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THEDIALOGUE

FEATURED Q&A

What Is Behind Costa Rica's Rising Homicide Rate?

Costa Rican President Rodrigo Chaves announced this month that the United States had donated $14 million worth of security materials to help fight crime. // File Photo: Costa Rican Government.

Q The U.S. government donated nearly $14 million worth of security materials to Costa Rica, including telecommunications equipment and drones, to help fight crime, Costa Rican President Rodrigo Chaves announced Feb. 7. The Central American country last year recorded a record high murder rate of 12.6 per 100,000 inhabitants. Why has Costa Rica's homicide rate surged, and what should be done to reverse the trend? How well are Chaves' security policies and the nation's law enforcement institutions functioning? How significant is the foreign help, including from the United States, that Costa Rica is receiving?

A **Linyi Baidal-Sequeira, chargé d'affaires at the Costa Rican Embassy in Washington:** "It is well known to us all that security in the Central American region has been an enormous challenge for governments for years due to the incursion of drug trafficking and organized crime. For a country with limited resources like Costa Rica, facing this challenge is very difficult. The support of friendly countries is essential to meet the objectives set in terms of security. Thanks to our government's commitment, transparency, effective use of the support received through cooperation mechanisms and the good performance of the Ministry of Public Security, the police and the Costa Rican institutional structures working against crime, a new donation for Costa Rica was possible. This donation was announced during the official visit of the commander of the U.S. Southern Command, Gen. Laura Richardson, to San José. The cooperation between the United States and Costa Rica on security issues has been constant over the

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Mad Cow Case Leads Brazil to Halt Beef Exports to China

Brazil will suspend beef exports to China after a case of mad cow disease was confirmed in the northern state of Pará.

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Germany-based Deutsche Bank is seeking to expand its operations in Mexico, said Christiana Riley, the CEO of the lender's operations in the Americas.

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Mexico's Congress Slashes Budget of Elections Agency

Mexico's Congress on Wednesday slashed the budget and staff of the National Electoral Institute. President Andrés Manuel López Obrador has said the agency is too expensive, but critics called the move a step backwards for Mexico's democracy.

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López Obrador // File Photo: Mexican Government.

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POLITICAL NEWS

Mexico's Congress Slashes Budget, Staff of Elections Agency

Mexico's Senate on Wednesday approved legislation that would slash the budget and staff of the country's independent elections agency, a move that critics of the move say would weaken Mexico's democracy, The Wall Street Journal reported. Senators voted 72-50 to overhaul the National Electoral Institute, with President Andrés Manuel López Obrador's Morena party and its allies supporting the changes and opposition parties voting against them. The lower house of Congress previously approved the changes. The legislation is a watered-down version of a more ambitious plan that López Obrador proposed last year to amend the constitution and replace the agency. His plan sent thousands of protesters into the streets in November over concerns that it would undermine Mexico's democracy. In a **Q&A** published Nov. 29, Lorena Becerra Mizuno, a political analyst at Grupo Reforma, told the Advisor that López Obrador's attempt to do away with the National Electoral Institute would signify "a radical change to the country's modern electoral system." She added, "It represents an alarming attempt to undermine the strength and independence of the electoral referee, which has maintained exemplary autonomy from political influence and has conducted elections in a transparent, independent and homogeneous manner countrywide since 1997." López Obrador has said that the changes contained in the legislation that Congress passed would lower the cost of the elections process. The measures cut the National Electoral Institute's $760 million budget by approximately a third, savings that would amount to approximately 0.1 percent of the federal budget, The Wall Street Journal reported. Lorenzo Córdova, the agency's head, has said the legislation would mean the layoffs of between 6,000 and 17,000 staff members at the agency, including technical staff members who are key in organizing elections. "There's a risk that not all polling stations are set up, and therefore, that votes aren't counted properly, and that courts invalid elections," Córdova said in a recent speech. In his daily news conferences, López Obrador has said the directors of the election agency are corrupt and in the service of his opponents. Mexico's opposition is planning to challenge the legislation in the country's Supreme Court, the Financial Times reported.

The savings amount to 0.1 percent of the federal budget.

ECONOMIC NEWS

Brazil to Halt Beef Exports to China After Mad Cow Case

Brazil will halt beef exports to China starting Thursday after a case of mad cow disease was confirmed in the northern state of Pará, the country's agriculture and livestock ministry said on Wednesday, Reuters reported. The temporary suspension follows an animal health protocol previously established between the two nations. Brazil is the world's largest beef exporter, and China represents its largest market for beef exports. "All measures are being taken immediately at each stage of the investigation, and the matter is being handled with total transparency to guarantee Brazilian and global consumers the recognized quality of our meat," said Brazilian Agriculture Minister Carlos Favaro. Brazilian authorities will hold talks with their Chinese counterparts in a bid to "prompt re-establishment" of trade flows, the ministry said in a statement, Bloomberg Law reported. The affected animal was on a property with 160 head of cattle in the southeastern part of the state. "The symptomatology indicates that it is the atypical form of the disease, which appears spontaneously in nature, causing no risk of dissemination to the herd and to humans," Pará's agricultural

NEWS BRIEFS

Ecuador's Attorney General to Seek Graft Charges Against Moreno

Ecuador's attorney general on Wednesday said she will seek corruption charges against former President Lenín Moreno and three dozen others over the construction of the country's largest hydroelectric plant between 2009 and 2018, Reuters reported. The investigation into the case began in 2019 and has amassed enough documentation to ask the National Court of Justice to hold a hearing on bribery charges against Moreno and 36 other suspects, said Attorney General Diana Salazar. In a statement Wednesday afternoon, Moreno denied wrongdoing and called the developments a political distraction.

U.S. Sanctions Six for Allegedly Supplying Drug Chemicals in Mexico

The U.S. Treasury Department announced sanctions Wednesday against six members of a Mexican ring that it accuses of supplying drug precursor chemicals, the Associated Press reported. The six, including brothers Ludim and Luis Alfonso Zamudio Lerma, are accused of supplying to the Sinaloa drug cartel large amounts of chemicals used to make fentanyl and methamphetamines.

Colombia's Grupo Argos to Launch Share Buyback

Colombia-based industrial conglomerate Grupo Argos announced Wednesday that it plans to conduct a share buyback valued at approximately 400 billion pesos ($81.2 million), Reuters reported. The buyback, which the company plans to conduct between March 2-26 was approved in 2020 and is designed to improve Grupo Argos' share price. The company also said it would ask shareholders to approve another effort to acquire more shares, the wire service reported.

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defense agency said in a statement, Reuters reported. In 2021, a similar incident triggered a three-month suspension of Brazilian beef exports to China.

BUSINESS NEWS

Deutsche Bank Seeking to Expand in Mexico: Executive

Germany's Deutsche Bank is seeking to expand its operations in Mexico, Christiana Riley, the chief executive officer of the Deutsche Bank Americas, told Bloomberg News Wednesday. The expansion would involve providing more foreign-exchange and fixed-income derivatives to corporate clients, she told the news service. "The volume of inbound investment is driving the need for incremental foreign-exchange and risk-management solutions," Riley told Bloomberg News in an interview in Mexico City. Additionally, Deutsche Bank is looking at talent it might be able to hire as other banks shed staff in Mexico and the United States, Riley added. The Mexican peso is trading at nearly a five-year high and Mexican stocks have shown strength this year, the news service reported. A growing number of companies have also been moving factories to Mexico in order to take advantage of the "nearshoring" trend, Bloomberg reported. Deutsche Bank's plans for expansion in Mexico contrast with efforts by lenders such as UBS and Credit Suisse to scale back operations in Mexico. Additionally, Citigroup is selling Banamex, its retail unit in Mexico, though it is retaining its investment banking and corporate businesses. "Contrary to other countries in Latin America, Mexico maintains a healthy level of public debt to national GDP. Even if the scenario for next year is of economic slowdown, following the pace of the global economy, the financial sector may find an adequate space for the unleashing of investments," Nicholas Borges, political analyst at BMJ Associated Consultants in Mexico City, told the biweekly Financial Services Advisor in a **Q&A** published Dec. 14.

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years and fundamental in the fight against growing transnational crime in Costa Rica and the region overall. This cooperation has been established for decades and focuses on shared interests, including disaster awareness, cyber security, promoting respect for human rights, extended integration of women in security, peace, defense and international efforts to counter transnational criminal organizations."

Andrés León Araya, director of the Center for Research and Political Studies at the University of Costa Rica: "Costa Rica has historically been an important, albeit quiet, ally of the United States' geopolitical interests in the isthmus, and its security sector and policy has been deeply influenced by this relationship. Since at least the 1950s, Costa Rican officers have participated in different U.S. training programs, including in the infamous School of the Americas. Also, during the 1980s, even after the declaration of 'perpetual neutrality,' Costa Rican territory was used as rearguard to the Nicaraguan Contra; and later in 2010, Congress approved the entrance of an aircraft carrier and thousands of military personnel as part of the 'War on Drugs.' Further, in the context of the increasing tensions regarding the alleged presence of Russian military personnel in Nicaragua, this donation speaks of a broader geopolitical context. Seen from this longer perspective, the recent announcement of the U.S. government's donation of security materials to Costa Rica is nothing extraordinary. However, it does point toward Costa Rica's closer alignment with the U.S. prohibitionist anti-drug project that pins the rising levels of violence in Latin America on drug trafficking and has criminalized impoverished social groups, drawing attention away from the increasing levels of concentration of wealth (a fertile ground for organized crime and probably behind Costa Rica's surging homicide rate). Telecommunications equipment and drones will do little to solve this problem, but they will significantly improve the state's surveillance capacity, and they are in line with Costa Rica's not-so-new militarization."

Gabriela Jiménez, former ambassador of Costa Rica to Mexico: "Unfortunately, Costa Rica is suffering from a growing social deterioration where organized crime and drug trafficking have found fertile ground to grow. In the last eight years, we have seen the absence of a government security strategy that attacks the problem at the root in a comprehensive manner together with the legislative and judicial branches. Security should be a top priority for everyone. Although we know that this problem stems from previous governments, President Chaves must speak clearly and establish proactive policies on how he will address the problem. One could be as simple as reactivating the National Public Security Council as the highest inter-institutional coordination body. The help provided by the United States is significant and is appreciated, but the problem goes deeper than that, since the social deterioration, poverty, lack of education and opportunities in the coastal areas of Costa Rica cannot be solved with drones and security equipment."

Carlos Denton, president of the board at CID/Gallup in Costa Rica: "In CID/Gallup's January national survey, respondents were asked if they or someone who lived in their household had been a victim of a robbery or armed assault in the four months before the interview; 17 percent reported that they had. This is not a surprise—10 years ago in 2013 the percentage was 20 percent. The difference is not in the quantity of victims but rather the fact that now these events are more likely to involve violence and the use of a weapon. Costa Rica takes pride in not having a military and being peaceful by nature. There is a budget for up to 12,000 police (known as the 'Public

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Force') but the ranks are perpetually missing 1,000 to 2,000 officers because of resignations, retirements and lack of interest. The United States has been providing resources to the Public Force, including equipment, but most of those resources are designed to stop illicit drugs on their way north to the North American market. Meanwhile, many of the deaths being recorded have to do with turf wars—gangs fighting for territory. More and more of the services performed for the cartels by locals are paid for 'in kind.' As a result, there is a major marketing effort to sell the drugs through young people. More than 5,000 minors are currently in jail for drug-related crimes."

Nuria Marín Raventós, co-founder and co-president of the Álvarez & Marín Corporation in Costa Rica: "Violence and criminality in Costa Rica are increasing due to multidimensional causes. Two of those factors are the high unemployment and the need for additional social programs. The most serious problem, however, is the criminality related to narcotrafficking, a major cause for the high number of homicides. This year, women connected to dealers have been a major target. Costa Rica continues to be a bridge between drug-producing countries and the consumer market: the United States. With no army, there is a perception that it is less risky to operate in our country. In addition, nowadays, payment from traffickers is with drugs, which means they have to sell the drug locally, resulting in disputes for control of territory and consumers. Legislation in Costa Rica is strong but ineffective. For that reason, the approval of a domain forfeiture law, which enables the state to confiscate assets that come from narcotrafficking and money laundering and makes the country less attractive for these activities, is advisable. The government, however, has not decisively supported that initiative. To confront this social problem, it is urgent to acquire more technology and modern equipment, thus the importance of U.S. help in acquiring such resources because our finances are insufficient for its acquisition. Also important is the exchange of information so that our police can be effective at localizing and neutralizing these groups and prevent them from receiving money."

The Advisor welcomes comments on its Q&A section. Readers can write editor Gene Kuleta.

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