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LADB Staff

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A Corrupt Costa Rica Rethinks History

by LADB Staff

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Jose Maria Figueres, ex-president of Costa Rica (1994-1998), has stepped down from his post as director of the World Economic Forum (WEF). He is the third of his country's three past presidents to be involved in a corruption scandal, following Rafael Angel Calderon (1990-1994) and Miguel Angel Rodriguez (1998-2002) into disgrace (see NotiCen, 2004-10-07 and 2004-10-14). The three leave their country's reputation for good government shattered, two important international organizations leaderless, and several international corporations to set their corruption-ridden houses in order.

Figueres resigned his WEF job after information surfaced that he had received US\$900,000 from Alcatel, the French telecommunications company that figured in the resignation of Rodriguez from his hard-won position as secretary-general of the Organization of American States (OAS). Figueres told reporters in Geneva, Switzerland, "I resign the direction of the World Economic Forum while I clear my name with respect to injurious slanders I have received in Costa Rica." The WEF issued a statement that it, "through the press, has discovered that Jose Maria Figueres had, during two and a half years, a significant contractual agreement with another enterprise while holding a directorial post in the Forum." The arrangement Figueres had with Alcatel contravenes WEF rules on outside employment.

Figueres admitted to the media that he had received "eight payments for a total of US\$906,000 corresponding to my advisory work." He said the collaboration began in June 2000 and lasted 39 months, ending "in October 2003 because of my international obligations." He was named to the WEF board of directors in October 2000. The WEF, also known as the Davos Forum, is famed as the mainstream alternative to the World Social Forum (WSF). Its highest-profile activity is its annual meeting in Davos, Switzerland, where the biggest names in wealth, finance, and government meet to discuss and plan the economic direction of the world.

In admitting to the payments, Figueres denied that the payments were illicit and said attacks against him were political "in a pre-electoral year such as that currently in Costa Rica, in which a political party has been decimated by serious, already proven, corruption charges." He was referring to the cases of Calderon and Rodriguez, both members of the Partido Unidad Social Cristiana (PUSC), as is current President Abel Pacheco. Figueres was from the Partido de Liberacion Nacional (PLN), now the opposition party.

Reconsidering history

Its myth sundered, Costa Rica has, at several levels, taken active steps to repair its culture, and even to replace its history. In the city of San Carlos, also known as Ciudad Quesada, a small city in the ranching and agricultural north, citizens have demanded the revocation of municipal designations of Calderon and of Figueres as favorite sons. A spontaneous and growing protest movement is asking that plaques honoring the two former presidents be removed from the entrance of the Palacio

Municipal. Said a newspaper report of the movement, "Outraged by the revelations of recent weeks, professionals, agriculturalists, and housewives have brought two petitions before the local council." One petition was for revocation of favorite-son status, the other for the retirement of the plaques.

A local resident, Carmen Sanchez, said, "In such difficult moments as the country is now in, these plaques offend the dignity of honorable people." An additional irony to the offense is that the homage paid the two was in recognition of their efforts to finance the construction of a highway through the zone. The construction was never started. Higher up on the political ladder, action, some of it hasty, has been taken to root out corrupt individuals, but the roots run deep and spread wide.

The national newspaper La Nacion published a complex map showing links among as many as 28 individuals in the Asamblea Legislativa, both the PUSC and PLN, the state electrical and telecommunications monopoly Instituto Costarricense de Electricidad (ICE), the Caja Costarricense de Seguro Social (CCSS), and the companies accused of bribery and other offenses, including Alcatel, to which Figueres and Rodriguez are linked through ICE, and Fischell, the Finnish company to which Calderon and CCSS are linked. Figueres has not returned to Costa Rica from Geneva, where he lives. He has had the benefit of seeing Rodriguez, who returned home on his own volition from Washington, DC, jailed. Rodriguez was first placed under house arrest, later moved to a penitentiary under "preventative" order, to await indictment.

Allegations of corruption beyond ICE have emerged, and the possibility of indictment on those looms. Calderon is imprisoned for his part in the CCSS scandal. He was sentenced to nine months preventive detention on Oct. 22, after testifying before the attorney general's office, and is still under investigation for illicit enrichment and aggravated corruption. Some hope for constructive change Beneath the shibboleths on which the country's reputation is built, however, some analysts see a popular longing to make truth of myth. They see in the fractured political landscape signs of hope that the revelations will lead to the emergence of a new political class following a clean sweep from public and private institutions of corrupt individuals.

"We're talking of a new political generation," said one of the hopefuls, Samuel Yankelewitz, president of the Union Costarricense de Camaras y Asociaciones de la Empresa Privada (UCCAEP). Yankelewitz, an exporter, spoke of people within the affected institutions who are relative unknowns but who can take on the job of booting out the culprits and assuming leadership roles with a new dedication to honesty and service. Yankelewitz admitted that many Costa Ricans are disillusioned in the face of recent events and have turned away from political involvement, but, he said, "politics is fundamental to running a country; we can't be without politicians, without political leaders who know all about this type of activity, the management of the administration and the public thing."

A people demoralized and disillusioned

The general public is more disillusioned than the chamber-of-commerce hopeful. A recent poll by Demoscopia for the newspaper Al Dia showed that 52.6% "doubt that the situation can improve;" 19.6% were "very pessimistic about the future of Costa Rica, and thought corruption is entrenched in the country." Asked which party they would vote for if elections were held on the day of the

inquiry, 64.2% responded, "none." President Abel Pacheco reflected the people's somber mood. "I am appalled, very sad for the health of the republic that finds itself so affected. One thinks like a physician [he is a psychiatrist] and I say the bad thing is to be sick and not realize it, the bad thing is to have cancer and not realize it until the cancer has eaten you."

Expulsion from his father's house Representing Costa Rica's past, and perhaps its future, ex-President Oscar Arias (1986-1990) is a likely PLN candidate for the 2006 presidential race. His take on the Figueres scandal is that Figueres "betrayed the ideals of the Partido de Liberacion Nacional, which his father founded, and should be expelled." Arias won the Nobel Peace Prize in 1987 for his work in ending the US-backed contra war in Nicaragua, and he is still held in high esteem. He may yet become known as his country's last honest president. Rodriguez and Calderon have already been ousted from their party.

The PLN, perhaps in preparation for an election many months away, is not overlooking Alcatel in assessing blame for Costa Rica's fall. PLN Deputy Jose Miguel Corrales, a former presidential candidate, called upon the government of France to investigate Alcatel's activities in his country. "A bribe of US\$9 million dollars could never have been managed locally, as Alcatel claims. It must have had the consent and approval of the home office." PLN Deputy Luis Gerardo Villanueva echoed the sentiment. "We stand before a network of corruption established by the Alcatel company," he said. Although Costa Rica is effectively a two-party state, minor parties also took umbrage and advantage of the situation.

Said Bloque Patriotico Parlamentario Deputy Humberto Arce, "We have been governed in the last 12 years by gangsters and mafiosos who must be accountable. Don Jose Maria must return immediately to the country and confront justice."

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