

# Puerto Rico's New Party of the Working People Fights Austerity

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The Partido del Pueblo Trabajador—the Party of the Working People (PPT)—is a political project of the Puerto Rican left addressed to working people in the context of the island's deep economic crisis. It would be hard to exaggerate the gravity of Puerto Rico's present social and economic situation, which can only be compared to the impact of the Great Depression in the 1930s. Puerto Rico's economy has not grown since 2006. During that period, total employment has fallen by 20 percent or 250,000 jobs. Since 1996 manufacturing employment in particular has fallen by half (from close to 160,000 to less than 80,000). The labor force participation rate has dipped under 40 percent. Through firings and attrition, since 2007 public employment has fallen by 20 percent or 50,000 jobs. Migration has accelerated to levels unseen since the 1950s. As registered by the 2010 census, the island's population, which now is 3.7 million, has fallen for the first time in several centuries. High unemployment and extremely low participation rates feed a very significant informal sector, including its illegal portion connected to the widespread drug trade.

The fiscal situation is equally dismal. Public debt (including that of the central government and public corporations) stands around \$73 billion and is roughly equal to Puerto Rico's GNP. The government's credit rating has been degraded to junk bond level. Any new credits seem to be available only at truly usurious rates (above 10 percent). Wall Street commentators admit that "It's been clear for a while that Puerto Rico is going to have to default on its debt" (Bloomberg, April 9, 2014). The other side of this coin is the fact that two dozen U.S. corporations extract around \$35 billion a year in profits from or through their operations in Puerto Rico. Bear in mind that the total income of the government of Puerto Rico is around \$9 billion. U.S. corporations benefit from the tax-exemption measures that have been the centerpiece of the government's development policy since 1947.

## A Century of Dependent Development

Many of the features of the present crisis are hardly new but correspond to some of the fundamental aspects of Puerto Rican society under U.S. rule. Since 1898 when the United States took Puerto Rico from Spain, the movement and shape of Puerto Rico's economy have been largely determined by the priorities and preferences of U.S. capital. U.S. corporations have owned the main sectors of this economy. Such was the case before World War II, when sugar production was Puerto Rico's main industry; during the expansion of light-manufacturing from the late 1940s to the early 1970s; and

during the following period, characterized by more capital-intensive manufacturing activities, among which pharmaceuticals is the most important.

As indicated, a further consequence of the domination of Puerto Rico's economy by U.S. capital has been, and is, the constant outflow, largely toward the United States, of a significant portion of the income generated in Puerto Rico. Needless to say, capital that is not reinvested in Puerto Rico does not create employment in Puerto Rico. In other words, Puerto Rico's fragmented, foreign-dominated, and largely export-oriented economy has never been able to provide adequate employment for its workforce. Let us mention a dramatic example: Between 1950 and 1964, that is to say, during the period of Puerto Rico's postwar economic expansion, which led many to see it as a model for other underdeveloped countries, the number of jobs in Puerto Rico actually fell. In other words, manufacturing was not able to compensate for the jobs being lost in agriculture. Given this situation, significant migration to the United States has been another feature of Puerto Rican life. This was the case in the 1910s and 1920s, when the first Puerto Rican colonia (community) took shape in New York, as well as in the mass migration in the 1950s and 1960s, and in recent years as a result of the deepening crisis.

Not only does mass unemployment result in significant migration, it also depresses wages, which consequently deepens economic inequality and insures high levels of poverty. This helps explain the persistence of the wide gap in living standards between Puerto Rico and the U.S. mainland. Contrary to neoliberal dogma, after more than a century of a colonial experiment in free trade, free mobility of capital, and even the free movement of people between Puerto Rico and the United States, Puerto Rico's per capita income is a third of the U.S. figure. It is half of the per capita income of the poorest state in the union. Around 45 percent of the people in Puerto Rico live under the poverty level. The corresponding figure in the United States is 15 percent.

Given this level of poverty, it is not surprising that a considerable number of people participate in one or several federally funded welfare programs. While widespread welfare eligibility is the result of high unemployment, neoliberal economists like to turn effects into causes and thus present unemployment as the result of welfare provisions that are "too generous" and that, according to them, discourage work. The pervasiveness of this anti-poor-people discourse, even in sectors of the working class, cannot be denied and requires an adequate response from the left.

Meanwhile, Puerto Rico's propertied classes have accommodated to whichever sectors and activities have been assigned or left open to them by U.S. capital. They have been a perfect example of a colonial, dependent bourgeoisie incapable of seeking a path of autonomous, self-sustaining development. Politically they have been split between those who support statehood (making Puerto Rico a state of the United States) and those who favor autonomy (the present or a reformed commonwealth status or some form of association). Most workers support one of the two dominant parties: the pro-statehood Partido Nuevo Progresista (the New Progressive Party or PNP), or the autonomist Partido Popular Democrático (the Popular Democratic Party or PPD). They thus define themselves politically as supporters of one or another status option, first and foremost. Roughly speaking, statehood and autonomy each have the support of 45-47 percent of the electorate. The vote for the Partido Independentista Puertorriqueño (the Puerto Rican Independence Party or PIP) was less than 3 percent in the 2008 and 2012 elections. Independentistas, of course, have a far more significant presence and often play a leading role in labor, environmental, student, and other struggles. Many vote for the PPD in accordance with the same "lesser-evil" logic that leads many U.S. progressives into the orbit of the Democratic Party.

## **Working People's Agenda: From Discontent to Class Awareness**

Yet, while most workers support either statehood or autonomy, many are also increasingly alienated by the policies pursued by both PNP and PPD administrations. While they do not support independence, many are sympathetic to the economic and social policies advocated by the left. The PPT, the Party of the Working People, seeks to nurture and engage with this inclination. Its basic message is: In order to resist those that would make us pay for the present crisis, workers need their own party. In order to reach workers and help them move forward, such a party must be both broad and firmly independent. It must be firmly independent of the two ruling parties and opposed to their policies while being open to all workers, and all of the oppressed, regardless of their position on the "status question." Workers need to begin to think of themselves, first and foremost, not as supporters of a "status option" but rather as working people who need to organize politically as such.

The fact that the program of the PPT does not favor one or another status option does not make it a "catch-all" party in which "everything goes," as some critics have argued. Its program finds few takers among corporate, economically privileged, or socially conservative sectors. It opposes all policies that increase social inequality or expand the prerogatives of the employers against the rights of labor. It rejects policies and existing economic rules that place private profit over social well-being and ecological concerns. It denounces the existing economic structure dominated by U.S. corporations and the resulting massive outflow (as corporate profits and debt servicing) of much of the wealth created in Puerto Rico. It seeks an expansion of the role of the public sector in the creation of employment, guaranteeing the basic needs of all, extending social and labor rights, and protecting the environment. It defends women's, reproductive, and LGBT rights.

In the context of the present fiscal emergency, the PPT has formulated a five-point program that includes: auditing and renegotiating the existing debt of the central government and most of its public corporations; reconsideration of the policy of tax exemption both to obtain emergency funds and as part of a medium- and long-term overhaul of government development policy; a democratic and participatory government reform, including active labor participation; the elaboration and adoption of a plan of economic reconstruction based on internal initiatives, with an emphasis on public and cooperative endeavors; and negotiation with the U.S. government regarding its responsibilities toward such a program.

One could be tempted to summarize the PPT's perspective with the phrase "from status to class politics." But this would be a mistake, since the PPT acknowledges that working people must also work toward the solution of the status question. It acknowledges that the present status is unacceptable and cannot be perpetuated. But it seeks to create a context in which working people can address that problem as part of their common struggle, and not as the foot soldiers of warring parties led by privileged and corporate interests.

## **Some Questions, Problems, and Opportunities**

The project of the PPT differs in several regards from past and existing organizations and orientations of the Puerto Rican left. The creation of a party runs counter to the views of those who feel parties should yield to movements, grass-roots coalitions, and other such initiatives as the main vehicles of an alternative politics. The PPT's electoral participation and activism is rejected by those who feel such options help strengthen or legitimate existing institutions, as well as by those who feel it constitutes a waste, or, at least, a misuse of the left's limited resources. Finally, its nature as a broad party has been criticized by those who feel that this cripples both its analysis and its

proposals, preventing it from denouncing colonialism and capitalism as the ultimate causes of the problems it seeks to address and from spelling out the abolition of both as the condition for effectively addressing them.

The fact is that most of the founders of the PPT are independentistas and socialists. The initial push for the creation of the PPT in 2010 came from the Movement to Socialism (Movimiento al Socialismo or MAS). The MAS had been organized in 2008 as a fusion of several organizations, such as the Youth of the Revolutionary Left (Juventud de Izquierda Revolucionaria), the Revolutionary Party of Workers and Macheteros (Partido Revolucionario de los Trabajadores-Macheteros), and the Political Education Workshop (Taller de Formación Política), that had collaborated since the early 1990s as members of the Socialist Front (Frente Socialista), and the Political Work Project (Proyecto de Trabajo Político), as well as individual militants. The promotion of a broad party identified with the working class, within which socialists could interact with workers beginning to break with their past political affiliations, has been one of the party's objectives since its inception.

Does the participation and leading role of independentistas and socialists in a broad party that does not define itself as either one of those constitute an act of betrayal, capitulation, opportunism, or whichever other term one may choose to use? Only if such participation implies hiding, silencing, censoring, or self-censoring their positions as socialists. But it does not: Socialists in the PPT are not expected to, and do not, hide or silence their views. As the PPT gubernatorial candidate in 2012, I often and openly acknowledged that I am a socialist, while also explaining that the PPT is not. It is true, nevertheless, that while we never deny or renounce our anti-capitalist, socialist positions, we do emphasize that we are eager and willing to join with working people who may not share these views in order to build a new party on the basis of the many issues on which we do agree at present, such as the five-point program mentioned above, as well as the other points in the PPT program regarding living and working conditions, women and LGBT rights, protection of the environment, the need to tax corporate profits and to defend public services against privatization, and so on.

Is this then a renunciation of independence for those of us who defend it? That conclusion would only be warranted if one felt that an increasingly conscious, mobilized working people would turn away from independence. The fact is that today the overwhelming majority of people in Puerto Rico do not support independence (close to half support statehood). It is in the process of self-organizing as working people that they can gain the understanding and the self-confidence needed to transform present society. And it is as part of that process that they may also come to see self-government as an independent republic as a means of completing that transformation. Thus, independentistas and socialists should not abandon or hide their views, but neither should they make the adoption of those views a precondition for participating in a broad project that promotes working people's political independence and self-organization.

Do independentistas and socialists run the danger of diluting or abandoning their views in the quest for unity on such a basis? Certainly. But we also have the opportunity to help workers detach themselves from the colonial and capitalist parties they now support, as they move to a clearer awareness of their shared interests as working people. We should seek to create that opportunity, even if it inevitably comes with dangers that we must always keep in mind.

Seeking and gaining ballot status and participating in the 2012 elections enabled the PPT to bring its ideas to a wide public. Since the elections it has remained a visible political actor, intervening in public debates regarding such issues as government austerity policies (including attacks on public-sector union contracts and pensions), the budget crisis and tax-reform proposals, state debt, drug policy and the legalization of marijuana, the need for single-payer universal health insurance, the restoration of double pay for those working on Sundays, extension of maternity leave, LGBT rights, prisoner voting rights, the problem of waste generation and disposal and the projected construction

of an incineration plant, and the high cost of electricity and the urgent need to transition to renewable energy, among other issues. It has gained a foothold in the mainstream political conversation, a tentative, still limited and fragile foothold, but a palpable one nonetheless.

## **Beyond the Ballot Box**

The PPT does not underestimate the need for organizing beyond the electoral field. Even if it were to gain office or gather significant electoral support, most aspects of its program will face relentless opposition from the employers and other privileged sectors and could only be enacted with the support of significant mass mobilizations. To build such movements is as important as building a viable electoral project. But we reject the choice between electoral and non-electoral activism: We must be active on all fronts, and there is no reason why advances in one may not strengthen the other.

Furthermore, in the context of the acute economic and fiscal crisis, almost all immediate battles regarding wages, pensions, university fees, minimum-wage legislation, electricity rates, and health coverage for the poor are inseparable from larger policy questions regarding, for example, the fluctuations in government income and its tax policies toward corporations and mega-stores, debt servicing and the demands it places on the government's reduced earnings, or priorities in the allocation of public funds. In other words, the immediate and specific demands of diverse sectors should be formulated as part of an integrated program covering all of these, as well as other, issues. Plus, a wide movement must be built to demand the implementation of that program. But, then, what is a movement seeking the implementation of an integrated program if not the most basic definition of a party, regardless of the name it adopts? We believe that it is better to call things by their name and to thus acknowledge that we feel a party is still necessary if we wish to move from the undoubtedly crucial work of resisting government and the employers' policies, to formulating and seeking to enact our own alternative policies. Here we again reject a false choice between party and movement: We need active, effective union, environmental, student, and women's movements as well as an organization that integrates their demands into an alternative political project, in other words, a political party, which must, of course, be as democratic and participatory as possible.

In the present context, no party linked to the working class can simply plan according to the electoral calendar: During 2015 and 2016 events such as possible budget shortfalls requiring mass lay-offs or a partial closing of government agencies, new increases in electricity and other rates or university fees, or new attempts to privatize government agencies or public corporations could ignite mass protests and mobilizations, which the PPT must be ready to support and help orient with its analysis and program.

## **Results and Prospects**

The PPT ran around ninety candidates in the 2012 elections. Two of its four national candidates and its electoral commissioner were women. It obtained around 20,000 votes, or close to 1 percent of the vote. It elected one municipal legislator in Vieques, Elda Guadalupe. The PPT had only gained ballot status in May 2012 and selected its candidates in mid-June. Thus, it only campaigned for four months. Of the six parties that participated in the elections, it was the newest and the least known at the start of the race and was expected to come in last. It came in fourth, behind the three traditional parties. Of the three new parties, the PPT is the only one seeking ballot status for the 2016 elections.

After the elections, the PPT adopted three priorities: collecting the 55,000 signatures required to

regain ballot status, strengthening the party's organization, and developing its program. By mid-2014 it had collected the required signatures, yet since mid-2013 it had become evident that extensive fraud was being used to deny the party its rights. Under present legislation, the signed forms submitted by a party seeking ballot status are evaluated by representatives of the parties that already have such status. It is perhaps an indication of the impact of the PPT's 2012 campaign that Puerto Rico's two dominant parties have left no stone unturned in their attempt to prevent the PPT's participation in the 2016 elections. Suffice it to say that at times they have rejected close to 80 percent of the endorsements submitted, arguing that the signatures do not correspond to those registered in their records. This is a situation that normally affects 10-15 percent of the signatures presented (some voters do change their signatures after they register to vote). But rejection rates of more than 25 percent, not to mention 50 percent or 70 percent, are unprecedented. This issue is now part of a suit brought by the PPT against the State Electoral Commission.

Regarding organization and programmatic elaboration, much work remains to be done. The objective of having a group in each municipality is still somewhat remote, but regional centers that include several municipalities are beginning to function effectively. The party now has a lively and very active chapter in Ponce, Puerto Rico's second-largest city, which it lacked until recently. It is preparing a document that should become a template for PPT municipal programs around the island.

Given the composition of the Puerto Rican left and labor movement, government employees, teachers, and progressive professionals (labor lawyers, university professors) are over-represented among PPT activists. An effort must be made to attract private-sector workers most of whom are unorganized (a meager 1 percent of private-sector workers are unionized). Since the October 2009 one-day public-sector general strike, which was already hindered by growing divisions, the Puerto Rican labor movement has, with few and limited exceptions, undergone a period of demobilization, divisions, and fragmentation, a process that merits a separate analysis but that evidently affects the PPT as a party identified with working-class struggles. The PPT supports all attempts to create coalitions or united fronts on specific issues (resisting attacks on public-sector wages and union contracts, opposition to new sales taxes and a regressive tax reform) that should ideally include all union sectors in spite of their divergent orientations.

Unlike other parties, the PPT does not hide its present deficiencies. Its program is still an uneven document. Written during 2010 and amended afterward, it includes areas where analysis and proposals are very specific and comprehensive, and other aspects in which general orientations are spelled out, but concrete proposals are insufficient or lacking. A program commission is redrafting the document, a process that should include seeking the input of labor, environmental, women's, LGBT, health rights, civil rights, and other groups and coalitions.

The elaboration of a plan of economic reconstruction is a particularly complex and pressing task. Such a plan will surely demand an expansion of the public sector—an extension of economic planning at the expense of the blind and destructive imperatives of capitalist competition, thus placing social well-being over private profits, that is to say, the very opposite of the neoliberal policies dominant since the 1980s. But, broadly speaking, this must also be the agenda of working people in the United States, who are suffering the consequences of the great recession brought about by several decades of pro-business policies promoted by both dominant political parties. All the more reason, then, to join together the agendas of progressive movements in Puerto Rico and the United States.

It is in the interest of U.S. working people (including, needless to say, the more than four million Puerto Ricans that reside in the United States) to see that Puerto Rico acquires a healthy economy that no longer requires major subsidies to dampen the poverty from which a handful of U.S. corporations profit. The struggles for radical reversal of the dominant economic and social policies

and structures in Puerto Rico and in the United States must advance together. Building alliances and common proposals with like-minded currents and movements in the United States is indispensable in order to enhance the credibility of the PPT's program for Puerto Rico. For those of us who are independentistas and socialists, and thus, internationalists, such collaboration is essential now and will remain so after independence. The fact that these movements are still minority forces in both the United States and Puerto Rico makes it all the more urgent that those seeking to build them join forces and collaborate as effectively as possible. I hope this article will be a small but real step in that direction.

**Rafael Bernabe**

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