

Panama's government suspends constitutional rights to suppress worker protests

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Since March, nationwide protests in Panama have erupted including by indigenous groups and unions who oppose a new pension law. Protests against Law 462, which includes Social Security reforms, blocked roads in Bocas del Toro Province in Panama starting in late April. The blockades sprung up at various points in Changuinola and Chiriquí Grande, along the route between David and Almirante, and on the busy Pan-American Highway.

“Nobody enters and nobody leaves the province of Bocas del Toro” was the May 6 report from Pulso Informativo’s Pedro Bautista on TVN.

Buses between Panama City and David paused operations, though some services were still running with passengers having to vacate one vehicle to cross the picket line on foot with their belongings before boarding another on the other side of the blockade. Protests also broke out in Panama City, though roads there were not being blocked.

Government officials, including President José Raúl Mulino and Bocas del Toro Legislator Benicio Robinson, called for dialogue with the protesting groups, emphasizing the damage being done to the country’s education, healthcare, tourism, and the economy in general. The politicians’ call was for protesters to be “reasonable” and bow to big business interests without addressing workers’ concerns over their retirements being stolen under the new law.

Law 462’s purported objective is to “maintain [the] financial viability” of the pension system, particularly for the system’s disability, old age, and death (IVM) program. This translates into a reduction in benefits for Panamanian workers within a few years. Such modifications are usually enacted with a future date for negative consequences in order to prevent the kind of protests now taking place from breaking out in the first place.

The legislation was presented as the product of “discussions with civil society, private sector representatives, and actuarial specialists,” which means that corporate interests are driving this attack on workers with the aim of realizing higher profits. Although corporations will gradually begin having to pay more into the system, they will get the benefit of having workers work longer with their retirement savings tied to business

interests, benefitting the ruling class in the long term.

Under Law 462’s provisions, workers who retire within the next seven years will be grandfathered into the old defined benefit sub-system (SEBD pension), while workers who are set to retire after that will have their retirements fall under the newly-created Fondo Único Solidario system.

In the new Fondo Único Solidario system, public banks will manage 90 percent of the funds while allowing international asset managers to manage the remaining 10 percent. The new pension assets will be invested in Panamanian government bonds, US Treasuries, Government deposits, preferred stocks, insurance loans, and other corporate loans listed on Panamanian and US markets with a minimum rating.

The Panamanian government expects the new system to generate more returns (5 percent versus 3.87 percent) by tying workers’ retirement savings to the stock markets.

The government promises that workers will not be affected by the reforms. The age of retirement is still nominally set at 62 for men and 57 for women, but the plan sets the expectation that retirement age will increase by three years within the next six years in order to keep the plan from running a deficit.

Workers, particularly those employed by banana-growing giant Chiquita, saw the writing on the wall and began protesting the plan they said would make them work longer for less. The protests centered in the banana-growing region, leaving one person dead and dozens injured, including 14 police officers, according to official sources. Over 300 workers were arrested.

Chiquita workers went on strike in late April which prompted the company to fire thousands and force these workers to end their strike to renegotiate employment. Other sectors, like the teachers, continued to barricade the roads in the region and clash with police. About 30 percent of schools remain closed due to the strikes.

Authorities have claimed that protesters were violent, looting businesses, vandalizing the local airport, and setting fire to a local baseball field with police inside. “Looting and violence” are common buzzwords used by the ruling class to attempt to turn the local population against struggling workers and often have very little basis in reality.

Last week President Mulino declared a five-day state of emergency and instituted Operation Omega, which suspended several articles of the Panamanian constitution relating to the right to assembly and movement, the prevention of unlawful searches and seizures, the right to not be held without charges indefinitely, and other basic human rights. The state of emergency was set to expire on June 25, but was subsequently extended to June 29. Over 2,500 police officers have been deployed in order to beat workers into submission.

The government has allocated \$40 million for Operation Omega, money they would rather use to suppress worker outrage than to meet workers' demands and invest it in their retirements.

National Police Director General Jaime Fernandez told reporters Monday that "we managed to take control of the situation." He said that the protests and looting have stopped but "the threat remains."

In addition to curbing constitutional rights, the government cut local telecommunications last Thursday, isolating many already remote communities from accessing the internet, contacting relatives, or even making emergency calls. The communications blackout continued, with no definite end in sight.

Security Minister Frank Ábreo, a US School of the Americas-trained former special forces officer, has blamed the unrest on the instigation of local gangs, while vaguely alleging that they have political backing in the banana production region of Bocas del Toro.

Chiquita's mass layoffs, which cost the company \$75 million including lost product, further angered workers in the region who rightly saw the firings as an open attack on workers' rights.

The crisis in Panama comes as Washington's pressure on the country mounts. The Trump administration has threatened to seize the Panama Canal for the United States. During a visit to Panama last week, US Secretary of Homeland Security Kristi Noem restated the administration's demand for the Panama Canal to ensure that "US warships and auxiliary vessels can freely transit" through the canal.

The 82 kilometer (51 mile) waterway is a massive source of income for Panama, as well as a source of thousands of jobs. After an aborted start by France in 1881 due to engineering problems and high mortality rates of the local workers, the canal project was taken over by the United States in 1904 and completed in 1914.

The United States continued to control the canal until the Torrijos-Carter Treaties in 1977 began joint US-Panama control which then ended in 1999 when the Panamanian government assumed total control under the organization of the Panama Canal Authority.

The original locks are 33.5 meters (110 feet) wide and allowed the passage of Panamax ships to massively reduce the time and risk in transit between the Pacific and the Atlantic

Oceans. In May 2016 after nearly nine years of construction completed by Panamanians, the Panama Canal Authority opened its new locks that allowed for the passage of the much larger Neopanamax ships through the canal.

Traffic through the canal each year has increased dramatically from about 1,000 ships in 1914 to over 14,000 ships in 2012. That year, the largest user countries were the United States, China, Chile, Japan, and South Korea.

US imperialism is practically salivating at the prospect of seizing the canal, providing its own ships free passage while denying the same to its primary geopolitical rival, China. A strike of this magnitude against the financial interests of US rivals like China would inevitably accelerate the drive to world war. This madness is precisely what the American bourgeoisie desires, as they seek to redivide the world in their favor using the military might of the United States and its allies.

Panama has had over 100 years of constant pressure and varying degrees of direct control by the United States. The US dollar is even used along with the 1:1 equivalent local currency, the Balboa, as the official currency of Panama. The Panamanian bourgeoisie is simultaneously stifled by the imperialist colossus to the north, while also taking its marching orders.

The attack on Panamanian workers are in line with the strategy and interests of the American bourgeoisie in its dealings with workers in the US itself. The relationship between US imperialism and the Panamanian national bourgeoisie is fraught with nationalist complications stemming from competing profit interests and coerced cooperation.

But the working class of Panama and the workers of the United States have no such complex relationship. The interests of the working class everywhere is the same, the ability to live a good life without exploitation, war and repression.

American workers and workers internationally must support Panamanian workers in their struggle for adequate wages and dignity in retirement and against US imperialism's drive to subject Panama to colonial oppression.

The suspension of habeas corpus in Panama in response to worker protests is a stark warning to workers everywhere, as the ruling class of every nation is waiting for the opportunity to do the same to workers in their countries.



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