

General Information about Costa Rica

Costa Rica Geography

Costa Rica, the Central American country, lies between Nicaragua to the north, the Panama to the south east, the Caribbean Sea to the east and the Pacific Ocean to the south and west. The capital and also the largest city is San Jose. It has a narrow Pacific coastal region. Other important cities are Puntarenas, Alajuela, Heredia and Cartago. Cocos Island (10 sq mi; 26 sq km), about 300 mi (483 km) off the Pacific Coast, is under Costa Rican sovereignty.

Costa Rica History

Costa Rica was inhabited by an estimated 400,000 Indians when Columbus explored it in 1502. The Spanish conquest began in 1524. The region grew slowly and was administered as a Spanish province. Costa Rica achieved independence in 1821 but was absorbed for two years by Agustín de Iturbide in his Mexican empire. It became a republic in 1848. Except for the military dictatorship of Tomás Guardia from 1870 to 1882, Costa Rica has enjoyed one of the most democratic governments in Latin America.

In the 1970s, rising oil prices, falling international commodity prices, and inflation hurt the economy. Efforts have since been made to reduce reliance on coffee, banana, and beef exports. Tourism is now a major business. Oscar Arias Sanchez, who became president in 1986, was awarded the Nobel Peace Prize in 1987 for his role in negotiating settlements to both the Nicaraguan and the Salvadoran civil wars.

José María Figueres Olsen of the National Liberation Party became president in 1994. He opposed economic suggestions made by the International Monetary Fund, instead favoring greater government intervention in the economy. The World Bank subsequently withheld \$100 million of financing. In 1998, Miguel Ángel Rodríguez of the Social Christian Unity Party became president, pledging economic reforms, such as privatization. In 2000, Costa Rica and Nicaragua resolved a long-standing dispute over navigation of the San Juan River, which forms their border. A psychiatrist, Abel Pacheco, also of the Social Christian Unity Party, won the presidency in elections held in April 2002. In May 2003, several national strikes took place, by energy and telecommunications workers over privatization, and by teachers over their salaries.

Costa Rica has a reputation as one of the most stable, prosperous, and least corrupt Latin American countries. But in fall 2004, three former Costa Rican presidents (Jose María Figueres Olsen, Miguel Ángel Rodríguez, and Rafael Ángel Calderón) were investigated on corruption charges. In 2006, Oscar Arias Sanchez was elected president. Arias, who had served as president once before (1986–1990), won the Nobel Peace Prize in 1987 for fostering peace talks that eventually ended the civil wars in El Salvador and Nicaragua.

Government

Costa Rica, the Democratic Republic, is governed under the 1949 constitution. The president, a strong executive, who is the country's center power, serves a four-year term and may not be immediately reelected. There also are two vice presidents and a 15-member cabinet. The unicameral legislature is also elected for four years. There is universal adult suffrage, and voting is compulsory. The country is divided into seven provinces.

President Biography

Arias Sánchez, Oscar, was born in 1941 and he became the president of Costa Rica (1986–90). He served as financial adviser to the president (1970–72), minister of national planning (1972–77) and congressman (1978–82). As president, he attempted to address Costa Rica's massive economic problems; his chief concern, however, was to work for the restoration of peace in Central America. Intent on preserving his nation's historic role as a neutral and demilitarized country, he opposed the previous administration's policy of allowing U.S.-backed Nicaraguan contras to operate from Costa Rican territory. In 1987, he led a regional peace initiative that called for a cease-fire, the granting of amnesty to political prisoners and the holding of free and democratic elections in each of the Central American countries. In 1987, he was awarded the Nobel Peace Prize.

Costa Rican Economy

Costa Rica is an agricultural country, although industry is being developed at a moderate pace. Compare with its Central American neighbors, Costa Rica has achieved a high standard of living, with a per capita income of about U.S. \$4,700. and an unemployment rate of 6.6%. Costa Rica's major economic resources are its fertile land and frequent rainfall, its well-educated population, and its location in the Central American isthmus, which provides easy access to North and South American markets and direct ocean access to the European and Asian Continents. One-fourth of Costa Rica's land is dedicated to national forests, often adjoining picturesque beaches, which has made the country a popular destination for affluent retirees and eco-tourists. Industries include food processing and the manufacture of textiles and clothing, construction materials, fertilizer, and electronics. Coffee, bananas, sugar, and beef are exported, as well as manufactured goods such as textiles. Petroleum, machinery, consumer durables, chemicals, and foodstuffs are imported. Tourism is the second biggest money-earner, after agriculture. Costa Rica has successfully attracted important investments by such companies as Intel Corporation, which employs nearly 2,000 people at its \$300 million microprocessor plant; Proctor and Gamble, which employs nearly 1,000 people in its administrative center for the Western Hemisphere; and Hospira and Baxter Healthcare from the health care products industry.

Costa Rica has oil deposits off its Atlantic Coast, but the Pacheco administration decided not to develop the deposits for environmental reasons. The country's mountainous terrain and abundant rainfall have permitted the construction of a dozen hydroelectric power plants, making it largely self-sufficient in electricity, but it is completely reliant on imports for liquid fuels. Costa Rica has the potential to become a major electricity exporter if plans for new generating plants and a regional distribution grid are realized. Mild climate and trade winds make neither heating nor cooling necessary, particularly in the highland cities and towns where some 90% of the population lives.

Costa Rican legislature so that the debate can begin. Costa Rica is an active participant in the negotiation of the hemispheric Free Trade Area of the Americas as well as a member of the Cairns Group, which is pursuing global agricultural trade liberalization within the World Trade Organization.

Costa Rica's Political Conditions

Costa Rica has long emphasized the development of democracy and respect for human rights. Until recently, the country's political system has contrasted sharply with many of its Central American neighbors; it has steadily developed and maintained democratic institutions and an orderly, constitutional scheme for government succession. Several factors have contributed to this tendency, including enlightened government leaders, comparative prosperity, flexible class lines, educational opportunities that have created a stable middle class, and high social indicators. Also, because Costa Rica has no armed forces, it has avoided the possibility of political intrusiveness by the military that other countries in the region have experienced.

In May 2002, President Abel Pacheco of the Social Christian Union Party (PUSC) assumed office after defeating National Liberation Party (PLN) candidate Rolando Araya in the first-ever second-round runoff election. The April 2002 runoff election was necessitated by the failure of any one candidate to obtain the constitutionally required 40% of the popular vote in the February first-round election. Pacheco continues to seek a fiscal reform package and can count the successful negotiation of a U.S.-Central America Free Trade Agreement (U.S.-CAFTA) and an improved economy among his significant accomplishments. The 57-member unicameral Legislative Assembly has five principal party factions, with the governing party, PUSC, having only a 19-seat plurality. As a result, legislative action has been slow.

United States – Costa Rican Relations

The United States and Costa Rica have a history of close and friendly relations based on respect for democratic government, human freedoms, free trade, and other shared values. The country consistently supports the U.S. in international fora, especially in the areas of democracy and human rights. Costa Rica co-sponsored the Resolution on Cuba at the 60th session of the UN Commission on Human Rights. Law enforcement cooperation, particularly efforts to stem the flow of illegal drugs to the U.S., has been exemplary.

The United States is Costa Rica's most important trading partner. The U.S. accounts for over half of Costa Rica's exports, imports, and tourism, and more than two-thirds of its foreign investment. The two countries share growing concerns for the environment and want to preserve Costa Rica's important tropical resources and prevent environmental degradation.

Upwards of 20,000 private American citizens, including many retirees, reside in the country and more than 600,000

American citizens visit Costa Rica annually.