

What's next for Costa Rica?

Opinion
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Costa Ricans apparently took the last train. In the United States, the brief period of generous trade opening is practically closed. Two of every three Republicans (supposedly the free-trade party) oppose international free trade, which places them on the same side as Hugo Chávez and Fidel Castro.

Among Democrats, the protectionist trend pushed by the AFL-CIO is even more pronounced. Someone like Hillary Clinton, who voted against NAFTA in the Senate even though her husband defended FTAs tooth and nail, today wants to postpone the new accords "until their consequences are reassessed."

I believe she does so not out of ideological conviction but because of opportunism. It may not be good strategy. Cowardice is never elegant, not even in politics. Bill Clinton had the courage to oppose the labor unions (the heart of the Democratic Party), opened his arms to Canada and Mexico and won a battle that benefited all three countries. His wife has less gumption.

In the end, the Costa Ricans voted sensibly. A little more than 50 percent of them supported their nation's incorporation into the regional free-trade treaty between Central America, the Dominican Republic and the United States. A slightly smaller percentage voted in the opposite direction.

According to the most reliable analyses, the accord will result in a half-point increase in the country's annual growth. That's not much, but it will contribute to reduce poverty, which today afflicts 20 percent of the population.

For its part, Costa Rica will have to open its small market in the communications and insurance sectors, two monopolies now in the hands of the state. That may be even more important than the treaty. Such a move will improve services, reduce the users' costs, and lift from the government responsibilities that don't belong to it.

Competitive, complex market

It's not a question of an arbitrary imposition invented by Washington for the purpose of robbing the weak. To join the European Union, nations must abandon public monopolies and open themselves to competition.

After experimenting in the 20th Century with ruinous state enterprises, Europeans realized that that model of development led to technological backwardness, fostered patronage and made services more expensive. That is why Europe dismantled the whole structure and privatized the monsters.

Costa Ricans have the world's largest market within their reach. But that's only a small part of the problem. What comes next is truly difficult: what to sell. The United States is also the most competitive and complex market in the world.

Costa Ricans don't have to build spacecrafts. They don't have to produce amazing medicines, cars or household appliances built with the latest technological achievements. But whatever they sell -- be it flowers, bottled water, clothing or food -- should be well packaged and marketed in accordance with the latest and most demanding techniques.

A company like Nestle, the Swiss giant, bills more than all Central American countries combined, yet none of its products require a remarkable degree of scientific development. Nestle owes its success to an effective combination of marketing, management, advertising, uniform quality and efficient distribution. All that has contributed to create a fantastic brand image that additionally benefits from the image projected by its country of origin. Everything that comes from Switzerland is neat, clean, reliable and well made.

The road to success

What is Costa Rica's brand image? Costa Rica has a very favorable country image. Its name is associated with ecological responsibility, democracy, pacifism, civility, respect for institutions and good coffee. That positive charge can be routed to the field of trade. It is an intangible capital that Costa Rican businessmen carry in their knapsacks before they even begin to produce. But they need good people to get ahead.

Companies are people, first; the products they sell, second. Do Costa Ricans have both? I believe they do. For several years now, INCAE, one of the best business schools in the world, has operated in Costa Rica. It settled there after it was founded in Nicaragua and has granted degrees to hundreds of students.

It's a question of imagination and desire to work. These folks know the road perfectly well.