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Hundred-day Assessment Finds Costa Rica's President Oscar Arias Becalmed, His Brother At The Helm

by Mike Leffert

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Costa Rica's President Oscar Arias has passed the 100-day mark in his second go-round in office, leaving an impression of a plodding presidency aimed mainly at achieving neoliberal goals. These aims have energized an already formidable opposition internally, while Arias appears to have designed his government in such a way that he will be the external, or international, president and his brother Rodrigo, whom he appointed minister of the presidency, will be the internal president.

During his first term (1986-1990) 20 years ago, Arias shone on the international stage, involving himself in finding solutions to a Central America exploding in warfare and winning a Nobel Peace Prize for the effort. But the world has changed; international pretensions have national consequences and vice versa.

Ratification of the Central America Free Trade Agreement (CAFTA) ranks highest on Arias' to-do list, and he has accomplished nothing visible toward obtaining it. Closely related to ratification is fiscal reform, and Arias cannot get CAFTA if he does not get the taxes that would allow him to comply with the conditions of the trade deal.

Supporters of one are not necessarily supporters of the other, explained Luis Solis of the Facultad Latinoamericana de Ciencias Sociales (FLACSO). "There's strong resistance on both themes from sectors that support him, but with antagonistic positions in both cases," he said. "Those who support him for taxes don't support him for CAFTA, and vice versa. This affects the slowness with which the government is moving." Worse, this is the situation just within Arias' Partido Liberacion Nacional (PLN), a party that has been out of power for eight years, during which time much has changed within the party and within the bureaucracy.

Added to these drags on momentum, Arias won the presidency with only the thinnest of margins (see NotiCen, 2006-05-11), and he does not have a manageable legislature to count on. Even where Arias has had legislative success, a strengthened opposition has exacted a price. With the government lacking resources for needed state-infrastructure improvements, a Ley de Concesion de Obra Publica was passed, allowing private companies to build and operate public works, like the Muelle de Caldera, the country's main Pacific port.

For the opposition, like Osvaldo Duran of the Asociacion de Proyectos Alternativos para el Desarrollo Social (PROAL), this is just a privatization scheme. "What they call 'democratization of property' is simply creating a legal framework to transfer the goods of the state to the corporations," said Duran. "It is not true that to repair infrastructure you have to give it in concession, and this is demonstrated when the deal is that the state bank finances the corporations in their projects. Why don't the state banks finance the state itself?" The answer may be complex, but one simple part of

it is that the government needs to start breaking up the state monopolies if it is to comply with the terms of CAFTA.

The trade agreement as written permits US firms to bid on state purchases and also opens telecommunications and insurance to international competition. These areas have the status of national patrimony in Costa Rica; resistance to taking them private is fierce within civil society (see NotiCen, 2003-11-06). Civil-society resistance has kept pace with Arias' insistence on CAFTA ratification.

The nation's largest labor organization, the Asociacion Nacional de Empleados Publicos (ANEP), accuses Arias of stirring the fires of social discontent by "insisting on an FTA [free-trade agreement] that is rejected by the citizenry." A recent ANEP statement signed by secretary-general Albino Vargas admonishes, "This FTA is generating so much resistance that to insist on its passage is to open the doors of a social conflict of grand dimensions." The statement goes on to promise unprecedented demonstrations on the public highways and streets and to promise that Arias will have to confront "the biggest event of civic activism ever seen through the Street Referendum, coming at the opportune moment, which is ever closer."

Arias' willingness to risk all on CAFTA is as evident in the legislature as it is in the streets. Since his party lacks a simple majority, the president needs cooperation from among the seven others in the legislature. "My impression is that [the administration] began with only one agenda," said Elizabeth Fonseca, head of the Partido Accion Ciudadana (PAC) delegation. "Their plan is to present bills that open the national institutions to competition and lay the groundwork for the approval of [CAFTA]." For something like that to work, the president might have been expected to try to make some friends.

Alienating congress and the people

But, said Ana Helen Chacon of the Partido Unidad Social Cristiano (PUSC), "What Arias has achieved has been to unite 32 opposition legislators against him because he has attacked us without cause. He has been given all the concessions he requested before the assembly, and then he goes and says that India's congress is more efficient with 5,000 legislators than this one with 57." The president made that statement in an interview with the national daily La Nacion.

That interview stirred a good deal of negative response for having revealed what has been called a mean streak or "hostile side of the president." The low marks Arias is getting for playing well with others casts a pall on whatever else he has done with his first hundred days, initiatives that might otherwise have been better received. He has tried to emphasize a bill he submitted to move about 20,000 families from slums into better housing using funds from a proposed tax on luxury homes.

The bill would allow the Banco Hipotecario de la Vivienda (BAHNVI) to invest US\$19.6 million in slum eradication. He has also obtained a US\$170 million loan from the Banco Centroamericano de Integracion Economica (BCIE) for infrastructure improvements, a major national issue. Those accomplishments have done little for Arias' eroding image.

A recent CID-Gallup poll shows 40% of Costa Ricans believe he will improve the country during his term. This is a 15% drop since May, when he took office. His current 44% overall-approval rating is lower than the 48% he earned for the first hundred days of his first term, and much lower than the 60% accorded his predecessor ex-President Abel Pacheco (2002-2006).

Carlos Carranza and Henry Mora, political analyst and economist, respectively, compared Arias' first hundred days with his campaign promises. They used the president's India statement as an example of his failure to maintain open dialogue. They criticized Arias' lack of effective communication both with the legislature and with civil society. "The government thinks it has the power to impose what it wants to impose without dialogue," said Carranza. Mora said the government is making a "huge error" in moving forward on CAFTA without social support.

This term is beginning to look like Arias' first, when he was not highly regarded at home but managed to shine on the world stage, with the Nobel prize as his crowning achievement. He has already made some high-profile international trips two weeks in Europe to see the World Cup, stop in on the pope, and talk with European politicians and then on to Colombia for the inauguration of Colombian President Alvaro Uribe. While in that country, he offered to become involved in Colombian peace talks. He also caused a flap with Cuba by breaking a date for talks with Cuban officials and announcing to the world, "I support, and always have, I have not changed my opinion, a regime change, and not a monarchical succession," in Cuba.

Removing any doubt about future relations with Cuba, he said, "My government has at no moment thought about re-establishing diplomatic relations with Cuba, and I will never renounce the right I have as a simple citizen of a free country to speak about the future of Cuba."

Out of Jerusalem, repairing a rift

In a differently confrontational move of international import, Arias moved the Costa Rican Embassy in Israel from Jerusalem to Tel Aviv. Foreign Relations Minister Bruno Stagno said the move would change the Arab world's perception of Costa Rica for the better. He said the decision was timed to coincide with the cease-fire between Israel and Lebanon to avoid the impression that Costa Rica was encouraging terrorism with the change of address. When Costa Rica moved its embassy to Jerusalem in 1982, the outcome was a break in relations with Middle Eastern nations, which adamantly denied any right of Israel to the city, much less as the Israeli capital.

Arias said the move was made because "it's time to rectify an historic error that hurts us internationally and deprives us of almost any form of friendship with the Arab world, and more broadly with Islamic civilization, to which a sixth of humanity belongs." Israel was furious. El Salvador now becomes the only country on earth with its embassy in Jerusalem.

Most countries left the city in 1980, when Israel passed a law designating Jerusalem as its eternal capital. The historic mistake to which Arias referred is that President Luis Alberto Monge (1982-1986) moved the embassy to Jerusalem disregarding UN Security Council Resolution 478, which declared Israel's claim on Jerusalem "null and void." As Arias seeks to establish himself

again as an international player, he has largely turned over the domestic presidency to his brother Rodrigo, the minister of the presidency.

Critics have pounced on this as a historic mistake of another kind. Said Luis Guillermo Solis of FLACSO, "In Costa Rica, we don't have the tradition of seeing a president who only works as chief of state. Generally it is as chief of state and of government. There is no tradition of a minister of the presidency who takes the role of, as he likes to call himself, prime minister." Solis called Rodrigo Arias a very able politician and one who has "more authority than any other minister of the presidency in the last 20 years," but, said the analyst, "it remains to be seen where this decision of the president is going to end up."

In the overlap between what is domestic and what is foreign, Arias used his trip to Colombia to advance his CAFTA agenda and once again brought a quick reaction from the popular sectors. During the inauguration festivities, he asked Chile's President Michelle Bachelet to send a mission to Costa Rica headed by ex-President Ricardo Lagos (2002-2006) to promote the trade agreement (see NotiSur, 2006-08-25).

Aggrieved at the ploy, twelve union leaders jointly signed a letter to the Chilean Ambassador in San Jose Albino Vargas, calling Arias' action "clear intentions of domestic manipulation." "Arias, in a desperate effort, appeals to your unquestionable socialist leadership in favor of popular causes to bring water to his mills, which are the interests of a small but immensely rich group with economic power," said the letter.

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