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Costa Rica: Democracy and Antimilitarism

The Central American countries won their independence in 1821 as a by-product of the Spanish defeat in Mexico. All were part of a loose Central American federation, which fell apart in 1838 because of regional and ideological conflicts between anticlerical, commercially oriented liberals and more traditional conservatives. The Costa Ricans didn’t take these disputes quite so seriously as their neighbors in Guatemala, El Salvador, Honduras, and Nicaragua, largely because they were too poor and widely scattered to devote much time to politics.

Costa Rica had only a small native population. It was settled by less fortunate Spaniards who had no option but to work the land themselves. Living in such dismal poverty that they often had no proper clothing, the settlers were embarrassed to show up in church, even under threat of excommunication. Informality in personal and social life minimized social class divisions. In their rustic, egalitarian poverty, the Costa Ricans resembled the settlers of the New England states more than the wealthy slaveholders of the Southern states or the Caribbean. Democracy seems to thrive on soil that is not suitable for plantation agriculture.

While many Costa Ricans trace their nation’s democratic traditions to the era of frontier egalitarianism, on the fringes of Spanish America, the economic foundation for this rustic tranquility ended with the development of coffee as an export crop in the second half of the 19th century. In Costa Rica, as elsewhere in the Central American highlands, the best land was rapidly monopolized by a coffee-exporting elite, and politics became the exclusive domain of a landowning oligarchy. In Costa Rica, 26 percent of the land holds the less than half percent of the farms with over 1,000 hectares, while less than 2 percent of the land holds 36 percent of the farms with under 5 hectares. These figures are only modestly better than those for the other Central American countries.

While differences between Costa Rica and its neighbors in the size of farms and the ways in which they are used are small, there is a much sharper difference in the forms of ownership. Almost all the farms in Costa Rica are operated by the owner or by a collective. In the rest of Central America, various semifeudal arrangements predominate, where peasants are allowed to use the land in exchange for a payment in cash or in kind, or are simply tolerated on undesirable land if they don’t cause trouble and are available as occasional laborers. To be sure, there are landless farm workers in Costa Rica, especially in the tropical banana-growing regions where many of the workers are blacks of Jamaican descent. But the proportion of peasants who own at least some land, especially in the central coffee-growing areas is high. There is also no ethnic division in Costa Rica between the Indian and Ladino populations, a division that is so important in Guatemala and El Salvador. Almost all of Costa Rica’s population is of Spanish, Jamaican, or European descent. Inequality in Costa Rica is more of a purely capitalist nature, based on the amount of land or other wealth owned, or on occupational status in the urban areas. Class boundaries are relatively blurred, and there are few racial or ethnic barriers to social mobility.

Costa Rica’s origin as a poor, peripheral community of self-sufficient settlers may have had enduring consequences for the national character. The sociologist Eugenio Rodríguez Vega describes his fellow Costa Ricans as a
timid people, socially conservative and individualistic, and lacking in entrepreneurial or creative spirit. A nation with no distinctive folk art, regional dances, or a vigorous tradition of popular music, the Costa Ricans prefer to keep to themselves, to avoid taking sides in disputes, or making a public display of their emotions.

Rodriguez Vega may be drawing a caricature that is unfair to some of the outstanding leaders produced by a nation of little more than 2 million people. But other observers paint a similar portrait of the Costa Ricans as a people who stress individual liberty and look with disdain on the antics of their violence-ridden neighbors. While political alliances are often organized around loyalties to individuals, Costa Ricans would not be likely to respect a leader who clung to power at all costs; and their political leaders seem comfortable with the idea of returning to private life after a period in public office.

In the 1930s, Costa Rica responded slowly to the world economic crisis because much of the population could survive on subsistence agriculture outside the world market. This contrasted sharply with El Salvador, where a peasant uprising in 1932 was met with massive killings by the military. In the ‘30s, throughout the rest of Central America, the elites relied more and more directly on the military to maintain order. None of the Central American countries had the resources or internal markets needed to begin producing industrial goods for their own domestic market, as many of the larger Latin American countries were able to do at the time. The various Costa Rican governments then had no progressive economic plans or long-range social goals, but they managed to muddle through by maintaining public works and borrowing money.

In 1940, the Costa Ricans, eager for a more positive approach, elected, by an overwhelming majority, the presidential candidate Rafael Calderón, who promised significant social reforms based largely on principles of Christian sociology he had learned as a student in Europe. This meant the establishment of a welfare state. Calderón introduced national health insurance, minimum-wage and labor legislation, was instrumental in setting up the University of Costa Rica, and in passing legislation that allowed landless peasants to acquire ownership of unused land.

As Calderón’s policies became more progressive, his base of support narrowed. He began to rely more and more on the Communist front group, Vanguardia Popular, which eagerly endorsed his programs and was reasonably “respectable” while the Soviet Union was allied with the Western democracies against fascism. In 1944 Calderón’s chosen successor, Teodoro Picado, was easily elected, but in 1948 Calderón’s candidate lost to a conservative, Otilio Ulate. Capitalizing on confusion in the electoral process, the government refused to turn over the presidency.

This violation of the electoral process led to Costa Rica’s brief encounter with revolutionary politics. An armed movement was organized by the prominent liberal coffee planter José Figueres, with the support of a small group of social-democratic intellectuals and their sympathizers from nearby countries. The announced goal of these revolutionaries was to restore the integrity of the electoral process, but they were also eager to impose reforms that were not part of the conservative leader Ulate’s program: their immediate objective, however, was to overthrow the Picado government. The Costa Rican army remained loyal to the government, but it consisted of only 300 poorly armed and trained men, supplemented by the militia of banana workers organized by the Vanguardia Popular. The government’s alliance with the Communists was no longer respectable in the Western hemisphere, and there were frequent rumors of intervention by American troops based in Panama. Finally, President Picado and Communist leader Manuel Mora agreed to surrender to Figueres’ forces, in exchange for a promise of amnesty for their supporters.

Figueres ruled for 18 months at the head of a revolutionary government before turning power over to Ulate. This period of revolutionary rule was not really justified by Figueres’ announced goal of restoring the integrity of the electoral process, but it did give his group an opportunity to institute many of their reformist ideas. Figueres nationalized the banks, extended Calderón’s social-welfare policies, passed a constitution that guaranteed human
rights and free elections, and abolished the army. Abolition of the army was largely a symbolic act, since it was tiny and ineffectual in any event; it was replaced by a larger civil guard. However, the symbolic gesture was important in establishing civilism in a region where armies are used primarily for domestic repression.

Since 1948, Costa Rican elections have been sacrosanct, and power has generally alternated between Figueres’ National Liberation party and its opposition, currently organized as the Unity party. Differences between parties are small, and many voters alternate from election to election on the principle that it’s best to throw the rascals out. The National Liberation party, which has a strong organizational network in all economic sectors and among social groups such as women and youth, is affiliated with the Socialist International. The Unity party is beginning to develop a coherent philosophy along Christian Democratic lines. Both parties recognize civilian democracy as a key element in the social contract. This contrasts sharply with other Central American republics where military intervention has been a regular part of the political process.

The present crisis in Central America is the result of a long period of modest economic growth under the leadership of political elites which, except in Costa Rica, have relied on brutal repression to avoid the social reforms needed for adjustment to economic development. The economic growth began after World War II when the Central Americans found themselves with resources accumulated from wartime sales. There was the pressure of rising expectations from the people, and encouragement from international agencies such as the World Bank and the International Monetary Fund. These agencies, however, recommended orthodox economic strategies that emphasized maintaining “a good climate for foreign investment” by keeping wages under control, developing the infrastructure, and maintaining a strong export economy. The Economic Commission for Latin America, under Raúl Prebisch, criticized this approach on the grounds that it would lock the Latin American nations into a pattern of selling primary products at declining prices relative to the industrial products of the advanced countries.

Prebisch proposed a number of alternatives, including increased state involvement in setting investment priorities, placing limits on imports in order to encourage domestic industrial production, and establishing free-trade zones between countries in order to provide larger markets for local industrial products. The Central American governments were receptive to the idea of establishing free-trade zones since this did not threaten private-sector interests or require political or social reforms. The conditions were ripe for this step, also, because the Pan American highway had recently been completed as part of an American wartime effort to provide access to the Panama Canal. The Central American Common Market, which began in 1959, coincided with the increase in United States aid under the Alliance for Progress. Public expenditures increased in all the Central American countries, based in large part on borrowed money. Throughout this period, Costa Rica—although it is that region’s country with the smallest population—maintained the highest level of public expenditures: for popular pressure for increased public spending is more easily felt in a democratic system.

Costa Rica’s policies, when compared to those of the other Central American nations, were quite effective in stimulating economic growth. In 1945, Costa Rica’s gross domestic product was about equal to that of its neighbors on a per capita basis. By the late 1970s, it was approximately double. This economic growth was the result of conventional Keynesian economic policies, which stimulated economic demand through government spending. The Costa Ricans spent heavily on social security and welfare, while keeping defense spending low. They also spent heavily on their economic infrastructure and on investments in enterprises not attractive to private capital. By comparison, the other Central American countries followed the orthodox prescription of keeping social expenditures low while relying on the military to “solve” social problems.

Economic growth has led to some changes in the Costa Rican class structure, as compared
to other countries in Central America. There was a decline in the proportion of workers engaged in agriculture, and an increase in the number in professional, technical, and administrative jobs. However, inequality, as measured by the proportion of income received by each segment of the population, does not seem to have decreased. A study by the Economic Commission for Latin America shows that the relative distribution of income is almost the same in El Salvador as in Costa Rica. Costa Rica's welfare-state policies, although intended to help those in greatest economic need, have in fact served to increase the size of the economic pie rather than changing the share of the pie going to each social class.

In the last few years, Costa Rica's economic growth has leveled off, because the nation has suffered from an excessive accumulation of foreign debt similar to that affecting many other countries in this petrodollar era. The country has been hard hit by the cyclical decline in coffee prices. Costa Rica's foreign debt now is the largest in the world on a per capita basis, and the country has been forced to renegotiate payment schedules and accept an austerity plan from the International Monetary Fund. The Costa Rican colon has dropped sharply in international currency markets. Domestic prices have increased, and living standards have fallen.

In his quest for aid, social-democratic President Luis Alberto Monge has been quick to capitalize on Washington's new concern about Central America. He welcomed Reagan to San José in December 1982. The city was plastered with posters showing Monge and Reagan side by side over the slogan "Two Peoples, One Ideal." Monge has embarrassed his European and Venezuelan social-democratic comrades with his outspoken criticism of the governments in Managua and Havana for their lack of democracy and their interference in Costa Rican affairs. He won the February 1982 elections with 59 percent of the vote, after a campaign that strongly emphasized political and social democracy and criticized Marxist-Leninist totalitarianism. Monge's campaign platform called for an increase in agricultural development through cooperatives. Government slogans include "We Shall Return to the Land" and "A Country of Owners, not Proletarians."

The Costa Rican experience demonstrates that it is possible to combine democracy with economic growth in a poor country. It does not seem to be necessary to solve the problems of economic dependency and social inequality before doing this. Certainly, Costa Rica has not solved these problems. The policies that it has followed are hardly unique, they seem indeed old-fashioned at a time when so many governments in Latin America and elsewhere have attempted to stimulate growth by cutting wages and services. Costa Rica shows that spending on human needs can be a good stimulus to economic growth as well as a more humane way to run a society.

The most unusual thing about Costa Rica is its virtual lack of military forces, something that can only be done by a country that does not fear foreign invasion. Costa Rican leaders simply say that they would call on the Organization of American States for help in repelling any invasion that could not be met by civilian volunteers. In practice, this means accepting the hegemony of the United States in the region, although Costa Rica has resisted Washington's urgings that it set up an army of its own. Accepting American dominance would be repugnant to nations such as Sandinist Nicaragua, which is committed to social policies that threaten American interests and ideological concerns. Most Central American governments, however, are firmly in the American camp and usually need armed forces only for purposes of internal security. English-speaking Belize is another example of a Central American country without significant armed forces, since it relies on the British for defense. During its short period of independence, it has maintained peaceful and reasonably democratic institutions.

With the high level of conflict in the region, Costa Rica's military weakness may prove to be a problem. The government fears that Guanacaste province, in the northwest, may become a sort of Lebanon, dominated by Nicaraguan militias. While anything that sounds like the establishment of an army is taboo, the
National Liberation party has called for upgrading the civil guard, including the creation of a professional antiterrorist squad. It hopes to prevent the development of an officer caste in the newly reinforced civil guard by having officers move into civilian jobs after at most eight years in the guard. Another approach is to rely on troops from Mexico, Colombia, or Venezuela for border defense.

President Monge’s shrewdly timed courting of Washington has paid off handsomely in economic aid, and widespread business failures have been avoided through government credits. The unemployment rate has been held to about 10 percent, and Monge’s Administration is quite popular. Leftist opposition is largely limited to the banana-growing regions and intellectual circles.

The unique historical factors that facilitated the emergence of democracy in Costa Rica cannot be duplicated in countries that have been more tempting targets of foreign intervention or have histories of bitter class or racial antagonism. This does not mean, however, that other countries could not learn from the Costa Rican experience. Cutting military spending, expanding human services, and providing poor peasants with the dignity of owning even a small parcel of land would do much to ease tensions in many countries. Such policies are consistent with the vision of more liberal U.S. administrations, and not quite so likely to excite the ideological prejudices of the American right wing. A stance like that does not appeal to nationalistic sentiments or rely on the rhetoric used by revolutionary groups, but this is probably a price worth paying, given the geopolitical and financial realities in Central America. If the United States were to promote such policies in Latin America, President Monge’s vision of “Two Nations, One Ideal” might have more substance.