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COSTA RICA

President Arias Reneges on Promise to Boycott WHINSEC

Peace activists were more than a little disappointed to hear President Oscar Arias Sánchez apparently go back on a promise not to send anymore public security officials to the Western Hemisphere Institute for Security Cooperation (WHINSEC), formerly the School of the Americas (SOA), operated by the US Army at Fort Benning, Georgia.

The WHINSEC/SOA has trained more than 60,000 people from the US, Canada and Latin America, including at least 2,500 Costa Ricans, and faces yearly protests from critics who say it has taught tactics that have led to human rights abuses.

When it was still known as the School of the Americas, it graduated some of the most notorious human rights abusers in Latin America, trained in “counter-insurgency” warfare. Training manuals from the '80s reportedly instructed students on how to use torture, executions and blackmail to put down rebellions that were flaring up throughout the continent.

The SOA closed in '00 and reopened as WHINSEC, with a renewed emphasis on drug interdiction and classes on human rights and democracy. Representatives say the institute is not responsible for the crimes of its alumni, which occurred during the previous decades.

Regardless, President Arias told leading anti-SOA/WHINSEC activist Roy Bourgeois during a visit to the country in May that he would not send anymore public security officials to receive training at the institute. Bourgeois, who founded the watchdog group School of the Americas Watch and leads annual protests in front of the institute's grounds in Georgia, managed to convince Venezuela, Bolivia, Uruguay and Argentina to stop sending officials to the school for training.

During a tour through Latin America, Bourgeois received the same promise from Arias, who won the Nobel Peace Prize in '88 for his work on the Central American Peace Plan.

However, after Costa Rica's Public Security Minister, Fernando Berrocal, recently visited WHINSEC and returned singing its praises, President Arias changed his mind. Berrocal stated: “I don't know what happened in the past, and it is not my responsibility to assess the past. What I can observe is the present.”

Costa Rican police officers, three of whom currently attend WHINSEC, would receive non-military training in leadership and combating drug trafficking and narco-terrorism. “If they are going to get training in how to handle drugs, I would be OK with it,” Arias said in mid-Nov.

Under Berrocal, Costa Rica has redoubled its efforts in drug interdiction, netting record hauls, particularly in cocaine being trafficked north through the isthmus and along its coasts. It has also arrested a few top Colombian traffickers, including some with ties to Colombian insurgent groups, including the FARC.

“If President Arias goes back on his word—basically if he lied to us, or was not truthful or this was just a political maneuver—we will, of course, be returning to Costa Rica,” Bourgeois, a US Catholic priest and veteran of the Vietnam war, told *The Tico Times*.

Berrocal said he hopes to send 150 Costa Rican police officers to receive training in the US at WHINSEC and at police academies in New Mexico and Florida.

International Documentary Draws Attention to Sharkfinning

Costa Rica was once again at the brunt end of international criticism over its handling of sharkfinning, a practice where fishing boats catch sharks and slice off their fins before throwing the shark’s body, sometimes still alive, overboard. Without its fins, a shark can no longer swim and will drown.

Sharkfinning is illegal in Costa Rica, however an award-winning documentary released in Nov at 140 theaters throughout the US, as well as theaters in Costa Rica, took the Costa Rican government to task for not enforcing its laws.

The film, entitled “Sharkwater,” looks at the multibillion-dollar shark fin trade by traveling to 15 different countries, including Costa Rica. Shark fins are not consumed in Costa Rica, but sharks are fished in Costa Rican waters, largely by Taiwanese companies, and the fins are coveted in Asia for their supposed aphrodisiacal qualities.

In the film, narrator and director Rob Stewart, a biologist, confronts fishermen in the act of sharkfinning in the protected waters surrounding Costa Rica’s Isla del Coco—an island 365 miles off the country’s Pacific coast. Fishing of any type is prohibited in the waters surrounding this island, which is classified as a national park.

The film also shows thousands of shark fins drying on roofs in the Pacific port city of Puntarenas, as well as revealing that the makers of the film faced charges of attempted murder for ramming a fishing boat and then fleeing the country with a Costa Rican Coast Guard vessel on their tail.

Costa Rican officials, particularly in the Costa Rican Fisheries Institute (INCO-PESCA), said the depiction is unfair, as the footage was from past years, when Abel Pacheco was president. Pacheco in ’02 was awarded the dubious distinction of “Shark Enemy of the Year” by the German-based environmental organization Shark Project.

Costa Rican officials requested that filmmakers insert a scene about new laws and efforts to combat sharkfinning, however Stewart said Costa Rica continued to fail to force the laws it has, and adding new laws did not change that reality.

INCOPECA, the government institute in charge of overseeing and regulating the fishing industry, has long fought environmentalists over the sharkfinning industry, and in Nov was forced to close 10 private docks to international longline fishing boats in the latest round of battle.

In Feb, Costa Rica's Constitutional Chamber of the Supreme Court sided with a lawsuit filed by the environmental organization PRETOMA (the Marine Turtle Restoration Project), and ordered INCOPECA and other government agencies to "immediately" stop allowing international ships to dock at private facilities unless they are manned by government inspectors.

Ten months later, PRETOMA filed another lawsuit, alleging that INCOPECA and other government agencies had yet to carry out the previous instructions. In Nov, the court requested a response from the various agencies, and within days all the private docks had been closed to international ships following an order from the Ministry of Public Works and Transportation (MOPT).

Survey Reports Record Drop in Poverty

Poverty in Costa Rica dropped to a 13-year low this year, according to the Annual Household Survey, conducted by the National Institute of Statistics and Census (INEC), released in Nov. According to this highly regarded survey, poverty dropped to 16.7% this year, down from 20.2% last year. The poverty rate has hovered around the 20-22% range for more than a decade.

Researchers said the drop in poverty could mostly be attributed to decreasing inflation (8.7% in July, compared to 12% the previous year), and a gross domestic product (GDP) that has increased steadily at 6% a year for the last three years. Cash transfer programs by the Arias administration, such as the Avancemos program where low income families are paid to keep their children in school, also helped, according to INEC.

The announcement was warmly received by President Arias, who said that, if the trend continued, the country could eliminate extreme poverty by 2010. The number of households living in "extreme poverty" fell to 3.3% from 5.3% the previous year. INEC classifies "extreme poverty" as a family living in an urban area and earning less than \$104 a month.

INEC also noted that steady GDP growth has spurred job creation and raised incomes. A historic high of 54.4% of all Costa Ricans were working in July, while unemployment decreased to 4.6% compared to 6% the previous year.

But the results are not without their critics. Some have said that INEC's position that \$48 per person per month in urban areas, and \$42 in rural areas, will cover basic nutritional needs is too low. Critics also say the "basic basket" of goods, which represent the standard nutritional items a family purchases in a month, is outdated, noting that the definition has not been updated since the late '80s. INEC has been promising to update the "basic basket" for years, and the alleged drop in poverty could diminish, or disappear, should new standards be introduced, according to critics.

Dollar's Value Declines vs. Colón: Investors Worry

In Oct '06, the Central Bank instituted a dollar-colón exchange policy that attempted to keep the price of the US dollar in Costa Rica between an upper and lower limit; but on 21 Nov '07, the Central Bank dropped the lower limit by 4%, causing the value of the dollar to plummet as the value of the colón went up, which surprised many people.

Previously, at least for 13 months, when the value of the dollar got too close to either limit, the Central Bank bought or sold currency on the local market to influence the supply and demand, thereby controlling the price and creating stability in the exchange market.

Now, the US dollar buys quite a bit less in Costa Rica than previously when one dollar was worth 516.76 colones; currently, the exchange rate is 495.50 colones for one dollar.

The drop in the dollar's value has created some short-term winners and losers. Costa Rican exporters, most of whom sell their products in dollars and pay their expenses in colones, are getting stung, whereas the winners are importers and anyone who buys their wares.

The lower cost of imported goods could help cool down the nation's inflation rate, which is one of the highest in the Central American region at over 9%.

Despite the dollar's weakness in the local market, some economists are advising against converting long-term investments into colones, since the colón's value remains uncertain and could go back down again during the next year.

According to economist Luis Mesalles, "For those who lost today in the short-term, in the long-term they could recover their loss."

—Leland Baxter-Neal