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COSTA RICA

Electoral Surprises: Results Delayed for Two Weeks

Preliminary results of the '06 national presidential election on 5 Feb surprised most observers when the Supreme Electoral Tribunal (TSE) announced an unexpected, virtual tie at midnight between the top two candidates: former president Oscar Arias ('86-'90) of the National Liberation Party (PLN) and Ottón Solís of the Citizen's Action Party (PAC). The TSE reported a marginal difference between the two candidates, with Arias obtaining 40.51% and Solís 40.29% of the tabulated votes, and suspended the announcement of the presidential victor until completing a manual count of the ballots. Final electoral results are not expected to be released before 22 Feb. The constitution grants the TSE 30 days to release official results. This is the first time electoral results have been delayed in Costa Rica's democratic history.

Prior to the election, public opinion polls predicted an overwhelming victory for Arias, winner of the '87 Nobel Peace Prize. Several polls projected an Arias victory by winning as much as 49% of the electorate, with Solís receiving only 20-24% and Otto Guevara of the Libertarian Movement with 10-14% support. Robert Toledo of the ruling Social Christian Unity Party (PUSC) earned 6-10% of popular support among those surveyed (Vol. 24, No. 12; Vol. 25, No. 1).

Voter apathy continued its upward trend as an estimated 34.3% of registered voters abstained. Voter abstention has become a growing concern over the past 12 years. The previous four elections have all had double-digit abstention: '94 (18.9%), '98 (30%), '02 (first round: 31.2%; second round: 39%) and '06 (34.3%). Former President José María Figueres publicly stated his confidence in an Arias victory and his intentions to exclude himself from the voting process: "I am living in Europe. We [PLN] are going to win with 47% and my vote is not necessary." It is speculated that two of the main factors that influenced voter apathy were political polls that projected a definite Arias victory and a former president who characterized his vote as unnecessary.

Costa Rica's traditional two-party system has now evolved into a multi-party structure (Vol. 24, No. 12). Preliminary electoral results show a multi-party legislature with no party holding a majority; however, the combined seats of the PLN and the PAC will dominate the legislature. Citizen dissatisfaction with PUSC has caused many voters to look for new alternatives, and it seems that few chose PAC. The conservative PUSC has lost its support after a failed presidency, corruption scandals involving two

former presidents and accusations of campaign finance fraud in '02. Current President Abel Pacheco's ('02-'06) inability to get legislation passed deteriorated the strong support that placed three PUSC presidents into office since its official formation in '84. Current PUSC presidential candidate Ricardo Toledo won less than four percent of the vote.

Carlos Slim Awaits Free Commercial Trade and Investment

The potential approval of DR-CAFTA has attracted the attention of foreign business owners to the country's telecommunications sector. If ratified by the Legislative Assembly, DR-CAFTA will permit private companies to enter the telecommunications market currently controlled by the government-owned Costa Rican Institute of Electricity (ICE). Private companies will be able to invest in cellular phones, Internet service and other telecommunication activities.

América Móvil President Carlos Slim of Mexico has focused his efforts on expanding his empire to Costa Rica. Slim has been able to acquire significant control over telecommunications companies in all of Central America, except Costa Rica and Panama, and has business interests in South American telecommunications, except in Bolivia and Venezuela. Traditionally, América Móvil has concentrated on the cellular phone market, but it also has investments in department stores, cafes and, recently, a new airline. Slim earned his fortune in the '80s in the Stock Market and later entered telecommunications in '94 after investing \$442.8 million in Telmex when its official calculated value was \$7 billion. In Mar '05, *Forbes Magazine* named Slim the fourth richest man in the world, holding a fortune worth \$13 billion.

In the last decade, América Móvil has invested more than \$1 billion in the acquisition of telecommunications operations in Latin America. Slim recently stated he is "interested in exploring new markets in telecommunications and there are interested countries in Central America." Slim holds four trademarks, two logos and a slogan copyrighted in Costa Rica through the Intellectual Property Registry. Other companies, predicting the approval of DR-CAFTA and waiting for entrance into the Costa Rican telecommunications market, include AT&T, Telcel, Telcel Directo and Todo Mexico. Many of these companies have applied for copyrights in the Intellectual Property Registry.

Oscar Arias publicly supported Carlos Slim during his presidential campaign. When Arias' support was questioned, he commented on Slim's actions as "just spending money" and nothing more. Neither DR-CAFTA nor the laws to modernize and strengthen ICE have been approved in the Legislative Assembly; however, Arias is a vocal supporter of DR-CAFTA and opening the Costa Rican market. If the Legislative Assembly approves DR-CAFTA, the regulatory laws will allow Slim and other private operators to enter the telecommunications market and compete against ICE.

Dangerous Insecticides Remain in Costa Rica

During the past 20 years Costa Rica has held 8,500 kg of the prohibited insecticide Dicloro Difenil Tricloroetano (DDT) in a storage warehouse under the supervision of the Ministry of Health. Dangerous chemicals, in addition to DDT, have become a recent concern after researchers discovered harmful effects of chemicals and pesticides used on fruits and vegetables consumed by Costa Ricans.

DDT is a toxic insecticide that was frequently utilized during the Second World War to protect military troops and civilians from the dangers of malaria, typhus and other vector borne diseases. After the conclusion of the war, countries continued the use of DDT in agricultural crops and to control the spread of disease vectors; however, adverse effects on the environment led to restrictions on the use of DDT in the '70s. DDT is lipophilic and partitions into the fat of living organisms, negatively affecting their health.

The Stockholm Convention on Persistent Organic Pollutants list DDT as one of 12 toxic substances that must be eliminated throughout the world. This initiative was supported by the United Nations Environment Program in '72 and signed by Costa Rica in '02. Progress to eliminate these dangerous chemicals has been slowed by the inability of the Legislative Assembly to ratify the initiative. The Stockholm Convention supports governmental and non-governmental financial support to countries that ratify the initiative, so delays in the Legislative Assembly are costing Costa Rica foreign income that would be directed toward the elimination of DDT, insecticides and other dangerous chemicals.

Legislative fears of potential costs have caused slow progress. Every incinerated ton of insecticide will cost the country \$4,000, for a total cost of \$34,000; these costs do not include packing, marine shipping, and the security certificate needed to move dangerous substances. Costa Rica's inability to incinerate the chemicals has forced the Ministry of Health to ship them to Europe for the destruction of the chemicals. Since '98, importation and selling of DDT has been prohibited.

Concerns about other dangerous chemicals and pesticides are increasing after the discovery of cancerous substances in fruits and vegetables consumed by Costa Ricans. The Carbamato fungicide is a harmful cancerous chemical that adversely affects the thyroid and the digestive system and is very toxic to aquatic organisms. This fungicide and other carcinogenic chemicals have been found in celery, lettuce, tomato, cauliflower, peppers, strawberries and many other fruits and vegetables. The government must find a solution before these products have long-term effects on the citizens of Costa Rica.

—*Jason Eichorst*