

“We’ll be austere... strict... rigorous”

## Costa Rican president threatens workers with renewed social attacks during inaugural address

By **Andrea Lobo**  
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The new president of the incumbent Citizen’s Action Party (PAC), Carlos Alvarado, who won in April elections marked by deep popular discontent, gave a rabidly nationalist and reactionary inaugural speech on Tuesday. His government, he began, “emerges out of a national agreement, with the first multi-party cabinet and...a multi-party Congress directory.”

Behind the ruling class’s historical consolidation of power behind the incoming Alvarado administration, as the president himself noted, were “uncertain times in the concert of nations”. This was a veiled allusion to the stagnation of productive investments in the country and regionally, and to the mounting threats of commercial and military conflicts between the largest global economies.

Alvarado openly warned that the response by the ruling class will be an escalated assault against social programs and a frontal clash with the working class: “We’ll be austere, beginning with an efficient use of the public treasury; we’ll keep a strict fiscal discipline; we’ll be rigorous in controlling public spending.”

In the face of such a right-wing program aimed at implementing the dictates of Wall Street and the national oligarchy, nothing remains of the perfunctory promises of reforms to assist the poor and reduce inequality that Alvarado and the trade unions made during the campaign.

Setting the stage for this coming government, the last Congress approved labor and legislative reforms to expedite the implementation of austerity measures, the attacks on jobs and the criminalization of strikes, particularly of public employees and workers organizations independent of the trade unions. A police build-up has also been underway for more than eight years, and the trade unions are coordinating closely with the new administration to undermine any resistance.

Moreover, bills are currently being discussed to embed in

the Constitution (Articles 176 and 184) new draconian limits to the public deficit, which would require mass firings in the public sector. Another constitutional change (Article 112), proposed ostensibly to combat “corruption”, would facilitate the expulsion of any legislator who falls out of favor with two-thirds of the Congress.

The historical precedent for this coalition government—embodied in the agreement signed on March 8 between Alvarado and Rodolfo Piza, the new minister of Interior and former presidential candidate of the conservative Social-Christian Unity Party (PUSC)—is the 1995 pact between the leaders of the two traditional right-wing parties, José María Figueres Olsen of the National Liberation Party (PLN) and Rafael Ángel Calderón Fournier of the (PUSC).

While the 1995 pact included a new World Bank structural adjustment program, sweeping deregulation and partial privatization of banking and pensions, the new agreement between the major political forces includes new regressive taxes, an outright prohibition of “collective agreements that increase public spending”, among other structural adjustments. These policies are being pursued in the interests of paying bondholders and accelerating the creation of a platform of cheap labor that can compete with the more impoverished countries in Southeast Asia, the rest of Central America and the Caribbean.

Alvarado’s speech drew largely from his past experience as a local marketing executive for the transnational P&G, resembling nothing so much as the kind of “talk” given by a tactless manager to workers ahead of a mass layoff. He asked for sacrifices for the “common cause” of the “enterprise”, and invoked outmoded calls for national unity from mid-19th century oligarchs, whom he described as “our grandparent’s generation.”

In front of a scattered crowd and as passers-by and the

surrounding city carried on largely uninterested in the ceremony, Alvarado then candidly laid out the measures “that cannot be postponed” to escalate the decades-long assault on public employment and the living standards of the working class.

In his half-hour speech he urged the Congress—no less than seven times—to approve his “fiscal plan”, which seeks to impose a regressive value-added tax and incorporate cuts to annual wage increases for public employees, among other measures, to deal with Costa Rica’s public deficit.

During the weekend, the statistical agency INEC announced that unemployment rose last year to 10.3 percent and 25 percent for youth, explained by a drop in available jobs. Moreover, real wages fell for the public and private sectors, while informality is above 40 percent and 150,000 youth (15 to 24 years of age) neither work nor study.

Alvarado on Tuesday announced further partial privatizations of major public services, indicating that unemployment and issues relating to education, transport, water and electricity will be dealt with within the “framework of private concessions” and the “drive of the private sector.”

In reality, the resources exist for a massive public works project to provide quality social infrastructure and expand essential social services to everyone, while putting an end to unemployment, but it would require the seizure of the enormous wealth accumulated by a handful of Costa Rican oligarchs and extracted by transnational corporations, whose interests the establishment parties represent.

While the rise of the PAC and the Broad Front (FA) mirrored the “left” bourgeois governments that rose to power on a wave of social opposition across Latin America, starting with Hugo Chávez in Venezuela, the Solís administration didn’t even implement minor social reforms like its South American counterparts. The PAC and FA exposed their political bankruptcy immediately, by responding to the deepening crisis of the capitalist system with further attacks against the working class. Similarly, however, the so-called “pink-tide” governments and their right-wing successors have also escalated sharply their austerity measures and realigned their states and security apparatuses with US imperialism.

In fact, the PAC has simply operated as window-dressing for the same traditional forces, particularly the PLN. The incoming coalition government is the culmination of a series of political realignments within the ruling establishment to confront a growing crisis of political rule. During the 1990s, as the PLN and PUSC became deeply discredited after decades of eviscerating public health, education and social programs, they sought to attain a new façade more closely aligned with the trade unions to prevent the development of

an independent opposition among the working class.

In 2000, Ottón Solís and other PLN leaders left the party to found the Citizen’s Action Party as a “progressive” and “left” alternative, opposing the plans to privatize the state electric company and the Free Trade Agreement with the US. In 2010, Luis Alberto Monge, the former PLN president who had consolidated the counterrevolutionary turn of the party through a 1982 pact with Reagan, was convinced by Solís’s project and backed the PAC. In 2014, the former PLN national secretary, Luis Guillermo Solís was elected president as the candidate for PAC, and now the new PAC administration is incorporating the PLN into its government.

On a parallel course, the Stalinist and pseudo-left Broad Front (FA) was founded in 2004 by José Merino and other politicians from previous PLN-tied experiments that sought to contain growing social opposition through “social-democratic” parties like Democratic Force (FD). Once PAC was elected in 2014, FA then entrenched itself within the new Solís administration to underpin the government’s ties to the trade union bureaucracy.

The Broad Front’s services to the government and the Costa Rican ruling class have translated into a sharp loss of popular support among workers and youth. It lost eight of its nine seats in the legislature in the February elections, even as social opposition continues to grow in the working class, reflected recently in the April 25 public-sector strike and mass protests on May Day.

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