 45
1.3 Consolidated Primary Fiscal Balance in Brazil, 2001–10 46
1.4 Primary Fiscal Balance of States and Municipalities in Brazil, 1991–2010 47
1.5 Net Public Debt in Brazil, 2001–10 56
1.6 Net Debt of States and Municipalities in Brazil, 1991–2010 56
1.7 Main Sources of State Revenues in Brazil, 2000–09 (2000 = 100) 59
1.8 Main Sources of Investment Financing for States in Brazil, 2000–09 62
1.9 Main Sources of Revenue for Municipalities in Brazil, 2000–09 (2000 = 100) 62