

Costa Rican workers strike against health care privatization

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Hundreds of workers and students joined a “Great March” against the ongoing privatization of the Costa Rican Social Security Fund (CCSS), known as the “Caja”, which manages the public health sector and pension system. The protest follows two strikes by health care workers on July 5 and 13 and a massive march in defense of public universities on June 21, in which thousands of workers and students participated.

The current upsurge of struggles in the Central American country of 5 million is part of a growing offensive by the working class to resist the attacks by the ruling elites against living standards and social rights amid rampant inflation, the ongoing COVID-19 pandemic, the Ukraine war and economic stagnation. There have been significant strikes and protests in recent weeks by health care workers in Argentina, Brazil, Britain and other countries, while major struggles continue in France against pension cuts and Sri Lanka against the IMF austerity cuts.

Often portrayed as a beacon of democracy and stability in Central America, Costa Rica is one of the most unequal countries in the world, and the ruling elite is sharply escalating a decades-long effort to dismantle the universal systems of public health care, pensions and education.

Particularly since the 1980s, these institutions have been decimated in terms of infrastructure, finances and personnel.

Merceditas, a nurse at the Mental Health and Psychiatry Hospital, explained to the *World Socialist Web Site* at the demonstration, “We are in no condition to privatize the medical services. This is a plot that has been intentionally provoked to say the Caja is bankrupt. It is not. We, the workers, maintain it with our salaries. Every two weeks it gets deducted automatically from our paycheck. The issue is that the government refuses to pay its debt to the Caja and forgives the large corporate tax evaders.”

Amid the COVID-19 pandemic, she said, “we gave our lives and continue to give our lives. We will continue to give everything. We are very responsible workers and will always be there for the patient. Costa Rican nurses have come out very hurt, with all the human pain we have endured and continue to suffer.” She added, “for three years, they have not raised our wages and everything keeps getting more expensive, gas, food; everything goes up and we need to live.”

Doris, a nutritionist with 30 years experience at the Caja, said to the WSW: “If you are unemployed and do some paperwork, you can get insured by the state, even if you don’t contribute 5 colones, you have the right to be treated. This struggle is for the Caja to have the economic solvency to attend everyone equally and for the quality to improve.”

As a result of decades of austerity diktats from the International Monetary Fund and World Bank, workers have been increasingly compelled to spend more for services in the growing private insurance services, clinics, pensions and schools.

Over three-fourths of Costa Ricans now frequently use private health care services, given the long waiting times of months and even years for tests, medical evaluations, treatments and surgeries under the Caja. The vast majority of Costa Ricans, however, still rely on the more than 30 hospitals and 1,000 local clinics (EBAIS) under the Caja.

Jonathan, a private sector worker at the protest, explained: “I am receiving treatments by the Caja so I’m supporting them. We are living through a crisis and they want to cut everything with scissors. This is bad because it creates economic stagnation; there is no employment. Costa Ricans need to understand that we need skilled professionals for everything, with a good salary, quality people that earn well. If you make enough to pay a private clinic, that is only for a few tests, not all, and much less a surgery... We must fight.”

Luis, a University of Costa Rica (UCR) student, explained that all sectors of workers and youth need to defend the Caja. “Many of us can’t afford a private hospital and when we graduate from college and have a decent job, we will be able to pay to the Caja and strengthen the health care system so that workers who have not had the same opportunities as us, those who have to work in extremely precarious employment, have access to an institution like the Caja, to be insured with decent healthcare and a living pension.”

In Costa Rica, 12 percent of the workforce is unemployed and 44 percent work informally, which means they are unaffiliated to the CCSS. “These attacks,” Luis added, “will only make it harder for all these people struggling and the next generations to have access to such basic rights as a decent health care and pensions, because we don’t live in an egalitarian society.”

Mariel, another UCR student at the demonstration, added: “This is an issue that will require a lot of strength [to counter]. We need people to get angry, to understand the gravity of the situation in the Caja, the gravity of the employment situation, of public education, how the government is going crazy with all this. It’s necessary for people to get involved, for the student and workers movements to rise up against these moves.”

In 2018, a three-month strike by public sector workers—the longest strike in the country’s history—led to a general strike and the largest demonstrations seen in decades to oppose regressive taxes and attacks on social spending. The government of then-president Carlos Alvarado (Citizens’ Action Party; PAC) responded with police repression, the ramming through of the regressive value-added tax, spending ceilings, pension cuts and other social attacks, as well as a draconian anti-strike law.

Regardless, 2018, 2019 and 2020 were characterized by mass strikes, widespread roadblocks by workers in the most impoverished suburbs and rural communities, and occupations by students against these attacks. But each time the trade unions and their pseudo-left apologists, chiefly the Broad Front, have betrayed these struggles. These layers of the upper middle class have consistently prioritized keeping a seat at the table and enjoying the revolving door between unions, politics, posts in the bureaucracy, NGOs and academia.

In particular, the Broad Front, which joined the government of Alvarado, has played a key role in channeling social opposition behind the trade union bureaucracy and talks with the government and the same political forces that have rammed through one wave of cuts after the other.

A young private sector worker at the march, Diego, said the government is seeking to “create a failed state so that many sectors of society have little incentive to defend what is already failing; the health care system is failing them, the education system is failing them. What incentive is there to respond to the call by a trade union when they feel that it’s not working, that political movements are unable to make it work.” He added, “This is leading to a situation similar to other countries in the region where policies are imposed by force.”

Asked about the upsurge of struggles internationally and the establishment of the International Workers Alliance of Rank-and-File Committees (IWA-RFC), including among health care workers, Diego responded: “If there is no internationalism, no international solidarity between the oppressed classes, basically they are going to extort us. It is a race to the bottom in labor and human rights. If Costa Ricans don’t want to work 12 hours a day, they’ll go to another country and latitude... These rank-and-file committees, which I consider a legitimate form of organization, will need to be accompanied by other committees to resist the policy from the other side whose mission is to destroy” them, referring to the turn toward fascism and dictatorship.

Alvarado’s former finance minister, Rodrigo Chaves, was

elected President in 2022 as candidate of the new Social Democratic Progress Party. A former World Bank official, Chaves had already made clear that the CCSS was his main target, declaring shortly after the COVID-19 pandemic began in 2020 that “the country could not go bankrupt to save it.”

Since coming to power, he has made repeated attacks on the CCSS, public health—including support for anti-vaccine activists—the universities, the Bank of Costa Rica and other public institutions. A Public Employment Law came into effect in March establishing a “global wage” level for most workers in public institutions, eliminating most benefits, wage adjustments to inflation and seniority won in numerous struggles in the 20th century. The measures will freeze salaries for decades until the “global salary” creeps up each year and matches their current wages.

Workers at the march, as well as several analysts, have indicated that these measures are unconstitutional and will disproportionately impact those workers at lower wage levels. Moreover, this will accelerate privatization, creating incentives for employees and users to switch to the private sector.

One of the triggers for the recent protests in defense of the Caja was the announcement that about one-third of health care employees, some 20,000, have been deemed “non-essential” and will be deprived of their “exclusive” status, which comprises higher wages and benefits. Moreover, the government has openly refused to meet its obligation to pay its US\$5.5 billion “debt” to the CCSS derived from the care for uninsured patients, as part of the “solidarity” model established constitutionally since the institution was created in 1941.

While the corporate media and Chaves have claimed that public sector workers are privileged and their relatively higher wages are the cause of government debt and “necessary” social cuts in general, his government and its predecessors have acted as puppets of the international and local banks that profit from debt payments, as well as the corporations enjoying tax breaks and cheap labor in special “free zones.”

According to the Economy Ministry’s 2023 proposal, 47 percent of the national budget will be assigned to paying debt holders, which has been the fastest growing component for years, while only 22.5 percent will go to wages, benefits and pensions of public employees.



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