

Report from Costa Rica on mass protests against privatization of state-owned utilities

Kim Alphandary
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The Central American country of Costa Rica has recently been shaken by a series of mass strikes and protests by workers, students and peasants. The movement is protesting President Miguel Angel Rodriguez's plan to privatize state-owned telecommunications and electricity utilities. Last week, in order to diffuse this opposition, Rodriguez declared he was withdrawing the draft privatization law and establishing a commission to study other options. The unions and other opposition groups have agreed to postpone further protests for five months and to come up with a plan of their own.

The following article was submitted to the World Socialist Web Site by Kim Alphandary, a reporter for Radio for Peace International in Costa Rica. While the WSWWS does not necessarily share the views of the writer, we are publishing this report for the benefit of our readers.

Following three weeks of crippling nationwide protests, Costa Rica is now calm, after an agreement was reached to withdraw the ICE Combo from Congress for 150 days. Strikers had taken to the streets in protest against the privatization of the state-run power and telecommunications monopoly (ICE). As news of these developments reached them, revelers poured into the streets of Costa Rica.

The protests and strikes were triggered by congress's nearly unanimous passage of a series of bills, the "ICE Combo" or "Combo", in the first round of legislative debate. The "Combo" aims to break up the county's 50-year-old power and telecommunications monopoly ICE, an organization that enjoys widespread support of the population.

The first week of nationwide protests triggered violence on the part of police who attempted to dismantle blockades by force. On March 16, a farmer was run over by a car and killed and five people were shot by police. March 17 more than 50 University of Costa Rica students were arrested and detained while anti-riot police beat dozens of demonstrators with batons. Televised images of police beating youths as they tried to run away provoked public outrage, as Costa Ricans place an extremely high value on peaceful conduct.

On the following day, in solidarity, half a million people marched in peaceful demonstrations nationwide. From that point on, the country committed itself to a sustained general strike, with constant marches, blockades, with traffic stoppages.

A sense of pride developed around the country's ability to mount such a massive social upheaval while maintaining its traditional deep respect for life and peaceful conduct. The second week of the strike saw nationwide blockades and marches by mostly ICE union workers and university and high school students as the movement gained momentum. The students, aware that Costa Ricans were being bombarded with ads denying that the bill would privatize or sell ICE to private interests, decided to take their message to the community directly.

Jose Clark from the Student Federation of the University of Costa Rica relates: "We decided that the best thing we can do was to go door to door and teach people about the Combo," he said. "To show them that what the press has said, that students are protesting because they want to protest and they don't have a clue about the project, that is not true. We know what the project is about, we have read the project, and we are against it because we know it."

On the third and final week of the strike, President Miguel Rodriguez claimed he would remove the Combo from Congress for 60 days. At that point the social movement crystallized, announcing that the strike would continue indefinitely, unless the ICE Combo was completely withdrawn from Congress. Following this announcement, the trade unions and civic organizations called a general strike in the country. Costa Rica's two biggest ports were shut down and fuel distribution was blocked. The Federation of Limon workers shut down the Caribbean port, workers from the Pacific Cargo shut down the Pacific port of Puntarenas, and the Costa Rican Oil Refinery, the source of all of Costa Rica's oil, was also shut down.

With the possibility of the police force joining the strikers, and the country on the verge of complete paralysis, President Rodriguez reluctantly agreed to pull the Combo out of the second debate. Early in the morning, April 5, representatives of labor unions, legislators, the presidency, public universities, and environmental groups signed an agreement to withdraw the ICE Combo from Congress for 150 days and selected a legislative commission composed of representatives from the government and various sectors of society, to review the ICE Combo. The government also agreed that no bill related to the future of the ICE monopoly would be debated in Congress,

except for one resulting from the commission's work.

The Costa Rican social movement believes that it has achieved its greatest victory in decades with the signing of this agreement. However, groups opposed to the Combo have stated that they will remain vigilant about any developments in the new bill. Maria Fournier, president of the Yisqui Conservationist Association, is very apprehensive about the agreement. "Many people are not happy because we are not sure if the Combo is really dead," she said. "We are going to work very closely to make sure that the Combo does not reemerge. We are very patient, but there is a limit to a Tico's [Costa Rican's] patience, I don't know what is going to happen in 149 days."

The resounding cry heard everywhere was "Costa Rica is not for sale!" Mike Fekula, an American who worked in one of San Jose's squatter villages, believes that the selling of Costa Rica is one of the most passionate issues for Costa Ricans: "'Selling the country' is maybe one of the most emotional issues in Costa Rica: the gradual selling of the country's resources to outside interests, almost always American, Japanese or German. They have bought up a lot of land, especially near the beaches and resort areas, but other places as well. Some of them have openly violated National Park territory for logging and development. The selling of ICE would be the most recent and biggest insult to the nation," Fekula says.

Opponents of the Combo believe that the privatization of ICE will lead to much higher electric rates and job losses. The bill itself clearly states that private companies will be allowed to indiscriminately exploit the country's national parks and forest reserves with hydraulic and geothermal projects, without any requirement for environmental impact studies. Broadcasting laws would be modified, putting an end to regional broadcasting.

In addition, a document obtained from ICE's own records was circulated, detailing that prominent congressmen, along with former Nobel Prize Winner Oscar Arias, had substantial financial involvement in privately owned power generation plants, stating that they will stand to make a lot of money if the ICE Combo goes through. Fear of underlying corruption in the privatization of ICE was not the sole reason for the eruption of a popular social movement, however.

The people also resent what they regard as a deterioration in the quality of life, increasing insecurity and skepticism about the political process. Ongoing struggles include: farmers who have been striking against unjust import taxes and subsidies going to the multinationals; banana workers who face massive unemployment caused by layoffs and blacklisting; compensation which has been owed for years to dock workers laid off in privatization which took place in 1995, as well as the nonpayment of salary hikes granted to public employees years ago. Health services workers are very disappointed, as the nation's Social Security system has been privatized little by little, and the safety net has been dismantled in the process.

Beginning with the economic crisis in the 70s, when coffee and other commodity prices fell and oil prices rose, Costa Rica became the first country in Central America to undergo a process of structural adjustment under the World Bank and International Monetary Fund's direction. Cutbacks in social programs and benefits for domestic and foreign investors were pushed. The results have been obvious and widely regarded as negative, according to Emilio Vargas, a sociologist with the National University at Heredia. "I think the situation here is historically important. I think that the popular movement that we see on the streets today, in San Jose, in the other Costa Rican Provinces that covered the whole country, has come about because of the gradual dismantling of the welfare state that was started after the 1948 civil war in Costa Rica," Vargas says.

Vargas went on to explain, "The Costa Rican Electricity Institute (ICE) was founded after the civil war, as part of a plan to provide better services for the Costa Rican population. The people who founded these institutions believed that in order to reach that goal, the state had to do it, not the private companies."

Jose Merino, a congressman belonging to the Democratic Force Party, a small, dedicated, socialist party, submitted a report detailing opposition to the Combo to the first debate in Congress. Since its approval, he has been in the streets alongside the protesters. He explains the importance of state owned institutions: "We have to defend what rightfully belongs to the nation. This institution ICE is an example of how Costa Rica has obtained something different. The rest of Central America has suffered from civil wars, with more than 80,000 dead in the last decade alone. With immense hunger, and the concentration of wealth in the hands of a small elite," he said. "In contrast, we have been able to have a very different and great way of managing our country, thanks to the public institutions in this country. This can be found only in Costa Rica."

Apparently, Costa Ricans are willing to go down fighting before succumbing to forces which would sacrifice what they have achieved in well-being for the people as a whole to enrich a small elite, a process which they regard as responsible for the sufferings they have witnessed in neighboring Central American nations.



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