

General strike and ongoing protests in Panama against electricity rate hike

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A general strike brought most of Panama to a halt on Monday as social anger toward planned rate hikes on electricity continues to grow and merge with opposition to social inequality and ongoing attacks against workers' living standards across different sectors.

Ongoing protests, barricades, and violent clashes with the police since last week forced the conservative Panameñista Party government of President Juan Carlos Varela to appeal Monday for "social peace" and suspend the 8.4 percent increase in electricity prices for households that consume more than 300 kWh.

While claiming that the Congress will debate a supplementary budget of \$300 million to cover the \$60 million increase in electricity costs, Varela warned, "if the fiscal disbursement is not approved ... other areas of the state will be affected." In other words, the government will ensure the working class pays through a tariff hike, future regressive taxes, social cuts and other attacks against the public sector.

Already, an IMF-dictated fiscal responsibility law being discussed in Congress is expected to reduce the public deficit to 1.5 percent of GDP. According to an IMF mission last month, this will require the government "curb the growth of current expenditures to provide additional room for needed strategic public spending." One of the explanations of the tariff hike given by the state transmission authority ETESA is that the government needs to cover the costs of a recently-built transmission line. After the construction last October of the country's third transmission line, President Varela and ETESA both promised lower rates for consumers.

However, both are now referring to the need to make "engagements" with the construction companies and the private firms that control the distribution and generation of electricity. Varela has also blamed rising oil market prices.

Along with 17 other sectors of workers, more than 90

percent of public teachers participated in the 24-hour strike against the tariff hike. This follows a series of strikes by teachers in March and April protesting still unpaid benefits and demanding an increase in the public education budget to 6 percent of GDP.

The education-sector union ASOPROF and the construction-sector union SUNTRACS are struggling to contain the growth in militancy among workers.

Construction workers, who produce about one-sixth of Panama's GDP, were recently on strike for four weeks demanding a 60 percent wage increase, which the trade union reduced to 44 percent, while the Chamber of Commerce, Industries and Agriculture (CCIAP) offered only 4 percent. After Monday's protests, construction workers have staged mass marches everyday in downtown Panama City, where thousands have joined them in roadblocks and rallies.

SUNTRACS successfully isolated the strike without any wage increase and ended it by virtually stopping the payment of strike pay. However, the anger surrounding the electricity price hikes has given a new impulse to the workers' demands and to the condemnations of the union.

On Tuesday, workers condemned a video posted on SUNTRACS's Facebook page in which the current national secretary of the union, Saúl Méndez, promises to struggle against the tariff hikes. One worker called him a "thief" and blamed him for "selling out the strike." Another worker declared: "Lyrics and more lyrics, they seem good, but they are masked with pity in order to defend the system."

Commenting about the consequences of the demobilizing tactics of the trade union, another worker posted earlier during the week, "Disgraceful, it's your fault that they are firing people now. That strike was a hoax."

A trade union representative defending the role of SUNTRACS online, Francisco Almengor, was asked by

the WSWS about these criticisms. “It’s not because of the union ... certain union representatives are not doing their job correctly and yield to the interests of companies,” he claimed, adding, “we know that companies have their policy and we respect that.”

As part of the growing class struggle in Panama, on Tuesday the workers at the state water and sewage authority IDAAN began an indefinite strike involving 70 percent of the staff, or 2,100 workers. They are demanding a new wage formula and unpaid benefits amounting to \$6 million.

IDAAN is widely hated for cutting water from about 4,000 households each month due to unpaid bills, denying the right to running, potable water.

The attacks on IDAAN workers and poor households are both aligned with a deliberate policy to bankrupt and privatize the water supply. Such efforts have been in place since the Ernesto Pérez Balladares (PRD) government had to postpone the privatization of the water system due to mass protests. The June 2018 projects list published by the Varela administration lists the incorporation of a private company into the administration of IDAAN and the “implementation of a new legal and operational structure for efficient and exemplary operation as a public company.”

The transformation of the state electric authority IRHE into seven private companies for the generation and distribution of energy by the Balladares administration in 1997 followed a similar path with the government claiming that the utility was bankrupt and that the state couldn’t afford the needed investments for infrastructure. Now, the workers and consumers are being forced to incur the entire cost of new infrastructure and international price shocks, while padding the profits and interests of the construction and electrical companies, on top of the banks providing the credits for these projects.

Since this period, telecommunications, ports, railways, sugar and cement companies and other sectors have been privatized, transforming thousands of jobs with decent salaries and benefits into superexploited and precarious labor.

The main opposition parties have sought to channel anger along their reactionary agendas. Ahead of the elections in May 2019, the presidential pre-candidate of the right-wing Democratic Revolutionary Party (PRD), Zulay Rodriguez, who is currently the favorite in the polls and the most promoted by the corporate-controlled press, has advanced a lowest common denominator of anti-corruption and anti-elite populism.

On Wednesday, she introduced a bill in Congress with demagogic demands like those proposed by the Mexican president elect, Andrés Manuel López Obrador, including cuts to salaries, benefits and expenses for top government officials.

None of these proposals are intended to change the desperate economic conditions of the Panama working class. Despite having the fastest rate of growth in Latin America during the last decade—led by real estate, commercial and financial investments, along with the recent canal expansion—inequality is also growing rapidly. Panama was listed by the World Bank last year as one of the top 10 countries with highest inequality in the world, where one fourth of the population has no access to health care services and one fifth live under the official poverty line.

According to the Wealth X report in 2012, 115 millionaires in the country collectively own assets worth \$16 billion, almost half of that year’s national GDP. It is this local financial oligarchy and, even more so, the financial interests in Wall Street and Europe, that define the policies of the government and the unions.

Amid a growing upsurge of the class struggle in Panama and internationally, the only way to make available the resources for social rights like electrical power, running water, quality education, health care, decent wages and guaranteed jobs is by expropriating the fortunes of the financial elite and all major corporations and turning them into public assets controlled democratically by the working class to meet all social needs.

This requires workers to form rank-and-file committees in workplaces independent of the trade-unions and to link their struggles across all sectors and internationally as part of the fight for socialist revolution.



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