

Creating an International Network of Democracy Builders
Volume 1

**The Republic of Costa Rica: A Case Study on
the Process of Democracy Building**

CONTENTS

Acknowledgements..... 6

Tables and Figures.....8

.....

Political Factors: Political Culture & Civil Society Engagement.....	31
Reduction of Political Participation in the 1998, 2002 and 2006 Elections.....	31
New Political Actors: PAC, Partido Libertario & the.....	33
Re-Accommodation of Constituencies.....	33
Economic Factors.....	38
Commerce/Consumer Protection: Biased Notions of Monopolies & a Free Market....	41
Integration to Regional and Global Schemes and the CAFTA Debate.....	42
Social Equity and Distribution.....	44
Inequality & Evolution of the GINI-Coefficient in Costa Rica in the Last Decade.....	46
Internal Distribution of Wealth.....	48
The Need for Social, Fiscal, and Tax Reform: The 2004-2005 Fiscal Reform Project.....	49
Conclusion.....	51
References.....	53
Appendix I: Perlin’s Theory of Change Model.....	56
1. Propositions About the Nature of Liberal Democracy.....	56
2. Conditions Necessary to Achieve & Sustain Liberal Democracy.....	59
Appendix II: Costa Rica through the Perlin Model Lens.....	62
Operating Principle: Liberal Constitutionalism.....	62
Popular Sovereignty Expressed Through Institutions.....	63
Conditions Necessary to Achieve and Sustain Liberal Democracy.....	64
Appendix III: A Perlin Model Comparison between Costa Rica & Other Countries.....	67
Appendix IV: Costa Rican Democracy: A Dividend of Disarmament?.....	68
Executive Summary.....	68
Introduction.....	69
A Military Past & the Lesson of Carillo.....	72
The Last Civil War.....	75
Costa Rica’s National Security Structure.....	80
Conclusion.....	81
References.....	87

Acronyms

WTO	World Trade Organization
NAFTA	North American Free Trade Agreement
CAFTA	Free Trade Agreement for Central America and Dominican Republic.
CATO	A non-profit public policy research foundation headquartered in Washington, D.C. The Institute is named for Cato's Letters, a series of libertarian pamphlets that helped lay the philosophical foundation for the American Revolution.
FODESAF	Development Fund for Family Assignations.
CINDE	Costa Rica Investment and Development Board.
GNP	Gross National Product
GDP	Gross Domestic Product
GDI	Gender-related Development Index
GEM	Gender Empowerment Measure
IDD	Democratic Development Index
UNDP	United Nations Development Programme

Costa Rica's Political Parties

PLN	Partido Liberación Nacional (National Liberation Party)
PUSC	Partido Unidad Social Cristiano (Social-Cristian Unity Party)
PAC	Partido Acción Ciudadana (Citizen Action Party)
PML	Partido Movimiento Libertario (Liberal Movement Party)

Preface

*“Ley Fundamental del Estado Libre de
Costa Rica”*

Introduction

welfare State

aperturismo,

welfare state

1821 to 2000: Creation of Constitutional Government & Rule of Law

From 1821 to 1948 – Independence to Civil War.

Ley

Fundamental del Estado Libre de Costa Rica

The “Ley de Bases y Garantías” of Braulio Carrillo

Number of Primary Schools in Costa Rica				
Year	Schools	Students	Student per school	Total population
1821	50	2.492	48.58	65.393 (1824)
1838	41	2.415	58.90	78.365
1861	63	8000	126.98	120.499
1892	237	16815	70.94	243.205
1915	471	34703	73.67	430.701

Mimetic Processes of Legal and Institutional Reforms

Código Penal

Huelga Bananera.

The Bananera: United Fruit Company & Standards Fruit Company 1934 Strike

Bloque de Obreros y Campesinos

et al,

Social Reforms from 1942 to 1948

“Partido Liberación Nacional” & “Centro Para El Estudio De Los Problemas Nacionales”

Rerum Novarum Quadragesimo Anno Divini Redemptoris,

From 1949 to 2000 – The Second Republic

welfare state

de facto

Social *old regime,* *Caja Costaricense del Seguro*

The Nationalization of Banking Business Between 1948 and 1982

Partido Liberación Nacional's

-
-
-
-
-

de Costa Rica *Banco Central*

Decentralization: The Regime of Autonomous Institutions

Building Middle Classes: Costa Rican Policy Objectives from 1950 to 1980

Plan de Compensación Social

Early 21st Century Trends in Costa Rican Democracy

state

Rerum Novarum Encyclical

Constitutional/Legal Enforcement: The Supreme Constitutional Tribunal & General Law

Ley de Ilícitos Financieros

Ley de la

Jurisdicción Constitucional

Ley de Control Interno

Political Factors: Political Culture & Civil Society Engagement

Reduction of Political Participation in the 1998, 2002 and 2006 Elections

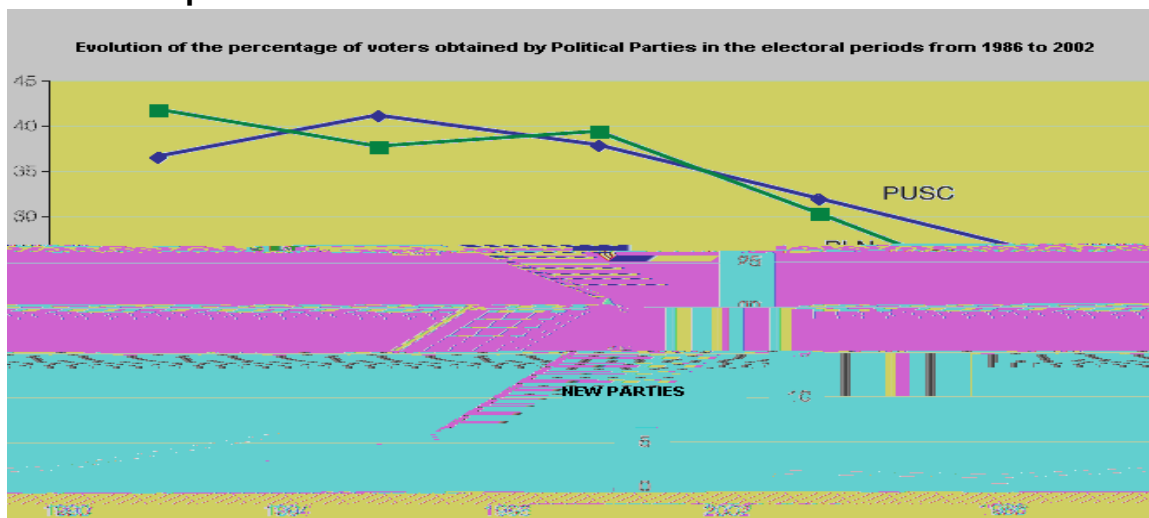
Partido Liberación Nacional

Partido

Unidad Social Cristiana (

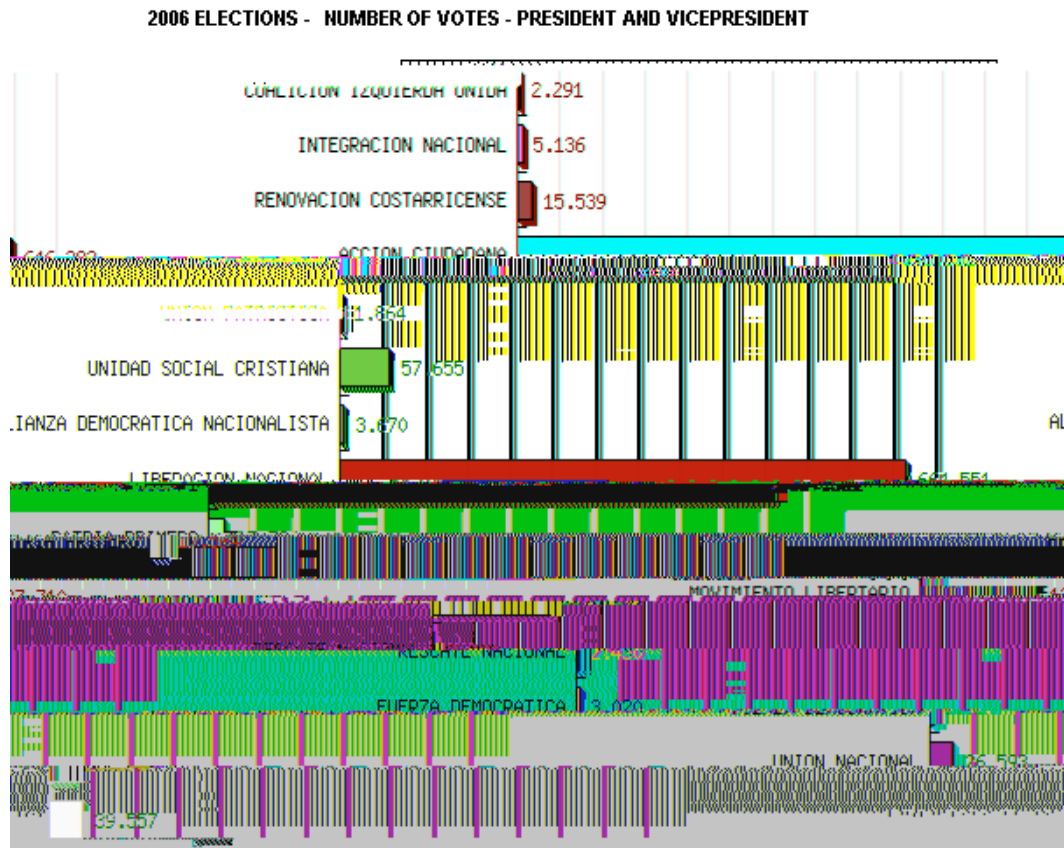


Evolution of the percentage of voters obtained by political parties in electoral period 1986-2002



***New Political Actors: PAC, Partido Libertario & the
Re-Accommodation of Constituencies***

2006 Elections-number of votes-president and vice president³⁰



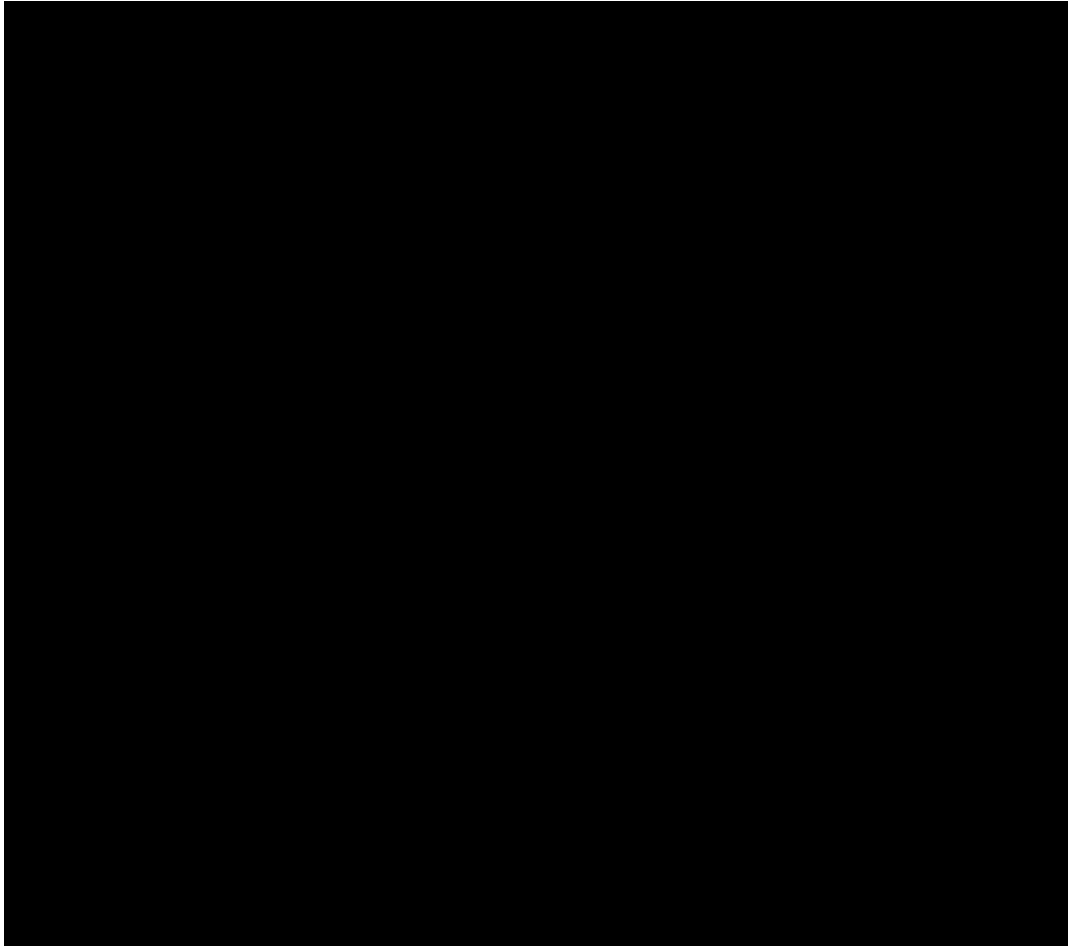
Partido Movimiento Libertario

CATO Institute

Partido Unidad Socialcristiana

Rerum Novarum

2006 Electoral Process, Conformation of Legislative Assembly³¹



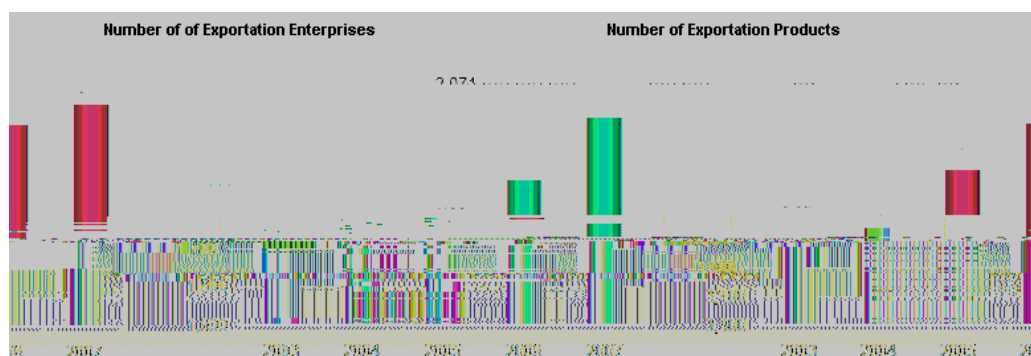
³¹

2006-Number of Votes - Deputies of the Legislative Assembly

Economic Factors

--	--	--	--	--	--

Number of Exportation Enterprises and Products



régimen de zonas francas

Economically Active Population for Activity Area -- Number of Persons		
Area	1990	1999
Agriculture	270.371	270.843
Public Services	257.982	338.731
Industry	192.429	217.024
Commerce	167.268	286.558
Construction	70.753	89.514
Transport	42.368	77.004
Financial Services	34.893	68.580
Electricity, Gas and Water	12.779	13.562
Mines	1.842	2.299
Not Specified	15.977	19.337
Total	1.066.662	1.383.452

Commerce/Consumer Protection: Biased Notions of Monopolies & a Free Market

Ley de Promoción de la Competencia y

Social Equity and Distribution

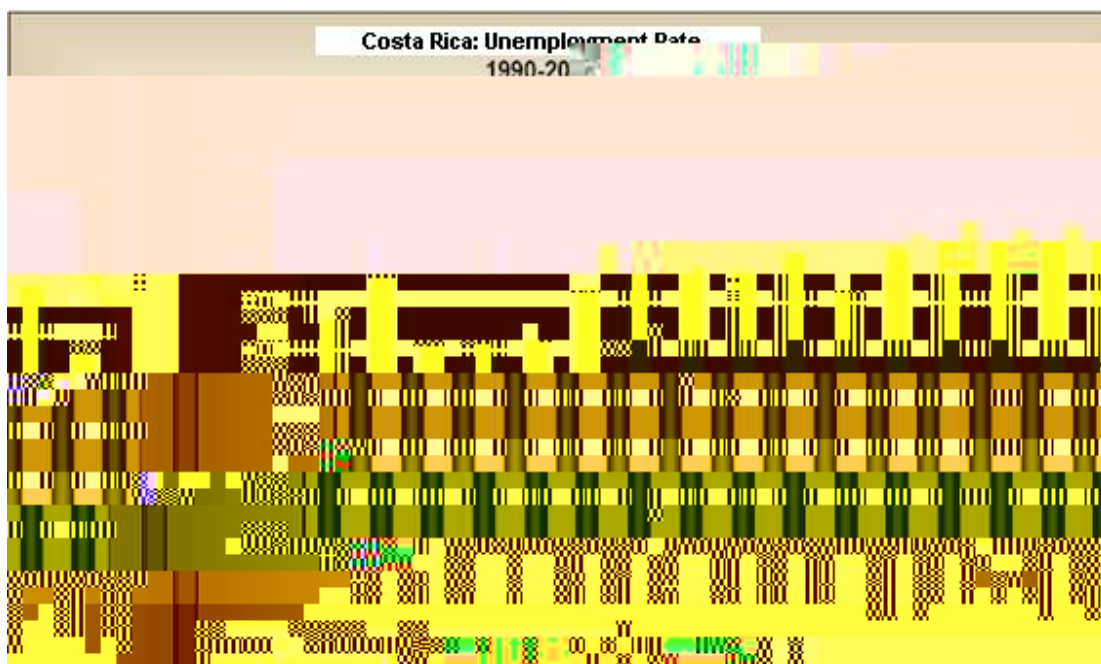
Human Development Index Trends	1975	0.746
	1980	0.772
	1985	0.774
	1990	0.794
	1995	0.814

Ministerio de Hacienda

Gini Coefficient			
Year		Year	
1987	4032	1997	3820
1988	3884	1998	3909
1989	3747	1999	4019
1990	3758	2000	4131
1991	3932	2001	4345
1992	3799	2002	4320
1993	3800	2003	4266
1994	3891	2004	4195
1995	3790	2005	4078
1996	3952	2006	4230

Misterio de Comercio Exterior

Costa Rica: Unemployment rate 1990-2007⁴⁶



Internal Distribution of Wealth

Programa Estado de la Nación

The Need for Social, Fiscal, and Tax Reform: The 2004-2005 Fiscal Reform Project

Conclusion

References

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and the Caribbean*

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Democracia y Gobernabilidad.

Human Development Report 2007-2008

Principales de Evolución de la Economía Costarricense
(1988-2004)

Measuring Inequality

- c) Policy-making procedures within the executive incorporating consultative mechanisms are designed to ensure representation of public opinion.
- d) There is transparency & impartiality in administration of public spending.
- e) There are institutions & processes to protect citizens from arbitrary actions by the executive (for example, freedom of information & privacy laws administered by officers accountable to legislature.)
- f) There are processes to provide citizens with the means to appeal administrative decisions.
- g) There are effective conflict of interest & other “anti-corruption” laws.

Element B2: Political elites chosen through, regular, free & fair elections

- a) Universal franchise exists.
- b) Formal rules & institutions exist to ensure independence of administration of elections.
- c) Mechanisms are in place to ensure equality & fairness in system of voter registration.
- d) Protections for secret ballot exist.
- e) There exist mechanisms for ensuring equality & fairness in tabulation & reporting of election results.
- f) Regulation of party & electoral campaign finance operates to ensure reasonable fairness in competition & to establish confidence in the integrity of the system.

Element B3: A genuinely competitive system of party politics effectively representing a broad spectrum of societal interests & contributing to accommodation of diverse interests.

- a) There is an absence of barriers to forming parties & competing.
- b) Internal party processes provide for open access to, & fairness in, nomination of candidates for office & selection of leaders.

c) State elites & personnel know & respect the limits on their authority, understand their duties under a liberal-democratic constitution, & are committed to the legitimacy of the system.

d) Citizens are committed to the legitimacy of the system: they accept decisions with which they disagree because they recognize the legitimacy of the processes by which the decisions have been made.

Widely Agreed Condition 3: Civil Society

a) There exists a substantial network of active, autonomous, organized groups pursuing a multiplicity of diverse individual interests outside the sphere of state authority.

b) Group participation is voluntary.

c) Groups are free to form around any set of social, economic, or cultural interests.

b) There is widespread citizen participation in group activity.

c) Individuals have multiple group memberships reflecting differing aspects of their individuality.

Facilitating Condition 1: Open, non-polarized, system of social stratification

a) Large middle class.

Appendix II: Costa Rica through the Perlin Model Lens

should

ideal standard

desirable

constitutional remedies and mechanisms of constitutional protection, following French, Italian, British, Canadian and US constitutional models. Over the last decades, the influence of the Spanish constitutional model system has also generated extended dialogue on jurisprudence and comparative law exchange.

Rule of law incorporating the principles of the supremacy of the law, equality before the law, and the impartial and fair administration of the law

Along with improvements in the functioning of the Constitutional Chamber, there has been a considerable improvement in substantive remedies, procedures and the different normative tools for protecting the values and principles of the rule of law, the supremacy of the Constitutional body, the equality before the law, and the impartial and fair administration of legal provisions. In general, a number of international experts assert that Costa Rica has developed, over the last four or five decades, an efficient and well-implemented jurisdictional system. For instance, *la acción de inconstitucionalidad* ("action of unconstitutionality," a mechanism to protect constitutional guarantees) has been consistently and progressively used, as have measures such as *habeas corpus* and the

The Costa Rican bipartisan model was transformed over the last decade into a system of political and electoral uncertainty (following the trend of other Latin American countries). Figures show an increasing result in the diversification of political trends and their effects in the current Legislative Assembly. Broad spectrums of social interests, and a pluralist representation of society, are fairly represented within the 57 seats in Parliament. However, we see in this study that this immense divergence can hobble legislative consensus, and can weaken effective governance through legislative policies.

Governing institutions that are effective, responsible and accountable to citizens

Major reforms were undertaken in 1978 with the approval of Law 6227, “The General Law of Public Administration” (*Ley General de la Administración Pública*) to the legal framework for the public sector and the general activity, performance, and scope of governing institutions in Costa Rica. Among other regulations, this legal provision established the competencies, functioning, and areas of control, duties, rights and responsibilities of public institutions, with regard to both legitimate and illegitimate actions. In general terms, the technical notion of an objective responsibility of the State—a substantial advance in French, British and Anglo-Saxon Public Law from the first part of the 20th century, has evolved in Costa Rica as well over the last four decades.

Furthermore, Articles 9 and 11 of the Political Constitution of 1949 define the transparency and accountability of the State before citizens. Article 9 establishes the “responsible” character of the State, while Article 11 (reformed in 2000) deals with the general notion of rule of law (*principio de legalidad*) and the mandatory transparency and accountability of the public functions.

The legal framework and implementation of the principles of public and governmental accountability has also been established in norms as the *Ley Orgánica de la Contraloría* (“General Law of the Comptroller’s Office,”) Law number 7428-94, and the *Ley de Control Interno* (“Law of Internal Control,”) Law number 8292-02. Nevertheless, many experts in public affairs consider the efficacy of such norms inadequately implemented. The political culture of the Costa Rican population has been deemed insufficient for the correct exigency of responsibility. Besides, the civilian population lacks direct legal or institutional instruments to control public performance.

A system of political communication that ensures free flow of information about public affairs

The legal system in Costa Rica, established in constitutional norms, defines the public character of State policies. Publicity and flow of information are deemed fundamental to democratic society. In this sense, the creation of the *Defensoría de los Habitantes* (“Ombudsman,”) in Law number 7319-92, seeks to guarantee the protection of the rights and interests of citizens before the actions of the State, including the publicity of its policies.

Other institutions, such as the *Autoridad Reguladora de los Servicios Público* (“Regulation Authority of the Public Services”) and the *Contraloría General de la República* (“General Comptroller’s Office”) aid the flow of public information from the government to the civil population.

Conditions Necessary to Achieve and Sustain Liberal Democracy

Essential Conditions

Essential Condition 1: Political engagement of citizens

Essential Condition 2: Democratic political culture

Essential Condition 3: Civil society

Costa Rican politics have experienced slow erosion of the electoral system, and a fracture between the political parties and their historical constituencies. Beginning with the national elections of 1998, political participation has decreased substantially, changing the historical pattern--- from more than 80% of political participation that the country enjoyed for almost half a century--- to less than 70% in the 2006 election, including the national referendum of CAFTA, with only 60% of effective ballots from all the registered voters. A number of factors seem to have influenced this significant fracture of Costa Rican 'political and electoral pacts`.

First, the increasing inability of many administrations to address some of the most endemic and sharp social and economic demands, such as poverty reduction (the country has suffered, for decades, a 20% rate of structural poverty, most public policies having failed to reduce it,) as well as citizen security, one of the most currently crucial issues in current Costa Rican society. Secondly, the absence of strong party ideological platforms, has generating an extended process of deterioration of electoral loyalties, political dis-alignments, and the evaporation of the historical Social Democratic or Social-Christian constituencies, to refer to the two most important political parties of the last 50 years. Third, an increasing number of cases of corruption and public mismanagement of public funds, committed by many prominent politicians over the past ten years have had a deleterious effect. For instance, charges of corruption and the subsequent imprisonment of two former presidents, Miguel Angel Rodriguez Echeverria (1998-2002, who resigned, upon such charges, from his position as Secretary General of the Organization of American States,)-and Rafael Angel Calderon Fournier (1990-1994), deepened citizens' cynicism. Both ex-presidents were indicted but the trial has yet to take place. Another former president, José Figueres Olsen (1994-1998), opted to exile himself for the same reasons, and his case was discharged by the Public Prosecutor just recently. These factors have negatively affected citizens' behavior towards Costa Rican political parties since the 1990s.

Facilitating Conditions

Facilitating Condition 1: Open, non-polarized system of social stratification

Throughout the late 19th and early 20th centuries, Costa Rica worked to create acceptable mechanisms of internal distribution, and to position itself as a high-middle ranking country in the Human Development Index of the UN, resulting in fluctuations between ranks 28 to 45. The country has been able to transform a quite modest per-capita, no higher than US\$ 5,000 per year since the 1990's, (even lower than many other Latin American countries) in such a way that most citizens have benefited from such social investment in extended educational and health systems, as well as other public provision policies. However, the percentage of poverty, and the number of vulnerable persons has risen slightly in this period.

Facilitating Condition 2: A functioning market economy regulated to prevent disproportionate aggregations of power and ensure fairness in economic relations

Appendix IV: Costa Rican Democracy: A Dividend of Disarmament?

Timothy Andrews Sayle and Patricia DeGennaro

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-
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coup d'état

A Military Past & the Lesson of Carillo

Guerra

1870s-1950s

Demanding Democracy: Reform and Reaction in Costa Rica & Guatemala,
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The Last Civil War

Vanguardia Popular

Popular

Casa Presidencial

Vanguardia

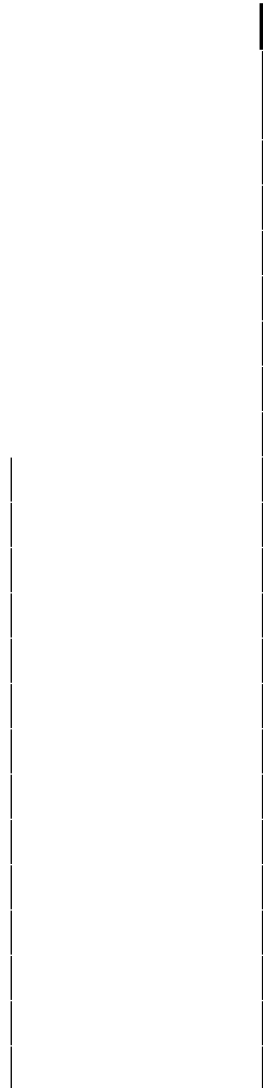
Costa Rica's National Security Structure

Conclusion

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