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FEATURED Q&A

Will Students Win Their Fight for Free Education in Chile?



Students marched through Santiago's Plaza Baquedano on April 11, demanding reforms to the country's education system. // Photo: Confederation of Chilean Students.

Q Tens of thousands of Chilean students clashed with police on April 11 in Santiago, protesting legislation they said did not go far enough to overhaul the country's education system. The clashes led lawmakers to pull the bill from consideration, forcing President Michelle Bachelet's administration to start over. Will Chile's student movement win its fight for free higher education? How well has Bachelet addressed students' concerns? Are their demands realistic, given the country's fiscal situation, and are their proposals the right prescription for Chile's education system to begin with? To what extent will education reforms play into this year's presidential campaign in Chile, and how do the leading candidates differ on the issue?

A Peter M. Siavelis, professor of politics and international affairs and director of the Latin American and Latino Studies Program at Wake Forest University: "No matter how much the government attempts to reform the educational system, student protesters in Chile will not go away. Students have good reasons to protest. Pinochet-era reforms transformed Chile into one of the world's most expensive educational systems, according to the OECD. Beyond high costs, student protesters also point to low academic quality, high levels of student debt and limited post-university employment opportunities. After coalitional negotiations with Communist Party deputies, it appears that the reform proposal has new life. It would introduce free university education for all, a comprehensive reform of educational finance and

Continued on page 2

TODAY'S NEWS

POLITICAL

Indigenous Protesters, Police Clash in Brasília

Demonstrators and police officers clashed during a protest organized by indigenous groups over land rights.

Page 2

ECONOMIC

Argentina's Economy Contracts 2.2%

The country's economy shrank in February as compared to the same month last year, the national statistics agency announced. The data indicates that the economy may be recovering more slowly than expected.

Page 2

BUSINESS

Brazil Fuels Profits of Spain's Santander

In reporting a rise in earnings for the first quarter, Banco Santander said net income from Brazil, its largest market, rose 77 percent. CFO José Antonio García Cantera said financial penetration remains low in the country.

Page 3



García Cantera // File Photo: Banco Santander.

POLITICAL NEWS

Indigenous Groups, Police Clash in Brasília Protest

Indigenous protesters and police clashed Tuesday in Brasília during a demonstration that indigenous groups held over land rights, Reuters reported. The protest was peaceful until police officers blocked some of the protesters from climbing a ramp leading into the congressional building. Officers shot rubber bullets at indigenous protesters wearing body paint and colorful headdresses, while tribe members shot arrows back at the police. Some of the protesters sustained minor injuries, and it was unclear whether any officers were wounded. Sonia Guajajara, a march coordinator, said approximately 4,000 indigenous people and supporters participated in the protest, which focused on legislation that would allow Congress to decide on setting land boundaries for indigenous reservations. Brazil's president currently has the power to set such boundaries, but a powerful farm lobby has influence in Congress, Reuters reported.

ECONOMIC NEWS

Argentine Economy Shrinks 2.2 Percent in February

Argentina's economy shrank by 2.2 percent year-over-year in February and 1.9 percent from the month before, indicating the country's expected economic growth may not be as strong as the government had projected, The Wall Street Journal reported Tuesday, citing the national statistics institute. The economy previously grew by 1.4 percent year-over-year in January. "The recovery is coming along slower than anticipated," said Fausto Spotorno, the chief economist at economic research firm Orlando J. Ferreres & Asociados. The firm lowered its growth projection for Argentina this year to 3 percent from 3.5 percent, due in part to weaker-than-anticipated industrial output. Spotorno added that the economic data from February did not indicate that the economy was re-entering a recession, and said that the economy returned to growth in March. The government is expected to publish official economic data from March next month.

NEWS BRIEFS

Venezuela Threatens to Withdraw From OAS

Venezuela on Tuesday said it would leave the Organization of American States if the regional group decides to convene a meeting of foreign ministers to discuss the political and economic crisis in Venezuela, Reuters reported. Venezuelan Foreign Minister Delcy Rodríguez said that if the event takes place without the Venezuelan government's approval that she had "received instructions from the head of state, President Nicolás Maduro, to start the process of removing Venezuela from this organization."

General Motors Lays Off 2,700 in Venezuela Following Plant's Seizure

The Venezuelan subsidiary of General Motors laid off 2,700 employees in the South American country following a court's seizure of its plant in the city of Valencia, Reuters reported. The mass firing was communicated from the company via text message, workers said. The court ordered the GM plant to be seized when it ruled in favor of two auto dealers who had filed a case against the company in 2000, saying it had not complied with an agreed-upon sale of 10,000 vehicles. GM called the seizure of its plant illegal and did not respond to a request for comment by Reuters about the layoffs.

Twelve Arrested in Multimillion-Dollar Paraguay Heist

The Brazilian Federal Police have arrested 12 men suspected of taking part in a multimillion dollar robbery of an armored car company in the Paraguayan border city Ciudad del Este, the Associated Press reported Tuesday. Another three suspects were killed in a shootout with federal agents in Brazil. A company executive said approximately \$8 million was missing from the vault, and Brazilian authorities said approximately \$1.5 million had been recovered.

FEATURED Q&A / Continued from page 1

efforts to enhance academic quality. The bill's fate is uncertain, as critics on the left and right point to problems with its content and implementation plan. Chile's four year presidential term and a ban on immediate re-election force a rushed policymaking process. This bill was no exception, having been crafted in a haphazard, ad-hoc fashion without the necessary input of key stakeholders. Bachelet, recognizing the bill's weakness, contends that problems can be fixed down the road. The ultimate fate of reform rides on the results of this November's election. The center-left presidential candidate Alejandro Guillier has vowed to stay on the path to free education for all, but with a primary focus on improving the quality of higher education first. Center-right

presidential frontrunner Sebastián Piñera has expressed his opposition to the further expansion of free education, noting that he prefers a mixed system of scholarships and educational credits. However, any reform rollback would risk reigniting violent protests that could give a second Piñera government a rough ride on take-off."



Patricio Navia, clinical professor of liberal studies at New York University: "The student movement has been at the

center of political mobilizations in Chile in recent years. Yet, the movement has been far more vociferous than effective at triggering policy change. To a large extent, that is because the students' demands have always

Continued on page 4

Venezuelan Crude Sales to U.S. Fall for Third Straight Month

Venezuelan crude oil sales to the United States fell in March for the third month in a row to 651,710 barrels per day due to declining exports of Meroy crude, Reuters reported Tuesday, citing Thomson Reuters trade flows data. The amount of crude state oil company PDVSA and its joint ventures exported in March was down 2.3 percent from the month before and down 18 percent year-over-year. Last year, Venezuela's crude output fell to its lowest level in 23 years, and it is expected to fall even further in 2017, due to low investment and cash flow problems at PDVSA. Meroy exports to the United States started decreasing in February, and in March averaged only 165,320 bpd, the lowest export rate for the extra-heavy oil since August. Meroy is a blend made from extra-heavy crude oil that comes from Venezuela's Orinoco Belt and lighter crudes. PDVSA's U.S.-based refining unit, Citgo, was the largest importer of Venezuelan crude last month, followed by Valero and Chevron. Earlier this week, PDVSA announced a tender to buy as many as four 500,000-barrel cargoes of U.S. light crude to refine mostly at its 335,000 bpd Isla refinery in Curaçao, which just recently resumed operations after temporarily closing for maintenance work.

BUSINESS NEWS

Brazil Fuels Profits at Spain's Santander

Spain's Banco Santander announced today that its profit for the first quarter rose 14.3 percent, beating analysts estimates, fueled in part by a sharp increase in net profit at its Brazilian unit, MarketWatch reported. The Spanish bank said its net profit for the quarter amounted to 1.87 billion euros (\$2.05 billion), as compared to 1.63 billion euros for the same quarter a year earlier. Analysts had expected net profit of 1.75 billion euros for this year's first quarter,

COMINGS & GOINGS

IAF Taps Adams-Allen as Chief Executive Officer

The Inter-American Foundation, or IAF, on April 13 announced that Paloma Adams-Allen would serve as the organization's president and CEO. She is succeeding Robert N. Kaplan, who served in the position for six and a half years. Prior to working at the IAF, Adams-Allen led public-private partnership initiatives at global nonprofit Winrock International. She also previously served as deputy assistant administrator for USAID's Latin America and Caribbean Bureau.

Speyside's Nelson Moves to Bacardi International

Ana Janaina Nelson, who previously served as Speyside Corporate Relations' vice president for Mexico, Central America and the Caribbean, has moved to Bacardi International as the company's new external affairs director for Latin America. Her responsibilities include government relations and corporate social responsibility initiatives in the region, with a special focus on Mexico, Puerto Rico, Colombia and Brazil. A Brazilian-American who currently lives in Mexico City, Nelson previously served as a policy officer in the Bureau of Western Hemisphere Affairs at the U.S. Department of State, the office of the under secretary of defense for policy and as a foreign policy fellow in the office of former U.S. Senator Barbara Boxer (D-Calif.).

Gonzalez Joins The Cohen Group as Associate VP

Former U.S. diplomat to Latin America Juan S. Gonzalez is joining business management consulting firm The Cohen Group as associate vice president for the Latin America practice, the company said in a statement April 18. Before joining The Cohen Group, Gonzalez served as deputy assistant secretary of state for Western Hemisphere Affairs, as special advisor to former Vice President Joe Biden and as the National Security Council director for Western Hemisphere Affairs.

Aoki Named Chief of MHPS South America

Power plant company Mitsubishi Hitachi Power Systems Americas, known as MHPS Americas, named Alexandre Aoki as the president and CEO of MHPS South America, the company said April 18. Aoki previously served as MHPS regional sales vice president of power generation in São Paulo. Prior to working at MHPS, Aoki worked at GE Gas Power in São Paulo. MHPS Americas also announced that Edward Lasso would serve as senior vice president for new equipment sales in Latin America. Lasso previously worked at Solar Turbines for 19 years, focusing specifically on Latin America during the last four years of his tenure.

according to a poll of analysts by data provider FactSet. Net income from Brazil soared 77 percent year-on-year following a rise in the South American country's currency amid efforts by President Michel Temer to boost the economy, Bloomberg News reported. Brazil now accounts for 26 percent of Banco Santander's profit, the

news service reported. Brazil's "financial sector should do very well given that the financial penetration in Brazil is still very low compared with more developed economies," Banco Santander's chief financial officer, José Antonio García Cantera, told Bloomberg Television in an interview.

FEATURED Q&A / Continued from page 2

been impossible to meet. Students want free tertiary education for all. In addition to being extremely costly (about 2 percent of GDP), that policy would also be extremely regressive and would further deepen the high levels of inequality that students claim to be against. If the government subsidizes those who make it to tertiary education, it will be in essence subsidizing those who will be in the upper brackets of the income distribution in the future. In order to lower inequality, Chile

“Preschool education and quality elementary and secondary public education should be the priority.”

— Patricio Navia

must concentrate on helping those at the lowest income deciles. Preschool education and quality elementary and secondary public education should be the priority. Now, since Bachelet promised that she would advance toward free universal tertiary education, students are demanding that she make good on her promise. Bachelet began to implement her ‘free education’ promise two years ago, but using a line item in the budget, not with proper legislation. Now that she introduced legislation—that barely passed the first hurdle in the Chamber of Deputies last week—the debate will surely get more heated, and more student protests should be on the way as students will demand more concessions from a government that is highly restricted by fiscal concerns. But because this is an election year, the government will want to use the debate over free education to corner right-wing candidate Sebastián Piñera into an uncomfortable position. Free education is popular with the middle class, a strong voting bloc, and thus, Piñera will probably need to relax his strong opposition to providing free tertiary education to all.”

A Stefano Palestini, postdoctoral researcher in the Department of Political and Social Sciences at Freie Universität Berlin in

Germany: “Students’ demands—particularly the one for universal free university education—still need to be fine-tuned in Congress. Generally speaking, this goal will only be attainable if the state’s fiscal capacity is expanded through a higher level of taxation and a reform of the copper law. The education reform will play a role in this year’s presidential campaign, but it will not be the central issue, considering that the demands of the student movement have already found their way into Congress. Other reforms, particularly tax and pensions, are more significant for the current election. There are three positions regarding the education, tax and pension reforms. First, the right, represented by presidential candidate and former President Sebastián Piñera, is campaigning for undoing the reforms started by the current Bachelet administration. Piñera’s platform contends that Bachelet’s reforms are the cause of Chile’s economic slowdown and the tightening of the labor market. Undoing education reforms will prove difficult, but it might be possible for pensions and taxes. Preventing a higher and redistributive taxation will have a negative impact on the education reform. Second, the left, represented most probably by Beatriz Sánchez, strives to deepen the reforms, expand free education and replace the private pension system from 1980 that is based on individual capitalization. Third, and in contrast with these other two rather well-defined programmatic positions, the center-left’s program is less clear for the time being. The center-left must define its political platform and its candidate. Whoever emerges as the candidate of the center-left will be in a difficult position because he or she will have to support the reforms, but at the same time will need to keep the support of centrist voters who, skeptical of the political and social changes associated with the reforms, may be attracted to Piñera’s program.”

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Erik Brand

Publisher
ebrand@thedialogue.org

Gene Kuleta

Editor
gkuleta@thedialogue.org

Nicole Wasson

Reporter, Assistant Editor
nwasson@thedialogue.org



Michael Shifter, President

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freetriall@thedialogue.org

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