

Interview

## El Salvador: Labor vs. P3

Tuesday 14 May 2013, by [GARCIA Alex](#), [RIVERA Jaime](#) (Date first published: 1 May 2013).

A NEW “CONCESSIONS” law is before Salvadoran legislators, threatening Salvadoran workers, and further submitting the national economy to foreign capital. President Mauricio Funes’ office proposed the Public-Private Partnership (P3) law in early 2012; it is slated for a legislative vote in April or May. The proposed P3 law creates the framework to contract out the operation of state industries, services and infrastructure to corporations for up to 40 years, but does not allow for outright privatization of state-owned industries.

President Funes came to power in 2009 through a strategic alliance with the Farabundo Martí National Liberation Front (FMLN, the political party emerging from the revolutionary insurgency of the 1980s), although he was not a party member. The FMLN has largely opposed the legislation. [1] In doing so it is responding to the demands of the unions and social movements that make up the party base, who have explicitly rejected this current attempt at privatization. [2]

In fact Salvadoran civil society has been partially successful in defeating privatization attempts. In 2002 massive demonstrations in defense of the country’s health care system forced the government to back away.

It is no surprise that the Nationalist Republican Alliance (ARENA) party, El Salvador’s right-wing party founded by notorious death-squad leader Roberto D’Aubuisson, has endorsed the P3 as “key for the generation of employment.” [3] Until defeated in 2009 ARENA had held the presidency, and would like to regain it in the February 2014 elections.

ARENA’s goal is to prevent the current vice president and former FMLN commander, Salvador Sánchez Cerén, from repeating the FMLN’s historic 2009 victory. Sánchez Cerén presents a real obstacle to the continuity of business as usual neoliberal practices. He has clearly stated that the privatization implicit in this proposed law would “further inequalities.” Thus the Salvadoran right wing, undergoing a political fracturing yet having the president on its side, sees a narrow window of opportunity to get this law passed.

Jaime Rivera, Sindicato de Trabajadores del Sector Eléctrico (STSEL — Union of Electric Sector Workers) and active in Salvadoran labor politics for over 30 years, recently returned from a CISPES labor solidarity tour. He visited U.S. cities along the West Coast to talk with workers about Washington’s intervention in the debate about the proposed P3 law.

He was interviewed by Alex Garcia, a CISPES staff member in San Salvador, following a march to the U.S. embassy in El Salvador to denounce Ambassador Mari Carmen Aponte’s interference in Salvadoran public affairs. This interview is a joint project of upsidedownworld, a web journal [4], and *Against the Current*. Our thanks to CISPES for facilitating it.

### **CISPES: What is the Public-Private Partnership (P3) law, and how does it threaten unions in El Salvador?**

Jaime Rivera: First, this is a proposed law, so it hasn’t yet been signed into legislation. We have to recognize that Salvadoran legislators did not draw up this law; it is actually a project of the IMF, the

World Bank and the U.S. State Department. It is an extension of the lie that neoliberal policies will get us out of our crises. Its passage would represent a second phase of the sacking that started in the '90s.

The Washington Consensus dictated terms for our countries to get ahead. First, reduce the state and make it as lean as possible. As a result, a lot of public workers lost their jobs. Second, implement Structural Adjustment Programs (SAPs), which privatized the national bank. Basic grain production was also privatized. Around 1996, workers with public pensions had their pensions shifted to a private holder.

Although we struggled against this, the ARENA government allowed it to happen. Salvadoran workers have been given proof that the “benefits” of privatization are not all they are made out to be. We see higher costs of living, lower wages and fewer benefits. Pensions don't cover the basic cost of living for a lot of people.

The part of the energy industry that was privatized was supposedly for competition to lower prices for consumers, but the opposite happened. At the beginning of the privatization process there were four firms, now they have been consolidated into two. People pay five times as much as they used to pay. That is true for the phone service as well — more workers have lost their jobs, phones cost more.

We don't believe in the wonders of privatization. So now the government tries to use a different word for the same thing. If P3 passes, first on the list is transportation: contracting out the airport and the national ports. These would then be followed by contracts to administer water, remaining energy, health, education, highways, and natural resources (mining).

On top of the immediate negative impacts of privatization, under this new proposed law if a business venture goes sour, the state would have to repay the firm's investment. El Salvador is a country with little income, and so this presents a new threat! Salvadoran taxes could be used to pay the debts of transnational corporations rather than for public programs.

The intervention of the U.S. government is equally dramatic. Ambassador Carmen Aponte has threatened us, stating that in order for El Salvador to receive the second round of Millennium Development Funds [worth \$300 million], the state will have to approve the law. We don't like this kind of help, this conditional help.

How can someone say “look I want to help you, but because I help you — because I'm a nice person — I need you to give me all of your productive infrastructures and allow transnationals to come in and fill their pockets. With this plata you need to make me highways from north to south, new ports, new airports so that we have express trade routes through which to move”?

If you want to help, then help us install new factories to produce electronics, or industrial machines, or what have you. Don't threaten us.

**CISPES: In the 1980s, unions in El Salvador had to organize in the face of death squads. Today the challenges are different. How do unions organize and operate today, and what is their strength compared to the time of the military repression?**

**JR:** The present period, following the 1992 Peace Accords, is definitely better. But what can we take from those years? The struggle. We came from a history of military dictatorship and a high level of repression. People wanted democratic space where political conflicts could be worked out.

Even though there wasn't a formal unity between the labor movement and the guerillas we had the

advantage of a dual front. Here in the cities we struggled politically, and in el campo we had the armed struggle. People who risked their lives taking part in unarmed actions in cities knew that there was an armed wing out there that had their backs.

Now, threats are different. Before, they would take your life away; now, now they take away your job. Fundamental rights, including the right to belong to a union, to collectively bargain and organize as workers, the right to strike, were recognized under the Peace Accords. However a lot of business owners don't recognize these rights. In fact they actively repress workers. That is, the repression doesn't come from the state, but directly from the capitalist class.

In order for us to move away fully from the era of harsh repression that we lived through in times of war to an era of respect for labor rights will take maybe two or three times the amount of time it has taken us to get this far.

Repression doesn't come from a bullet now, these days it comes from a refusal to recognize our rights as workers. Following the ratification of International Labor Organization (ILO) conventions 87 and 98, which refer to union rights and the right to collective bargaining, there have been more than 100 unions formed in the public sector. These have contributed to the growth in union membership in the country.

**CISPES: The political party of the FMLN holds power in El Salvador today. What is the government's attitude toward P3, and what is its reasoning? What is the relationship between the FMLN and the Salvadoran labor movement?**

JR: We have to recognize first that there is a difference among sections of the FMLN that support the law, those that waver and those who are firmly opposed. The Office of the President is more reflective of strategic alliances the party made.

When I refer to the FMLN, I refer to the part of the party that responds to the social movements active in the country that make up the party's base. Ideally, this would be all of the party, and it would be a cohesive party.

The FMLN does not support the proposed P3 law, and we don't see President Funes as a genuine member of the party. We support his efforts to oppose ENEL's (an Italian energy firm) attempted appropriation of the geothermal generation of LaGeo — the national geothermal energy firm. We need him to be consistent. Why oppose the privatization of one firm, but welcome the privatization of others?

Unfortunately, this P3 only needs 43 votes to pass. Even if the FMLN doesn't vote for this law, it will still pass.

**CISPES: What is the political role of the U.S. government in this process? Are there ways in which workers in the United States can show solidarity with the Salvadoran struggle against privatization?**

JR: The political role of the United States is one of interference. They give us conditional aid that guarantees profit to transnational corporations. Additionally they interfere in our democratic processes by instructing the state's direction on public policy. The United States should respect the sovereignty of states to manage their own affairs.

For them to condition development aid to passage of a particular law, we respond "compadre, better that you don't help."

The Salvadoran right wing proclaim P3 as great — the best — yet this law doesn't even come from the minds of our own politicians!

In Latin America there are instances of development that is not fixed to the development of transnational capitalism. We can look to South American states that have made important decisions to nationalize resources, like petroleum. They have ousted transnational corporations, saying that these resources belong to el pueblo and their development will be for the benefit of el pueblo.

President Funes should take the same decisions in the case of geothermal energy. He should say, "Get out! Here's your initial investment, but we will no longer allow for you to benefit from the \$100 million in revenue generated by our national resources!"

For us this is an important industry, one that produces 26% of the country's energy needs. Imagine if ENEL decided to raise the price on energy! It would have an incredible impact on the population, condemning some to further poverty.

For this reason and more, we think we are on the correct path when we say that it is important to resist privatization efforts. In the case of ENEL, the Italian firm claimed they were best suited to do the job because they had lots of experience in this sector. But in fact, they installed four plants in Berlin, and each one has failed over and over again.

In Ahuachapán, a plant installed in 1974 continues to operate without fail. This Ahuachapán plant has also given our technicians the ability to develop skills. So when folks say "El Salvador needs newer technologies," I say: Yes, they are right, but what we need more are sound trade policies, where we do not sell off our country.

Throughout history solidarity has always been necessary. Solidarity between workers has moved mountains, and is essential to successful movements. Now, with technology, it isn't necessary that we be neighbors in order to be in solidarity with each other. We can act in solidarity with folks around the world.

First, we need solidarity from the working class of the United States, which can come through different forms. CISPES is one organization of working people that has demonstrated solidarity with the people of El Salvador for more than 30 years.

Unions in the United States have much greater membership than here in El Salvador, where we only represent 4.5% of the working population. We can see that in the United States there are some very strong unions, whose voices are surely heard in houses of government. It is important for these voices to denounce the interference that their government practices against El Salvador, specifically with respect to this question of P3. This would be a good first step, to support our rejection of this law and of further privatization efforts.

**CISPES: What were some of the consequences for Salvadoran workers following the passage of CAFTA (US-Central American Free Trade Agreement), a regional agreement? Does the proposed P3 law bring similar threats at the national level?**

JR: The real similarity is in the lies generated to support both projects. CAFTA promised over 250,000 jobs that I'm still waiting for. The markets that CAFTA promised were already growing, but CAFTA insured that it was for the benefit of private business owners. There has been no real development of the economy. Imports outpace our exports at a higher rate than prior to the signing of CAFTA.

We resisted this proposed solution, because we knew it wouldn't be a solution, just as the P3 law

won't be a solution. The impact of any free trade agreement is negative in terms of lost jobs, privatization and higher costs of living.

**CISPES: Only 11% of all workers in the United States belong to a union, and low-pay, non-union jobs are growing. What similarities did you see between the U.S. and Salvadoran situations on your recent solidarity tour?**

JR: We have some commonalities between our two movements. We both want to see more union jobs because in reality, the neoliberal model attacks us all. While neoliberal powers have high amounts of capital, we, the working class, have huge amounts of human capital. We have the capacity to educate people about class-consciousness and bring them into the greater collective struggle. We don't need to sell our labor for a wage that keeps us enslaved to capital.

We can rise up collectively. U.S. workers are being threatened by the same neoliberal model that threatens us. That's also true in Europe, which has gone through major changes at the expense of its workers. Europe injected huge amounts of capital into private banks and as a way of getting economies back on track, European workers' wages and pensions have been frozen. They may have saved the Euro, but they threw out their population.

Maybe through these economic crises there will be a resurgence of the social struggle, of union struggle. The emptier our bellies get, the stronger our struggles will get. We must demand of the capitalist class the recognition of our rights as workers. We must remind them that it is not they who create wealth, but rather us workers who produce it.

There is a need for a rethinking of capitalism. I believe that it should be done away with; in its cyclical failures it has failed spectacularly. It's necessary for us to think of a new system, where the state is a benefactor, rather than a vehicle for exploitation, where human beings are the central focus of the state not just in rhetoric but in action.

Workers of the world must unite! It's the only way! ¡La lucha sigue! The struggle continues!

---

**P.S.**

\* From Against the Current n°164, May/June 2013. <http://www.solidarity-us.org/>

---

## Footnotes

[1] <http://www.laprensagrafica.com/fmln-rechaza-proyecto-actual-de-ley-de-asocios-publico-privados>.

[2] [http://www.elsalvador.com/mwedh/nota/nota\\_completa.asp?idCat=47673&idArt=7328302](http://www.elsalvador.com/mwedh/nota/nota_completa.asp?idCat=47673&idArt=7328302); <http://voces.org.sv/2012/10/24/sindicatos-rechazan-anteproyecto-de-ley-de-la-funcion-publica-en-el-salvador/>; <http://netorivasnet.blogspot.com/2013/01/sindicatos-se-oponen-vigorosamente-la.html>

[3] <http://www.laprensagrafica.com/la-asamblea-inicia-la-discusion-de-ley-de-app>.

[4] <http://upsidedownworld.org/main/el-salvador-archives-74/4199-salvadoran-labor-rejects-us-bac>

[ked-public-private-partnership-law-an-interview-with-jaime-rivera](#)