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### **Costa Rica: Improving Infrastructure to Accommodate a Growing Economy and an Increasing Immigrant Population**

Costa Rica, located between Panama and Nicaragua, is becoming a leading Latin American nation being one of the most developed, technologically advanced, and democratically stable countries in the region. Despite this, the country continuously struggles with maintaining its infrastructure to allow for market access in its growing economy.

“Costa Rica ranked 121st out of 183 countries in the 2010 World Bank's Ease of Doing Business Index. This hampers the flow of investment and resources badly needed to repair and rebuild the country's public infrastructure, which has deteriorated from a lack of maintenance and new investment. Most parts of the country are accessible through an extensive road system of more than 30,000 kilometers, although much of the system has fallen into disrepair.” (“Background Note”)

Without the support of large donors of money on an international level, the Costa Rican government finds it hard to manage its money and allow for a road construction budget although the country's economy is fairly stable. According to the World Fact Book, “Prior to the global economic crisis, Costa Rica enjoyed stable economic growth. The economy contracted 0.7% in 2009, but resumed growth at more than 3% in 2010” (“Costa Rica”). Another issue subtracting from the Costa Rican infrastructure is the increasing cost of supporting overwhelming amounts of Nicaraguan immigrants who are flooding into the country. “Immigration from Nicaragua has increasingly become a concern for the government. The estimated 300,000- 500,000 Nicaraguans in Costa Rica legally and illegally are an important source of mostly unskilled- labor, but also place heavy demands on the social welfare system” (“Costa Rica”). Families, such as Alicia Gonzalez's, left Nicaragua to escape extreme poverty, but find it hard to keep a steady job working in Costa Rica as illegal immigrants, as well as supporting their four children. Costa Rica does however provide their children with a better life by offering all children, illegal or not, a high school education allowing for 94.9 percent of their population to achieve literacy (“Costa Rica”). Many Nicaraguan families find work on farms and “Costa Ricans claim Nicaraguans take away jobs because they are willing to work for less money, and that their presence taxes the healthcare and education systems” (Crabb). While focusing their money on the poorly managed infrastructure that plays such an essential role in developing their economy, the Costa Rican government must continue to support the needs of the already present illegal immigrants, and reform immigration policies to better secure the job market of Costa Rican native citizens.

The increasing immigrant population in Costa Rica utilizes programs and benefits that they are unable to obtain in their own countries, although in doing so they deplete the benefits available to citizens of the country. For example, in an editorial in the Costa Rican newspaper *La Nacion* Laura Chinchilla, the current Costa Rican Minister of Justice and First Vice-President, writes that “the large and uncontrolled increase in the immigrant population in recent years...threatens to generate negative pressure on variables such as urban space, employment, the quality and coverage of social services, the rational use of renewable resources, security, etc.” (Chinchilla M., 2004, author's translation). The immigrant population continues to pour into Costa Rica, and leaves government officials wondering if their immigration policies are too temperate. As a developing nation, Costa Rica already faces challenges of creating a sustainable economy, government, infrastructure, and job market to keep its citizens above the poverty line and achieving a successful future. Similarly to what the United States has seen with illegal immigration, citizens of Costa Rica are finding that the immigrants are willing to work for lower wages

and in harsh conditions, which provide more of an incentive for companies to hire them. Small business owners can make large profits from the cheap labor and can grow their businesses, although large corporations cannot bypass the immigration control laws preventing illegal workers. The growing immigrant population greatly benefits small industrial businesses but puts a damper on the agricultural market. Many of the immigrant families living in rural areas take up farming practices, depleting the market for citizen farmers.

In addition to the immigrant families infiltrating the market, rapid industrialization also takes away from the old farming practices and techniques. Farm families in Costa Rica often view children as farm hands, which make large families common throughout the country. The children help to plant and look after on average, 400 acres of land, much of which is harvested manually. "Agricultural products in Costa Rica include bananas, pineapples, coffee, beef, sugar, rice, dairy products, vegetables, fruits, ornamental plants, corn, beans, potatoes, timber which make up 6.5% of their GDP" ("Background Note"). Most families are only capable of producing and selling enough to get by, which makes buying farm equipment difficult for the low-income families. Without the money to buy equipment to make the farming process more effective, these families cannot move up in the supply chain and must continue their subsistence farming. The Costa Rican PLATICAR project, or the Rural and Agricultural Platform for Technology, Information, and Communication, took place in August 2004 till July 2007, and created a center for information and communication for further development in agricultural technology transfer at central and local levels throughout Costa Rica (*Costa Rica PLATICAR*). This program was a crucial step in improving the lives of small rural famers because it provided them with information to improve their farming techniques and to progress as small business owners. However, the poor infrastructure once again put a damper on their plans by perpetrating a 6-month delay in delivery of supplies. Not only does the poor infrastructure throughout Costa Rica affect the agricultural market, it also greatly affects the tourism sector.

Tourism plays an essential role in the Costa Rican economy. Tourism constitutes up to 68% of the countries GDP ("Costa Rica"). This makes tourism an essential part of the livelihood of the Costa Rican population. However, tourism relies on the ability of tourists to arrive in a country and travel within it; spending money as they explore. The current state of the infrastructure in Costa Rica threatens tourism and therefore risks the well being of the countries economy. "Though Costa Rica is the wealthiest country in Central America (according to GDP), it has arguably the worst roads, a constant complaint for visitors and tourists" (Raub). "CEPAL [(the Economic Commission for Central America)] states that Latin America, including Costa Rica, actually needs to invest approximately 4 to 6 percent of its annual GDP, or 6.5-9.5 times what the country currently dedicates to maintaining and improving its infrastructure" (Raub) By reviewing their annual budget and removing earmarks throughout the system, the country can refocus this money in order to initiate an effective plan to manage and successfully restore their insufficient infrastructure. An analysis of the matter reveals that Costa Rica, as a whole, spends less than 2 percent of their annual GDP on infrastructure according to CEPAL (Raub). If tourism is to remain Costa Rica's largest revenue generator, then they must invest in their infrastructure appropriately.

The Limon-City Port Project focuses on rebuilding and revitalizing the city of Limon and its port, being the one main port in Costa Rica. The project looks to protect and manage the natural heritage, increase access to the sewage system, reduce urban flooding, support a more effective local government, create new employment opportunities, and improve the freight transport access to the port terminal (Corvalan). This project draws attention to the inadequate roads leading to the seaport, and addresses the importance of repairing the roads in order to transport goods and products to the shore side in order to increase its exports to other countries. By increasing the efficiency of the port, large businesses such as Intel Corporation, which employs 3,200 people at its \$1,996 billion microprocessor plant . . . ("Background Note"), could export its finished projects, and local famers could sell their surplus. The port projects main goal is to create a more unified system between the city and the port by creating a market place and

successful tourist location. Improving the port would allow for more cruise lines to dock at the site, and would potentially increase the tourism profits which make up a large amount of the countries GDP.

In addition to the infrastructure being inadequate for transportation, it proves insufficient for safe drinking water as well. "Although Costa Rica has made significant progress in the past decade in expanding access to water supplies and sanitation, just 3.5% of the countries sewage is managed in sewage treatment facilities, and the Water and Sewage Institute (AyA) estimates that perhaps 50% of septic systems function" ("Background Note"). Poor water quality leads to water borne diseases including bacterial diarrhea and prove to be breeding grounds for mosquitoes, which carry Dengue Fever and Malaria. Both of which can lead to serious illness and even deaths. According to the World Fact Book, 100 percent of the urban population and 91 percent of the rural population has access to drinking water sources; however, these sources of water are not properly treated and managed. In order to improve the lives of many Costa Rican families, more money needs to be properly distributed into funds aimed at fixing the growing demand of water and to meet the "Millennium Development Goal target 7 part C to halve, by 2015, the proportion of the population without sustainable access to safe drinking water and basic sanitation"("Millennium Development Goals") by 2015. The goal looks to provide every individual clean drinking water, and access to healthy sanitation in order to limit and eventually remove the amount of contamination into the sewage system.

The problem of poor infrastructure in Costa Rica is dramatically increasing today. Large companies such as Intel, as stated before, and others such as Del Monte, Dole, Baxter Healthcare, etc., are investing in the Costa Rican market and are setting up shop in the small country. With them they bring large corporations and equipment that must be able to function in their nation. The largest problem these companies are dealing with is not having enough well maintained roads to transport big shipments of products to and from the docks. Many of their roadways are not able to withstand heavy machinery and cargo. Once these shipments have reached the ports, they must be loaded and transported to other countries, although; with only one port, the Limon City port, congestion makes this process difficult as well. Dole and Del Monte use the agricultural products grown in Costa Rica, and package them for wholesale, while companies such as Baxter Healthcare and Intel, hire scientists and researchers to improve and invent their products. These corporations bring larger amount of workers to the cities. As reported by the CIA World Fact Book, 64 percent of Costa Rica's population now lives in cities. While it gives many Costa Ricans jobs, it also removes them from the agricultural manufacturing, and allows large companies to dominant the industry along with immigrant farmers. The new investments are both beneficial and unfortunate to the country. They bring large amounts of capital in, but put pressure on the unprepared infrastructure and transportation. In order to sustain the large investments within their country, Costa Rica must make drastic changes to accommodate the new businesses and industrialization.

The new industrialization brings unfortunate news to both immigrant Nicaraguan farmers and citizen farmers. With the new industries dominating the agricultural aspects in Costa Rica, small farm owners are not able to make much profit off of their entities. They must become more industrialized if they are to survive as farmers. Small farm owners still continue their practice of substance farming but in order to transform the lives of these farmers to a market economy, the government and other organizations must help them transition. Without these efforts, the immigrants and citizens are forced to move to the cities and industrialize. The industrialization brings complications for the immigrants. Big corporations are not allowed to hire the illegal immigrants, forcing them out of employment. The immigrants are pressured to work spontaneous jobs, moving from place to place. For Costa Rican natives, the industrialization allows them to work in factories, laboratories, and headquarters that promote the countries progress, and enables them to move up in the supply chain. While big investors have begun bringing large sums of money into Costa Rica and new jobs, it would be beneficial for the companies to expand on the nations already developed markets.

With government persuasion, big corporations should change their ways and buy from small local farmers rather than big plantations in order to secure the jobs of rural families. The capital brought from within Costa Rica will help it to progress from a developing to a developed nation, improving the way of life for its citizens and guaranteeing its spot in the global economy. Already, Costa Rica is being well regarded for its continuous and extraordinary sustainable energy efforts. “It gets about 99% of all its electrical energy from clean sources, and it is aiming to become carbon neutral by 2021 . . . Costa Rica has the potential to become a major electricity exporter if plans for new generating plants and a regional distributing grid are realized” (“Background Note”). This not only draws attention from other countries who are aiming to be carbon neutral, but it also grabs the attention of many companies who pride themselves in being eco-friendly. The government and non-governmental organizations must continue to promote a movement towards a carbon free nation, and drive out pollution in their sanitation systems in order to support further investment opportunities from foreign investors. The new investments are critical in order to support the population growth and provide jobs for the future workforce, as well as generate revenue for infrastructure improvements. The government also needs to look at its immigration policies in order to reduce the number of immigrants entering its workforce. By regulating the illegal immigration issue, it can focus on providing jobs for every individual within Costa Rica, and reduce its poverty rate. In order to effectively tackle the immigration issue that is putting extraneous stress on the Costa Rican economy, outside sources such as the United Nations needs to become involved in the least developed Latin American nations such as Nicaragua, and create a plan for success within Costa Ricans neighboring countries. Their support within the nation, would help to establish a more stable economy to reduce the poverty level, and create jobs for every individual in compliance with the 2010 Millennium Development Goal target 1 part B, to achieve full and productive employment and decent work for all, including women and young people (“Millennium Development Goals”), and remove the need to immigrate to more developed nations such as Costa Rica. By tackling the biggest issue of poorly maintained infrastructure and by investing in the nations poorest demographic, the Nicaraguan immigrants, Costa Rica will become a global competitor at a faster pace. In order to support new investments within their country and to better secure their job market the government must find ways to incorporate solutions to both of these factors while continuing to support their growing economy and allow for market access.

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