Abstract

The purpose of this study is to create a detailed account of what Latin American pension funds have meant to the financing of infrastructures, with the purpose of serving as a basis for reflection regarding potential improvements to optimize the portfolios of pension funds and accomplish a greater contribution of retirement savings to the development of countries. The involvement of pension funds in infrastructure is a recommended strategy for managed portfolios based on the criteria establishing that they should be an attractive investment for future pensions, and thus must reach an adequate balance between return and risk. Likewise, given the importance of infrastructure in development, we see that a more significant involvement of pension funds also constitutes a desirable goal because it implies not only greater private benefits for owners of retirement savings (affiliates), but also for society as a whole. In order to perform a complete analysis, we study the evolution and traditional forms of participation in the financing of infrastructure, identifying strengths as well as weaknesses to be corrected. Existing processes are also described, which have assisted to a greater or lesser extent in the involvement of the private sector through concession laws in these countries. Finally, we discuss the different tools that the current systems depend on which allow the involvement of pension funds, as well as how these processes have been carried out up to this moment and the opportunities foreseen.