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Institute of Current World Affairs
The Crane-Rogers Foundation
4545 42nd Street, N.W., Suite 311
Washington, D.C. 20016
U.S.A.

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GUATEMALA

Ezra Fieser is an Institute Fellow based in Guatemala writing about the changing economic structures.

Costa Rica: *Booming on the Backs of Nicaraguans*

By Ezra K. Fieser

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LA GUASIMADA, The Costa Rica-Nicaragua Border — They gathered around the rusting barbed wire and rough-cut planks of a cattle fence that marked the border and waited for the police to leave so they could walk into Costa Rica's economy.

A long line of trucks, stopped a few yards away on the Pan-American Highway at the official border-crossing station, idled a low hum. A few younger Nicaraguans climbed a nearby 10-foot-tall concrete wall to cross the border where Costa Rican guards weren't stationed. Others tried to run in plain view of the guards and were picked up and brought back to the border station, where they'd be released within hours. A few who disobeyed the guards' orders might get shot in the foot, just to teach them a lesson, a Costa Rican guard told me.

Most gathered in little groups near the fence and waited. A 12-year-old boy slept on an overstuffed suitcase. Two childhood buddies, already seasoned border hoppers in their early 20s, paced nearby. A woman, seven-months pregnant, took shade under a shabby tree. The group was nothing if not varied. Economic conditions brought them together—all poor Nicaraguans who said there was no work to be had in their hometowns. Each paid 50 cents to cross onto this cattle farm known as La Guasimada, a dangerous place where police say coyotes often rob their clients and drugs pass freely on their way to the United States. Because it is private property, the police do not patrol it. A few days before I arrived, a 29-year-old Nicaraguan was found dead. He'd been bashed in the skull five times with a blunt object. The police could not say why.

For Nicaraguans, the trip is worth the risk. They could cross legally for \$30, but that would require a three- to five-day wait to process paperwork and spending two weeks' pay — or more, depending on the trade. So, instead they come here, usually by bus. They get off at the last stop in Nicaragua and walk three kilometers to



(top) A Nicaraguan mother, seven months pregnant, and her 4-year-old son, walk through La Guasimada on their way to Costa Rica. She works cleaning hotel rooms in Costa Rica's booming tourism sector. (bottom) A group of Nicaraguans gather at the edge of a cattle farm and wait for the Costa Rican police to leave so they can walk over the border illegally.





This gate near the official border is passed through to get to La Guasimada.

the border, where they encounter humorless Costa Rican guards. I was there on a searing Tuesday in the middle of Nicaragua's dry season. The Nicaraguans, after a few hours of sitting and pacing, started an argument. The police called the Nicaraguans criminals. "Criminals? Your country would be nothing without us," one Nica yelled, his back turned to the guards. Sitting near the fence, another Nica said "Costa Rica would be like Nicaragua if

you didn't have us." Even the tired and annoyed Nicas laughed. The guards didn't crack a smile.

By 6 p.m., the guards had gone home and the migrants walked across the border unmolested. Three miles later, they'd catch a bus, and then another bus. Some would go to jobs near the capital, San José. Most would go to Costa Rica's Pacific Coast. Nicaraguans have migrated



A coyote, left, tries to talk three Nicaraguans into each paying him the equivalent of \$12 so he can smuggle them into Costa Rica.

to Costa Rica for generations. At first, they were fleeing their civil war. In the '80s, the political situation drove them across the border. Now, they are looking to escape Nicaragua's dire economy — the second weakest in the hemisphere by per capita output, behind Haiti. Despite what the standoff at the border might suggest, Costa Rica knows thousands of Nicaraguans cross illegally every day. Its economy — by all measures the strongest in Central America — depends on it.

The World Bank estimates more than half of those who migrate from a developing country are bound for another developing country. In some ways, it's immigration that works. Costa Rica is attracting companies that require more skilled workers and will pay them higher wages. But it needs Nicaraguans to fill the labor shortage in agriculture, construction, tourism and some service industries that are still the basis for the Costa Rican economy. In return, Nicaraguans find jobs that pay more than they could earn at home. Remittances that Nicas send back home have become that country's second-largest source of foreign income. And the Nicaraguan government, already stretching to provide needed social services, has a relief valve that allows it to export about 10 percent of its population to a more prosperous neighbor.

Investment in Latin America passed the \$100 billion mark for the first time last year. And by opening markets through the signing of the free trade agreement with the United States, the five Central American countries are receiving a greater portion of that money than ever before. The \$5.1 billion the countries received in 2007 marked a 70 percent increase from investment in 2006.

Foreign investment is transforming Costa Rica's north-west Pacific Coast into a high-end tourist destination at a rate that has some environmentalists and economists worried. The growth in tourism means an additional 140,000 Nicaraguan workers will be needed by 2011 to build hundreds of hotels and condominium buildings. Tens of thousands more are expected to be needed in other industries, including agriculture, house cleaning, baby sitting and other services.

An estimated 400,000 to 500,000 Nicaraguans already live in Costa Rica, representing about 10 percent of the country's population. They are blamed for depressing wages and causing crime rates to rise. Costa Rica went so far as to pass a U.S.-style immigration law that even its president called Draconian. What's more, despite having migrated for decades, it appears that Nicaraguans have failed to assimilate and consider themselves an underclass in a country that is otherwise one of the most egalitarian in Latin America. On the Nicaraguan side of the border, migration has been blamed for the deterioration of the family unit and the crime that has followed. Nicaragua's stagnant economy and poverty levels might also result from the fact that hundreds of thousands of its most able-bodied workers have left.

"I think we've reached a point where the negative impacts of immigration to Costa Rica are stronger than the positives," said Roberto Orozco, an analyst with the Instituto de Estudios Estratégicos y Políticas Públicas, an independent Nicaraguan research group. Orozco, who produced a 2007 report to the Congress on the issue, said the impact of migration ranges from a labor shortage dur-





The Island of Ometepe seen from the southern shores of Lake Nicaragua.

ing coffee harvest to a rising juvenile crime rate in areas where children are growing up without their fathers. "The effects are numerous and disastrous and can be seen in both the economy and throughout society."

* * *

Rodolfo Padilla Alberto is uncoordinated. When he plays soccer, his friends call him titere because he moves in exaggerated puppet-like steps. At Guasimada, his gangly frame stood out. He waited, back turned to the fence, a few feet away from the others. They jousting with the Costa Rican guards. He was silent. "It's like this every time I cross," which is about once a month, he told me. Padilla was on his way to the Costa Rican town of Tamarindo, where a job on a construction crew building a hotel and condominium project awaited.

He passed much of the previous night drinking La Victoria Beer in a bar in San Jorge, a one-street town on the shore of Lake Nicaragua. The town is a short ferry ride from Ometepe, a volcanic figure-8 shaped island of 35,000 people in the middle of Lake Nicaragua. Padilla grew up on the island and started leaving for work in Costa Rica when he was 17. "I never looked for a job there. I just started coming to Costa Rica because it was easy and you could make more money." At first, he picked melons in northern Costa Rica. Nicaraguan labor is crucial to the agricultural sector in Costa Rica. A study by the University of Costa Rica estimated that between 80 and

90 percent of agricultural work is done by Nicaraguans. Agriculture, while having fallen behind manufacturing in economic importance, still accounts for nearly 10 percent of the country's GDP. And an increase in coffee, pineapple and banana exports helped the country grow its foreign sales by nearly 15 percent in 2007, according to the United Nations' Economic Commission for Latin America and the Caribbean.

But farm work was seasonal and Padilla earned the equivalent of \$1 per day, working long hours. (Today he'd earn \$2.50 to \$3, according to Nicaragua's Ministry of Labor.) He picked melons for a few years but after he met his wife, Lucy, he realized it would not be enough to support a family. He followed a friend to Guanacaste, where, he was told, he would be hired even though he'd never picked up a hammer. He was. His first job was back-breaking. He walked wheelbarrows full of either cement or trash back and forth to the construction site all day, six days a week and half day on Sunday. Grueling, but lucrative. He was earning double what he earned in the melon fields and his employer gave him a place to sleep and free lunch. "Everything was better," he said.

Two months passed before I again saw Padilla at his jobsite in Tamarindo. Except for the construction crews, the little Pacific oceanside tourist town's streets were vacant on the drizzly Sunday at midday. Padilla said he works half days on Sunday. On the weekends he does not go back to Ometepe to see his wife, who has been living



Construction workers, many of whom are Nicaraguan, line up for lunch.

Padilla shared a small one bedroom with five other workers, all Nicaraguans he'd met working at construction sites. It was located on the outskirts of town, near a handful of two-story concrete buildings, outside of which other Nicaraguans gathered, sitting on plastic lawn chairs and cooking food on charcoal grills. It was the first time Padilla had lived close enough to walk to work. Previously, he took a 45-minute bus ride each morning from Liberia. "I always thought things here would be hard, that I would always be counting the days to go back home. But it is easier to live here than it is at home, to live in Nicaragua," he said. The pressures that come with poverty — where the next meal will come from, how long will a job last — are a distant memory when he's in Costa Rica. But Padilla fears the effects of his son growing up without a father in the house and that the distance between him and his wife will strain their relationship. Nicaragua has shown signs of social unrest in recent years that some researchers attribute, in part, to migration. Gang violence, nearly unheard of in the early 1990s, is spreading. The U.S. State Department in its 2008 crime report classified the crime rate as high, citing "incidents of gang activity [that] continue to rise in frequency."

The "choice to be made is whether to live there and be poor, to live with nothing with your family, or to come here and send money back and hope it makes life better," Padilla said. He sends between \$50 and \$60 dollars back to his family

every two weeks. Remittances hit an all-time high in Nicaragua last year, according to the Inter-American Development Bank. A total of \$990 million was sent back to the country in 2007, a 20 percent increase from five years earlier. The money migrants send home is now the country's second-largest source of foreign income behind exported goods, which were valued at \$1.26 billion last year, according to preliminary 2007 data from the Nicaraguan central bank.

Tamarindo rattled my expectations. Nicaraguan government officials had told me of the poor conditions in which workers live in Costa Rica. I was expecting dirt floors and cat-sized cockroaches. I found simplicity but not squalor. Cases of foul conditions

have been discovered. Last year, investigators from Nicaragua's Ministry of Labor found several Nicaraguan families, including small children, living in unsafe conditions in Guanacaste. As a result, the department plans to send investigators twice annually instead of once every two years. But the ministry only oversees documented Nicaraguan workers who travel to Costa Rica with a contract from their employer and the permission of the Nicaraguan government. The vast majority — the exact percentage is elusive — are undocumented.

While Nicaraguans do not live as equals to Costa Ricans, the notion that Nicaraguans are enduring terrible conditions appears to be largely conjecture. The Nicaraguan Ministry of Labor could give me no other examples of abuses.

The dozen or so immigrants I spoke with told me



Signs and sales offices for condominiums line Tamarindo's streets.

they were happy with the conditions and treatment from their employers. In fact, most told me that conditions had improved in recent years. That idea only reaffirms the value of the Nicaraguan worker.

They are an integral part to the future of Costa Rica's economy.

Last year, foreign firms directly invested a record \$105.9 billion in Latin America, according to the United Nations' Economic Commission for Latin America and the Caribbean. It bested the previous record of \$89 billion set in 1999, when many Latin American governments privatized services and attracted one-off investments. In Latin America, where the large economies of Brazil, Mexico and Chile attract most of the foreign investment, Central America attracts a small but growing percentage of foreign money. In 2002, the five Central American countries included in CAFTA received about \$1.8 billion, or 2.4 percent of the money that went to Latin America. In 2007, the region received 4.8 percent of the total investment in Latin America. Its share increased so dramatically, in part, because it implemented the Central America Free Trade Agreement, which set a schedule to reduce and eliminate tariffs on goods passing between five Central American countries, the Dominican Republic and the United States.

Costa Rica, which signed on to the free trade pact, has failed to pass all needed laws to enact the agreement. It is expected to implement it by October 1. Nevertheless, Costa Rica's willingness to adapt its laws and sign the agreement has made it ripe for investment. In 2007, it received \$1.9 billion in foreign direct investment, a 29 percent increase from what it received the year prior and an investment that topped all other Central American countries, even Panama, which had long led the race. By contrast, Nicaragua last year attracted the least of all investment in Central American countries, receiving \$335 million, just 17 percent of what Costa Rica received.

For Costa Rica, the number by itself is impressive, especially considering that in the 1990s it was receiving an average of \$343 million per year. More remarkable is where a greater portion of the investment is going. Other CAFTA countries saw investment headed to low-end manufacturing, such as sewing factories. Costa Rica got boosts in areas such as

aeronautics, medical devices, and services that included engineering and design. CINDE, a private Costa Rican, business-led organization that seeks to promote foreign direct investment, said 27 foreign high tech firms opened in 2007, bringing a total of \$421 million in investment and 6,352 jobs. The same year, Boston Scientific, the medical device maker, said it would expand operations from 2008-2011 and double its employment to 2,400. And Continental AG, citing the benefits of the CAFTA tariff schedule, said it plans to open an electronic car parts plant next year, a \$61 million investment expected to create 550 jobs.

The quality of investment is not a fluke. The Costa Rican government has pushed hard to attract higher-end manufacturing jobs. In 2007, it launched the "Costa Rica Multilingue" plan with an ambitious goal: by 2017, 100 percent of its high school graduates will speak English. It also modified tax laws, creating incentives for investment in targeted areas, mainly high technology. The investment helped the country's GDP grow by 7 percent in 2007. And although inflation — always a problem — remained high, at 10 percent in 2007, unemployment fell to 4.6 percent from 6 percent a year earlier.

Despite the growth in those sectors, agriculture and tourism remain key to the Costa Rican economy. The CINDE report concluded that 'tourism property development has, in relative terms, become highly important in Central America. In Costa Rica, it has been among the main [foreign investment] recipient sectors in the country over the past few years.'

Guanacaste has been a major recipient of that investment. And Tamarindo is one of the best examples of the transformative power of that investment. In less than a decade it has gone from an ocean-side backwater best



A tourism industry has grown up around miles of Costa Rican beach, such as this one in Tamarindo.



Construction is one of the first things that greet visitors as they roll into the town on its main street.

known for the leatherback turtle and surfer-friendly breakers to an Americanized tourist destination complete with all-inclusive resorts, trendy shops and beachfront real estate. Sales offices, rivaled only by restaurants in numbers, push condos, timeshares, and single-family homes that can break the multimillion-dollar mark. For every five or six SUV's that cross Tamarindo's streets, one construction vehicle rumbles past. Three towering construction cranes are visible from the beach in the town's center.

The development business is so booming that it makes it hard to remember that Costa Rica promotes itself as an eco-tourism destination. In Guanacaste, development has pushed into jungle. University of Costa Rica researchers estimate that the country has lost half of its monkey population in the last 12 years as a result of habitat destruction. In Tamarindo, bright lights from the increasing number of hotels and condos are blamed for disorienting leatherback turtle hatchlings. Instead of swimming out to sea, where they are safer from predators, they are attracted to the light. It's one of many factors causing the population to dwindle, scientists say. According to the Leatherback Trust, a nonprofit preservation group, the worldwide population of adult females has dropped from 115,000 in 1980 to 25,000 today. Earlier this year, President Arias told a Reuters

reporter that development in Tamarindo has gotten out of the government's hands. The development is so rampant that a recent report from a consultant hired by the Costa Rican Hotel and Resorts Association suggested the country reconsider its eco-tourism label.

While building-height restrictions and planning measures are being considered, few believe the pace of development will slow in the short term. In the mid 1990s, the government constructed an airport in nearby Liberia that receives flights direct from the United States and Eu-



A movement against dense construction is taking hold in the area.

rope. With the number of tourists traveling to Guanacaste reaching the 250,000 mark, the Costa Rican government decided to expand the airport with a \$15 million investment. And hotel companies are building bigger, more luxurious hotels. A \$100 million Ritz Carlton hotel, the first phase of a \$1 billion real estate and golf course development, is expected to open by 2010 in Guanacaste. A 310-room JW Marriott hotel and spa is expected to open this year. And New Jersey-based Global Financial Group is financing the construction of a \$300 million development that features a golf course and 214-room Hyatt Regency hotel, which is expected to open by year's end.

"Those are just the big, flashy developments. If you look up and down the coast, there are tons of smaller hotels, condominium buildings, shopping centers and housing developments," Shawn Maricle, a real estate broker who works closely with developers to push pre-construction sales of condominiums, said. Maricle, a transplant from Florida who has worked in real estate for five years, said development is at the highest level he has seen.

Without Nicaraguans, "construction on the coast would come to a halt. They are imperative to the future growth of the region," Maricle said. "There is just not enough labor locally to fill all the jobs."

Nicaragua's Confederacion Sindical de Trabajadores, the country's largest labor union, estimates 100,000 Nicaraguans live or travel to Guanacaste regularly for work. During the next three years, an additional 140,000 Nicas will be needed to fill construction jobs there, said Luis A. Barbosa, the union's president, who communicates regularly with employers in Costa Rica that are searching for laborers. Barbosa said it's not just Costa Rica that is looking to Nicaragua to supply labor. Guatemala, he said, estimates it will need 60,000 workers during the next three years and El Salvador — which received the largest relative increase in foreign investment between 2006 and 2007 — has already welcome thousands of Nicaraguans with its relative high wages. "Nicaragua, under this system, is a bottomless pool of cheap labor for the region," Barbosa said. "We lose our young workers. How is our economy supposed to improve?"

Outside of Barbosa's office in downtown Managua, Nicaraguans lined up to check on job openings, including those in Costa Rica. The union takes part in a recently initiated cross-governmental program that is working to cut down the number of migrants that go to Costa Rica illegally. It does so by matching workers with employers, creating a legal work contract between the two, and expediting migration papers. The program is one of the first attempts to control the migration. To say it has gotten off to a slow start would be an understatement. The Ministry of Labor, which oversees the program, approved only 31 contracts for agricultural workers and 70 for construction workers during the first three months of the year. It is estimated that 1,500 cross into Costa Rica illegally by way of La Guasimada every day. Instead of following the program,

most laborers inquire about job opportunities and go illegally. Because they avoid paying the \$30 fee for a visa, it's cheaper. And although the application process takes just five days, the workers say that is time and money lost.

The line was a good indication of the demographics of those who flee Nicaragua. They were overwhelmingly young adults — from teenagers to their late 30s. And they were fairly evenly split between males and females. The most recent Costa Rican census produced similar findings: 83 percent of Nicaraguans polled were under the age of 40; slightly more than half were female; 60 percent lived in urban areas.

For many Costa Ricans, those statistics help confirm a stereotype: Nicaraguans who come to Costa Rica are young and eager, and willing to take almost any job. In a word, they are desperate, the label says.

LA GUASIMADA

At times, Adrianna Gutierrez likes to stop the story of her life at that sun-drenched nothing of a place. She likes to imagine what would have happened if she'd turned around and went back home to Managua. She'd still be poor, she said, but she'd have a small family, a tiny house, probably nothing more than two rooms, friends and relatives. She would have been a nurse in Nicaragua. That's what she tells herself.

Instead, she's slouched on an uncomfortable imitation-leather barstool in the ground floor of Hotel Del Rey in downtown San José. The place is roughly the equivalent of a Key West bar gone horribly astray. The customers are nearly all middle-aged white men, mostly from the United States, and nearly all wearing Hawaiian shirts. Hair is thin and waistlines are thick. And there are hardly enough of them to go around. Prostitutes, like Adrianna, are swarming. I counted more than 100 on the night I was there. Those lucky enough to get a man's ear were competing with at least one — and sometimes two — other women. Others seemed resigned to just chat with their friends.

For a while, Adrianna had Tim, a 50-something former banker from Houston, to herself. Her arm was wrapped around her lower back. His hand occasionally ran down the back of her bare thigh. She was dressed in a tan dress so short that Tim kept referring to it as her "long shirt." I heard most of the conversation pretty clearly from my position on the next barstool. He was divorced three years ago and will never marry again. She divorced her abusive husband just a year ago. The previous day Tim bested his buddy by four golf strokes, motioning across the bar to a 6-foot-something heavy-set fellow Texan who had placed one young girl on his lap and another on the barstool next to him.

In an instant, Tim and Adrianna had disappeared



(Above) A small commercial area stands between the official border crossing at Peñas Blancas and La Guasimada, where many cross illegally. (Below) A young Nicaraguan boy grasps the barbed wire that marks the Costa Rican border. He waited about 8 hours to pass the border with his father, who works in a hotel in Guanacaste.



toward the hotel lobby, where rooms can be rented for as little as \$10 (Prostitution is legal in Costa Rica).

Within minutes, Adrianna was back and had retaken the spot next to me, alone. Tim, she said, was jerking her around. "The guy doesn't know what he wants. I don't have time for that," she said. "What's wrong with you, anyway. Don't you like girls?" I suppose my discomfort with the place showed. I was trying hard not to make eye contact. The truth was that the bar was showing the Yankees game, a rare treat. By the time the game ended, evening had come and so had the clientele. The fact that I was not looking for companionship seemed to give Adrianna reason to drop her guard. She began making fun of the men in the bar and dropping

tidbits of her life along the way.

"What's wrong with me," she asked, "maybe I don't have it anymore." She patted herself as she talked. "It's been 10 days since I had any business."

"What happens when you don't have any business," I asked.

"My son doesn't eat," she said.

Adrianna's 6-year-old son spent most evenings with a neighbor. She was exaggerating. He'd eaten over the past 10 days, of course, but times had passed when he'd go hungry for a day or more.

Adrianna had not come to Costa Rica to be a prostitute. She came eight years ago at the age of 21 to work as a nanny. At the time, she could earn \$200 a month, more than double what a nurse earned, she said. But two years later, she found herself pregnant and out of a job. She considered moving to Nicaragua but figured she'd have less luck finding work. "I stayed and ended up doing this," she said. "When I work a lot, I make more money than I ever could as a nurse." She makes \$1,000 in a good month.

Adrianna's story is uncommon in the sense that she fell into prostitution. But Nicaraguan immigrants frequently come to Costa Rica with the idea of working a short time to earn money, but end up staying. Orozco, the analyst, says only 20 to 25 percent return.

"When the job they went there to do ends, they go work in other areas where the pay is low, like basic services. Because they are less well educated, they never improve their spots," said Orozco. Although more families are migrating — and enrolling their children into Costa Rican schools — the majority leave a spouse and children back in Nicaragua. "It is part of this cycle of poverty. The improvements to livelihoods they can make by migrating are minimal."

While I was in San José, I met George Gonzalez, who described himself as "a typical Costa Rican." He preferred to speak in English, he said. He was born and raised in San José, but had traveled to Europe and the United States on several occasions. He approached me while I was looking at a cow sculpture in one of San José's many downtown

parks. It was part of a public art exhibit — something rarely found in other Central American capitals — and it contained an image of a bags of coffee strung across the cow's back. "Costa Rican coffee," it said.

Couches were left on front porches around his neighborhood. "You'd never find public art in Managua," he said. "They don't appreciate it." After I told him why I was there, he discussed the Nicaraguan "problem" with a type of frankness that I did not expect. "I never saw that before. Costa Ricans don't do that." But the more serious problem was the country's "crime wave." He was 47 and it was the worst he had ever seen it, he said. "What [the government] is not ... [understanding] is that unless we do something about the problem, we won't have the Tico way," referring to the tranquil manner in which Costa Ricans are known to deal with problems. Gonzalez was quick to attribute most of Costa Rica's problems to immigrants, Nicaraguans and Colombians in particular. George was displaying the type of xenophobia some Costa Ricans say has become a commonplace rant that is fueled by the country's rising crime problem.

While pickpockets and nuisance crimes have long been a problem in San José, it is now vicious attacks that are gaining attention. The day I arrived in the city, the headline of *Diario Extra*, a tawdry tabloid, ran a page 1 headline that said the owner of a small store had been killed for 100,000 colones, roughly the equivalent of \$200. In other Central American countries, the story wouldn't have been front-page news. But Costa Rica enjoyed peace and tranquility for so long that such crimes shock locals, even if they are becoming more commonplace. It was one of 23 murders committed in or around San José in the initial six months of 2008. Residents pointed to one of the most shocking recent incidents, a January 30th discovery of five dead Panamanians. Hands bound, the men were shot in the back of their heads, execution-style, in what investigators quickly linked to the work of drug traffickers.

In 1997, 5.53 homicides were committed for every 100,000 residents. By last year, the number had risen to 6.6 per 100,000, according to statistics from the United Nations and Costa Rican police. The United States registered murder rates of 7.41 in 1997 and 5.50 in 2007, according to preliminary statistics. The number is still relatively low, particularly by Central American Standards. For instance, Guatemala's homicide rate is above 40 per 100,000. But Costa Rica is also experiencing an increase in other types of crime. Police said that since 1990, robberies are up 700 percent.

In 2004, Laura Chinchilla, the Vice President and Minister of Justice and rumored to be a candidate for the 2010 presidential election, wrote that uncontrolled immigration threatened "to generate negative pressure on variables such as urban space, employment, the coverage of social services, and the use of renewable resources."

The national discussion around immigration hit a peak in November 2005, when two Rottweillers mauled

Nicaraguan Natividad Canda to death. Canda, and two others, were allegedly trying to rob an auto shop, according to various news reports, when the dogs attacked him. The two others escaped unharmed. A video of the attack, which was broadcast on local news and is still available on YouTube, shows the dogs tugging on the lifeless body while police stood and watched. Police said later, according to a report in the English language newspaper *Tico Times*, that they did not fire their weapons for fear of hitting the victim. The following year, Nicaragua denounced Costa Rica at the Inter-American Commission on Human Rights (IACHR), citing the incident and stating that seven officers were present but did not intervene. The incident has become infamous amongst Nicaraguan immigrants, albeit in a distorted way. Padilla's understanding of the attack was that a group of Costa Rican's roamed San José's streets at night with dogs, searching for Nicaraguans to attack. "It's dangerous there in San José. I don't think that would happen in Tamarindo, because we don't bother them there," he said.

Later in 2006, in his annual report to Congress, the country's top prosecutor Francisco Dall'Anese said the country's weak immigration laws were partly to blame for the rise in crime. Dall'Anese later told the *Al Dia* newspaper that foreigners participating in the international drug trade were partly responsible for the rising crime rates.

The government responded to the public clamor by passing a law that set penalties for companies and landlords employing or renting rooms to undocumented immigrants. The law also granted police the right to raid businesses or homes and detain suspected undocumented immigrants indefinitely. It smacked of the controversial U.S. immigration policies.

Human rights organizations decried the Costa Rican law. The United Nations' refugee agency expressed concern that the law would negatively affect refugees living in the country. Costa Rican President Oscar Arias, the Nobel Peace Prize winner who was elected after the new law was enacted, called it Draconian and said it could lead to abuses.

Orozco, with the Instituto de Estudios Estratégicos y Políticas Públicas, believes Costa Rica's immigration law and the anti-immigration sentiment in the country has had a psychological effect on Nicaraguans that makes them less likely to assimilate. "It certainly did nothing to slow the pace of migration. If anything, there are more people leaving than before the law," he said. "It did reinforce the idea that Nicaraguans are perceived to be not welcomed."

As in many places dealing with an influx of new residents, immigrant populations are being blamed in Costa Rica. And it's not just Nicaraguans. Costa Rica's government is one of few countries to openly accept refugees from Colombia. Nearly all of Costa Rica's 10,000 or so refugees are Colombians who have fled the South

American country that is marked by fighting between guerillas and paramilitaries. Colombia, according to the UN, has the world's second-largest population of internally displaced people.

Immigrants, particularly those who enter a country illegally, often find difficulty fully assimilating into their new society. The failure of those groups to integrate is a pattern that has been replicated throughout the world. Contemporarily, Mexicans, perhaps because of the fact some have migrated illegally, are finding difficulty assimilating in the United States, according to a May study by Duke University researcher Jacob Vigdor. In that respect, the plight of Nicaraguans in Costa Rica is to be expected.

However, the theory that Nicaraguans are driving down wages and causing crime rates to rise has no factual basis.

A June, 2007 study by the World Bank Group found that Nicaraguan immigrants had zero effect on wages earned in Costa Rica. "We find no evidence that Nicaraguan immigration had a significant impact on average earnings in Costa Rica. Earnings in those industry sectors with the highest concentration of immigrants (domestic service, construction and agriculture) actually increased faster than earnings in other industries," the study found. And the UN stated that between 1998 and 2003, Nicaraguans accounted for 5.8 percent of the prison population, while accounting for approximately 10 percent of the total population.

Those facts do not seem to temper the anti-immigration sentiment shared across Costa Rica. Resistance to immigration has become widespread and well documented.

It does not seem that the majority of Costa Ricans are anti-immigration. Instead, it seems that a well-represented minority has loudly expressed its viewpoint. Still, the idea of a Nicaraguan underclass belies the history of Costa Rica.

* * *

While civil war, military dictators and repression of indigenous people mark the histories of neighboring countries, Costa Rica has been called "the Switzerland of Central America."

Ironically, historians believe Costa Rica's lack of resources — namely gold, silver and cheap labor — allowed the country to develop without the same stratified class system that marks neighboring countries.

Spanish conquistadors essentially bypassed Costa Rica when they began to settle Central America. Granada, which sits in the lowlands of what is today Nicaragua, was the region's first established colonial city. While Spanish settlements expanded throughout the region, Costa Rica was ignored. It was not settled until the latter half of the 16th century, mostly by missionaries and Spaniards

looking for expansive farmland.

Guatemala, El Salvador and Nicaragua remained the economic and political center of the region. The Kingdom of Guatemala, which stretched from southern Mexico to Costa Rica, was established in 1540, with a city near what is today Antigua, Guatemala, being the capital. Meanwhile, Costa Rica was ignored. Its indigenous population, compared to other areas, was small, meaning it lacked cheap labor to work on colonist-owned haciendas. And the mineral deposits — valued by Spain — did not exist in the quantities they did in other countries. In 1611, 71 years after Spain established the Kingdom of Guatemala, only an estimated 330 colonists had claimed land in Costa Rica. The nearest Catholic bishop was in Nicaragua. Costa Rica was an outpost.

The isolation allowed the area to grow differently than the rest of the region. Instead of an economy based on slaves, large estates, mining and large colonial cities, early Costa Ricans established small villages and owned modest plots of land. By the early 1700s, Costa Rica was considered the poorest of the Central American colonies. With an economy based largely on subsistence farming, Costa Rica lacked the accumulation of wealth commonly found in the other colonies. That is not to say an upper class did not exist. Historical research suggests Costa Ricans displayed it differently. Even after Costa Rica gained independence from Spain in 1821 and elected its own leaders later that year, its modesty continued. John Lloyd Stephens' famous Incident of Travel in Central America, based on his travels to the region starting in 1839, offered this description:

"At a safe distance, without wealth enough to excite cupidity, and with a large tract of wilderness to protect it against the march of an invading army, it had escaped the tumults and wars which desolated and devastated the other states."

Stephens goes on to describe an encounter with then President Braulio Carrillo Colina, who lived in a house that "had nothing to distinguish it from that of any other citizen," including governmental offices that were "no larger than the counting-room of a third-rate merchant."

From this birth of humility emerged a country that has displayed a social conscience uncommon in Central America. Like those other countries, coffee provided a financial boon in the early days of independence that widened social gaps. However, Costa Rican coffeemen invested in the country's social welfare system while getting rich. They financed transportation and urban sanitation projects and built public schools.

When United Fruit Co.'s banana kingdom took hold — controlling huge tracts of land and the national railroad system — Costa Rica's ruling class did not allow the company to control the democratic process. The country even



Padilla plays soccer with his friends on Sunday afternoon on the beach. He asked his face not be shown because of his illegal status in Costa Rica.

allowed the illiterate and those who did not own property to vote in its 1889 election.

During World War II, Costa Rica's president declared war on Germany — on the same day as the United States — and took control of German coffee properties. With that new found state wealth and having been inspired by progressive policies of the Catholic church and Chile, the president, Rafael Angel Carlderón Guardia, instituted wide-ranging social reforms, including a minimum wage, an 8-hour workday, and unemployment, disability and old-age benefits.¹

Similarly progressive social policies have continued.

Today, Costa Rica is one of only 12 countries in Latin America and the Caribbean on the UN list of high human development countries, a quality of life ranking. It is ranked 48th overall, behind only Chile and Argentina in Latin America. The ranking reflects a strong education system (94.9 percent of the population was literate in 2005), a life expectancy of 78.5 years (life expectancy in the United States that year was 77.9 years), and a per capita GDP of \$10,180 (just behind Mexico, which has a much larger economy).

Compare those numbers to the situation in Nicaragua, ranked 110th, just ahead of Moldova on the list of countries having medium human development (only African countries are listed as having lower human development). The adult literacy rate was 76.7 percent in 2005, life expectancy was 71.9 years and the per capita GDP was \$3,674.

The lure of Costa Rica is obvious.

Back in Tamarindo, Padilla said he had no intention of moving back to Nicaragua any time soon. He and his wife have saved enough — about \$500 — so that she can move into her own place, just down the street from her sister's house. Padilla surveyed Tamarindo's streets. "There is a lot of work to be done here. I can make a lot more money," he said.

After he finished work Sunday, Padilla walked down a dirt road, past the all-inclusive resorts where North Americans played swimming-pool volleyball, past the Italian-owned cafes and lobster restaurants, to the soft tan sands of the beach. He played soccer with friends under gunmetal-colored overcast skies until the sunset. His friends made jokes about the way he moved. Like a big puppet, they said. Just like home, he thought. □

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Phone: (202) 364-4068
Fax: (202) 364-0498
E-mail: icwa@icwa.org
Web site: www.icwa.org

Executive Director:
Steven Butler

Program Assistant/
Publications Manager: Ellen Kozak

Administrative/ Accounting Assistant:
Meera Shah

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¹ Sanders, Sol; The Costa Rican Laboratory; 1986