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## FEATURED Q&A

# Is Dissent Derailing Milei's Reform Goals in Argentina?



Protesters marched last month in Buenos Aires to protest President Javier Milei's cuts to university spending. // File Photo: Facebook Page of the University of Buenos Aires.

**Q** Hundreds of thousands of demonstrators on April 23 protested Argentine President Javier Milei's budget cuts to public universities in one of the largest shows of public dissent over Milei's austerity measures. University officials say they are unable to cover basic costs with stagnant budgets amid spiraling inflation and may need to close facilities. The protests are part of a growing trend—with labor unions set to call another general strike in early May. What do the protesters want, and to what extent is the rising tide of dissent and protests derailing Milei's policy goals? What responsibility does the government have to bolster university budgets to balance out the impact of inflation? What impact will Milei's budget cuts have on the quality of education in Argentina in the long term and on the country's economic development?

**A** Juan Cruz Díaz, managing director at Cefeidas Group: "The goal of the demonstrations was to stop the defunding measures that the new administration has imposed on public universities, which have been operating with the same budget since 2023, despite the acceleration of inflation that the country has experienced in recent months. Although Milei has faced many demonstrations since taking office last December, this was by far the most significant, not only because of the number of protesters who simultaneously took to the streets in different parts of the country but also because it was attended by people who had voted for Milei in the last presidential election. This was a clear indication of the prominent place that public universities occupy in the collective consciousness of Argentine society, especially

Continued on page 3

## TODAY'S NEWS

### ECONOMIC

## Venezuela to Propose Tax on Businesses to Fund Pensions

Venezuela's government will seek to propose a new tax on businesses, as high as 15 percent of their paid wages, to establish a new pension fund.

Page 2

### BUSINESS

## Mubadala to Invest \$13.5 Billion in Brazil Biofuels

Abu Dhabi's Mubadala Capital is planning to invest \$13.5 billion in a Brazilian biofuels project. The plans include new biorefineries, said a company executive.

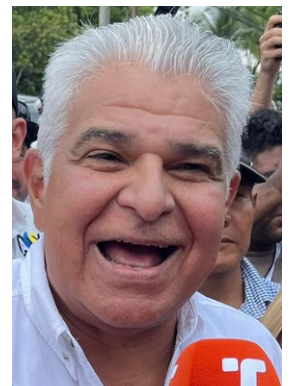
Page 3

### POLITICAL

## Martinelli Ally Mulino Wins Panama Election

José Raúl Mulino, who replaced former President Ricardo Martinelli on the ballot after he was ruled ineligible because of a 10-year sentence for money laundering, won Panama's presidential election on Sunday.

Page 2



Mulino // File Photo: Facebook Page of José Raúl Mulino.

## POLITICAL NEWS

## Martinelli's Stand-in Mulino Wins Panama Presidential Election

José Raúl Mulino, who replaced former President Ricardo Martinelli on the ballot after Martinelli was ruled ineligible following his sentencing for money laundering, was elected Panama's president on Sunday. With more than 90 percent of the ballots counted, Mulino won about 34 percent of the vote, defeating his nearest rival by nine percentage points, Reuters reported. Mulino was among eight candidates on the ballot, and Panama's electoral system does not require a runoff, so the top vote-getter wins the election. Candidate Ricardo Lombana, who finished in second place, congratulated Mulino on his victory, the wire service reported. Mulino, a former government minister and businessman, was tapped as Martinelli's running mate after the former president's wife declined, the Associated Press reported. Mulino became the presidential candidate after Panama's electoral tribunal ruled in March that Martinelli was ineligible to run because he was previously sentenced to 10 years in prison for money laundering. "I never imagined this," Mulino told supporters Sunday night, the AP reported. "I promise to the country at this time to put together, to establish, a government of unity as soon as possible," Mulino told electoral officials when they called him to confirm that he had won the election, Reuters reported. In February, after Panama's supreme court denied Martinelli's appeal of the money laundering conviction, he fled to Nicaragua's embassy in Panama City after that country granted him asylum, The New York Times reported. He has been living in the embassy since then and campaigning for Mulino from inside the embassy. Mulino's last government position was security minister during Martinelli's 2009-2014 administration, the AP reported. He was also vice minister of foreign affairs during the 1989-1994 government of President Guillermo Endara, who led the country after a U.S. invasion ousted dictator Manuel Noriega.

As president, Mulino has vowed to curb soaring migration through the Darién Gap, the jungle region that connects Panama and Colombia, the AP reported. More than half a million people crossed the dangerous area last year. "I will make the effort to end this migratory crisis in our territory with respect for human rights and with sincere international participation," Mulino said last week as he closed his campaign. Mulino also vowed to put forth policies that are friendly to business and investment, Reuters reported. He takes office on July 1.

## Death Toll Rises to 78 Amid Heavy Rains in Southern Brazil

The death toll rose to 78 on Sunday after heavy rains in the past week in the southern Brazilian state of Rio Grande do Sul caused widespread flooding, Reuters reported, citing local authorities. More than 115,000 people have been displaced, authorities said. In addition, at least 103 people have been reported missing, the Associated Press reported. President Luiz Inácio Lula da Silva and most of the members of his cabinet met on Sunday with officials in Rio Grande do Sul to discuss rescue and rebuilding efforts, Reuters reported. "Bureaucracy will not stand in our way, stopping us from the state's greatness," Lula said at a press conference. Volunteers using jet skis, and some even swimming, have been working to rescue people from floodwaters.

## ECONOMIC NEWS

## Venezuela to Propose Tax on Businesses to Create Pension Fund

Venezuela's government will seek to propose a tax on private businesses that would be as high as 15 percent of their paid wages in order to establish a new state pension fund, Bloomberg News reported Friday. A draft bill that Vice

## NEWS BRIEFS

## Relatives Identify Bodies of Three Surfers Who Went Missing in Mexico

Relatives have identified the bodies of three surfers—two Australians and an American—who went missing more than a week ago in Mexico's Baja California state, the Associated Press reported Monday. Thieves apparently killed the three men to steal the tires of their pickup truck. Their bodies were dumped in a well near the township of Santo Tomás, the AP reported.

## Ecopetrol Considering Participation in Colombia Wind Power Auction

Colombian state-owned oil firm Ecopetrol is exploring the possibility of directly participating in the nation's first offshore wind auction, the firm told Reuters in a statement published today. "Participating in the offshore wind auction will allow us to access reliable renewable energy to leverage the entry of green hydrogen projects and their derivatives," Ecopetrol said in the statement. The auction will be managed by the National Hydrocarbons Agency as part of President Gustavo Petro's larger green energy policy goals.

## Ecuador Suspending Power Rationing Following Heavy Rains

Ecuador's government announced Sunday that its ongoing electricity rationing policies will be suspended as of today, Agence France-Presse reported. Rationing was implemented to deal with power shortfalls resulting from decreased rainfall, in part due to El Niño, affecting production at hydroelectric plants, as well as Colombia suspending energy exports due to its own production struggles. Recent heavy rains and the resumption of Colombian exports led to the policy's reversal.

President Delcy Rodríguez presented last week would require the new tax revenues to be paid into a public system and deducted from income tax, the wire service reported. The measure stipulates that pensions should not be less than the minimum wage. Venezuelan business group Fedecamaras said the new measure would further burden the private sector “on top of the already complex taxing structure entrepreneurs have to face.” Last week, sources told Reuters that the government is seeking to raise tax revenues in order to boost spending ahead of the country’s July presidential election.

## BUSINESS NEWS

# Mubadala to Invest \$13.5 Billion in Brazil Biofuels Project

Mubadala Capital, a sovereign wealth fund of the Emirate of Abu Dhabi, is planning to invest \$13.5 billion in a Brazilian biofuels project, alongside other investments in development of the South American nation, Oscar Fahlgren, Mubadala Capital’s head for Brazil, told the Financial Times in comments published Sunday. The Emirati state-owned investment arm has holdings in a variety of development projects that include medical universities, businesses and metro lines—however, the most ambitious is its biofuel project, which is broken into five \$2.7 billion modules that will aim to use non-food plant matter to create sustainable aviation kerosene and renewable diesel. The first of the modules is set to start production in 2026, and each of the five biorefinery projects have a planned capacity of processing 20,000 barrels a day. “It’s all about feedstock [which] in reality is agriculture. And Brazil is probably the best-placed country on the planet when it comes to agricultural proficiency because of the climate and the fertile soil,” Fahlgren told the Financial Times. “I see tremendous opportunity to invest in the green energy transition space in Brazil,” he added. The \$13.5 billion will be invested over a period of five to 10 years, funded through equity and debt.

## FEATURED Q&A / Continued from page 1

among the middle class. The current administration is skeptical of public universities, and many of its members openly believe they should be privatized. President Milei has said on several occasions that they are institutions where students are indoctrinated with ‘leftist’ ideas, in addition to being a space conducive to political corruption. In this context, the massiveness of the demonstration constitutes a wake-up call for a government that still enjoys a certain sense of ‘invincibility’ after its unexpected victory in the last presidential election and believes that nothing the opposition could do would change the popular support for Milei. While it is too early to tell whether this protest will be a turning point, it is clear that the ruling coalition’s difficulty in reading some of the warning signs and better assessing the collateral damage caused by some of its policies may hurt its legitimacy sooner than expected.”

**A Carolina Costa, head of policy at Red Flag Global:** “The historical context of free public higher education in Argentina underscores its significance as a fundamental aspect of the country’s societal fabric. The recent demonstrations against Milei’s budget cuts reflect the deep-seated value that Argentines place on this policy, as it represents a pathway to greater equality and access to education. The diverse coalition of individuals protesting against these cuts highlights the broad spectrum of society that is affected by these measures. From students to professors, trade union members, conservative politicians, private university administrators and right-wing television personalities, the unity in opposition to the austerity measures indicates a widespread recognition of the importance of maintaining investments in education and research. The consequences of drastic education budget cuts are far-reaching, affecting not only research institutions and educators but also the overall quality of education and research

infrastructure. Furthermore, a poorly funded education system can lead to a loss of skills in the work force, ultimately hindering innovation and productivity. The question that needs to be asked now is: will the protests serve as a mechanism to pressure Milei and his administration to reconsider their approach to austerity measures? The reality is that finding a balance between fiscal responsibility and investments in human capital, education, and research is essential for Argentina’s sustainable development and competitiveness in the long term. By safeguarding the right to free public higher education and maintaining levels of investment in education and research, Argentina can ensure that it continues to progress and thrive economically and socially.”

**A Mariano Machado, principal analyst for the Americas at Verisk Maplecroft:** “The protests highlighted that not all change is acceptable, echoing similar movements elsewhere in Latin America. This time, the primary catalyst for extensive demonstrations was a reduction in earmarked funds for public universities (down 74 percent year-on-year, equivalent to nearly 0.2 percent of GDP), sparking tension between nearly 75 institutions nationwide and the federal government. Despite the government’s efforts to portray these protests as being driven by what the president has termed ‘the country’s caste’ (a loosely defined, self-serving group attempting to preserve its privileges), the spin has failed to hit the mark. With nearly 800,000 mostly working- and middle-class people taking to the streets, and polls showing robust support for public education, the government has been forced to belatedly recognize the gravity of the issue, evidenced by a change of negotiators in the aftermath of the march. Now, despite Milei’s political success attributed to an acute understanding of societal discontent, this self-inflicted misstep evidences a growing detachment from public sentiment. The quest for quality

Continued on page 4

## FEATURED Q&amp;A / Continued from page 3

education as an upward pathway resonates deeply with many middle-class families, navigating diminishing incomes and limited prospects. The call for increased investment in universities is therefore not merely about present funding, but rather future opportunities. Discussions about efficiency in higher education are very much needed. But merely slashing public university funding risks compromising Argentina's ability to develop a skilled work force to match demand from sectors ramping up their development, to foster innovation and to maintain competitiveness around key clusters that will be vital for economic recovery."

**A** **Phillip Leon Euell, of counsel at Diaz, Reus & Targ:** "The large-scale protests against President Javier Milei's budget cuts to public universities in Argentina highlight a significant disagreement over fiscal policy and educational funding within the country. Administration supporters argue that the protests against the cuts are overly politicized and do not fully appreciate the severe economic challenges Argentina faces, emphasizing that these austerity measures—including the reductions in university budgets—are vital to stabilize the economy and reduce the national debt, which has been inflated by years of fiscal mismanagement by previous governments. Many see Milei's strategy as a necessary response to the Argentine economic crisis; the cuts are viewed as part of a broader initiative to curtail government spending that has already contributed to Argentina achieving its first quarterly fiscal surplus since 2008. These policies, however, have sharply divided public opinion, with many sectors supporting the government's fiscal strategy in spite of the protests. Furthermore, critics of Argentina's public university system argue that it has become inefficient and politically biased, suggesting that it often serves more as a

platform for ideological indoctrination than for education. Thus, the Milei administration's tough choices are seen as an attempt to reallocate resources more efficiently and align education with market needs and fiscal realities that will serve to bolster the Argentine economy in the coming years. In terms of economic development, proponents believe that reducing the fiscal deficit and stabilizing the economy will enhance conditions for private investment and foster long-term growth. These reforms are seen as necessary for securing a more prosperous future for Argentina."

**A** **Graciela C. Römer, director of Graciela Römer & Asociados:** "This massive protest, which is the most important in decades, seems to go beyond just the defense of free education. Beyond the opposition's attempt to use it to gain attention, it gives voice to something that a segment of society is feeling—discontent with the government's

**“This massive protest ... seems to go beyond just the defense of free education.”**

— Graciela C. Römer

unfulfilled promises. During the campaign, the current government promised to cleanse the state of privileged sectors and dismantle a structure of impunity and privileges for a few. It also gave clear signals that there would be equity—as public education should have—in the social costs that this sacrifice implies in order to achieve a better country for all."

*The Advisor welcomes comments on its Q&A section. Readers can write editor Gene Kuleta.*

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