

# ***MESOAMERICA***

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## **COSTA RICA**

### **Costa Rica Drying Up?**

Although access to water is not currently a main preoccupation of Costa Ricans, shortages are becoming more and more common. If current trends are not remedied, Costa Rica will experience a water crisis as early as '06. With an annual average precipitation level of more than 4,000 mm, it appears odd that the tropical country should join the list of those with serious water shortages.

However, there are constant water shortages in various regions of the country. Starting 31 Mar, water will be turned off from 10 p.m. to 4 a.m. in downtown Heredia. According to the Public Services Enterprise of Heredia, these measures are necessary because higher water consumption levels during the warmest months of Mar and Apr diminished the areas' water sources.

The situation is much worse in other regions of the country. In Coto 44, 3,000 patients are not receiving medical treatment because of the lack of clean water in the local hospital. The area has been without potable water for months. "Look around, it looks like a ghost town. Six months ago people deserted their houses and have gone elsewhere," exclaimed one local resident.

What is more frustrating for residents of Coto 44, located in the southern Pacific zone, is that the shortage is not the result of insufficient water resources. The privately-owned water pump that supplies the hospital was stolen and, because it is not owned by the social security system, citizens in the area are left without any recourse.

The situation is worst in Guanacaste, Costa Rica's driest province, located in the northern Pacific zone. Poor families living outside of the Martina Bustos area are forced to walk two kilometers every day with buckets of water in order to perform basic daily tasks. Area residents have protested outside of the Institute for Aqueducts and Sewers (AyA) office, demanding that this essential public service be restored. The AyA regional director stated that repairing the region's water works is a top priority, and that the \$150,000 repairs should be completed before May. Cases like these are becoming increasingly common.

Nearly 65% of Costa Rica's water infrastructure is in disrepair, with massive quantities of water being lost every day through structural defects and leaks. However, it will not be enough to simply repair these defects. Faced with a growing population and increasing agricultural, industrial and tourism needs, Costa Rica will need to search for new water sources as well as to protect existing ones from contamination. Some analysts estimate that Costa Ricans will have to invest \$300 million or almost 1.3 million people will be without water by '14.

AyA may have to find additional means, other than raising water tax rates, to finance such costs since many families are already unable to pay their monthly water bills. There are currently 11,500 accounts in debt to AyA; collectively they owe around \$5.3 million. In order to force people to pay their bills, AyA has begun cutting off water to clients who are a month or more overdue on their payments.

### **Transportation Costs on the Rise**

Daily life has become more expensive for Costa Ricans as both bus fares and gasoline prices have increased significantly. The Regulatory Authority of Public Services (ARESEP) has instituted a formula that automatically increases bus fares, which takes into account maintenance costs, salaries, currency devaluation, inflation and gas prices. At the same time, oil prices have reached an all time high of \$58.5 a barrel. This, combined with a high inflation level, has caused Costa Rica's gas prices to increase by 7.3% during the past three months.

The country's ombudsman has challenged the 7.43% increase in bus fares, arguing that the automatic adjustment formula does not provide incentives for the private bus lines to improve the quality of their services, and that it limits the ability of users to contest increases through public debate. The director of ARESEP has refuted these arguments, stating that the adjustment formula was subject to a process of open debate in which citizens were able to state their opinions.

In order to help Costa Rican motorists save on fuel costs, the Ministry of Public Works and Transportation has been studying various initiatives to combat heavy traffic, which causes motorists to waste fuel as well as contributing to already significant smog levels in urban areas like San Jose. Previous proposals included building commuter trains, allowing only large 180-passenger buses to operate in the downtown area of San José and building bridges or underpasses to bypass congested traffic circles. However, these solutions have been put on hold because of their high costs.

The government has said that if oil prices reach \$60 a barrel it will take immediate action to reduce traffic congestion in urban areas. A recent contingency plan proposes to vary the schedules of public employees in order to avoid the hours of peak traffic congestion, as well as to restrict circulation on main transportation arteries during peak hours.

Globally, rapidly increasing gas prices have not been followed by correspondingly lower consumption levels; Costa Rica is no exemption to this trend. Costa Rica is home to approximately one million cars, and the total is expected to reach 1.5 million within the next six years.

### **Life Goes On after Monteverde Massacre**

Just two days after nine people were shot dead on 8 Mar in a bungled bank robbery in Santa Elena (Vol. 24, No. 3), the bank reopened its doors for business—its walls and computer monitors still full of bullet

holes. Many local residents feared publicity of the incident would plunge the local tourist economy into recession. However, local hotels have actually increased their occupation as compared to previous years.

During and after the bloody standoff, the Costa Rican media was flooded with images of police storming the small town bank as victims lay prostrate on the ground. The coverage was extended internationally by media giants such as BBC and CNN. However, according to a Santa Elena residents and hoteliers, most tourists have heard nothing of the incident and those who are aware of it see it as an isolated incident.

The president of the Monteverde Chamber of Tourism, Marvin Hidalgo, still expects a future drop in the number of tourists coming from the US, where some of the news coverage blamed the inadequacy of Monteverde's security. A congressional commission was assembled to investigate the alleged lack of security in the Monteverde area. The commission has not yet released its report to the public. The Ministry of Public Security is currently working to expand the area's law enforcement capacity with more officers, vehicles and an enlarged police station.

### **CAFTA Referendum Just Talk**

Costa Rica is moving hesitantly towards ratification of the Central American Free Trade Agreement (CAFTA). As Guatemala became the third country to ratify CAFTA in Mar, Costa Rica continues to ponder its choices. President Abel Pacheco told the press he is considering letting the people decide the nation's economic future in a national referendum, but pundits argue that a referendum is not feasible at this stage.

The possibility of a CAFTA referendum has been widely publicized and discussed in the Costa Rican media during the past months, but the scheme may be unrealistic. The Constitution stipulates that 5% of the electorate can solicit a referendum via petition. However, it did not elaborate a protocol for such a referendum to take place. This predicament needs to be addressed, but it is unlikely that legislators will resolve the constitutional contradiction any time soon.

—Adam Kardos