

Costa Rican public-sector strike enters third week

Andrea Lobo
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Costa Rican public-sector workers have begun the third week of their strike, after all the major trade union centrals called for an “indefinite strike” on September 10, for the first time since the 15-day strike against the privatization of telecommunications and utilities.

Following several months of major popular protests in Nicaragua against pension cuts and murderous repression, the persistent strike across the border in Costa Rica reflects a growing militancy of workers in the region against austerity policies and deteriorating living standards.

The strike demonstrates, above all, two developments: the unrelenting internationalization of the ongoing resurgence of workers’ struggles in the United States, South America, Europe and Asia; and the role of the trade union bureaucracies and their pseudo-left backers as the foremost obstacle to unite workers internationally and in the struggle against capitalism.

The trade unions have limited demands to remodeling a new tax bill and have channeled social anger behind “patriotic” and empty appeals to the most right-wing government in the country since World War I.

There was a manifest willingness of the trade union officials to end the strike from the start. Gilberto Cascante, president of the education-sector union ANDE, told the news media at 8 a.m. on September 10, “I hope [President] Carlos Alvarado understands that what people ask is to sit down and negotiate. That we are fighting for the rule of law.” He later added: “In an ideal world, we would be called at any time to talk, and we’ll be there.”

For his part, President Alvarado rejected any negotiations at the outset and sought to crush the strike by violently clearing roadblocks and rationing fuel from refineries, leading to over 40 arrests and at least one death. His government has requested the labor courts to declare the strike “illegal” and to sanction workers if they continue.

“The fiscal reform is a bitter drink, but it’s the only way to save the country,” he declared. To this, a striking garbage collector responded last week to the media: “They are taking from my pocket and my family, to buy rice and beans. While there are people with multi-million salaries, one goes humbly to work.” Polls carried out by the TV stations and the University of Costa Rica show that less than a quarter of the population

supports the government in opposition to the strike.

The ruling Citizen’s Action Party (PAC) is now in its second term, leading a “National Unity” coalition with the traditional oligarchic parties and the pseudo-left Frente Amplio. The PAC was itself created as a calculated maneuver by the ruling class and heavily promoted by the same trade union bureaucracies to derail the opposition expressed in the 2000 protests and the 2004-2007 movement against the Free Trade Agreement with the United States (CAFTA).

After cracking down on virtually all blockades, the government agreed to negotiations last Wednesday with trade unions and the mediation of the Catholic Church. As shown by the “National dialogue” in Nicaragua, the blessings of the Church are summoned to replace those of workers and to keep negotiations under wraps.

On September 12, the police beat and arrested students, who had set up a roadblock, and invaded the University of Costa Rica. Later that night, two teenagers who were participating in a roadblock with burning tires in an impoverished area of Limón were shot in the back by the police.

Antuán Serrano, 17, died from a wound to the head as neighbors took him to the hospital. According to the only report at the scene made by a major outlet, *Repretel*, eyewitnesses indicate that, when confronted by angry neighbors, police officers simply said: “This comes from up top, from the Government.”

Isolated incidents of looting, the burning of vehicles and a telecommunications tower and damaging other public infrastructure were used by the government to criminalize all the protesters and escalate the repression.

The minister of security has begun to appear in press briefings next to a silent police chief, Daniel Calderón, whose post and record—training by the post-Pinochet *Carabineros*, the Chilean police, and giving courses at the US military school WHINSEC—place him as the director of the repression.

Anticipating the repressive measures, the US embassy issued a security warning of possible violence prior to the strike. According to diplomatic cables published by WikiLeaks, Washington had trained special units and coordinated closely with Costa Rican police in preparation for the protests against CAFTA.

That weekend, the trade union ANEP, which includes police officers and is leading the strike, conspired with the government and media in a campaign in defense of the police, publishing videos on their harsh conditions and staging pickets on Monday with off-duty cops outside the presidential residence.

The government's yearly deficit will reach 7.1 percent of GDP in 2018. The fiscal bill being discussed would subtract 1.4 points, only to jump again and rise more rapidly as the dollar strengthens and interest rates rise. More than half of the deficit corresponds to interest payments.

Regardless of the fate of the bill, most government income will continue to come from regressive taxes on imports and consumer goods, meaning that money will continue to flow from the pockets of workers and the poorest layers to the bank accounts of the top 10 percent of richest Costa Ricans and to international finance capital. The bill will only accelerate this transfer of wealth.

Therefore, the Organization for Economic Co-operation and Development (OECD), World Bank and International Monetary Fund (IMF) have openly backed the plan, and the minister of interior, Rodolfo Piza, declared the first day of the strike that the government would "reassure bondholders that they'll be paid. ... That is what the debate on public employment limits in the bill is about."

The Alvarado administration insists, nonetheless, that it is a "progressive" bill, citing a small increase in the income tax for the richest layers, despite also introducing a regressive added-value tax, a 1 percent charge on staple foods and other charges on education and health services. The bill also seeks to enshrine in law a series of executive decrees cutting—in some cases by more than half—yearly salary increases and bonuses up for exclusive contracts in the public sector.

The state propaganda insisting that the richest 10 percent will bear most of the cost excludes the enormous tax exemptions for businesses. For instance, the bill states that "goods and services purchased will be exempted if destined to produce goods and services for export." Capital gains from "selling stocks or other securities" within the same corporate sector will also be exempted.

The bill virtually engraves the evisceration of social spending into the Constitution by imposing limits on total government spending below economic growth, which will depend on the size of the overall debt. Alvarado has already imposed by decree new formulas on private- and public-sector minimum salaries that are not keeping up with inflation, cutting pay for extra hours by half, on top of an increase of 1 percent in workers' contributions to the IVM pensions fund.

This austerity offensive has continued for decades but it is now accelerating sharply. From almost 20 percent in the mid-1980s, the share of employment in the higher-paid public sector fell to 15 percent in 2010 and 14 percent in 2017, according to ILO data, reverting to 1960s levels. Debt-

servicing, on the other hand, has taken a higher share of the budget, from 13 percent in 1980 to 27 percent in 1995, 33 percent this year and 41.6 percent next year.

This recent sharp rise corresponds to an enormous issuing of bonds at increasingly higher interest rates, including \$4 billion to foreign markets over four years announced in June (more than 1.5 percent of GDP yearly). Following the trend of most so-called emerging markets, the Costa Rican government took advantage of low interest rates internationally after the 2008 crisis to rapidly expand and militarize the police and carry out limited infrastructure projects. Now, the national and global economies are slowing down, bringing down tax income, while interest rates are increasing sharply.

In other words, the response of the ruling class to the coming economic avalanche has been to prepare the largest economic plundering of the working class in Costa Rican history.

In this international context, the empty demand of a progressive tax or the slogan "make the rich pay" poses no threat to the continuous transfer of wealth from the pockets of the working class into the debt payments for the rich. They pose no threat to the continuous impoverishment of workers and instead represent efforts by pseudo-left layers in the upper middle class to boost the image of the trade unions and the Frente Amplio and to provide a cover for an intensified rate of exploitation.

What lessons can be extracted and what tasks lie ahead for the Costa Rican working class? It requires an independent class response to the crisis, which is only possible by building an authentic socialist revolutionary party—a section of the International Committee of the Fourth International (ICFI)—and electing rank-and file committees in workplaces and communities, independent of the trade unions and the entire political establishment, to immediately link their struggles to those of workers across Latin America and beyond.



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