Democracy, Neoliberalism, and Social Progress: The question of Exceptionalism in Costa Rica, 19th-21st Centuries

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With a stable democratic form of government since 1948, environmental tourism and activism, free markets and international investments, a two hundred year legacy of coffee-based societal and political progress, and growing technology and electronics sectors, Costa Rica has made strides in becoming an internationally-recognized success story in the global south, in contrast to its Central American, and even its South American, neighbors. Costa Rica has maintained stability in its political arena since the mid-20th century, and even as one of the smallest countries in Central America, its economy has recovered well in the last quarter century after the global economic crisis of the 1980s (Palmer, Molina “Introduction” 1; “Democratic Enigma” 139-140).

After the bloody, 40-day civil war of 1948, military leader and future President José Figueres Ferrar (1948-49; 1953-58; 1970-74) and his constituents revitalized Costa Rican democracy by modernizing electoral institutions and by abolishing the military (“Democratic Enigma” 139-40). Despite the credit that Figueres and subsequent Costa Rican presidents have received for making Costa Rica into the stable, socially conscious democracy it is today, there is a continued struggle that dates back to the colonial period and the early 19th century takeoff of the coffee industry between the democratic and progressive image that the Costa Rican government and citizens have actively promoted through the country’s standardized education system, social national myth, and internationally targeted tourism propaganda and the more negative image of the country’s social development and welfare concerns such as poverty, disease prevalence, and informal economic and social criminal activity that threaten to challenge the image and role of Costa Rica as the emblem of positive development in Central America.

To begin to understand the successes and challenges facing Costa Rica today, an understanding of the country’s political, economic, and social past is essential. Costa Rica’s
history is predominately one based on the economics, land, and class systems that marked the 19th century during the boom in Costa Rica’s coffee industry. Beginning in the 19th century, the country began growing, producing, processing, and exporting coffee as a prime commodity. Coffee became the basis of the economy and society over the second half of the 19th century (Paige 57-64; 90; 129). Because land for growing coffee was immensely important in the coffee economy of the 19th century, those who owned land became the coffee elite and were often powerful political leaders and social activists, who also had direct ancestral ties to original conquistador families (14-18; 22-28). According to Palmer and Molina, a Costa Rican lawyer, who was assigned to finding new sources of exports for the Economic Society of the Friends of Guatemala—on 28 February 1885, Guatemala was one of several Central American countries incorporated into the Union of Central America along with Costa Rica—, named Manuel Aguilar said of the coffee industry that it had made the country “rich and prosperous in the space of fifteen years, bringing it trade, civilization, population, and tax revenues with such increasing rapidity that it can be said without reservation that relative to the rest of the Central American Republics, Costa Rica is the one that exports most and so is richest” (“Coffee Nation” 55; Palmer “Getting to Know the Unknown Soldier” 90). Europe became the primary destination of Costa Rican coffee exports, and by the end of the 19th century coffee made up nearly 90 percent of the economy’s exports sector (“Coffee Nation” 55). The theatre of coffee farming centered on San Jose, Costa Rica’s capital city, at the beginning of the coffee boom and gradually traveled outward throughout the coffee growing era (“Coffee Nation” 55; Castro “Privatization of the Land and Agrarian Conflict” 57).

Coffee production, processing, and exportation continue to be the source of one of Costa Rica’s main agriculture commodity exports today, and Costa Rican politics, economy, and social
activism remain closely associated with the families of the coffee elite and class relations from
the 19th and 20th centuries (Paige 14-18, 22-28; Palmer, Molina “Coffee Nation” 55-6; CIA “The
World Factbook: Costa Rica”). For example, political and cultural sociologist Jeffrey M. Paige
explains that all but one president have been members of a coffee elite family and all but two of
the presidential candidates have been descendents of Juan Vasquez de Coronado (15-17).
Because coffee elite in Costa Rica during the late 19th century and throughout the 20th century
were not as likely as the coffee elite in neighboring Central American countries were to diversify
their agricultural and economic endeavors outside of the coffee industry, Costa Rican coffee elite
were not able to pervade all sectors of the economy, stymieing the potentially exponential
influence such a wealthy and politically active group of elite might have employed (Paige 22-
24). This allowed the formation of an agro-industrial dominated economy grown out of small
farmers and co-ops where the working class and land owning class were not entirely
differentiated. Socially, the agro-industrial economy of the late 19th - 20th centuries allowed the
creation of a stable, though not entirely restless, environment (Paige 85-90, 95, 127-135, 147-51,
180-83; Molina and Palmer 99-118). In the 20th century, the legacy of the coffee elite and the
spread of the agro-industrial coffee system caused conflict and changes in the socio-political
context of Costa Rica, starting in the 1930s Depression era and culminating in the Costa Rican
political revolution of 1948 (Paige 29-33, 85-90, 99).

Out of Costa Rica’s agriculture commodity, export-based economy grew the country’s
political structure and form of government in the 20th century (“Coffee Nation” 56; Booth,
Seligson 113). Coffee growing raised the issue of workers’ rights and the presence of coffee
elite in the political structure. A more appropriate system of governance was necessary to
protect the coffee industry and its workers from the exploitation of both the new elite class and
the international interests of developed countries’ economies in the U.S. and Europe (“Coffee Nation” 55-6). In the mid-20th century, Figueres formed a military junta with the purpose of staging a coup d’état in Costa Rica after the undemocratic outcome of the 1948 presidential re-election of former President Rafael Calderón Guardia (1940-44), who had the support of incumbent President Teodoro Picado (1944-48). A supporter of President Otilio Ulate (1949-53), the rightful winner of the presidential elections, Figueres’s mission was ensuring a fair democratic process of governance with balanced, electoral, and popular representation in government (Paige 29-33, 99; Molina 10-18; Booth, Seligson 119). The democratic system of governance, though not entirely novel at this point in Costa Rican history, would prove more suitable at regulating the transportation of coffee exports within the country and for regulating the business practices and legality of the coffee industry and other export industries (“Coffee Nation” 55). Figueres’s regime was successful at implementing a new constitution in 1949 and at passing social welfare legislation, in addition to the economic reforms that transformed the export economy (Molina 115-18).

After the mid-century revolution and the recovery of the economy since the Great Depression of the 1930s, owed to the WWII economy boom, Costa Rica was liberalizing and modernizing under a new system of government and liberal economic environment. The government actively promoted the modernization of rural Costa Rican lifestyles. The institution of standardized education programs and curricula made possible the circulation and indoctrination of the Costa Rican national myth of its own white agrarian, egalitarian past (Paige 45-6, 51, 63, 231-33). Formal education opportunities reached a larger number of rural peasants than ever before, and Costa Rican national identity became more present and important in Costa Rican society than indigenous subcultures were (“Coffee Nation” 56; “Getting to Know the
Unknown Soldier” 90). In the country’s central valley, the capital San Jose and its neighboring white urban and agrarian cities and towns initiated the national myth’s ideology even in the 19th century as the coffee elite families became those who were primarily of European or mestizo, mixed European and indigenous, ancestry (Paige 44-47; Molina, Palmer 50-1, 65,68). In the 20th century, the country underwent further social conditioning and reform under the auspices of “a bold, political vanguard carrying the banner of liberalism, positivism, and modernity,” an even nominally Communist vanguard, in the 1930s and early 1940s under President Mora, the founder of the Costa Rican Communist Party (“Coffee Nation” 56; Paige 137-39). Mora’s brand of communism was not the standard of the day. Rather, Costa Rican communism, or “Tico Comunismo,” had its own trademarks that differentiated it from the Third International type and also the communist policies of the rest of Central America in the 20th century (Paige 137).

Prior to the 20th century, one aspect of social and economic—and to some extent political because of the clout of coffee elite—reform in particular was the privatization of land starting in the 19th century and its agricultural colonization starting in the 16th century. In this region of Central America, unlike in other countries such as Guatemala, El Salvador, and Nicaragua, the system of land ownership and agricultural cultivation of the lands were not restrictive against the rights of rural peasants (Paige 85-90). Common people could own land, and the coffee industry was open to all producers and sellers. In the 19th and 20th centuries Costa Rica relied on sub-family based coffee production instead of large estate owners (Paige 86, 91, 94; Molina, Palmer 56). Small farmers, even sub-family growers, were the largest group of producers in Costa Rica even after the introduction of the agro-industrial coffee production structure because large estates were run with technological efficiency, reducing the need for many different large estates for processing (94). While class relations and politics in other Central American countries during
this time were based on the unequal distribution of land and opportunity for participating in the coffee industry, in Costa Rica tensions were between producers and processors rather than small and large producers. This type of class relation lent itself well to the national myth that Costa Rica was an agricultural, egalitarian society. There was no fight over land, and most peasants were able to own land and become part of the growing middle class (Paige 91). Interestingly, in other Central American countries the history of landownership and class relations in the coffee industry have led to an imbalance in class opportunity and rights, and according to Paige and Booth, these trends helped to shape the failed political, economic, and social endeavors of El Salvador, Guatemala, Nicaragua, and to some extent Honduras in the 20th century, both during the economic crisis of the 1930s and 1980s (Paige 76-95; Booth 49-52, 57-64).

The Costa Rican coffee industry and social and economic reforms were not kind on all Costa Ricans in the 19th and 20th centuries. Some sectors of the population did not have an equal opportunity to benefit from the coffee industry or social reforms in general. Through reforms in the name of modernization and liberalization of the country’s economy, society, and politics, indigenous people in Costa Rica suffered exploitation with regards to land ownership, ethnic, and social rights (“Coffee Nation” 56). In addition, the coffee industry’s focus on exports en masse to Europe and the liberalization of Costa Rica taxed the country’s economy during WWI, but both the coffee industry and the country itself survived the war (56). In the mid-20th century the government would see more socio-political adjustments than it had in the late 19th century when, in 1948, Figueres’s military junta established the Costa Rican socialist democracy in its lasting form. Owed to Costa Rica’s economic, social, and political legacy created throughout the 19th and 20th centuries by the coffee industry and the country’s adoption and adaptation of positivist, liberal ideology, in more recent decades the Costa Rican economy and
society have evolved under a system of capitalist yet socially cognizant democracy (Paige 142, 200, 242-3, 248-9).

Changes in the Costa Rican economy since the 19th century involve a shift away from agricultural commodity exports to service industries and high technology sectors. The banana industry on the Caribbean side of Costa Rica in the province of Limon and the coffee industry in Costa Rica’s landlocked provinces are still formidable sectors, but social and economic, not to mention environmental and labor, factors forced the Costa Rican economy to embark on new areas of capitalism (Paige 200). In the 1930s the banana industry suffered from workers’ strikes for labor laws (133-36). Environmentally, the agro-export economy ravaged the natural beauty and nutrients from the soil, prevented bountiful harvests, and led to the threat of exploiting increasingly more land and labor or finding alternative avenues for internationally and regional economic competitiveness (Paige 105-6, 214, 285). Unlike its Central American neighbors, Costa Rica’s coffee agriculturalists did not diversify their production to include other agricultural products. Only in Limon on the Caribbean Coast did a different product reach the potential that coffee had in the Central Valley. Especially, after the civil war of 1948 and the institution of Figueres’s socialist democratic government, the economy began to be shaped by neoliberal principles of free trade, government deregulations, and trade diversification (Paige 335, 348; Booth 53-4, 64-5, 66-8; Rovira “The Crisis: 1980-1982” 212). Late in the 20th century, in the 1980s the Costa Rican economic and political systems were tested by the second global economic crisis and by the neoliberal economic policies that the international community, transnational corporations, and Costa Rican leaders and industries were insisting on for the country (Rovira, 212). It was specifically during the last quarter of the 20th century that Costa
Rica began to implement fully the free-market economic policies of neoliberalism that it initiated at mid-century (Rovira, 212).

In the last decades of the 20th century, Costa Rica felt international and regional pressure to expand its economy to include non-agricultural commodities and services at a heightened level than ever before because of the seriousness and the nature of the economic crisis in the 1980s, both regionally and globally. Greater problems were laid in store for Costa Rica's economists and politicians. For the volatile regional context of Central America in the 1980s was not limitedly dependent on the economic crisis. In Guatemala, El Salvador, and Nicaragua, political unrest and social and military uprisings littered the region. Both politically and economically, Costa Rica remained the only successful Central American country during the 1980s crises, and even more generally throughout the Cold War era, in the region for several reasons (Guzman “The Complete History of Costa Rica”). Most Costa Rican scholarship credits the country's long legacy of political stability, peaceful social protests, “elite accommodation” to middle and lower classes, and social awareness of political and civil rights through education (Booth 57; 60, 157-58). At the same time that Costa Rica struggled successfully to avoid political destabilization and social uprisings, Guatemala, El Salvador, and Nicaragua were embroiled in their own civil wars, failing export economies, and social welfare crises, each one being ripped apart because of the tempting yet manipulative overreach of the United States that deepened and strengthened political, economic, and social factions in each of the three countries (Booth 49, 62-3, 78-9, 177-81, 183-4, 188-91). Areas of Costa Rica's own territory were used as military bases by the U.S. and Contra forces in the north near the Costa Rican-Nicaraguan border (78-79). Had it not been for the stable socialist democratic ideology, class relations, and the leadership of Oscar Arias Sanchez in Costa Rica during the 1980s, the country would most likely
have followed the same course of complete destabilization that the rest of Central America faced. In fact, the eventual saving grace of Guatemala, El Salvador, and Nicaragua came in the form of a Nobel Peace Prize awarded peace plan in 1987 by then President Arias (Paige 1-4). Because of Costa Rica’s exceptional qualities, the country and the people managed to escape from the total destruction of the Costa Rican neoliberalism and socialist democracy. After the semblance of political stability was returned to Central America in the 1990s, Costa Rica and the entire region would be able to return their focus to economic and social stability, growth, and progress.

Because Costa Rica did not suffer from political and social crises in the 1980s, the country was in a better position than others in the region to focus on the growth and diversification of its economy. Increasingly, agricultural export industries became a less viable method of generating adequate gross domestic product figures for the Costa Rican economy to rely upon the coffee and banana industries alone. Initiatives in environmental protectionism contributed to growth in the service and high technology sectors, and in the 1990s transnational corporation contracts solidified the presence of non-traditional sector economic reliance as never before. Business, investment, and finance sectors of the economy began to take off in full force. With the cooperation of the International Monetary Fund, the World Bank, and the United States Agency for International Development, the economy that once existed, pre-1980, ballooned into the foreign corporation and investment entity that it is today (Palmer, Molina “Tropical Soundings” 319). Some critics of U.S. and foreign aid organizations contend that Costa Rica’s acceptance of such funds in the 1980s and 1990s placed the country in a precarious situation, especially coming off of the heals of Cold War ideology of anti-communist, hard-lined neoliberalism, through which the U.S. and international organizations could take unfair advantage of Costa Rica’s position as the only stable country in Central America and use the
country as another foothold to promote and secure their own economic and political interests and goals (Paige 42, 51, 189, 247, 316, 332). Despite the truth in this assessment, Costa Rica has been able to sustain its economic, political, and social standards however much negative influence it has received from receiving outside aid. Not just sustainability but growth marks the last two decades of the Costa Rican economy. Even over the last decade, Costa Rican tourism and technology sectors have outstripped the traditional coffee and banana agricultural exports. Direct foreign investment rather than direct foreign aid supplements and help in the expansion of the tourism and technology sectors (Tropical surroundings, 319).

Costa Rica’s much needed reassessment of its economic industrial structure is not unique to the region or the time frame. What is singular to the Costa Rican economy is the success of transnational corporation contracts and global investments with which it has been able to attain in the long run (319). Business, investment, and finance are fields of the economy that have grown under the democratic government of Costa Rica in recent decades starting with the economic boom after World War II (Guzman “The Complete History of Costa Rica”). Costa Rica has become one of the first five global exporters of advanced technology in the last quarter century, and it is home to over 150 companies involved in high technology sectors (CINDE “Investing in Costa Rica”). These companies concentrate especially on advanced manufacturing, medical device manufacturing, and services, making Costa Rica one of the strongest competitors of foreign direct investment recognized on an international scale (CINDE). Intel, a global semiconductor designer and manufacturer that invested in the Costa Rican capitalist economy and highly educated labor force in 1996, leads in foreign investment in the technology sector (FIAS/MIGA “The Impact of Intel in Costa Rica: Nine Years After the Decision to Invest”). According to FIAS, the World Bank Group’s Multi-Donor Investment Climate Advisory
Service, "Intel's investment decision was the catalyst for a realignment of Costa Rica's competitive platform as an investment location" ("The Impact of Intel in Costa Rica"). A case study conducted by the Multilateral Investment Guarantee Agency in 2006 concerning the effects of Intel's decision to invest in Costa Rica showed that Intel's presence in the Costa Rican economy has had a positive impact on the economy's gross domestic product, foreign direct investment, and trade growth (MIGA "The Impact of Intel in Costa Rica: Nine Years After the Decision to Invest; Introduction" 5). According to CINDE's spokespeople, the reasons for a booming foreign investment sector in Costa Rica include its excellent track record of economic stability, its highly educated population and workforce, its strategic location, its professional business environment, and its reliable infrastructure that provide the opportunity for foreign companies to design, manufacture, and export their products without tariff barriers in special duty-free export processing zones (CINDE "Investing in Costa Rica"). Director General of CINDE Gabriela Llobet proposes the fact that Costa Rica offers competition and quality production to explain the reason for such high foreign direct investment in the country's economy (CINDE "Investing in Costa Rica"). Increased stability throughout Central America has also provided a more compatible environment for economic growth through neoliberal policy measures.

Perhaps the most significant economic achievement in Central America's history came in 2007 with the adoption of the Central American Free Trade Agreement. The agreement meant significant tariff barrier reductions among the Central American countries. Despite its neoliberal economic history dating to the mid-20th century, Costa Rican society was the least enthusiastic of the proposed trade agreement (Molina, Palmer 178-180; Booth 192-3). This was for several reasons. In Costa Rica there is always a struggle of balance between traditional socialist
democracy and neoliberal capitalism. For many Costa Ricans the free trade agreement sounded too much like a dismissal of social welfare and security to justify economic liberalism. Because Guatemala, El Salvador, and Nicaragua do not have the same preoccupations and obligations to a two century legacy of democratic rule, these countries readily signed CAFTA to an effort to regain economic, political, and social viability (Booth 192-3). Initially reluctant, under second time President Arias Costa Rica signed the agreement in 2007, ultimately overlooking the potential social costs caused by the even larger reductions of state assistance and ownership and the stronger promotion of practices of privatization and competition (Guzman “The Complete History of Costa Rica”). Under the heightened form of neoliberal capitalism, Costa Rica’s economy and society are changing. A few of Costa Rica’s fields of foreign investment other than Intel’s microelectronic corporation include the space technology corporation AD Astra Rocket Company (Costa Rica) and medical and health product manufacturing companies (CINDE “Investing in Costa Rica”). Apart from Costa Rica’s new focus on high technology sectors of the economy in recent decades, ecotourism is a growing sector of the Costa Rican economy. With the growth of non-traditional sectors of the Costa Rican economy, there is some uncertainty as to what the present and the future holds for Costa Ricans.

One area of the economy that is reshaping Costa Rican society is the marketing and selling of the country’s natural ecology. Ecotourism and related services industries are the economy’s most growth-oriented sectors (Palmer, Molina “Introduction” 3, 5; CIA “The World Factbook”). Costa Rican ecotourism has helped to ensure the country’s economic stability and to provide a non-traditional service industry emphasis as a preventative measure for another economic crisis reminiscent of the 1980s (Palmer, Molina “Introduction” 5). Because of ecotourism’s significance for the country’s economy, the Costa Rican government, the Costa
Rican Tourism Institute, and tourism agencies promote and sell ecotourism to an international audience of travelers. According to Palmer and Molina, the Costa Rican Tourism Institute dubbed the country “a land of marvels,” referring to its seemingly untouched natural habitats and rainforest lands, in 1999 (“Introduction” 1). This compliment is just one of a countless number that describe Costa Rica as anything from a Central American Switzerland to a Shangri-la paradise (“Introduction” 1; Molina, Palmer 116). The rise in popularity of ecotourism worldwide has prompted the Costa Rican government and tourism board to focus on attracting international travelers to Costa Rica’s pure paradise. Paige and Molina contend that the continued national myth based on the idea of Costa Rica as a white egalitarian agricultural society plays into the portrayal of the country’s natural habitat as undisturbed and pure (Paige 47-48, 104-06; Palmer, Molina “Working Paradise” 276). With the active promotion of ecotourism, there are several trajectories possible for the future economy, politics, and national social ideology.

The new and significant presence of ecotourism as a primary economic activity in Costa Rica does several things for the Costa Rican economy and society and for Costa Rica’s international reputation. Because of the nature of ecotourism, tourists who participate in ecologically mindful activities experience small communities, sometimes even indigenous communities where there are still some to be found. The wider range with which international as well as domestic tourists become aware of the presence of diverse populations within Costa Rica there exists a higher likelihood of the national social myth of white agricultural egalitarianism to evolve into a modernized social myth that more accurately represents the whole of Costa Rican society, instead of the current myth which dismisses racial and economic discontinuities (Paige 316, 331). In addition to the prospect of more equitable representation for all races and classes of
Costa Ricans caused by the increased awareness of social and racial differences in realities in the country’s various provinces, ecotourism has the potential to benefit the Costa Rican people environmentally. The indigenous populations of ecotourism areas of Costa Rica such as the Caribbean lowlands near the border of Panama and Costa Rica benefit from environmental protection laws that the Costa Rican government has instated as a means of protecting the environment, indigenous communities, and the economic profits of ecotourism in the area (Mayorga, Sanchez, Palmer “Taking Care of Sibo’s Gifts” 264, 269-70, 273; “Working Paradise” 275). The Costa Rican government’s official environmental protection measures include the creation of national public parks and the protection of wetlands, beaches, and rain forests from overdevelopment in all seven of its provinces (“Working Paradise” 275). These measures have decreased the rate of deforestation significantly. From 1987 to 1997, the rate of deforestation decreased by 75% to just three thousand hectares of forest lost annually (275). The Costa Rican National Chamber of Ecotourism’s claims that ecotourism is “an instrument for the economic development and the conservation of natural and cultural resources of Costa Rica” seems to be justified (La Cámara Nacional de Ecoturismo (CANAECO) “What is CANAECO?”). Ecotourism bolsters the Costa Rican economy just as it protects the lifestyles of the country’s indigenous populations. Likewise, ecotourism as a new economic focus of the country has also brought into focus the continued challenges facing the Costa Rican government and people. Among them are the challenge to reevaluate the progressively lacking national social myth, rooted in racism, and the necessity to maintain a secure and protected urban and rural environment for tourists and, more generally, for international observers (Crabb “Faces of Costa Rica”). In the recent past, because of U.S. influence and manipulation during the 1980s Contra war in Nicaragua, Costa Rica became the site of arms, drug, and human trafficking. With
the increased level of international travel to and from Costa Rica, heavily led by ecotourist
tavel, law enforcement and the Costa Rican government must focus their efforts on protecting
and demonstrating their continued resistance to such illegal and inhumane activities within and
in and out of their jurisdictions (Montero, Valerio Interview).

Ecotourism has opened doors for other service and high technology sectors of the Costa
 Rican economy. Beginning in the last quarter century, multinational and transnational
corporations have made contracts with the Costa Rican government to begin enterprises in the
midst of the country’s nutrient-rich environment. The government’s bioprospecting agreements
with foreign-owned pharmaceutical companies such as Merck allow such companies to conduct
medicinal research for curative drug purposes. Under bioprospecting contracts, foreign
companies agree to cause as little damage as possible to the natural environments that they use
for conducting research, while the Costa Rican government simultaneously ensures the
conservation of the rain forest through environmental protection agreements (“Working
Paradise” 276). According to the Costa Rican National Chamber of Ecotourism, ecotourism
offers tourists with an opportunity to experience environmentally responsible tourism that
promotes the conservation of natural life and local, indigenous communities, while managing to
improve the socioeconomic situation of the people living in local communities, themselves
(CANAECO “¿Qué es ecoturismo?”). According to the US Department of State, ecotourism and
its related services made up more than 60% of Costa Rica’s GDP in 2007 (“Background note:
Costa Rica”). Clearly, the Costa Rican government has economic interests in ecotourism and its
continuance. Therefore, with the economic and social benefits and the evolving social national
myth that ecotourism entails for indigenous communities, it is even more likely that indigenous
peoples will become increasingly less disenfranchised by the Costa Rican government and
economy, if only because indigenous communities and environments are increasingly valuable to the clean image, economic growth, and international reputation of the country.

As has been seen in the preceding discussion, political, economic, social progress in Costa Rica appears to be the norm across the country. The success of ecotourism and high technology sectors tend to project an image of Costa Rica as a modernized country. However, these modernized sectors of the economy have the converse ability of highlighting and exacerbating social and economic disparities among the people of Costa Rica (Guzman "La situación del hogarcito"). As mentioned previously, the government and law enforcement carry the heightened responsibility of securing the safety and protection of citizens and non-citizens in the face of drug and human trafficking problems (Montero, Valerio Interview). In Costa Rica, social and economic disparities manifest themselves in the prevalence of poverty and health care concerns, which are rooted in inadequate and outdated social welfare programs adopted before the economic and political hard-and-fast commitments to neoliberalism (Biesanz 37-40).

Disparities in social and economic stations are not limited to Costa Rican citizens. Nicaraguans, a substantial migrant population in Costa Rica, make up the poorest, least socially and politically aware and protected group of migrants, workers, and families in the country (Crabb "Faces of Costa Rica;" Marquette 1-4).

The economic success of Costa Rica since the country's initial participation in neoliberal policies, both at the beginning of the second half of the 20th century and at the beginning of the 1980s after both of the economic crises has failed to reach the achievement of closing the gap between rich and poor among all sectors of the population, either legal or illegal, natural born or migratory, indigenous or European (Oxfam "Growth with Equity is Good for the Poor"). Drug and human trafficking and prostitution activities have increased since the installation of
neoliberal politics in Costa Rica (Guzman "Complete History"). The failure of the Costa Rican
government and state police to address these problems adequately has left many Costa Rican’s
approval of government leaders and their decisions, questioning the country’s standards of and
ability to administer legal and social justice. A common complaint among the citizenry is of the
state police being corrupt, lazy, and unreliable, an agency focusing on meaningless and trivial
small crimes rather than addressing pressing issues that have potential domestic and international
consequences for decades to come (Montero, Valerio Interview). Social and political
advancements put into place by the Jose Figueres regime after the 1948 revolution have failed to
adequately reach the poorest, most rural sections of Costa Rican society, those who are most in
need and those who were the target of the initial social rights movements (Paige 111, 316;
Oxfam 4-10). What has been termed the trickle-down effect has proved ineffective, in economic
and social terms, in Costa Rica’s case, largely because of the country’s predominately middle
class structure, as well as its disproportionately large amount of foreign direct investment
compared with its poorer classes’ low consumer buying power and incomes (Paige 335-338;
Oxfam 1-5). Social and economic concerns, such as poverty, health care, and illegal drug and
human trafficking, and prostitution activity persist in Costa Rica in the poorest provinces in the
country and in the least well represented sections of the population (Guzman "Complete
History," "La situación;" Montero, Valerio Interview). These provinces and people have not
benefited from ecotourism or Intel’s microelectronics as richer, more traditional—in the
specifically Costa Rican sense of the word, meaning socially, economically, and politically in
line with the social national myth that includes assumptions about European ethnic purity,
egalitarianism, neoliberal ideals, etc.—sections of the country have.
Despite the social national myth's assertion that Costa Rican society is limited to a white agricultural egalitarian entity, poverty is a reality in the country even today. Poverty, according to Barquero and Trejos in 1993, affected more than 20% of the Costa Rican population. This had been true at the time of their claim since the early 1980s (Barquero, Trejos “Types of Household, Family Life Cycle and Poverty in Costa Rica, Introduction” 1). Barquero and Trejos underscore the power of poverty in Costa Rica by explaining that living in poverty “exposes the households and their members to greater risks of social exclusion and facilitates intergenerational reproduction of poverty” (Barquero, Trejos “Introduction” 2). According to these sociologists' assessment of poverty in Costa Rica, economic success in modernizing sectors of the Costa Rican economy will not be enough to pull families out of the cycle of poverty they are in. What is more, Nicaraguan migrants and other foreign residents in Costa Rica struggle with the added burden of having fewer social and political rights than even the poorest, least politically represented Costa Ricans. The informal economy, including trafficking and prostitution, in Costa Rica is dependent on illegal and migratory involvement in illegal and dangerous activities. The instability such involvement causes for the formal economy, national security, and social welfare of the people involved in and affected by the informal economy leads to the continued financial and social insecurity of Nicaraguans, other foreign residents, and poor Costa Ricans.

Barquero and Trejos also argue that their findings indicate a strong correlation between poverty level and economic success. For example, Barquero and Trejos use a comparison between the decline in the rate of poverty through the 1960s and 1970s and a resurgence of that rate in the 1980s to indicate that economic growth leads to a decrease in poverty while economic instability and impending crisis leads to the opposite (Barquero, Trejos “Poverty: Evolution and Characteristics” 2-3). During the 1980s the most negatively-affected group of workers in the
Costa Rican labor force were low-skilled urban wage earning men, who were unable to remain competitive during the economic crisis in those years ("Poverty: Evolution and Characteristics" 2). Only after the installation of economic readjustments in the early 1990s did the level of poverty even begin to drop again after the economic downturn in the early 1980s ("Poverty: Evolution and Characteristics" 3). Barquero and Trejos avoid dealing with the informal economy’s effect on social rights and welfare since the surge of Nicaraguans in the 1980s.

Perhaps the reason for Barquero’s and Trejos’s initial skepticism concerning the correlation between poverty levels and economic growth is that from 1994 until 2002, poverty levels continued to vary from 20% to 21% annually, both in rural and in urban sections of the population, even though the Costa Rican economy experienced economic growth ("Poverty" 3). Perhaps, an explanation for the oscillation and failure of the rate to drop is the informal economic activity in poor sectors of the population and the lacking social welfare provided by the government to those people. Trejos gives another explanation to the stagnated poverty level, suggesting that, although there has been economic growth in Costa Rica, the growth has been insufficient and has been unable to produce real changes in wage earnings or in actual household income ("Poverty" 4). An alternative take on Trejos’s claim that Costa Rica has not experienced substantial economic growth is that, while the country has experienced the highest levels of economic growth in the entire Central American region since the 1980s, it has failed to distribute that wealth equitably (Oxfam 5-8). Economic growth without equity, complicated by informal and illegal economic activity by migrants and illegals, can be attributed as the cause of poverty levels remaining at their pre-growth percentages. Interestingly, Trejos has argued that the kind of economic growth available is concentrated in high-skilled industries and service sectors of the economy, preventing low-skilled and certainly poor, uneducated, and illegal workers from
reaping equitable financial rewards open to the wealthy, educated, and socially and politically well-represented Costa Rican citizens in transnational, corporate careers ("Poverty" 4). Because of professional and legal requirements of such career positions, households under the poverty line lack the opportunity for advancement, perpetuating poverty. Additional causes for the stagnation of the Costa Rican poverty level from the mid-1990s through the early 2000s might prove appropriate.

Because of the economic crisis in the early 1980s and the adoption of neoliberal economic and social policies, including structural readjustment programs for a short while, state-sponsored public funding for education was reduced. This led to nearly an entire generation of workers in some areas of Costa Rica without a high school education. Barquero and Trejos suggested in 2003 that a deficiency in human capital entering the Costa Rican labor force has forced some people into low-wage earning jobs that do not allow those people to overcome their state of poverty ("Poverty" 4). While this analysis might help explain the official poverty rate’s stability at approximately 20% for the last 15 years, it does little to acknowledge the reality of the situation of poverty within Costa Rica. Neither does it take into account the counter-intuitiveness of suggesting that the period of greatest economic growth in Costa Rica, based in high technology and ecotourism sectors rather than in traditional agricultural sectors, took place with the participation of an uneducated generation of innovators and an unqualified work force. Therefore, it is important not to dismiss the contributing cause of the poverty rate’s stagnation at 20% found in the inequity between the rich and the poor, despite overall economic growth, as well as in the reverberating effects of informal and illegal economic activity since the end of the Cold War era, an area that Barquero and Trejos specifically and intentionally ignore in their research (Guzman "Complete History;" Montero, Valerio Interview; Barquero, Trejos "Poverty")
These factors challenge the stability of the formal economy and the social welfare of the Costa Rican population.

An interesting focus by Barquero and Trejos as an added explanation for the unchanging poverty level is the presence of demographic changes in Costa Rican society, such as family composition and elderly family members without social security ("Poverty" 5). Barquero’s and Trejos’s assessment of the aging sector of Costa Rican society as an element of change in the income distribution and total household income in the 1990s seems to hold true. For, according to Biesanz, because of the increase in the average life expectancy of Costa Ricans in the 1990s, the welfare of a typical household would either have been taxed by the added dimension of supporting aging relatives, or it would have benefited from the added income of social security pensions that the elder members of the family might have received (Biesanz 192). Here again, there would have been an unequal economic and income balance between families who suffered from elderly members and those who benefited from them (192). After 2002, income equity and poverty levels in Costa Rica began to experience change for the first time since 1994.

In 2007, according to the National Institute of Censuses and Statistics (INEC) in Costa Rica, the poverty level decreased by almost 4%, dropping to 16.7% of the population (Saylor, Costa Rica Pages "Costa Rica Poverty Rate Falls"). As of 2007, the poverty line was estimated to be the equivalent of about $105 per month per person, whereas the average income of Costa Ricans was only about four times that amount ("Costa Rica Poverty Rate Falls"). With only a 4% decrease in the level of poverty in Costa Rica in the last two decades, a correlation between poverty and health care services has solidified.

Health care has been and continues to be a major concern of Costa Ricans in the 20th and the 21st centuries. There are several reasons for this preoccupation. Since the installation of the
socialist democratic form of government in Costa Rica in the mid-20th century, health care has been paid for by the state. However, since the 1980s, preventative health care programs that were designed to increase the average life expectancy of Costa Ricans have seen cutbacks in the federal budget (Biesanz 164). What has changed since the 1980s’ neoliberal social policies were put into force is the nature of available health care services. The Costa Rican Social Security Fund now allocates monies not for preventative medicines but disproportionately for cures to preexisting illnesses (164). This focus on curative medicines rather than preventative health care practices is problematic for poorer and more traditional sectors of the Costa Rican population. Medical research for internal, curative medicines finds reinforcement, economically, because of the transnational medical research companies’ presence in Costa Rica. New emphasis on medical research and pharmaceutical remedies ostracizes many rural and urban poor who prefer traditional folk healers’ preventative medicinal practices over institutionalized health care, making it difficult for these people to pay for their medical treatment under a social security system that does not cover their medical expenses (164). Neither does the socialized health care system make it possible for Nicaraguans or illegal residents to obtain adequate health care (Marquette 6-10). Even though all Costa Ricans have health care provided by the state because of their citizenship rights, non-Costa Rican citizens have neither health care coverage nor the financial means to secure the appropriate level of health care for themselves or their families (8-9). The presence of economic and health inequalities became apparent in Costa Rican society after the 1980s.

From the 1980s until today, the gap between the health of and health care services available to people living in poverty compared with those living above the poverty line in Costa Rica is growing and solidifying (Marmot “The Influence of Income on Health: Views of an
Epidemiologist”). Michael Marmot argues not only that income matters but that the social position of people living in poverty in Costa Rica can have a negative effect on the type and amount of health care services that are provided and available to the people (Marmot “The Influence of Income on Health”). While Andrea Cornia suggests that the economic, globalization policies, which include international markets, savings, and technology sectors, in Costa Rica have enabled the country to improve its health care services and equitable availability of those services, Marmot sides instead with Barquero and Trejos (Andrea Cornia “Globalization and Health: Results and Options”).

Just as Barquero and Trejos suggest that poverty is a symptom of multiple possible causes including deficient wealth distribution and inequality in the labor market for low-skilled sector workers, Marmot proposes that individual and family welfare, including mental and physical health, correlates directly to occupational hierarchy, economic segregation, and income inequality (Barqueros, Trejos “Poverty” 3-5; Marmot “The Influence of Income on Health”). Rosero-Bixby’s study on health care availability and equity across the country provides some insight into the polarization of advancements and lags in Costa Rican medical care among the poorer and wealthier populations within the country.

In 2004, Rosero-Bixby proposed the adoption of a geographic information system, or GIS, that would allow the Costa Rican government to better allocate its health care resources to the areas of Costa Rica that were most in need of medical assistance and health care services (“Spatial Access to Health Care in Costa Rica and its Equity: a GIS-based Study”). After the implementation of this health care allocation program, Rosero-Bixby compiled a surprising set of data that represented the new distribution of health care services available across Costa Rica. In the findings, Rosero-Bixby noted that 12-14% of the Costa Rican population remained
“underserved” under the revamped health care program (Rosero-Bixby “Spatial Access to Health Care in Costa Rica and its Equity”). The assessment of underrepresentation of the Costa Rican health care system in some sections of the population is explainable by several criteria. The criteria include the lack of reasonable proximity to health care centers such as outpatient clinics and hospitals, as well as the absence of sufficient numbers of medical doctors available to each person year round (Rosero-Bixby “Spatial Access to Health Care”).

After the installation of the GIS program, marginal improvements occurred in health care facility proximity to patients. Despite some reforms, there are significant areas in which health care reforms have not occurred. These unreformed areas of health care services have actually seen a decrease in the health care services that are available (Rosero-Bixby “Spatial Access to Health Care”). Still, Rosero-Baxby contends that health care services availability is increasing with the cooperation of certain agencies, such as Basic Teams for Integrated Health Care (EBAIS), with recently renewed support by the Costa Rican government (Rosero-Bixby “Spatial Access to Health Care”). This marginal improvement in health care services is good news for Costa Rica because of the health care problems that the country faces even in the 21st century.

According to Rosero-Bixby in an earlier study on the Costa Rican health care system, health care infrastructure improved due to a focus on disadvantaged rural and urban areas (“Socioeconomic Development, Health Interventions and Mortality Decline in Costa Rica”). The improvements of the Costa Rican health care system were due to improvements in other areas of Costa Rican society. Education and telecommunications systems grew during the same period, making the spread of preventative medicine more rapid and the knowledge of institutionalized medicine more readily available (Rosero-Bixby “Socioeconomic Development, Health Interventions and Mortality Decline in Costa Rica”). In the 21st century with the spread
of health care service availability to more sectors of Costa Rican society, malaria, tuberculosis, tetanus, measles, and other infectious diseases have begun causing fewer deaths (Rosero-Bixby “Socioeconomic Development”). Practical health care services are becoming more widely available to Costa Ricans throughout the country. These services include immunizations and household sanitation practices (Rosero-Bixby “Socioeconomic Development”). The education system also participates in promoting hygienic practices among students, teachers, and faculty throughout the country with state-sponsored health conscious initiatives that include practical application of hygienic ideals, such as teeth brushing and hand washing (author’s personal observations). During the recent 2009 worldwide outbreak of the commonly termed swine flu, special measures were taken by the government to ensure good health of Costa Rica’s residents by enforcing more stringently the good hygiene practices, for example hair nets and surgical face masks to be worn by food preparation personnel, that the Costa Rican Ministry of Health already had in place (author’s personal observations). The government has provided major support for the health care industry in recent years, helping it to modernize and reach all of the country’s citizens adequately (Rosero-Bixby “Socioeconomic Development”). Despite improvements to the health care sector from the 1960s through to today, infectious diseases remain a health concern for poor Costa Ricans and travelers to Costa Rica.

According to the Centers for Disease Control and Prevention, Costa Rica is home to several infectious diseases, all of which affect the poverty-stricken sectors of Costa Rican society the most (“Health Information for Costa Rica: CDC Travelers’ Health”). Among the most prevalent diseases are malaria, dengue, and HIV/AIDS (Centers for Disease Control and Prevention “Health Information for Costa Rica;” World Watch Institute “Poverty, Disease, Environmental Decline Threaten Global Stability”). Foreign travelers are still urged to obtain
up-to-date vaccinations and to perform a regiment of malaria prophylactics when traveling to the poorer provinces of the country. Marmot suggests that such diseases and their continued threat to domestic and international populations’ health care have a basis in social factors such as poverty and wealth distribution inequalities (Marmot “Social Determinants of Health Inequalities”).

Poverty and health care’s correlation with one another demonstrates Costa Rica’s current social and economic situation as one caught in a predicament. While economic growth occurs and has occurred for the past half century, only marginal gains in wealth distribution and subsequent advances—and setbacks—in health care services and poverty reduction have been achieved. Because of this inequality between the services and opportunities available to both the rich and the poor in Costa Rican society, some resentment and resistance toward neoliberal economic, social, and political policies tend to occur, especially in the areas of the population suffering from poverty and poor health care. These sections of the population, both Costa Rican citizens and non-citizens have experienced little or none of the benefits of economic and social progress that Costa Rica as a whole has experienced since the middle of the 20th century.

Costa Rican resistance to neoliberal policies dates to the mid-20th century in Costa Rica, taking on many forms in various social and economic forums (Edelman 205, Molina 149-58, 171-73). The presence of anti-neoliberal resistance movements in Costa Rica is a testament to the inequality, whether perceived or real, that poor Costa Ricans feel has been caused by economic and social neoliberalism. Although Costa Rica is at the forefront of Central America in terms of its stable democratic government, there are glaringly obvious disparities between the positively-effected and the negatively-effected sectors of the Costa Rica economy and society, in a class system dating back to the coffee elite of the 19th and 20th centuries and to the full-blown
adoption of neoliberal economic policies in the 1950s and 1980s. Despite the positive impacts that service-oriented economic sectors such as ecotourism and microelectronics have created under the free reign of international markets and foreign direct investments beginning in the 20th century, Costa Rica has failed to adequately overcome substantial obstacles such as illegal informal economic activities, poverty reduction, and health care availability for all of its citizens and residents.
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