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COSTA RICA

Dispute Breaks Out Over Negotiation Choice

Tension between Costa Rica and Nicaragua increased after Guatemala, El Salvador, Honduras and Nicaragua named Nicaraguan Foreign Minister Norman Caldera chief of negotiations for a trade and political cooperation agreement between the European Union (EU) and Central America.

At a press conference on 30 Aug, Costa Rican Foreign Minister Bruno Stagno said these four countries went behind Costa Rica's back in appointing Caldera. However, the Nicaraguan Foreign Ministry said Stagno had been informed about the appointment.

Stagno said the presidents of Guatemala, El Salvador, Honduras and Nicaragua signed the agreement to make Caldera coordinator while Costa Rican President Oscar Arias was visiting Colombia to attend President Alvaro Uribe's swearing-in ceremony, without consulting him. He added that Caldera's appointment cannot take effect without the signature of the five member countries of the Central American Integration System (SICA), and for this reason Costa Rica does not regard it as "binding."

"Costa Rica really wants this agreement, but it must be made through transparent and consensual means," Stagno said. He added that "without Costa Rica, there is no association agreement," and explained that he outlined Costa Rica's position in a letter sent to EU headquarters in Brussels, Belgium, and to Central American foreign ministers on 30 Aug. Costa Rica accounts for 60% of regional trade with the EU.

However, Nicaragua's Foreign Ministry assured that Caldera will not represent Nicaragua, but will only take the role of facilitator in the negotiations, while each country is represented by its own negotiating team. According to the Foreign Ministry, Stagno and Caldera evaluated the possibility of his nomination during a meeting in San José in July.

Before this dispute broke out, on 29 Aug Costa Rican Vice-Minister of Foreign Relations Edgar Ugalde presented Costa Rica's law suit against Nicaragua regarding navigation rights on the San Juan River to the International Court of Justice in The Hague. After presenting the suit, Nicaragua has three months to

submit its defense and end the written part of the case, which Costa Rica initially took to The Hague in Sep '05.

The suit is a six-volume, 1,290-page document establishing Costa Rica's arguments in favor of its navigation rights on the Nicaragua-owned river, which were restricted in '98 by former Nicaraguan President Arnaldo Alemán when he prohibited armed Costa Rican police from navigating the river.

Arias' Popularity Dropped at 100 Days of Presidency

During Aug, when President Arias completed the first 100 days in office, polls revealed that his popularity had dropped by 15% since May, the month of his inauguration.

A CID-Gallup survey conducted for the daily *La República* showed that, during the first week of Aug, only 40% of Costa Ricans believed the president will improve the country by the end of his administration.

In a short speech on national television on 16 Aug, President Arias, of the National Liberation Party (PLN), listed his administration's accomplishments and responded to criticism that he focuses more on international than national politics, an accusation that circulated during his first presidency ('86-'90). In his speech, Arias mentioned a housing program for the poor, plans to improve infrastructure (mainly road repairs and new highway construction) and to financial assistance for the disabled, elderly and students, as some reasons why "Costa Rica is progressing again" during his administration.

Arias also vowed that, by Dec, he will add 800 new officers to Costa Rica's police force to combat drugs and crime, a top priority for Costa Ricans. This will be a step toward his promise of adding 4,000 new police officers to the 10,000 that currently exist. The president also plans to create a special tourism police team of 500 officers to combat sex crimes and increase safety at tourism destinations.

During his televised speech, Arias also said his "absolute priority is the national agenda" because the problems the country faces today are more pressing than international ones in the region.

However, some members of Congress, where the PLN has only a slight majority over seven other political parties, expressed discontent with Arias in a letter addressed to him on 14 Aug. Congressman Oscar López of the Access Without Exclusion Party (PASE) sent the letter, signed by 20 legislators, speaking out about Arias' criticism of the National Legislative Assembly. In a recent interview with the daily *La Nación*, Arias said that India's Congress, with 5,000 congressmen, is more efficient than Costa Rica's with 57 because of the lengthy process for getting laws approved.

Immigrant Health Raises Concerns

Microbiologists have found parasites among the 100 yearly deaths caused by diarrhea in Costa Rica in recent years, according to *La Nación*. "Finding parasites in some of the deceased reflects the deterioration of socioeconomic and environmental conditions," Microbiologist Hilda Bolaños, coordinator of the Center of Bacteriological Reference, told *La Nación*.

According to Bolaños, parasites have been detected in children from outside the country, including a three-year-old Nicaraguan boy who died at his home in Upala last year from a type of parasite associated with malnutrition.

Like this boy, many immigrants go back and forth between Los Chiles and Upala, and the border area deserves greater healthcare attention, Bolaños said.

“Among this government’s objectives are to tend to the immigration problem. This needs to be handled along with other border issues to see how these people’s health can be improved,” she said, explaining that immigrants often come to work alongside other residents as coffee pickers and sugar cane workers, for example.

Deaths caused by intestinal parasites had not been reported in Costa Rica in 30 to 40 years, when it was common to see children walking barefoot with swollen stomachs caused by parasites, according to *La Nación*.

Three decades ago, deworming programs for students and shoe donation programs for children from poverty-stricken areas, helped to remove parasites as one of the main causes of death in the countryside.

Sportsbook Closure Shakes Country’s Computer Gambling Industry

BetonSports, one of Costa Rica’s major sports gambling call centers, ended its operations in the country on 11 Aug after a US district court in Missouri ordered it to stop accepting bets from US gamblers.

The gambling giant’s closure left 1,200 people jobless because it worked mainly with US customers and the court order would make it unprofitable to stay open, according to BetonSports attorney Francisco Conejo.

While the company also laid off approximately 2,000 employees from its Antigua workforce, its offices in Mexico, Guatemala, Ecuador, Peru and Malaysia are still open.

Costa Rica houses approximately 200 on-line gambling call centers that employ some 10,000 workers. Doubt remains whether BetonSports’ closure could mark the beginning of the end for this industry in Costa Rica.

Foreseen changes in US and Costa Rican legislation could make regulations stricter for online gambling in the country. If approved, a bill under consideration by the Costa Rican Congress could require sportsbooks to report all their financial transactions. Also, the US Senate is expected to discuss a bill that would make it illegal for credit card companies to collect money on debts from gambling websites.

—*María Gabriela Díaz*