

# After election, Costa Rica's ruling party announces austerity-driven "National Unity Government"

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Costa Rica has held the first in a series of presidential elections this year in countries comprising two-thirds of the Latin American population. Votes are scheduled in Cuba, Paraguay, Venezuela, Colombia, Mexico, and Brazil under conditions in which polls indicate an overwhelming repudiation of the traditional ruling parties, with workers and youth desperately seeking an alternative to the deepening wave of social attacks and police-state, repressive rule.

In Costa Rica, the second-round election of Carlos Alvarado from the ruling Citizens' Action Party (PAC) on Sunday was no exception. He received a surprising 60 percent of the votes against 40 percent for Fabricio Alvarado of the evangelical National Restoration Party (PRN), with the results marked by the high abstention rate of 33.5 percent, similar to that of recent years, but contrasting sharply with an average of 19 percent prior to 1997.

The electoral race was characterized by unprecedented sharp swings in polls favoring less-known political figures and directed chiefly against the right-wing oligarchic parties that traded power for over four decades, eviscerating public sector jobs and social entitlements, the PLN and PUSC.

The lack of a political alternative to the reactionary establishment parties culminated in the re-election of PAC, which promises to form a "National Unity Government" with all parties in the legislature to escalate dramatically the ongoing wave of attacks on social rights, in order to compete for investments in the midst of a sharp turn to the right by governments all across the continent and internationally.

At the beginning of this year, polls were led by the lawyer, Juan Diego Castro (PIN), whose popularity, based on a construction-hat logo and the exploitation of a corruption scandal staining the major parties (PAC, PLN, PUSC, and ML), sank once he disclosed in debates his intention to cut social spending. In January, polls indicated that 60 percent of the electorate changed their opinion, particularly towards indecision.

The first-round election on February 4 saw the evangelical Fabricio Alvarado come first with 25 percent against 21.6 percent for the PAC. This marked the first time that the traditional bourgeois parties, the National Liberation (PLN) and the Social Christian Unity (PUSC) parties, failed to even make it into the second round.

National and international media commentators have explained the rise of PRN as a conservative response by Christian and Catholic voters to the January 9 Inter-American Human Rights ruling ordering Costa Rica to introduce same-sex marriage and gender registration laws. However, the traditional ruling parties, the PLN and PUSC, as well as a majority of the other candidates, expressed opposition as strong as that of PRN against the IDH ruling.

A column penned after the first round by the chief editor of the conservative daily *La Nación*, Armando Mayorga, struck a different and

worried chord. He warned that the 23 (of 82) cantons with abstention rates of over 40 percent are among those with the lowest social development and are "shouting a protest 'vote' for the next government to see them, their poverty, lack of education, and jobs...". The PRN won in 21 of these cantons.

Moreover, the PRN won by wide margins in all of the cantons hit hardest by hurricanes Otto in November 2016 and Nate in October 2017 (Bagaces, Upala, Guatuso, and Los Chiles in the north; Buenos Aires, Golfito, Osa, and Corredores in the south), which exposed the vast social inequality, poor state of infrastructure, and lack of emergency preparedness in these regions. The storms affected hundreds of thousands of people, destroyed tens of thousands of hectares of crops and left widespread damages in infrastructure and public services.

A University of Costa Rica poll in November 2017, found that 94 percent of Costa Ricans thought their opinion of the PAC administration had soured.

In fact, the lesser-known PRN benefited chiefly from the following factors: the presence of and basic social assistance provided by the Evangelical churches in the poorest communities, their main slogan, which was not against gay marriage, but of having "clean hands"—no record of corruption—and their promises of opposing new sales taxes and increasing social investment in education and health.

Applauding the pro-imperialist orientation of such populist tendencies, the *New York Times* praised in a January 17 piece as "good for democracy" that "Evangelicals are solving the most serious political handicap that right-wing parties have in Latin America: their lack of ties with nonelites."

Nonetheless, once the PRN started collecting direct and indirect endorsements from right-wing PLN figures, including their presidential candidate Alvarez Desanti, and incorporating economists from Desanti's team and from the top business chamber, the Evangelical party's role as simply a front for PLN became clear, including the long record of Fabricio Alvarado and the PRN president, Carlos Luis Avendaño, collaborating closely with the PLN legislative fraction.

It is significant that, even though 10 of the 12 major polls since the first-round predicted a PRN victory, faced with two equally reactionary "options", Costa Ricans, according to preliminary exit poll results, turned to Carlos Alvarado's slogans of "diversity" and "equality" in part out of repulsion for the religious fundamentalism of the PRN.

Carlos Alvarado's coalition government will, however, be compelled to bring to the surface all of the right-wing muck accumulated in ruling-class politics since the constitutional enshrinement of Roman Catholicism as the official state religion in 1882. This runs from the ultraconservatism of the Christian denominations to the strong-man despotism, repressive anti-communism and militaristic nationalism of PLN since its origins, along

with the counterrevolutionary collaborationism as Washington's foreman in Central America since the ruling class's deal with Reagan during the early 1980s economic crisis and regional civil wars.

These elements were present in the victory speech of the 38-year-old Alvarado. Appealing to the "great pride to the Fatherland as the Costa Rican flag", he invoked "much more unites us than separates us" from the PRN and PLN, which now together control the majority of the legislature, and the other parties. Then, he spoke of "complex times ahead" for the country, during which "to solve decades-long problems", referring to debt, and announcing an "austere inauguration on May 8... attuned to the message we want to send."

There is little doubt that his main intended recipients of this message were the Wall Street credit agencies.

The severeness of the "complex times" has to be placed in context of a near-stagnation of global productive investment as a response to the falling rate of profit, and the threats of trade and military wars involving the major economies.

About half of tourists, half of all bonds and shares, and 60 percent of foreign direct investment come from the US, and 40 percent of exports go there, making Costa Rica one of the countries most dependent upon US imperialism.

*The Macroeconomic Program* for 2018 and 2019 of the Costa Rican Central Bank listed the following warnings for the coming period: "reduction in the profitability of physical and human capital investments, disincentive for foreign direct investments, and upward inflationary pressures". Meanwhile a Moody's analyst, Gabriel Torres, simply warned of a "closing of doors to finance, which could lead to a financial and economic crisis in Costa Rica." Already, a sharp fall of 17.6 in the net incomes for banks in the country last year was reportedly led by "bad loans."

Meanwhile, the official unemployment rate has increased in recent years up to 9.5 percent and 25 percent for youth, some of the highest levels in the region. Inequality has increased starkly during the last decades. The percentage of poor households measured either through income level or multidimensional indicators is a low estimate of 30.1 percent using INEC census data, which doesn't take into account physically or statistically some of the poorest communities. Growth levels, according to the Institute of Economic Research (IICE) of the University of Costa Rica, are "insufficient" to significantly reduce unemployment and poverty.

The current PAC government of Luis Guillermo Solís, an academic and former national secretary of PLN, has taken several measures to set the stage for the upcoming "complex times":

- In partnership with the pseudo-left Frente Amplio it reached deals with the bureaucracies of the larger trade-unions to demobilize workers as they implemented a new labor code, which expanded the prohibition of strikes to include any inconvenience to "public services", and opens the way for mass firings or penalties if strikes are deemed illegal by streamlined labor tribunals. "We truly believe in dialogue, hopefully everything in the country could be worked out on the table and not on the street," declared Manuel Rodríguez, at the time the head of the state refinery trade union.

- It has built up its repressive police apparatus. On top of the largest package of US security aid for the country in the last 30 years received by Solís and a new police training school donated by China, Costa Rica's spending on security increased 159 percent between 2008 and 2016 to \$950 million, more than the other Central American countries with armies, as it plans to train 1,000 new officers each year.

- While interest payments on government debt have increased 17 percent yearly for the past five years and have become the bulk of the public deficit, local and international financial parasites continue to gloat over high-interest bond rates, which constitute claims on revenues from future regressive taxes, austerity and privatizations.

- The PAC oversaw a National Accord signed last year between the parties in Congress, which prioritizes the attacks against public employment, and the imposition of regressive value-added taxes, cuts to business regulation, with all parties supporting "policies to foment national and foreign investments" and "public-private partnerships".

The agenda behind the National Accord was laid out explicitly in May 2016 by its main sponsor, Ottón Solís, who called for uniting parties to have a "vigorous private sector", claiming that "the generalization of the private sector as composed of thieves is absurd. Those who speak like that should make a Communist revolution or stop talking nonsense".

In fact, the demagogic "anti-neoliberal" ramblings of the Frente Amplio have been heavily discredited given the party's role inside the PAC government. But its response to losing 7 out of its 8 legislators in February will be to align itself behind any coalition government. Referring to the "great social reform" of the 1940s, their leader Patricia Mora, told reporters after voting on Sunday, "Carlos Alvarado will know, with the forces that he needs and the alliances that he requires, to give it content and strength."

The New Socialist Party (NPS) ran candidates for deputies based on identity politics, while criticizing the Morenoite Workers' Party (PT) for "focusing unilaterally on the demands of the working class". In fact, the PT, a member of LIT-CI, long ago abandoned any struggle for the building of independent organizations of the working class and focused its campaign on the call to establish private-sector unions, aimed at channeling growing discontent among the most exploited majority of the working class behind a reformist and nationalist program of appealing to the larger trade union bureaucracies. Its policy is essentially no different than that of Frente Amplio.

Opposition among workers is growing. Last year, the PAC administration temporarily retracted its public employment law citing "political unfeasibility", sensing the simmering unrest among public sector workers. The new administration will do everything possible to continue suppressing the class struggle through its trade unions and the Frente Amplio, NPS, PT and other pseudo-left groupings that represent the interests of privileged sectors of the upper middle class.

The only way for workers and youth to prepare for the class battles ahead is by building rank-and-file organizations independent of the bourgeois establishment, its trade-unions and its hangers-on, based on a socialist program, and to link their struggles to the teachers and other sections of the working class in the US who are striking and moving into struggle in rebellion against the trade-unions, and with workers across the region and internationally who are fighting against the attacks on their living standards by the same financial elites, and the threat of war and police-state dictatorships.



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