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COSTA RICA

Latest Political Popularity Poll Results

The resurgence of the National Liberation Party (PLN), after its poor showing in the '02 national elections, was documented by the CID-Gallup polling company in a *La Prensa* article on 6 Nov, which shows that popular support for the PLN increased from 30% in Feb '04 to 40% in Oct '06.

On the other hand, popular support for the Social Christian Unity Party (PUSC) dropped from 30% in Feb '04 to 10% in Oct '06. PUSC lost the '05 national elections to PLN candidate Dr. Oscar Arias Sánchez, after a series of corruption scandals in '04 and '05 contaminated the PUSC leadership and many of its appointees during the previous eight years of its administration.

Currently, the Citizen's Action Party (PAC) has about 12% of popular support, the Libertarian Movement about 2%, and uncommitted voters represent 31%, according to the 6-11 Oct poll.

PLN Sweeps Mayoral Elections

The ruling PLN, historically aligned with the international Social Democrat movement, showed its growing popularity and strength by winning 58 of the nation's 81 mayorships in the municipal elections held on 3 Dec. For the PLN, this represents an increase of 31 mayorships over the 27 won in '02. The new mayors will take office on 5 Feb.

Conversely, the elections marked the further decline of PUSC, by retaining only 11 mayorships of the previous 48 won in '02.

Other national and regional political parties were winners in the recent mayoral elections: PAC won four mayorships; National Union Party two; and six other parties won one mayorship each.

Absenteeism was 76% of the registered voters, which reflects widespread voter apathy. Possible causes for the poor turnout of voters include: charges of corruption among municipal officials, lack of transparency of past administrations, poor job performance by many mayors, inefficiency of local

government, and citizen frustration and discontent about the poor quality of public services, such as trash collection and road repairs.

Mayor of San José Under Investigation

Although the popular PLN Mayor of San José, Johnny Araya, was accused of illicit enrichment a few days before the mayoral election, he was reelected with 70% of the votes cast.

The daily *La Nación* reported on 28 Nov that Araya was being investigated by the Judicial Investigation Organization (OIJ) for allegedly accepting kick-backs from a Canadian company, Berthier EBI, before and after it was awarded a 10-year contract in '00 to build and operate the major waste disposal facility for the San José Metropolitan Area, located at La Carpío.

Also being investigated are six councilmen and two other officials of the Municipality of San José, who received questionable payments from Berthier EBI between Dec '99 and Dec '01. , Araya and his cronies allegedly received a total of \$112,800 in “honorariums” from Berthier EBI, with Araya himself receiving \$65,000, according to the OIJ investigation.

Araya denied the accusations and questioned the timing of the *La Nación* article, which was published only five days prior to the 3 Dec election. He charged that his political opponents had mounted a dirty campaign against him, led by PAC legislators who asked him to appear before a legislative commission and respond to questions about his honesty as a public servant.

Congress Approves '07 National Budget

The controversial '07 national budget of \$5.6 billion won final approval in the Legislative Assembly on 29 Nov, but then word spread that the Constitutional Court (Sala IV) had found the document faulty.

The document is controversial because Libertarian Movement legislators, among others, consider it to be sloppy and wasteful, whereas the Frente Amplio's José Merino del Río considers it a continuation of failed neoliberal economic policies. Many PUSC and PAC legislators criticized the proposed budget for failing to provide for a national development plan and to provide all of the resources required by law for social programs.

The national ombudsman criticized the '07 budget because of its low spending on social programs. For example, the Social Welfare Program (Asignaciones Familiares) will only receive \$21,4 million of the \$281,6 million that is required by law, which will restrict the program's capacity to provide much needed help for poor families.

About 64% of the budget would be financed with income from taxes and customs duties. The remaining 36% would be financed with bonds, increasing the country's fiscal deficit. One-third of the budget is for debt service. A projected lack of resources meant that the Finance Ministry, which prepared the budget, placed restrictions on salary increases in the public sector and on expenditures in the social sector. Although the '07 budget is 6.5% larger than in '06, adjusted for inflation it is 3.4% smaller.

UCR Study of Remittances to Costa Rica

According to a study conducted by the Central America Center of Population at the University of Costa Rica (UCR), published in *La Nación* on 28 Nov, an estimated 28,000 families in Costa Rica received remittances (money transfers from Costa Ricans living in the US and other countries) between '04 and '05. These 28,000 families represent about 2.5% of the total national population of Costa Rica.

For about half the families receiving remittances, the money received represents about 25% of their total yearly income. However, for about 2,300 families, the remittances represent all of their yearly income, which places them in a very vulnerable situation. For most families who receive remittances, they are able to spend more on their homes, health and education than families that do not receive money transfers.

Most families who receive remittances live in two geographical areas: Los Santos and Pérez Zeledón in the Brunca Region, and the north-central part of the Greater Metropolitan Area of the Central Valley, in places such as Naranjo, Grecia and Sarchí. The Brunca Region is the poorest in the country, where one of every three families do not have sufficient yearly income to satisfy their basic human needs. For these families, remittances from family members living abroad allow them to alleviate some of their poverty, which is mainly due to a lack of opportunity and employment in the region.

Most of the Costa Ricans who live in the US and send remittances to family members in Costa Rica are males residing in New York, New Jersey, Texas and California (principally in the Los Angeles area).

Costa Rica Drops on UN Human Development Index

Between '00 and '05, Costa Rica dropped from 41st to 48th place on the Human Development Index, elaborated by the United Nations Development Program (UNDP), according to an article published in *La República* on 9 Nov. This 7-point drop indicates that the quality of life of Costa Ricans, especially for the poorest members of society, has declined in terms of medical attention and prevention, access to public education and purchasing power.

Although Costa Rica is now ranked 48 on a list of 177 nations worldwide, it is still listed among the most highly development countries, surpassed only by Argentina (ranked 36) and Chile (ranked 38) in Latin America.

One indication of the decline in “quality of life” for Costa Ricans is the difference in per capita income between '05 and '06, which declined from \$9,606 to \$9,481, according to *La República*.

—Clifton L. Holland