

Creating an International Network of Democracy Builders Volume 1

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

marked the dynamic three decades in which osta ica almost quadrupled its national income and per capita indicators

ut these measures notwithstanding expansion processes have since reversed and economically contracted in part because of the weaknesses of foreign trade balances and the rapid increase of financial rates over hird orld external debts situations that have impacted much of entral merica he osta ican paradigm has undergone major reformations which have been felt in social development and governmental policies in the new millennium

he second part of this investigation presents the latest indicators of osta ica's democratic system and the historical nature of developments of national institutions ere we see the logic behind some of the challenges and contradictions of present day osta ica

osta ica's current economic and political situation has substantially departed from its past irstly the historic bipartisan system has become a multi partisan system econdly economic and productive sectors have shifted significantly hirdly changes in the formation of social classes socio economic levels and political parties have had

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	et 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	
Internal Distribution of Wealth	
The Need for Social, Fiscal, and Tax Reform: The 2004-2005 Fiscal Ref	orm
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	
Introduction	
A Military Past & the Lesson of Carillo	
The Last Civil War	
Costa Rica's National Security Structure	
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 (Nacional 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

osta ica is known as one of the most democratic and peaceful countries in the estern emisphere number of factors throughout the last years have defined the particular political path that has brought this enviable condition about fter independence the principal events of the th century led in one way or another to the establishment of a pacific and civil political society in anuary south the country approved its first independence the principal events of the political society in anuary south the country approved its first independence the principal events of the political society in anuary south the country approved its first independence the principal events of the prin

challenges to the country which needs to undertake fundamental domestic reforms to

Introduction

ixty years after the reforms of the econd epublic of and years after the proclamation of the current olitical onstitution of any evaluation of osta ican democracy must pass through the lens of varied social political and economical factors or years this country has been considered one of the most stable democracies in atin merica with remarkable human development indexes and an extended middle class despite the fact that osta ican soil has no special natural resources and shows a modest per capita index one no higher than many more underdeveloped countries

evertheless the key factor has been distribution osta ica has been one of the few atin merican countries that for decades evidenced the viability of the ideas of ohn aynard eynes as a key to progress and the construction of middle classes uccessive governments since the 's have systematically invested in human resources education and health the creation of social infrastructure governmental

he first part develops a concise summary of some crucial facts of osta ican history related to the construction of the current country political and social system

he second section analyses many of the indicators related to the promotion of human development and its correlative economic social and political rights as a consequence of the gradual evolution of the historical process described in the previous section

dditionally current osta ican public institutions and policies are analyzed in relation to the challenges demands and internal problems posed by globalization and regionalization processes and their different sometimes contradictory effects over the country articular foci in this regard are the thresholds and margins of osta ica's economic and political capability within the spheres of the and new agreement ultiple challenges confront the traditional protectionist policies of the osta ican welfare State which is now entering into a tense structural contradiction with the tendencies of free trade aperturismo, and commercial competition

n this sense a very careful and sensitive analysis about the impact of the bilateral free trade agreements such as the ssociation greement with the uropean nion and the multilateral facets of demands appear to be key considerations in assessing the future and probable evolution of this tropical welfare state and the trajectory of osta ican democracy

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

From 1821 to 1948 - Independence to Civil War.

t is difficult to define a sole and exclusive turning point to explain the osta ican transition from authoritarian regimes and the political evolution towards democracy since most events of the th century lead in one way or another to the establishment of a pacific and civil political system owever the installation of a onstitutional framework and a series of entrenched and enforceable rights were decisive in the

project were extracted from the ederal onstitution the olitical onstitution of I alvador of and even the onstitution of n anuary state "Ley Fundamental del Estado Libre de Costa Rica" undamental aw of the ree tate of osta ica was approved with rticles divided into chapters his onstitution was very modern for its time and in most respects did not cohere with the juridical economic and social developments in osta ica at the time and so brought about several reforms to articles related to the representative system such as electoral rights

The "Ley de Bases y Garantías" of Braulio Carrillo

he regulation of ivil aw began in under the dictatorship of raulio arrillo olina ndeed in ay of the onsultant amera of the tate presented a project for a tim

the number of schools and the incorporation of students to the education system in the country between and

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

he foundation of the niversity of osta ica during resident alderón uardia's reign established the promotion of professionalism in osta ica ubsequent

in the tate imposition of religious taxes was prohibited without government authorization and religious rites were restricted outside the churches

Mimetic Processes of Legal and Institutional Reforms

eyond those first efforts described above liberal governments in ostalica began the major process of legal reforms in the late of swhen resident osé aríal astrologication of a commission for legal codification on the first draft of the 'Código Penal' criminal code was completed and it was finalized in on a commission was assembled to create the livit ode and the rocedural ode he following table shows the development of legal processes between and

elections and was a key protagonist in the strike of *Huelga Bananera*. ts most influential period occurred throughout the government of eodoro icado when its members actively participated in the formulation of social policies although in following years despite the ommunist arty's an active political role it did lose political support and public adherence

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

he so called trike of is important in that it shows the degree of influence that the ommunist arty had in that period n the nited ruit ompany a orth merican company in charge of major commercial operations in the banana sector in osta ica and many other atin merican countries agreed in contracts proposed by the osta ican government to new rules that would contribute to the development of the osta ican community hese contracts also established new taxes for banana exports and a commitment from the company to build hospitals and dispensaries in order to reduce the death rate among workers in the banana plantations who were exposed to serious health risks

n the ongress of the epublic appointed a commission to evaluate the company's compliance to the contract stipulated obligations and found consistent series of violations he nited ruit ompany balked and by the ommunist arty under the name of "Bloque de Obreros y Campesinos" supported an extended strike by labourers from the banana sector his action made for notable precedent in subsequent fights for labour rights many of which led to strikes during the second governing period of resident icardo iménez

bíd p

chio uentes et al,

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Social Reforms from 1942 to 1948

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

the enactment of a roject of abour ode he ommission was headed by arlos aría iménez rtiz ecretary of abour and ocial revision and the final project was presented to the ongress on pril he doctrine of the abour ode responded to the hristian principles of social justice contained in the atican ncyclicals *Rerum Novarum Quadragesimo Anno Divinni Redemptoris*, and the ocial ode of esiré ercier n uly of ongress approved the constitutional reforms regarding the social rights promoted by both the atholic hurch and the ommunist arty "n such a context of promotion of protection of the social rights of the individual the abour ode was approved on ugust of that same year"

From 1949 to 2000 – The Second Republic

he strong political turmoil experienced by osta ica during the s resulted in deep social and political reforms effectively launching the osta ican version of the welfare state he new olitical onstitution represented new political and social agreement and thus created the econd epublic eforms implemented in the onstitution included the abolition of the army the establishment of extensive social security and public health systems a huge investment in education and the nationalization of the banking business mong other measures these reforms marked a dynamic period of three decades in which osta ica almost quadrupled its national income and per capita indicators olitical development in several countries in atin merica saw a generalized return to democracy after a period of authoritarian governments but "osta ica was one of the three atin merican countries along with olombia and enezuela that remained democratic in the decade of the s and did not suffer the authoritarian setback of that decade"

áenz arbonell

ose igueres errer promoted the abolition during *de facto* government of and announced that the military budget would be redirected in its entirety to public education t was agreed that in the event of security concerns or extraordinary circumstances a provisional military would be under civil power dditionally rticles and of the olitical onstitution reinforced the subordination of police forces before the civil power represented by the executive power

bolishing the army has been considered one of the most audacious and positive decisions in osta ican history a fundamental factor in the country's democratic

making a number of major reforms sought to preserve many of the legal and institutional measures of the *old regime*, such as the *Caja Costaricense del Seguro Social* the abour ode among other measures but essentially investment in public education became the priority for the osta ican presidential administration and remains so to this day

The Nationalization of Banking Business Between 1948 and 1982

he *Partido Liberación Nacional's* social and economic reforms included the creation of a ational anking ystem which was comprised of the following institutions

- anco de osta ica
- anco acional de osta ica
- anco entral de osta ica
- anco rédito grícola de artago
- anco nglo ostarricense

his system has been fundamental in offering loaning opportunities at a low cost for most of osta ica's population s well the general guidelines of the *Banco Central de Costa Rica* represent the cornerstones for macro economical policies regarding financial matters

Decentralization: The Regime of Autonomous Institutions

rior to decentralization in osta ica was limited by virtue of the unitary and presidential character of the tate as defined in the olitical onstitution nlike federal government systems decentralization was always characterized by a limited

population in the country" "he de concentration processes directed from a constitutional disposition" see delegation of competences of the tate as a way of for improving public policies on several matters in the wording of the constitution the institutions of public insurance and banking systems are autonomous in the egislative seembly may create new institutions with the same character for the delegation of centralized competences

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

etween the osta ican government established new policies on imports

merican region he constant rise in prices reduced the acquisition capability of salaries between and devaluation rose which led to a tremendous increase in the cost of basic services such as energy and transport which in turn led to civil protests then violent confrontations between government and civil societies

resident uis Iberto onge Álvarez pushed for agreements with the orld ank and the international onetary und in exchange the ensured the government would be obliged to reduce its already nominal interventionist character by diminishing tate functions and the public expenditure "onge's administration created mechanisms to balance the possible negative consequences of such reforms as the creation of the 'Plan de Compensación Social' in his initiative included policies for gradual salary increase food distribution programmes a welfare housing construction programme and the distribution of land for the agrarian sector"

Early 21st Century Trends in Costa Rican Democracy

he balance of osta ican democracy between is complex in one hand the country was certainly able for many decades to launch and sustain a notable progression of reforms guided by the principles of the social democratic paradigms a welfare *state* model based on plural and sometimes contradictory influences such as the collectivist movements from the single transfer of the state as influenced by uropean economists and the

the an extraordinarily weak figure compared to other countries with similar human development standards s a result of this structural shortcoming the country has been unable to strengthen its universal investment in education health and other important social services which results in a cycle of fiscal uncertainty a growing internal debt and an inability to generate greater national competitiveness in terms of a qualified labour force better infrastructure roads ports and other basic requirements to deal with the demands of a simultaneously regional and global economy political social and academic actors in osta ica today imply through various means that the country is undergoing a difficult transition is leaving behind its "golden age" of the last half century and is facing complex challenges in the st century with old and exhausted instruments uch tools had been useful even in the recent past but seem not capable of meeting the complicated demands of the new economy of and related global schemas in the following sections we briefly examination the economic and social factors that might help to assess trends and the possible evolution of osta ican democracy

he current economic and political situation of osta ica is substantially unlike scar rias' first dministration which was from to osta ica's historically bipartisan system has evolved into a multi partisan system and there have been significant rearrangements of economic and productive sectors hese shifts mean changes in the formation of social classes in socio economic levels and within political parties espite such unpredictability comparative studies have evaluated osta ican democratic indicators positively in relation to available data from other atin merican countries or instance the emocratic evelopment ndex as seen in the table below is largely positive

IDD-Latin America Evolution in 2002 - 2006 Periods²⁵

creation of spaces for citizen participation and he promotion of social and cultural practices that avoid hierarchical and discriminatory relations"

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

s mentioned the osta ican legal society gradually implemented over several decades international legal and institutional bench markers including the development of an extended set of regulations in the area of ublic aw onstitutional aw such as the dministrative eneral aw the eneral aw for dministrative ontracting as well as additional provisions such as the foundation of a specialized constitutional jurisdiction ubsequent to those general administrative legal provisions generated during the latter th century the modern osta ican ublic aw system developed in the s with the promulgation of the dministrative eneral aw the eneral aw for dministrative ontracting the rocedural ode for dministrative itigation and more recently the "Ley de Ilícitos Financieros"

n general terms the country has experienced acceptable levels of constitutional and he enforceability and steadiness of such norms legal enforcement from to have been consistently proven by the correlative development of ne of the fundamental strengthening measures made to the legal system institutions was the creation of the onstitutional hamber of the upreme ourt ven though constitutional cases had historically been resolved by the upreme th century the development of aw number or Ley de la Jurisdicción Constitucional aw of the onstitutional urisdiction updated the constitutional remedies and general mechanism of constitutional protection following the pattern of the rench talian ritish anadian and constitutional models the last few decades the influence of the panish constitutional system has generated an extended dialogue on jurisprudence and comparative law exchange

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long with the improved functioning of the onstitutional hamber there has been

Ley de Control Interno aw of nternal ontrol aw number evertheless many experts feel that the efficacy of such laws has not been adequately implemented by some the political culture of the osta ican population has been deemed insufficient for the correct exigency of responsibility and the civilian population lacks direct legal or institutional instruments to control public performance

Political Factors: Political Culture & Civil Society Engagement

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

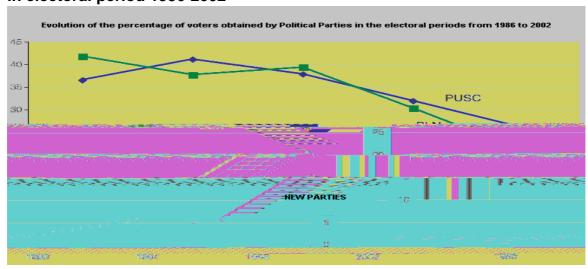
osta ican politics have eroded in some ways through the deep fracture between political parties and their historical constituencies eginning with the national elections of political participation has decreased substantially a radical departure from the historical pattern of more than for almost half a century to less than in the election including in the national referendum on which saw only effective ballots from all registered voters arious factors have caused this

been the increase in cases of corruption and the public mismanagement of public funds these crimes committed by many of the most prominent politicians during the last decade or instance charges of corruption and subsequent imprisonment were faced by two former presidents iguel ngel odriguez cheverria who upon receiving the charges resigned as ecretary eneral of the rganization of merican afael ngel alderon ournier hese disgraces have negatively affected public perceptions of the political area altogether oth ex presidents have been indicted but trials have yet to take place nother former president osé igueres Isen opted to exile himself under similar circumstances and his case was only recently discharged by the ublic rosecutor

ecause of these influences Partido Liberación Nacional has shown a consistent reduction in electoral support since excepting the elections the decrease of electoral support was even sharper and by the number of of those who had supported that party in voters was only he Partido Unidad Social Cristiana (enjoyed a period of increasing support until but then began to see a consistent decrease by the number of voters for this party was only of those registered in he only exceptions to this downward spiral of political support to parties in osta ica occurred in when two sons afael Ángel alderón ournier and osé igueres Isen of popular party founders participated as candidates in the national elections ²⁹

aventós iska et al

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

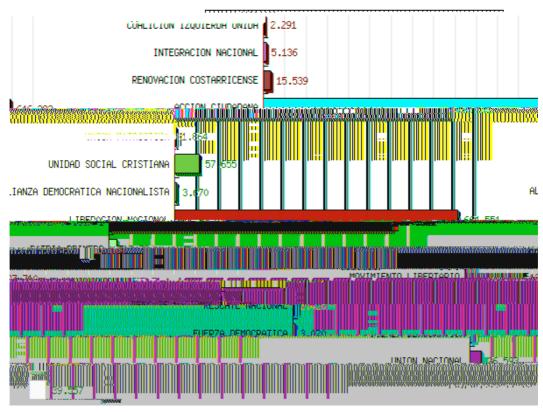


New Political Actors: PAC, Partido Libertario & the Re-Accommodation of Constituencies

s a result of many of these factors the stable osta ican bipartisan model has been

2006 Elections-number of votes-president and vice president³⁰





ther political parties such as the *Partido Movimiento Libertario* campaigned for the diminution of the tate's capacities the de regulation of public subjects and competences and the general promotion of free commerce—uch initiatives have been supported by the private sector and by companies pursuing reduced taxes and fiscal capabilities of the central government—he members of this political party—with the representation of seven representatives in the arliament are followers of the teachings of ayek—riedman and the *CATO Institute* of the nited tates

he *Partido Unidad Socialcristiana* representing conservative sectors and hristian democrats inspired by the *Rerum Novarum* movement Tacked political force in the past election ocial hristians have been one of the two most relevant parties in the political scene over the past century and they have suddenly become a

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parliamentary minority with just five representatives he party's political future depends on the ability of its current leader afael ngel alderon r to overcome judicial disputes

ther minority parties some with only one deputy at the egislative ssembly have also contributed to the current parliamentary complexity by introducing yet more to negotiate s in many other countries around the world the current osta ican multi partisan model has demonstrated itself as quite volatile in terms of negotiation and agreement osta ica's political ability to consolidate structural and long—term pacts in the definition of public policies appears to be declining olitical agreement and parliamentary pacts appear increasingly difficult to have take place at the present time he following graphics show the heterogeneous composition of the current egislative ssembly

2006 Electoral Process, Conformation of Legislative Assembly³¹



2006-Number of Votes - Deputies of the Legislative Assembly

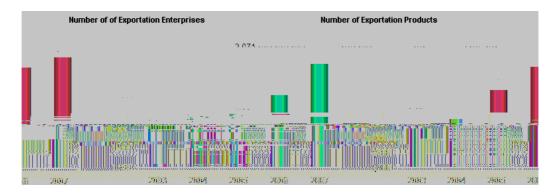
Economic Factors

traditional exports such as coffee and bananas are falling in percentages of overall figures in this sense "ostalica has been building during the last years and acceptable competitive mechanism to attract high tech companies in a matter of two decades the whole economic and labour structure of the country has changed significantly"

indirect jobs during the s "this economic sector helped to improve rural development due to the fact that most tourist regions are distant from the entral rea basically in the area of unancaste an arlos imón y la Zona ur"

his fundamental transformation of the productive sector has significantly altered the structure of country revenues as seen below

Number of Exportation Enterprises and Products



he tax exemption regime *régimen de zonas francas* attracted foreign investment during the s of such companies as bbot and rocter amble

he profound transformation of the productive structure during the last decades has indeed changed the face of the country's economic activity he following table illustrates among other transformations the growth of the commerce area working

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

ince the legal frameworks have been instituted to prevent monopolies concentrations in productive areas and abuses in commerce trade he prohibitions of private monopolies from rticle of the olitical onstitution were complemented in with the creation of the *Ley de Promoción de la Competencia y*

Social Equity and Distribution

s indicated earlier in this study despite the absence of natural resources osta ica has during the latter th century and most of the th century created functional mechanisms of internal distribution and has positioned itself as a high middle rank country in the uman evelopment ndex of the fluctuating between ranks to and so has been able to transform a quite modest per capita no higher than annually since in such a way that most citizens benefit from social investments in extended education and health care among other public services istribution and equity are the two words which define the singular osta ican case he uman evelopment eport evaluated the following elements of the osta ican development process

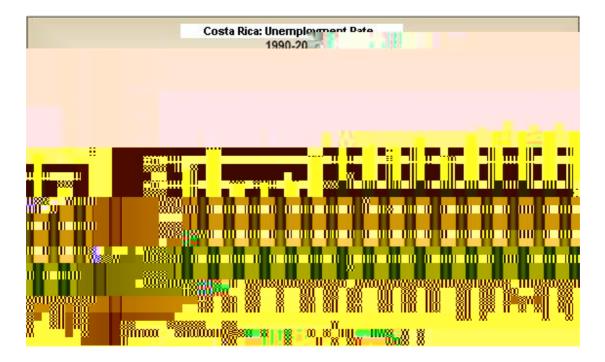
	1975	0.746
Human Development Index Trends	1980	0.772
	1985	0.774
	1990	0.794
	1995	0.814

he last indexes responded to among other elements the following indicators related to the creation of a democratic society with public services accessible for every citizen recent times with a poor fiscal balance and a reduced monetary solvency of the 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		

higher coefficient means that the country is failing in the distribution of national wealth and in consequence the gap between upper and lower classes widens he evidence shows that osta ica is not enjoying any notable advances in terms of distribution but on the contrary is undergoing a minor but systematic trend of deterioration urther the *Misterio de Comercio Exterior* inistry of oreign ommerce table below indicates that the unemployment rate has not changed significantly in the last two decades

Costa Rica: Unemployment rate 1990-2007⁴⁶



Internal Distribution of Wealth

s indicated by Programa Estado de la Nación

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

Conclusion

ne of the basic historical elements of osta ica's social and political success has

income tax reform based on global tax mechanisms instead of territorially based procedures includes capital gains income tax a new including not only commodities but the whole set of professional and technical services now offered in the country and other important modifications such as exchanges of technical information with the hese are the structural components of this new plan the dissension generated by the owever it seems that now in debates has left the rias dministration unwilling to push for this tax reform anymore his is bad news for osta ica which is in urgent need of seeing improved fiscal policies and fresh resources for public and social investment trong public policies on education health as well as the creation of labour and housing opportunities must be priorities in st century administrative policies osta ica is facing an extraordinary season of challenges risks and opportunities or the coming future it seems that only a very strong new and plural "social agreement" with the participation of most of the economic and political actors of osta ican society will make possible the restructuring of the old values of democracy equity and respect for human rights that for years have characterized osta ica the so-called "witzerland of merica"

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- 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

ne way to draw more concrete conclusions about osta ica's development in terms of democracy is through the lens of eorge erlin's heory of hange model which is a useful device in reducing the general penchant in analyses of democracy for rhetorical abstraction erlin has proposed a model of democratic development that can be used by policy makers program administrators and practitioners to help define their objectives in particular situations and decide on the means that are most likely to help realize these objectives

he model represents what a developed liberal democracy *should* look like not in terms of characteristics of established regimes but as an *ideal standard* t is intended to serve as a reference point for evaluating where a particular country may be on the path to democratic development for identifying areas where assistance may contribute to democratic development and for assessing the probable effectiveness of particular forms of intervention t establishes indicators that can be used to identify discrepancies between real political practice in a particular system and the most *desirable* forms of political

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 weakens 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 percapita, 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

made easier by the absence of a standing army with no need for a high command or general staff osta ica does however follow other rules and practices to maintain civilian control and to prevent any growth of a military sphere of influence in politics

- onstitutional stipulation requiring relatively high government spending on non military programs including education
- o security officer promotion to a rank higher than colonel
- andatory retirement for upper ranks of security forces with change of political administration
- osta ica relies on the io reaty of the rganization of merican tates for collective security in the case of armed attack

he citizens of osta ica responded positively to the decision to abolish the army and fully endorsed the concept of a nation whose security forces could not become vehicles for political manipulation osta ica now has international status as a non violent nation proud to have 'more teachers than soldiers' oney that would otherwise be spent on military force is instead invested in healthcare education and other progressive economic development areas ne of the rewards of this social spending is a particularly osta

might" here must exist not only clearly defined rules about when the government may use force but rules stating that the agents of force must be "insulated from arbitrary use by elites in other governmental institutions" in parallel with liberal constitutionalism is popular sovereignty which is the ability of the citizenry to choose their leaders and the correlative accountability of the government to its citizens opular sovereignty includes the right of a constituency to select its political representation through elections rather than through choices made by a small cabal or even a *coup d'état* imilarly popular sovereignty ensures that elements of the state – particularly those in a position to use force such as the military – must refrain from affecting party politics

here are scores of examples in world history demonstrating how democracies quickly cease to be democratic once a government ignores the prohibitions on the use of force or when a military backed usurper supplants popular sovereignty—atin—merica has been plagued by military coups in the—th century—rom——the—countries of—atin—merica suffered—different coups—s former—eputy—ssistant—ecretary of—tate—rturo—alenzuela notes—it—was the military that was largely responsible for rapid government cycling that essentially stifled democratic development

mbition driven generals might topple an elected president or bar the implementation of policies that the soldiers and their allies did not like... fficers would arbitrate among factions and decide when to call for new elections to

egalitarianism electoral honesty and peaceful transferences of electoral power" y developing a liberal constitutional prohibition on military force in there are very few means by which the state could overstep its limits on force ecause armed force is

A Military Past & the Lesson of Carillo

arrillo won the *Guerra* and quickly moved to centralize the government while and effectively centralizing and weakening the army — fter holding and losing an election arrillo led a coup against his successor took power and declared himself " resident for life" in — arillo like the leaders of — osta—ica after the first civil war understood a standing army was a political liability—and so sought to diminish its role—owever he failed to recognize that a military force capable of supporting a coup was equally capable of the inverse—he was ousted one year later in a reverse coup

ot long after this war osta ica faced its first military invasion in a group of expansionists led by illiam alker tried to increase the merican purview in entral merical alker was not at all interested in extending democratic rule but sought instead to secure for merican barons needing slave labour agricultural colonies in entral merican itizens quickly organized and a small civilian force fought off alker's men proving that a civilian call to arms for defense worked as well or better than a standing army

osta ica's small military remained in place after alker's failed invasion largely as a tool of the political elite oups continued but somewhat paradoxically power came to those whose leadership strategies were more cohesive than coercive ven eneral omas uardia propelled to power by a coup in sought to increase civilian control over the military hoping to end the cycle of coups and to deter anyone within the state apparatus from use of force uardia focused on developing state transportation infrastructure and education or both political and fiscal reasons he maintained only a few hundred soldiers and what was not spent on military support went to cementing "the sacred right of osta icans the right to andin

competitive elections began to take shape. Ithough corruption remained a factor in the budding democracy constitutional changes helped establish deeper democratic foundations his was not mere happenstance — osta ican leaders supported education spending because they believed an educated society made for a more democratically active one and one less likely to take up arms against its government

egardless of such progressive undertakings would be coup plotters still routinely surfaced coup attempts and etween and at least revolts sought to overthrow the central government hroughout these debacles arillo's warnings were re illustrated a military force installing a leader is just as capable of "uninstalling" him eader after leader diminished the military and any deepening of traditions or its sphere of influence beyond support of political intrigues osta ican democratic development took the peculiar turn of seeing those in power strongly supportive of popular sovereignty against a strong standing army and fully in favour of the liberal constitutional dictum of civilian control of the military awhile those seeking power – even those who had been or would later be resident – enlisted the military to support their coup efforts

he cycle continued in to the th century n anuary frustrated with austerity measures introduced by resident Ifredo onzález lores inister of ar rederico inoco randos seized power and attempted to crush opposition with the aid of military force resident oodrow ilson refused to recognize inoco's government and closed capital markets to osta ica ithout foreign investment inoco's popularity plummeted and he left power in his coup was nearly the final straw for military involvement in politics he rmy so closely linked to inoco was fatally weakened by Ithough nominally extant the rmy became politically insignificant and inoco's exit ineffectual until its abolition after the civil war

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The Last Civil War

ith substantial backing from conservative elements of the political elite r afael Ángel alderon uardia was elected resident in it was expected that he would serve the interests of osta ica's coffee oligarchy ut he instead immediately implemented an array of socially progressive reforms he pushed for changes in the labour code in the social security system and to health care is policies were highly popular with most osta icans and despite his declaration of war against ermany he focused on social reforms rather than military build up

t became increasingly clear that the oligarchy would have to bear the cost of alderon's progressive policies and he became a target of their intense criticism is rather free hand with business and political favours by which he hoped to quell oligarchic discontent resulted in charges of corruption on all sides alderon turned to the *Vanguardia Popular* osta ica's communist party for support he communists who pulled alderon further to the left and away from his regular constituency exploited the alderon communist alliance much to alderon's detriment

n uly a crowd of twenty thousand osta icans gathered in a public square to hear alderon give an address hen alderon did not arrive the crowd set off on a march to the *Casa Presidencial* and during the march members of the *Vanguardia Popular* began to smash the windows of small shops ith tensions already high after a recent erman submarine attack riots broke out he uprising was long and gruesome lasting several days he crowd destroyed the livelihoods of many of the town's small business owners damaged buildings and it injured people

he riots did much to polarize and radicalize osta ican society osé igueres errer wealthy owner of a rope and bag factory and a man with significant political ambition took advantage of the unrest to discredit alderon igueres bought radio time and reprimanded "those responsible for undermining the epublic and discrediting its

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international action" igueres attacked alderon as incompetent and a "demagogue

people he osta ican legislature finally agreed to establish a monitoring body for the

stated

he rmy as a permanent institution is abolished here shall be the necessary police forces for surveillance and the preservation of the public order ilitary forces may only be organized under a continental agreement or for the national defense in either case they shall always be subordinate to the civil power they may not deliberate or make statements or representations individually or collectively

igueres's motives for abolishing the army are variously analyzed but it has become osta ican legend that his decision was born of the nation's peaceful nature here is little doubt that igueres preferred to spend state money on butter or books over guns in a symbolic gesture the keys to a major military fortress were handed over to the inister of ducation to establish a museum in the ceremony igueres announced

t is time for osta ica to return to her traditional position of having more teachers than soldiers osta ica her people and her government always have been devoted to democracy and now practice their belief by dissolving the army because we believe a national police force is sufficient for the security of the country e uphold the idea of a "new world" in merica

t seems likely however that military dissolution was the only politically sensible option available to the junta y so doing igueres simply took the final step in a historical path he abolishment "permanently removed a possible source of political instability from the osta ican polity" o force could now challenge the popular sovereignty of the osta ican public by overruling their electoral decisions to the saman mion of the osta ican public by overruling their electoral decisions.

need to get weapons from omoza it would have been simple to unify the opposition and overthrow [igueres] in

he absence of a osta ican military benefited igueres in but was his downfall in when he sought to retain his residency despite an electoral loss there was no military to keep him in power ut again there was no military to prevent his return and in he won the residency anew in a democratic election

Costa Rica's National Security Structure

osta ica did establish a police and security structure as allowed by the constitution urrently osta ica has a olice orce a order uard a ural uard a ivil uard and the recently formed oast uard he country's policing and security forces number

he ivil uard a military trained police force is composed of just over half that number he leadership of various uard forces remains under direct civilian control as per the constitution he forces are politically neutral and make no independent policy decisions osta ica has additional police organizations including customs treasury town and village traffic and immigration police as well as a security and detective agency ach police force has specific duties with no overlapping responsibilities verlapping jurisdictions typically occur as a result of a politicized security force hese security units report to one of five different ministries he inistry of ecurity oversees

frustrated by the continued guerrilla activity in the region uerrilla war was coming far to close to home illicit ontra training was occurring on osta ican soil

n an attempt to gather support to limit violence the region rias organized a meeting with the presidents of uatemala 1 alvador onduras and icaragua to discuss proposals for peaceful solutions between the nations he nations consequently signed a pact which established a cooperation effort to reduce regional volatility he scar rias anchez plan blocked outside aid for guerrilla forces instituted peace talks inhibited the use of a country's territory for aggressive measures and promoted democratic freedoms rias won the obel eace rize for his initiative and invested the prize money in the rias oundation for eace and uman rogress ince rias and osta icans generally have avidly supported nuclear disarmament blocks to sales of small arms and weakening of world militaries

Conclusion

rias' stated goal has been "to impress on [other leaders] the importance of preventing the rule of men with guns" anama's demilitarization is largely attributed to rias' encouragement and the osta ican example and some nations now maintain no standing armies ee ppendix ertainly osta ica's democratic success is correlated with the absence of politicized army – but how are its lessons to be applied elsewhere

ne clear lesson is simply that with no military a military *coup d'etat* is impossible nosta ica politician after politician recognized this to one degree or another and thus acted to successively diminish the army up to its abolition in ut there are more nuanced lessons to be learned here as well—obert—olden notes that

n truth osta ica was not and never has been a nation without an army erhaps the real osta ican novelty was the army's stable subordination to civilian

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government an achievement that no atin merican government except for exico has been able to claim before or since

hether one considers osta ica technically de militarized or not its civil control over military force provides a concrete example of mutually reinforcing liberal constitutionality and popular sovereignty which appears to have facilitated an exceptional case of democratic development

n democratic development studies military forces are an essential consideration hile there are certainly any number of successful democratic states that maintain a standing igueres's invocation of the io reaty in suggests that by virtue of having enmeshed itself in international law and collective security the country did not need a standing army to protect itself from aggression to the same time ostalica has no need for a general staff with long term strategic planning responsibilities or any need for security officers above the rank of olonel limited need for high ranking officers prevents the development of a military caste or elite and ostalican governments habitually retire senior security officers as administrations change etired officers are subsequently assisted in finding work often in commercial business away from political intrigue hese measures tend to thwart senior officer territoriality as well as extral political challenge to the residency ithin its liberal constitutional framework the abolition of the ostalican army has established clear civilian control of its security forces but the country's now entrenched assumption of citizens' rights to popular sovereignty is equally material to understanding ostalican democracy ow did the nation's populace come to such an assumption

oted peace scholar ohann altung has suggested that the egalitarian nature of osta ica accounts for the abatement of military coups and the needlessness of an army uch an essentialist view ignores the osta ican history of military coups as well as the groundswell of support for some non elected leaders omething changed in the osta ican polity that caused citizens to accept no substitute for democratic elections something that has cultivated in the osta ican citizenry an unqualified rejection of anything other than popular sovereignty he change may have had as much or even more to do with the social spending allowed by diversion of military budgets to civilian matters

n keeping with igueres' symbolic conversion of a fortress to a museum osta ica has kept military expenditures low and investment in economic development and education high verall osta ica spends less on security as a percentage of than the rest of the atin merica ee ppendix and leads regionally in health and education services loyd ettiford sees osta ica's spending on health education and social security as a

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