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THE UNIVERSITY OF OKLAHOMA
GRADUATE COLLEGE

SAN JOSE, COSTA RICA LOCAL GOVERNMENT:
DEMANDS AND DECISIONS

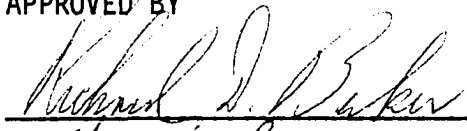
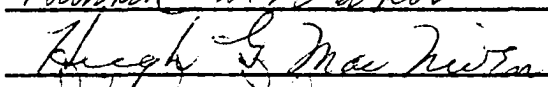
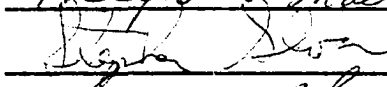
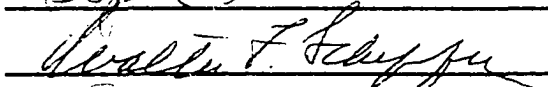
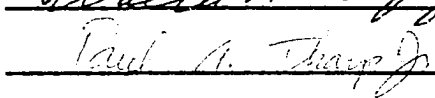
A DISSERTATION
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BY
HERBERT HERNANDO ORTEGA
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SAN JOSE, COSTA RICA LOCAL GOVERNMENT:

DEMANDS AND DECISIONS

APPROVED BY

DISSERTATION COMMITTEE

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Many years ago, when I used to visit Costa Rica frequently, I came to know its beauty and its people. This dissertation is dedicated to them.

The number of people who have supported and guided me in this effort is great, and because of space limitations, I can only name a few. I sincerely thank Dr. Richard D. Baker, Major Professor, for giving so generously of his time and for his efforts in providing guidance and direction to this research. To the faculty of the Political Science Department of the University of Oklahoma, for creating an environment which my years of study very enjoyable and most rewarding, I am grateful. In particular, my thanks to Dr. Hugh G. Macniven, Dr. Walter F. Scheffer, Dr. Stephen S. Sloan, and Dr. Paul A. Tharp.

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INTRODUCTION

This study addresses the subject of the municipal government of San Jose, Costa Rica. The primary objective is to determine the role of the San Jose government in the political, social and economic development of the capital city of Costa Rica. Its secondary objective is to assess the capabilities and constraints which the San Jose Municipal Code imparts to the various working departments of the San Jose municipal government. Ancillary objectives are (1) to determine the importance of the San Jose government in the overall national structure; (2) to generate interest in the study of local governments in the smaller Latin American countries, especially those countries where the capital city is such a dominant factor as is the case in Costa Rica; (3) to contribute to the literature of political science and public administration on the subject of municipal governments; (4) to provide guidelines and tools necessary for the undertaking of similar studies; and, (5) to produce recommendations for research and content material in the field of local government studies.

The motivation for this study was the research which had been accomplished by Christopher Baker, Ronald Fernandez Pinto, and Samuel Z.

Stone, with reference to twenty-five townships in Costa Rica, not including San Jose.¹ This provided an excellent opportunity to add to the existing body of literature on municipal government in Costa Rica.

The problems of Costa Rica are many. The objectives, however, seem to be the same for most of the countries in Latin America. They all desire to grow, to have better distribution of income, to provide employment for their citizens, and to have financial stability that will allow improved planning.² The consideration of these objectives has been the preoccupation of economists for some time. The literature in this field has grown considerably in the last decades, specially after the concept of the Alliance for Progress was introduced. To be sure, some countries have received more attention than others in country by country studies, but all have been included in the writings on economic development. But, in reference to economic development, Costa Rica has been one of the countries about which very little has been written. The literature on Costa Rica, both in English and Spanish, has been practically limited to its history.

Specifically, this is a study of the Municipal Government of the capital city of San Jose. This is a study of public administration, not of development economics. The two, however, are closely related. As Roberto De Oliveira Campos suggested, "economists are now much more inclined to discuss problems in other social sciences, particularly in the

¹Christopher Baker, Ronald Fernandez Pinto, Samuel Z. Stone, Municipal Government in Costa Rica: Its Characteristics and Functions (Costa Rica: University of Costa Rica, 1971).

²Charles T. Nisbet, Latin America: Problems and Economic Development (New York: The Free Press, 1969), p. 4.

complicated and unreliable art of administration, and governing is the realization of the difference between the 'spontaneous' type of development, which was characteristic of most cases of economic growth during the 19th Century, and the present pattern of what we call 'derived development'.¹ Campos concludes that "public administration turns out, increasingly, to be one of the first chapters of any rational theory of economic growth."² Economic analysis by itself provides a static sort of report which does not really provide much insight into specific relations. On the other hand, an analysis strictly limited to the bureaucracy would fall short of providing useful information. Full awareness of economics and of its impact on public administration is necessary throughout this work; a multi-disciplinary approach is used because this study requires it. There is no conscious effort to approach this work in terms of Pye's development syndrome. However, this study does try to determine the systems' capacity for solving problems and its functional specificity.³

Appropriate theory from several disciplines must be considered, but clearly theory alone will mean little. Care must be taken to avoid the trap of presenting theory so abstract that it has little practical application.⁴ The practical side of both economics and public administration

¹Roberto De Oliveira Campos, Public Administration: A Key to Development, Burton A. Baker (ed.), (Washington, D. C.: Graduate School, U.S. Department of Agriculture, 1963), p. 42.

²Ibid., p. 43.

³Lucian W. Pye, "The Concept of Political Development," The Annals of the American Academy of Political and Social Science, 358 (March, 1965), pp. 1-13.

⁴Nimrod Raphaeli, Readings in Comparative Public Administration (Boston: Allyn and Bacon, Inc., 1969), p. 5.

has to be emphasized if dynamic and relevant suggestions are to come forth.

Development may be studied in terms of static models, through the use of the assumption of ceteris paribus as a means to represent a condition. Because this study intends to be dynamic, the ceteris paribus assumption is never a consideration. Development may be discussed at either a micro or macro level, and because this is the study of one aspect of total government, the first impulse was to consider it at the micro level. However, it is difficult to do so inasmuch as at least two conditions exist which implicitly require consideration of the municipal study in the context of the nation itself. The two conditions are, first, that Costa Rica is a small country where, as in other Latin American countries, the national government plays a dominant role in all governmental affairs, and, secondly, that San Jose is not only the capital city, but also the center of Costa Rica's national and international life.

There are a number of approaches to the study of Public Administration which are used here to provide greater depth and understanding of the intricate relationship of San Jose to the rest of the country.

In comparative public administration, the concern is with theoretical frameworks. Raphaeli points out that "the ultimate task of theory in this area is to clarify the differences and similarities found among bureaucratic systems and to demonstrate meaningful relationships."¹ Comparative public administration is desperately in search of a conceptual framework. Heckscher reports that the Political Science Association in Florence in 1954 agreed that "a minimum requirement for comparison is that

¹Nimrod Raphaeli, op. cit., p. 6.

it should be based at least on a 'conceptual framework', that is, a number of conscious and consciously inter-related concepts which are applied to the cases brought into comparison."¹ The quest therefore has been to construct models. The list of those who have contributed in the area of bureaucratic models is impressive. Max Weber provided the "ideal" model of bureaucracy where he classified authority as of three types: traditional, charismatic and legal-rational.² Both Diamant and Heady have provided derivations of Weber's ideal type.³ Fritz Morstein Marx's four types of bureaucracy -- guardian, caste, patronage, and merit -- combine historical and behavioral traits.⁴ Banks and Textor provide a typology of modern, semi-modern, transitional and traditional bureaucracies.⁵ The Political Systems of Empires by S. N. Eisenstadt contributes not only to the literature on bureaucratic models, but also to that of methodology.⁶ The works of Fred Riggs must be cited, not necessarily for their ability to deal with bureaucracies, but because they are useful, though limited,

¹Gunnar Heckscher, The Study of Comparative Government in Politics (London: 1957), p. 69.

²Max Weber, The Theory of Social and Economic Organizations, Talcott Parsons, (ed.), (Free Press Paperback, 1964), pp. 329-341.

³Alfred Diamant, The Relevance of Comparative Politics to the Study of Comparative Administration (Administration Science Quarterly, Volume V, June, 1960), pp. 87-112; Ferrel Heady, Administrative Science Quarterly, Volume III, 1959, pp. 509-525.

⁴Fritz Morstein Marx, The Administrative State: An Introduction to Bureaucracy (Chicago: University of Chicago Press, 1957).

⁵A. S. Banks and R. B. Textor, A Cross-Polity Survey (Cambridge: MIT Press, 1963), p. 65.

⁶S. N. Eisenstadt, The Political Systems of Empires (New York: The Free Press of Glencoe, 1963).

in dealing with developing countries such as Costa Rica. Knowledge of both the "Agraria and Industria" and "Sala" models should prove helpful throughout this work.¹

According to the guidelines agreed upon by the Political Science Association in Florence, this study does not qualify as comparative. It seems, however, that it does contribute to the specific field of comparative analysis. This observation is made because the efforts expended on this study are intended to contribute beyond the mere acceptance or rejection of formulated hypotheses. As in any discipline of a comparative nature, the question arises as to why comparison is necessary.² In answer, this project initiates the literature on the municipal government of San Jose. Comparative analysis is a project that should evolve from this preliminary work. If this study is to contribute to the field of comparative public administration, specific use of the literature available in comparative public administration is a prerequisite. It is being used here in the formulation of the framework of this project and certainly its use will provide meaningful insight for future scholars who might undertake to study the role of San Jose's municipal government as an agent in the development of the nation.

Two decades ago Robert Dahl stated that, "as long as the study of public administration is not comparative, claims for a 'science of

¹Fred W. Riggs, Agraria and Industria - Toward a Typology of Public Administration, William J. Siffin, (ed.), Toward the Comparative Study of Public Administration (Bloomington, Indiana: Indiana University, 1957), pp. 23-116; Fred W. Riggs, Administration in Developing Countries - The Theory of Prismatic Society (Boston: Houghton Mifflin Co., 1964); Fred W. Riggs, Prismatic Society Revisited (Morristown, N. J.: General Learning Press, 1973).

²Raphaeli, Op. Cit., p. 4.

public administration' sound rather hollow."¹ This study does not follow the classic lines of a true comparative study and so there is no agreement with Dahl's preoccupation with the need for comparative studies. It is hoped that as interest increases for studying local governments in Latin American countries, this project will provide a framework as well as a data base for comparison of local governments with similar traits.

Similar observations must be made regarding development administration. That is, this study does not deal exclusively with development administration. To carry it out without placing strong emphasis on this particular aspect of public administration would be to pretend that nothing has been learned from the ever increasing literature in this field. For instance, Edward Weidner found that common to the use of development administration was an action-oriented, goal-oriented administrative system.² This is interpreted by V. A. Pai Panandiker as nothing more than "planned change."³ Pai Panandiker suggests that "not until a decision is made to make a deliberate effort to improve the system does the process become 'developmental'."

The study of bureaucracy such as that of local government is of considerable importance because government in Latin America have rapidly expanded their range of activities and consequently have created

¹Robert A. Dahl, The Signs of Public Administration: Three Problems, Public Administration Review, Volume VII, No. 1, 1947, p. 8.

²Edward Weidner, Development Administration: A New Focus for Research, Ferrel Heady and Sybil Stokes (eds.), Papers in Comparative Public Administration, (Ann Arbor: University of Michigan, 1962), pp. 97-115.

³V. A. Pai Panandiker, Development Administration: An Approach Nimrod Raphaeli (ed.), Readings in Comparative Public Administration (Ann Arbor: 1969), p. 200.

the necessary organs of public administration. Eisenstadt comments that, "since, in most of these countries, the government plays a great role in economic development, the bureaucracies also began to engage significantly in the activities of the economic sphere. The bureaucracy's activities could then have great influence on the direction and tempo of the country's economic development."¹ There are a considerable number of additional sources which agree that development administration has become too relevant to be omitted from a study such as this. The analysis of San Jose's government as carried out in this project is expected to contribute to the literature of development administration.

This study will practically originate the literature on the activities of the Council of the Municipal Government of San Jose. As mentioned previously, the work of Baker, Pinto and Stone, entitled Municipal Government in Costa Rica : Its Characteristics and Functions addresses itself to the smaller municipalities and does not include San Jose.² There are three major works which have contributed greatly to the literature on the municipal governments in Costa Rica. Two of the studies by Arvids Kalnins of the United Nations are nationwide in scope, and the third suggests the creation of a Metropolitan District with San Jose as the center.³ Recently, the faculty and students of the Political Science

¹S. N. Eisenstadt, Problems of Emerging Bureaucracies in Developing Areas and New States, Burt F. Hoselitz and Wilbert E. Moore (eds.) (Paris, UNESCO, 1963), pp. 159-174.

²Baker, Pinto and Stone, Op. Cit.

³Arvids Kalnins, Reorganización Administrativa y Financiera del Regimen Municipal de Costa Rica (San Jose: Planificación de la Presidencia, Costa Rica, 1968); Modificación de la División Territorial Administrativa de Costa Rica (San Jose: Planificación de la Presidencia, Costa Rica, 1969); Proyecto de Creación del Distrito Metropolitano (San Jose: Ministerio de la Presidencia, Costa Rica, 1971).

Department of the University of Costa Rica have written on various aspects of local government and their findings are referred to throughout this work.

Inasmuch as the field of public administration is considered part of political science, the fact is that even when considering the discipline in its widest scope, there is still very little literature regarding Costa Rica. The recent work of Charles F. Denton provides interesting insight into the politics of development in Costa Rica.¹ Another descriptive work is that of Martz entitled Central America, which contains one chapter on Costa Rica.² To anyone who is interested in and acquainted with Costa Rica, Martz's work is of little value. The 1962 work of James L. Busey, Notes on Costa Rican Democracy, contains a good treatment of the national legal institutions.³ An insight into the National Liberation Party (PLN) is provided in an article by Charles W. Anderson.⁴

A special effort has been made to address diverse subject matters that will, taken together, provide a relevant and comprehensive approach to the study of local government in a developing country foreign to the researchers.

¹Charles Frederick Denton, The Politics of Development in Costa Rica, University of Texas, Unpublished Doctoral Dissertation, 1969.

²John D. Martz, Central America (Chapel Hill: University of North Carolina Press, 1959), pp. 210-263.

³James L. Busey, Notes on Costa Rican Democracy (Boulder, Colorado: University of Colorado Press, 1962).

⁴Charles W. Anderson, Politics and Development Policy in Central America, Midwest Journal of Political Science, Volume V, No. 4.

In order to give direction to the research, a number of working hypotheses were formulated. These form the primary guidelines:

- (1) Historically, the local government of San Jose has had no autonomy and has done poorly dealing with local needs.
- (2) From a political point of view, major allocation decisions are not made at the local government level.
- (3) The demands made of the Municipal Council do not require the execution of the function of conflict resolution at the local level.
- (4) The Municipal Government of San Jose is seen primarily as an organization that does not have sufficient resources for infra-structure development.
- (5) Problems normally associated with a rapidly growing urban community are not dealt with by the local government of San Jose, but by the National Government of Costa Rica.

The changes which have occurred in Costa Rica recently regarding municipal government would appear to negate these working hypotheses at the very start. Nevertheless, a realistic evaluation of the limitations of municipal governments may well suggest their acceptance. In Article 170 of the National Constitution of 1949, the precept is that "the municipal councils are autonomous."¹ However, the influence and control of the Central Government through appointments has placed an effective limitation on the local governments.² The dependence on the Central Government for funds has been another infringement on the autonomy which the municipal government, by law, should enjoy. In addition, legislation has transferred functions from the municipalities to local boards and autonomous agencies of the Central Government. This process has been aptly

¹Baker, Pinto and Stone, op. cit., p. 20.

²Ibid., p. 20.

described by Kalnins as "demunicipalization."¹

The fact remains that past performance has been unsatisfactory and that changes in laws and organizations were required. In Costa Rica a movement for municipal change has existed for several years.² The recent emphasis that economic development should be approached on a regional basis resulted in the consideration of the role of the municipal government and provided the impetus to do something about it. The result was a new Municipal Code signed by the President on May 4, 1970.³ The Law of February 9, 1971, created the Instituto de Fomento y Asesoría Municipal, as provided for in the Municipal Code, Article 19.⁴

The Institute will be an organization destined to obtaining the coordination of the municipalities by means of voluntary adhesion with the purpose of providing financial assistance, services, and technical advice, and to cooperate with them in the realization of projects which may be of interest to one municipality, groups of municipalities or all the country.

Transitory Article: The organization, financing and operation of said Institute will be regulated by a special law, the project of which will be prepared by the Executive Power and remitted to the Legislative Assembly in a period not greater than three months from the date of the publication of the present law.⁵

The Instituto de Fomento y Asesoría Municipal's (IFAM) primary objective is to strengthen local governments, in line with national

¹Arvids Kalnins, Reorganization Administrativa y Financiera del Regimen Municipal de Costa Rica, p. 210.

²Instituto de Fomento y Asesoría Municipal, Filosofía, Objetivos y Programa de Trabajo (San Jose, Costa Rica: 1971), p. 1.

³Código Municipal, Ministerio de Gobernación, Policía, Justicia y Gracia (San Jose, Costa Rica: 1971).

⁴Ibid., Article 19, p. 12.

⁵Instituto de Fomento y Asesoría Municipal, op. cit., p. 4.

objectives.¹ The creation of IFAM is intended as a decentralization measure which is exactly opposed to one of the hypotheses. Centralization has been an issue in development and Oliveira Campos considers it a flaw in attitude:

A traditional flaw in attitude is what I might call the over-centralization in decision making. This may manifest itself both at the regional level and at the sectorial level. At the regional level, there is an excessive weakness of provincial and local governments, leading to overconcentration of decision making at the center."²

Costa Rica seems destined then to correct the flaw in attitude referred to by Oliveira Campos and to give more decision making power to the local government. This philosophy gave birth to IFAM as it had earlier to similar institutions in other Latin American countries, including Brazil, Venezuela, Colombia, Dominican Republic, Guatemala, and Honduras.³ All of these countries are desperately trying to deal with the "urban phenomenon" and expect that decentralization of decision making will alleviate the situation.

The urban phenomenon is one of the real issues of the day in developed and developing countries. During the past decade a great deal of emphasis has been placed on the urban centers as a result of the commonality of problems that exist in them. The growth and change which is occurring in urban centers is making unprecedented demands upon government to provide the necessary public services required for urban existence. This is the case in San Jose, and as stated, as the demands increase and

¹Instituto de Fomento y Asesoría Municipal, op. cit., p. 2.

²Roberto de Oliveira Campos, op. cit., p. 47.

³Instituto de Fomento y Asesoría Municipal, op. cit., p.8.

change, the organizational and administrative resources of local government must adjust to the demands. The satisfaction of demands generated as a result of urbanization is a public responsibility and local government is expected to become more effective as it increases its resources and activities. San Jose's dominant role is characteristic of most capital cities in Latin America. In Costa Rica, San Jose is the only city of any consequence and whatever urban planning has occurred has been dependent on national priorities. This project attempts to study the municipal organization. However, a dichotomy between the study of urban administration and urban politics is difficult to sustain. The effort is made to provide a degree of separation. This has been done by detailed consideration of the new Municipal Code and of some of the demands as they relate to the new Code. The role which the IFAM is expected to fulfill is of such importance in establishing autonomy for the local governments, that it has been singled out as a significant element of this study. By considering the administrative budget, another attempt is made to separate the administrative function carried out by the Municipal Executive from the political process as carried out by the Municipal Council. The administrative budget becomes a meaningful vehicle through which a great deal can be understood about the local government of San Jose. The budget proves specially useful as the demands on the Council are studied. One is forced to consider the relationship between the activities of the Council and the Executive in order to assess the San Jose Government.

Throughout this study, a model for understanding the input/output of the San Jose Government is used. It appears in detail in Appendix A. It has not been possible to satisfactorily explore the characteristics of

all the actors involved in expressing demands on the municipal government, but as David Easton suggests, it is not necessary to understand the characteristics of all the actors.¹

The research began in 1971 with a survey of the literature available on San Jose, using the libraries at the University of Oklahoma and University of Texas, as well as the Library of Congress. Direct contact was established with the Department of Political Science at the University of Costa Rica, the Municipal Government, and a number of autonomous institutions in Costa Rica.

The gathering of the data specifically pertaining to the activities of the Municipal Council, were obtained from the recorded Minutes of the Council meetings during the period from January 1, 1972 to June 30, 1972. The recorded transactions were considered according to a scheme which provides a number of data categories that allow a degree of empirical verification. The typology used is the same used by the Baker, Pinto and Stone study.² In addition, other data have been used from printed or published primary and secondary sources. The study of the pertinent laws has been of utmost importance. Translations from Spanish to English of both the Municipal Code and the IFAM Law have been made and are provided in the Appendix. In addition, a Macro-Micro Analysis Checklist, which proved very useful in the initial stages of this research, has also been translated and is provided as Appendix E. It is hoped these translations will prove beneficial to those who may not read Spanish. Over one hundred

¹David Easton, Systems Analysis of Political Life (New York: John Wiley and Sons, 1965), pp. 118-127.

²Baker, Pinto and Stone, op. cit.

letters from individuals in responsible positions in the various governments in Costa Rica comprise the correspondence file. Finally, much information has been obtained as a result of over thirty background interviews conducted in Costa Rica, including personnel from the Council, the Executive Branch, and the IFAM. The questions asked of the Councilmen are included as Appendix B. The responses have been used throughout this study.

The purpose of Chapter I is to provide information about Costa Rica, and in so doing, to emphasize that such background information is necessary to put the rest of the study in context. A pre-condition to successful research has to be an honest effort to understand the environment of the research foci, and this can be accomplished by undertaking research and obtaining data on the country on which the study is based.

Chapter II is the study of two principal elements that regulate the performance of the local government of San Jose. These are: the new Municipal Code and the Administrative Budget. Without a clear understanding of the body of law and the administrative procedure, there cannot be any substantial research on San Jose's local government. In addition, the study of the political allocation of values by the Municipal Council would be of little significance without the information available in the two previously mentioned sources.

The relevancy and depth of research about which there is little literature is surely enhanced when a multi-disciplinary approach is used. When the research is to be carried out by one individual, the least he can do is be aware that there are many theories and approaches that should be considered. In Chapter III every attempt has been made to provide

information about the theoretical propositions that were used in this study in obtaining and interpreting data. In the second part of Chapter III the demands presented to the Municipal Council are discussed. Highlights of the complete typology are included, and interpretations are made of a substantial part of the data gathered. The discussion is guided by the theoretical frameworks found in part one of Chapter III as well as the works of Apter, Pye, Parsons, Chin and Deutsch.¹ The entire data base can be found in Appendix A, and the reader is reminded that there are many relationships that are not specifically dealt with in Chapter III. Space, time, and money were factors for not treating every possible piece of data. However, others without these handicaps are urged to research further.

Chapter IV is dedicated to the study of the IFAM which represents a significant structural change in the way local governments are to operate in Costa Rica. The study of the IFAM provides a third dimension as to the financial resources and technical expertise available to San Jose. It is unlikely that the same patterns of obtaining funds will be followed by the San Jose Government as the IFAM begins to meet its responsibilities. For this reason, as well as the fact that insufficient time has elapsed to clearly identify the new patterns, the use of time series data is of

¹David E. Apter, The Politics of Modernization (Chicago: University of Chicago Press, 1965); Lucian W. Pye, The Aspects of Political Development (Boston: Little, Brown Co., 1966); Talcott Parsons, The Social System (New York: The Free Press of Glencoe, 1951); Robert Chin, The Utility of System Models and Development Models, Jason L. Finkle and Richard W. Gable (eds.), Political Development and Social Change (New York: Wiley & Sons, Inc., 1966); Karl W. Deutsch from selections from Deutsch's The Nerves of Government, revised ed. (New York: Free Press-Macmillan, 1966).

limited use, and therefore has not been included.

Chapter V draws on the entire study and its main purpose is to comment on the findings. The original hypotheses are addressed. As a result of the data obtained during this study and of its interpretation, changes or adjustments in the original hypotheses are made, thus providing a more accurate framework for predictions and conclusions.

The reader will understand that this study could not have been carried out by a single individual. From the very beginning Dr. Richard D. Baker helped to formulate the guidelines that the research should follow. His contributions have been invaluable. The assistance rendered by Dr. Samuel Z. Stone, Dean of the Political Science Department of the University of Costa Rica is deeply appreciated, specially for his suggestion that I contact Mr. Miguel Umaña Aglietti, student of political science at the University of Costa Rica. Mr. Umaña gathered material, information, and conducted interviews. I cannot express how indebted I am to him for his assistance. I am very grateful to the Municipal Council, the Executive Branch of the Municipality of San Jose, and to the IFAM for having cooperated so readily with Mr. Umaña and myself, and for making available the many documents, publications, and copies of the Minutes which were the basis on which this research was carried out.

CHAPTER I

ECONOMIC AND SOCIAL CONSIDERATIONS

Introduction

The analyses of the demands made upon the municipal government of San Jose and of the decision process of the Council are specifically dealt with in Chapter III. Proper interpretation and usefulness depend considerably on the awareness of the eco-system in which demands and decisions are made as well as knowledge of relevant theory. Theoretical frameworks that were meaningful in advancing the purpose of this study are discussed in Chapter III. The objective of this chapter is to provide a background of the culture and environment in which the municipal government of San Jose performs.

The few published works on Costa Rica are cited throughout this document. The literature regarding Latin America in general is of course somewhat extensive, and the consensus among scholars of Latin America is that the Iberian cultural heritage can be useful in providing patterns that help in understanding behavior of the various Latin American

societies.¹

The ideal patterns which are common throughout Latin America and which seem to me to profoundly influence the behavior of most Latin Americans are mainly patterns of behavior and institutional forms that derive from the Iberian Peninsula of the sixteenth and seventeenth centuries but that have been modified in their New World setting. They include familism, ceremonial and fictive kinships (the compadrazgo system), double standards of sexual morals, emphasis upon social class, a disdain for manual labor, high regard for formal etiquette, an emphasis upon the saints and a love of display in religion (that is, religious processions and festivals), and other patterns of behavior and institutions.²

The "ideal" patterns concept is useful in this study in view of the fact that specific literature on Costa Rican behavior is not available. Therefore, at this juncture, statements applicable to Latin America in general are made with the stipulations that specific material on Costa Rica will be provided throughout.

General Facts

Relatively speaking Latin America is an unproductive area. The population is about 285 million but production is about one-sixth that of the United States whose population is about 215 million.³ The increase in productivity continues to be less for Latin America, thus widening the gap that is alarmingly great between these two world areas. Population growth is faster than in any other major part of the world. There is great unemployment and underemployment and the workers who support the

¹Charles Wagley, The Latin American Tradition (New York: Columbia University Press, 1968), p. 2.

²Ibid., pp. 3-4.

³Economic Survey of Latin America, United Nations (New York, 1972).

economy often suffer from illiteracy, malnutrition and poor health.

The cities are growing even faster than the population as a whole, and the larger the city, the faster the growth rate. Much of the growth is a result of migration from the rural areas. The cities are not equipped to handle the inflow and are not able to provide facilities for mere existence. Often job opportunities are non-existent for the unskilled migrant. To make matters worse, a very large percentage of the population is in the non-productive age category.

The land area, while large, does not provide but about 5 per cent of the net area that has the conditions necessary for agricultural production. This compares with about 10 per cent for the United States. Also to be considered is the fact that of the great amount of forest, only a small percentage is productive and accessible. The availability of energy resources for a region comprising one-sixth of the world's area is very low and the physical obstacles to transportation are worse than any found in the major developed areas.

Because of economies highly dependent on export sectors, Latin America has suffered persistent trade and balance of payment deficits. The monocrop economies and the low elasticity of demand for such products have kept Latin America from any considerable progress and unable to break the cycle and shift to industry. Of total world industrial production, Latin America accounts for only 3 per cent.¹

The Economic Commission for Latin America at the United Nations has set a 6 per cent annual rate of growth during the 1970's for Latin

¹Economic Survey of Latin America, United Nations (New York, 1972), pp. 36-39.

America.¹ Raul Prebisch suggests that a minimum of 8 per cent is required.² Considering past performance, a 6 per cent average growth rate seems possible. Table 1 indicates that only four countries, Costa Rica, Nicaragua, Mexico, and Panama exceeded a 6 per cent growth rate during the 1960-1970 period. Interestingly, none of these countries are in South America where the bulk of the population is found.

Table 2 shows that some countries have improved their relative positions in terms of the growth rate. It is likely that based on a 6 per cent per annum economic growth rate, a 3 per cent per capita growth rate can be achieved even with a slightly higher population growth rate during the 1970's. Table 3 shows that the percentage average annual growth rate for the region during the 1960's was 2.86; for the 1970's it is projected at 2.92, declining slightly during the 1980's to 2.88. Some countries have set their own growth goals and at the same time hope to reduce the population growth rate through a number of programs informing the population on birth control methods. Table 4 shows some of the individual growth rate objectives. However, Table 5 indicates that the population growth rate characteristics during the 1960's remain much the same in the 1970's. In the case of Costa Rica, the average population growth rate of 3.8 was the highest in Latin America. Should the 3 per cent per capita growth rate per annum be reached or exceeded, there are still many who are concerned that Latin America may run out of time

¹United Nations. International Development Strategy. Sales No. E. 71 II A. 2.

²Raul Prebisch. Change and Development: Latin America's Great Task, (Report submitted to the Inter-American Development Bank, Washington, D. C., July, 1970).

because the economic and social pressures are not necessarily reflected in the growth rate statistics.

TABLE 1
LATIN AMERICA: TREND OF THE GROSS DOMESTIC
PRODUCT AT MARKET PRICES, 1950-1970
(Percentage average annual growth rate)

Country	Over-all growth rate			Per capita growth rate		
	1950-60	1960-70	1967-70*	1950-60	1960-70	1967-70*
Argentina	3.1	3.7	5.4	1.0	2.1	3.8
Bolivia	0.4	5.6	5.6	-1.6	3.2	3.1
Brazil	6.8	5.8	8.6	3.7	2.9	5.6
Central America . .	4.6	5.8	5.2	1.6	2.5	1.9
Costa Rica	7.1	6.8	7.3	3.2	2.9	3.3
El Salvador	4.7	5.8	3.7	1.9	2.5	0.3
Guatemala	3.8	5.2	5.5	0.9	2.2	2.5
Honduras	3.5	5.2	4.7	0.5	1.7	1.2
Nicaragua	5.2	6.7	4.5	2.3	3.6	1.5
Colombia	4.6	5.2	6.4	1.4	1.8	2.8
Chile	4.0	4.3	2.8	1.5	1.8	0.5
Ecuador	5.0	4.7**	5.2**	1.8	1.2**	1.7**
Haiti	1.9	0.5	3.6	-1.2	-1.8	1.1
Mexico	5.8	7.2	7.6	2.7	3.6	3.9
Panama	4.9	8.0	7.6	1.9	4.6	4.2
Paraguay	2.7	4.7	4.8	0.1	1.1	1.2
Peru	5.3	4.9	3.0	2.9	1.7	-0.1
Dominican Republic .	5.7	3.7	5.8	2.5	0.4	2.3
Uruguay	2.1	1.3	3.6	0.7	-0.1	2.5
Venezuela	7.7	5.8	5.0	3.6	2.4	1.5
Total	5.1	5.5	6.6	2.2	2.5	3.7
Total, excluding Brazil	4.6	5.3	5.9	1.8	2.3	3.0

Source: ECLA, on the basis of official statistics.

*Provisional estimates

**The figures for Ecuador do not include 1970 when, judging from partial information, there was a substantial increase in the product.

TABLE 2
LATIN AMERICA: BREAKDOWN OF COUNTRIES ACCORDING TO GROWTH RATE*

Percentage average annual growth rate of the gross domestic product				
0 to 3.4	3.5 to 4.4	4.5 to 5.4	5.5 to 6.4	6.5 and over
Bolivia Haiti Uruguay Paraguay Argentina (5)	Chile Honduras Guatemala (3)	1950-1959 Colombia El Salvador Panama Ecuador Nicaragua Peru (6) 1960-1969 Ecuador Paraguay Peru Colombia Guatemala Honduras (6)	Dominican Republic Mexico (2)	Brazil Costa Rica Venezuela (3)
Haiti Uruguay (2)	Argentina Dominican Republic Chile (3)		Bolivia Brazil El Salvador Venezuela (4)	Costa Rica Nicaragua Mexico Panama (4)

Source: ECLA on the basis of official statistics.

*The countries are listed in ascending order of growth rate.

TABLE 3

LATIN AMERICA: POPULATION GROWTH, BY COUNTRY
(Percentage average annual growth rate)

	1970 Population (in thousands)	1940- 1950	1950- 1960	1960- 1970	1970- 1980	1980- 1985
Argentina.	24,352	1.89	2.01	1.56	1.48	1.30
Bolivia.	4,658	1.85	2.06	2.34	2.58	2.61
Brazil	93,245	2.42	3.00	2.86	2.89	2.88
Colombia	22,160	2.51	3.16	3.39	3.54	3.34
Chile.	9,780	1.64	2.41	2.44	2.25	2.19
Cuba	8,341	1.92	2.14	2.04	1.91	1.80
Uruguay.	1,889	1.22	1.46	1.29	1.19	1.18
Mexico	50,718	3.00	3.07	3.47	3.48	3.42
Peru	13,586	1.78	2.32	3.09	3.15	3.13
Venezuela.	10,755	3.69	3.30	3.34	3.37	2.98
Costa Rica	1,798	3.21	3.80	3.84	3.95	3.82
Ecuador.	6,028	2.18	3.03	3.38	3.42	3.41
El Salvador.	3,441	1.64	2.71	3.20	3.61	3.79
Guatemala.	5,179	2.82	2.90	2.96	2.93	3.01
Honduras	2,583	2.18	2.90	3.40	3.55	3.58
Nicaragua.	2,021	2.41	2.85	3.02	3.38	3.50
Panama	1,406	2.55	2.93	3.25	3.26	3.27
Paraguay	2,419	1.87	2.67	3.35	3.63	3.58
Dominican Republic	4,348	2.73	3.11	3.34	3.61	3.66
Haiti.	5,229	1.81	2.04	2.37	2.72	2.92
Barbados	256	1.66	1.00	0.95	0.23	-0.86
Guyana	744	2.09	2.92	2.81	2.93	2.89
Jamaica	1,996	1.34	1.64	2.05	1.78	1.52
Trinidad and Tobago	1,070	2.17	2.77	2.56	1.59	1.27
Other countries.	5,149	1.53	1.31	2.12	1.62	1.51
TOTAL, for the region	284,151	2.34	2.76	2.86	2.92	2.88

Source: Boletín Demográfico del CELADE, Año III, No. 6, July, 1970. The growth rates beyond 1960 are based on the average of the projections.

TABLE 4

LATIN AMERICA: PLANNING OFFICE TARGETS FOR THE GROWTH
RATE OF THE GROSS DOMESTIC PRODUCT

Country	Period	Percentage average annual growth rate
Argentina.	1970-1974	5.6
Brazil	1969-1973	7.0 to 9.0
Central America		
Costa Rica	1969-1972	7.7
El Salvador.	1968-1972	6.0
Honduras	1968-1971	7.2
Nicaragua.	1965-1969	7.0
Colombia.	1969-1977	7.5
Chile	1970-1980	5.1 to 6.4
Mexico.	1970-1976	6.5
Peru.	1971-1975	7.5
Dominican Republic . . .	1968-1985	7.0 to 7.3
Uruguay	1965-1974	4.0
Venezuela	1970-1974	6.3

Source: ECLA, on the basis of official country data.

TABLE 5

LATIN AMERICA: BREAKDOWN OF COUNTRIES BY RATES OF
POPULATION GROWTH
(Percentages)

	1950-1959	1960-1969
Latin America	2.8	2.9
Countries in which the growth rate increased		
Mexico	3.1	3.5
Colombia	3.2	3.4
Peru	2.3	3.1
El Salvador.	2.7	3.2
Honduras	2.9	3.4

TABLE 5 - Continued

	1950-1959	1960-1969
Panama.	2.9	3.2
Haiti	2.0	2.3
Ecuador	3.0	3.4
Paraguay	2.7	3.3
Dominican Republic.	3.1	3.3
Bolivia	2.1	2.3
Countries in which the growth rate remained unchanged		
Brazil.	3.0	2.9
Chile	2.4	2.4
Costa Rica	3.8	3.8
Guatemala	2.9	3.0
Nicaragua	2.9	3.0
Countries in which the growth rate decreased		
Argentina	2.0	1.6
Venezuela	3.8	3.3
Uruguay	1.5	1.3

Source: For absolute figures, see ECLA, Statistical Bulletin for Latin America, Vol. VI, No. 2, September, 1969.

These figures suggest an urgent need for action. It is a fact that a substantial portion of the population is not able to become part of the production process. Because they are outside of the realm of technical progress, they are forced to become shameful burdens on society or must struggle to produce goods and services that will never enter the market system and consequently forces them to barely live at a subsistence level.

Because of the surplus of labor, increases in productivity mean very little unless the economy can combine other resources with the excess labor and put them into productive sectors rather than in services

as has been the case in recent years. The fact is that productivity as such has increased but because there is a disequilibrium between productivity and investment, a dynamic development pattern has not emerged. The rise in income produced by increases in productivity does generate greater capacity to save but the capital needed to absorb the surplus labor far exceeds the savings generated by increased productivity. It must be realized that the technology that Latin America must assimilate has been perfected in industrialized countries where unemployment and underemployment are not usually as important or decisive. Consequently technological innovation usually results in a saving of labor and greater use of capital as a substitute. Unfortunately in Latin America, capital invested is not allocated to provide a high degree of invested efficiency. With such dire need for capital Latin America must use its investment resources with maximum efficiency if it is to generate enough new capital to absorb surplus labor.

There is a notion that if capital is economized manpower will be absorbed. Should this occur, it will take considerable time before significant results can be achieved. Other means for faster capital formation must be used. A reduction in consumption is an often suggested alternative on the basis that it will generate saving that will eventually become investment. This alternative is predicated on the premise that the people do not consume their entire income. That this can happen seems highly unrealistic. However, even if this were to occur, the rate of development would not be improved unless the additional savings were converted into capital goods. The capital goods imports required for a 3 per cent growth rate would have to increase by 32 per cent, a

figure beyond the reach of most of the countries in Latin America.

Clearly, foreign investment is required until such time as import substitution and increased exports generate the necessary domestic savings.

In concluding the section once again reference has to be made to the tremendous role played by the high population growth rate. Of the net investment coefficient only one-fourth can be used for the purpose of increasing per capita income and productivity. The rest is used to keep up with population growth.

Costa Rica in Numbers

As of 1970 the population of Costa Rica was 1.7 million with an average population growth rate during the 1960-70 decade of 3.8 per cent.¹ Miguel Sobrado points out that toward the end of the 1960's the birth rate had decreased to almost 3 per cent and he also notes that during the 1950-60 decade the rate was 3.9 per cent.² About 50 per cent of the Costa Rican population is less than 15 years of age.³ (See Graph No. 1 and Table 6.) This latter statistic denotes the great need of resources demanded by an unproductive category of people. A condition where 50 per cent of the people are non-productive would explain the kinds of demands that could be expected to be made of governments at various levels. In Costa Rica, as can be seen in Chapter III, demands regarding education are not made at the municipal level but rather to an

¹Miguel Sobrado, La Situación y Perspectivas del Empleo en Costa Rica, Readings for Course in Sociology, University of Costa Rica, p. 4.

²Ibid.

³Ibid.

autonomous national institution.

Costa Rica has allocated considerable resources to education and improvement has been made over the situation as it existed during the 1950-60 decade. However, the educational profile of the labor force reflects a great need for additional resources and activity in this area. The results of the 1967 "Encuesta de Hogares" showed that two thirds of the labor force has not completed elementary education. Of these, one out of three had less than two years of elementary education or none at all.¹

The labor force, defined as those employed or those actively seeking employment, in 1970 was 504 thousand in comparison with 380 thousand in 1960. Between the years 1963 and 1970, the active labor force increased at the rate of 41 per cent per annum. The agricultural sector absorbed 29 per cent of the increased available labor force during the 1963-1970 period. During the same period the rate of increase of the labor force in sectors other than agriculture has grown faster than in agriculture, the rate being 5.4 per cent for the non-agricultural sector and 2.6 per cent for agriculture. Productivity from 1963 to 1970 averaged 4.5 per cent per year for industry and dropped from 5.7 to 1.9 per cent for the service sector. Sobrado speculates that the drop in the service sector probably includes a significant amount of underemployment.²

Table 7 is for the year 1967, but it is still useful for analyzing the active labor force in the different economic sectors as well as in terms of occupations. Table 8 shows the trends occurring

¹Miguel Sobrado, op. cit., p. 4.

²Ibid.

GRAPH 1
 PERCENTAGE DISTRIBUTION OF POPULATION
 BY SEX, AGE GROUPS
 COSTA RICA

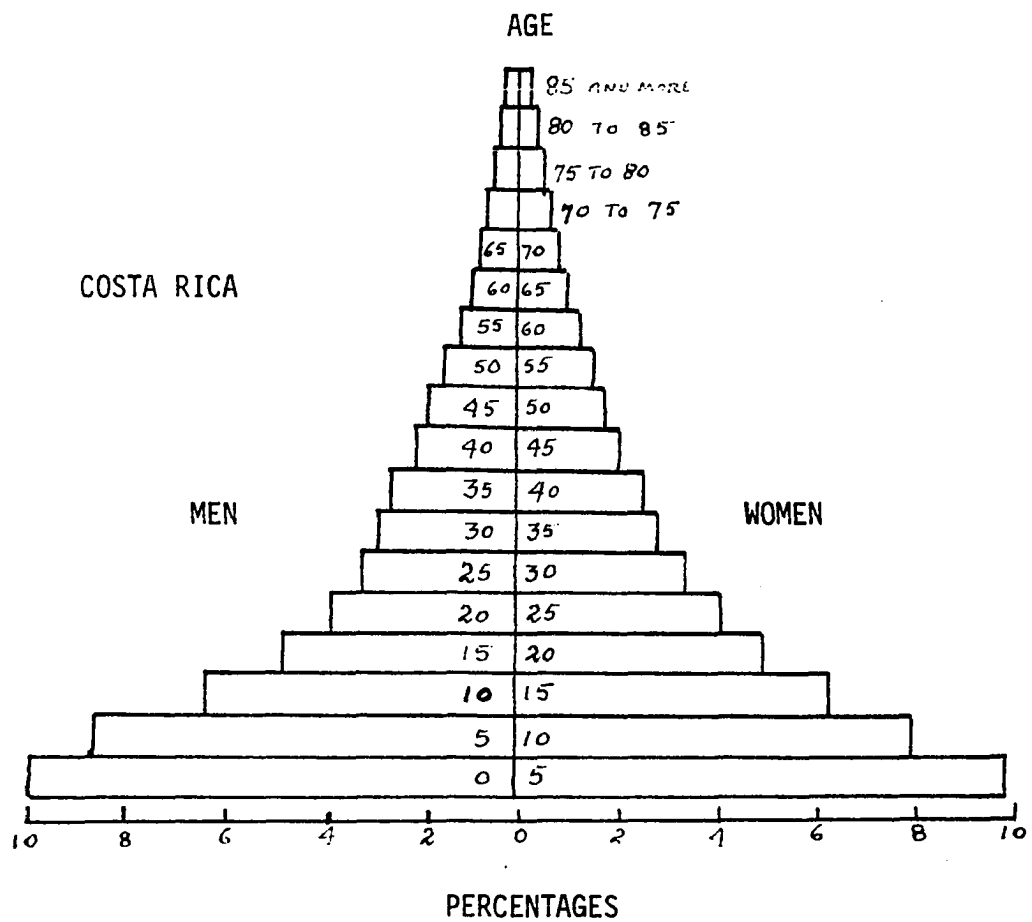


TABLE 6
DISTRIBUTION OF THE POPULATION OF COSTA RICA
IN THREE GREAT AGE GROUPS
JUNE 30, 1963

AGE GROUPS	M. Gomez ¹	ESTIMATES MADE BY: G. Maccio ² R. Jimenez ³	
ABSOLUTE VALUES			
0 - 14	676,679	665,009	673,485
15 - 64	672,478	675,454	673,030
65 and over	43,629	41,445	44,255
TOTAL	1.392,786	1.381,908	1.390,770
PERCENTAGE VALUES			
0 - 14	48.6	48.1	48.4
15 - 64	48.3	48.9	48.4
65 and over	3.1	3.0	3.2
TOTAL	100.0	100.0	100.0

¹Miguel Gomez Barrantes, Estimaciones de población para Costa Rica en el período 1950-78 por sexo, grupos de edades y zonas urbana y rural. Publication of the University of Costa Rica, Economy and Statistics No. 22, Rodrigo Facio University, 1967.

²Guillermo Maccio, Costa Rica: Proyecciones de poblaciones por sexo y grupos de edad, 1950-78, Latin American Census Center, Series C No. 95, Santiago, Chile, 1967.

³Ricardo Jimenez Jimenez, Proyección de la población de Costa Rica por sexo y grupos de edad, 1965-90, Census and Statistics Office, Studies and Statistics Magazine No. 8, October 1967, San Jose, Costa Rica.

TABLE 7
ECONOMICALLY ACTIVE POPULATION
BY ECONOMIC SECTORS AND OCCUPATIONAL GROUPS: 1967
(Absolutes and relatives)

OCCUPATIONAL GROUPS	A B S O L U T E S				R E L A T I V E S			
	TOTAL	Sector I	Sector II	Sector III	TOTAL	Sector I	Sector II	Sector III
ALL OCCUPATIONS	456.678	209.271	85.378	162.029	100.0	45.8	18.7	35.5
0. Professionals, technicians and persons in related occupations	23.552	314	1.361	21.877	5.2	0.1	0.3	4.8
1. Managers, administrators and administrative category officials	9.408	326	3,162	5.920	2.1	0.1	0.7	1.3
2. Office employees and persons in related occupations	26.857	1.332	5.100	20.425	5.9	0.3	1.1	4.5
3. Salespersons and related occupations	38.512	134	2.018	36.360	8.4	...	0.4	8.0
4. Farmers, cattlemen, lumber dealers, etc.	206.182	200.559	3.045	2.578	45.1	43.9	0.7	0.5
5. Miners, quarrymen and related fields	1.836	1.268	161	407	0.4	0.3	...	0.1
6. Conductors for transportation media, etc.	12.670	694	2.216	9.760	2.8	0.1	0.5	2.2
7. Journeymen and operators for industry and construction	48.019	1.131	41.476	5.412	10.5	0.2	9.1	1.2

8. Other journeymen and operators	15.333	1.467	12.283	1.583	3.4	0.3	2.7	0.4
9. Laborers and day workers	18.038	823	10.157	7.058	3.9	0.2	2.2	1.5
10. Personal service workers and related occupations	48.416	905	1.883	45.628	10.6	0.2	0.4	10.0
11. Other workers, etc.	7.855	318	2.516	5.021	1.7	0.1	0.6	1.0

Source: Census and Statistics Bureau

TABLE 8

LATIN AMERICA: CHANGES IN THE RELATIVE SHARE OF THE SECTORS
IN TOTAL EMPLOYMENT, 1960 AND 1969
(Percentage variations)

Agriculture	Manufacturing and Basic Services	Services
Sharp increase		Nicaragua 33.0
		Colombia 27.1
	Venezuela 14.3	Dominican Republic 24.4
		Honduras 23.1
		Ecuador 22.0
	Panama 15.6	Mexico 21.9
		Peru 21.7
		Brazil 21.4
		Guatemala 18.6

Moderate increase			Mexico	8.4	Bolivia	18.3
			Paraguay	5.8	Chile	14.5
			Honduras	5.1	Paraguay	15.7
			Bolivia	5.0	Costa Rica	15.2
			Peru	4.0	Uruguay	11.9
			El Salvador	3.8	Argentina	10.7
			Brazil	1.3	Venezuela	10.0
			Guatemala	1.3	El Salvador	6.4
					Panama	2.1
Moderate decrease	El Salvador	-3.8	Dominican Republic	-0.7		
	Ecuador	-5.9	Argentina	-2.9		
	Panama	-6.0	Chile	-4.3		
	Costa Rica	-6.1	Costa Rica	-4.4		
	Guatemala	-4.9	Nicaragua	-4.4		
	Honduras	-6.3	Colombia	-6.1		
	Dominican Republic	-7.7	Uruguay	-6.5		
	Bolivia	-7.9	Ecuador	-6.9		
	Nicaragua	-9.4				
	Paraguay	-8.9				
	Brazil	-10.7				
	Peru	-11.5				
	Colombia	-12.3				
	Mexico	-13.1				
Sharp decrease	Uruguay	-16.6				
	Chile	-16.4				
	Argentina	-18.3				
	Venezuela	-22.2				

Source: ECLA estimates on the basis of official statistics.

during the period 1960 through 1969.

The unemployment rate among the labor force for the year 1970 was 6 per cent, affecting mostly those between the ages of 12 and 24. This age bracket embraces 60 per cent of the unemployed.¹ There exists a great deal of underemployment in both the agricultural and the industrial sectors. However, the figures available are mere guesses and far from being validated.

The Urban Phenomenon

The urban phenomenon is one of the very real issues of the day in developed and developing countries throughout the world. Generally, the urban population growth rate is higher than the overall growth rate. Costa Rica, however, has maintained the same urban population growth rate since 1951. (See Table 9.) During the past decade scholars and practitioners have placed a great deal of emphasis on the urban centers throughout the world as a result of the commonality of problems that exist in them regardless of the economic, social, cultural, and political setting. Growth and change occurring in urban centers are making unprecedented demands upon government to provide the necessary public services required for urban existence. As these demands increase and change, the organizational and administrative prerequisites for their fulfillment must also change. The most pressing problems in urban centers are related to increasing population and density, economic specialization, and shifting land-use patterns. Included are many deficiencies in the areas of

¹Ministry of Labor and Social Welfare, Informe de Situación de los Recursos Humanos y Previsiones para 1969-72, San José, Costa Rica, May, 1970.

TABLE 9

LATIN AMERICA: BREAKDOWN OF COUNTRIES
BY RATES OF URBAN POPULATION GROWTH
(Percentages)

	1950-1959	1960-1969
Latin America	4.8	4.4
Countries in which the growth rate increased		
Mexico	4.7	5.0
Peru	4.5	5.6
El Salvador	4.0	5.1
Honduras	4.8	6.4
Panama	4.8	5.0
Haiti	4.2	5.8
Paraguay	3.3	5.3
Bolivia	3.6	4.1
Countries in which the growth rate remained unchanged		
Costa Rica	4.5	4.6
Guatemala	4.2	4.2
Nicaragua	4.8	4.8
Ecuador	5.9	5.9
Countries in which the growth rate decreased		
Argentina	3.2	2.3
Brazil	5.8	4.6
Colombia	6.2	5.5
Venezuela	6.5	4.7
Chile	3.8	3.5
Uruguay	2.5	2.0
Dominican Republic	6.2	5.9

Source: ECLA, on the basis of statistics taken from Latin American Demographic Centre (CELADE), Boletín Demográfico, Year 2, Vol. III, January, 1969.

housing, transportation, health, welfare, education, police and fire protection, water and sewage facilities. Satisfaction of the demands generated as a result of urbanization is a public responsibility. There are several ways to approach and analyze urban government and one of these is by reference to the administrative capabilities for satisfying the demands made on the system. The government must be able to cope with change. This implies that the administrative organization must not only be receptive to change but it must adjust to it quickly enough in order to be effective. In order to be effective it must continuously increase its resources and activity. It must be adaptable to new functions and relationships and it must be aware of the future consequences of its actions. Costa Rica has attempted to do this by providing a new Municipal Code, a new budgetary approach, and by creating the Instituto de Fomento Y Desarrollo Municipal (Municipal Development and Advisory Institute - IFAM). All these are discussed in the following chapters.

Agriculture

As is the case throughout Latin America, agriculture has been the basis of the Costa Rican economy. The magnitude of the agricultural sector has been shrinking relative to other sectors of the economy, but it is still dominant.¹ (See Table 10.) The characteristics of present agricultural activities are basically those that evolved as a result of the introduction to Costa Rica of the banana in 1899.² The emphasis on bananas and coffee is responsible for the present condition where Costa Rica

¹Charles Frederick Denton, The Politics of Development in Costa Rica, PhD Dissertation, University of Texas at Austin, 1969, p. 51.

²Yamileth Gonzalez, El Problema Agrario en Costa Rica, History and Geography Department, University of Costa Rica.

TABLE 10
LATIN AMERICA: SHARE OF THE AGRICULTURAL SECTOR
IN THE TOTAL PRODUCT
(Percentages)

Share		1960		1969
Below 25 per cent	Venezuela	7.2	Venezuela	7.8
	Chile	12.1	Chile	10.1
	Mexico	16.6	Mexico	12.8
	Argentina	17.4	Argentina	15.2
	Brazil	22.1	Brazil	19.9
	Uruguay	19.3	Uruguay	20.9
	Peru	24.1	Peru	18.2
	Panama	24.9	Panama	21.0
			Costa Rica	22.4
			Bolivia	23.1
Between 25 and 35 per cent			Dominican Republic	24.8
	Costa Rica	27.0	Guatemala	27.3
	Bolivia	30.6	El Salvador	26.0
	Dominican Republic	30.7	Colombia	30.3
	Guatemala	30.3	Nicaragua	27.9
	El Salvador	32.4	Ecuador	31.7
	Colombia	34.1	Paraguay	34.2
Over 35 per cent	Nicaragua	37.2	Honduras	38.5
	Ecuador	36.8	Haiti	45.9
	Paraguay	38.8		
	Honduras	44.1		
	Haiti	48.5		
Average for Latin America		20.2		17.3

Source: ECLA estimates on the basis of official data.

is a significant net importer of agricultural products.¹ The land ownership structure which exists today can be traced back to periods long

¹Planning Office of the Presidency, Previsiones del Desarrollo Económico y Social 1969-1972 y Planes del Sector Público, Volume I, San Jose, Costa Rica, p. 112.

before the United Fruit Company entered Costa Rica. However, the United Fruit Company's policies of land ownership since 1899 have contributed significantly to reinforcing the archaic land holding practices. A small number of owners control the land in Costa Rica both from qualitative and quantitative perspectives. About 82 per cent of the land is owned by 12.2 per cent of the producers. Only 3.2 per cent of the land is farmed by 68 per cent of those owning it.¹ Of the 254 thousand agricultural workers, 132 thousand are salaried. Many of the small farmers, by virtue of their subsistence condition, do not enter the market economy and consequently intensify socio-economic underdevelopment.² The seriousness of the plight of those living at subsistence levels in Costa Rica may be substantiated by the statistics from the Ministry of Health. One third of all deaths in Costa Rica during 1970 involved children of less than one year of age, many of the deaths due to malnutrition.³

The present land reform movement in Costa Rica, initiated as a condition of the Alliance for Progress, has taken place without affecting the traditional ownership structure, i.e., the latifundios and foreign owners. According to Denton, the Land and Colonization Institute has made significant contributions to providing solutions to Costa Rica's agrarian problem.⁴

¹Yamileth Gonzalez, op. cit.

²Benjamin Higgins, Economic Development: Principles, Problems and Policies (New York: W. W. Norton & Co., Inc., 1968), pp. 16-33, and Gerald M. Meier, Leading Issues in Development Economics (New York: Oxford University Press, 1964), pp. 289-297.

³Yamileth Gonzalez, op. cit.

⁴Charles Frederick Denton, op. cit., p. 205.

The reality is that only marginal land has become the basis of the land reform program. In addition to the implications of owning marginal land, there exist bureaucratic conditions that prevent the owners from obtaining the resources ostensibly offered to them as part of the land-reform program.¹

Without technical and financial assistance, ownership is of little consequence. Under present policies there seems to be no way for the new land owners to meet the necessary requirements which make it possible to transform the new ownership status into a meaningful economic experience. Jacques Lambert justifies land reform because conditions in latifundio systems keep a significant number of people out of the political and economic mainstream.² Further analysis of land reform implementation indicates that thus far land reform in Costa Rica has not resulted in putting the new owners in the political and economic mainstream.³ Table 11 indicates the dates when land reform was enacted in sixteen Latin American countries.

The growth of agricultural production in Latin America has been on the low side, averaging 3.7 per cent per annum over the last decade. Costa Rica has achieved the highest agricultural growth rate, as can be seen in Table 12. Tables 13 and 14 provide a breakdown useful for analyzing the agricultural production composition in Costa Rica. Diversification seems possible and efforts towards becoming self-sufficient are

¹Charles Frederick Denton, op. cit., p. 208.

²Jacques Lambert, Latin America: Social Structures and Political Institutions (Translated by Helen Katel) (Berkeley: University of California Press, 1967), p. 96.

³Yamileth Gonzalez, op. cit.

being made as Costa Rica is aware that it is a net importer of many agricultural products which it could efficiently grow at home.

TABLE 11
DATES OF ENACTMENT OF LAND REFORM

Mexico	1915	Colombia	1962
Bolivia	1953	Honduras	1963
Cuba	1959	El Salvador	1963
Venezuela	1960	Costa Rica	1963
Haiti	1962	Nicaragua	1963
Panama	1962	Paraguay	1963
Dominican Republic	1962	Brazil	1964
Chile	1962	Ecuador	1964

Source: Jacques Lambert, Latin America: Social Structures and Political Institutions (Translated by Helen Katel) (Berkeley: University of California Press), p. 96.

TABLE 12
LATIN AMERICA: TREND OF AGRICULTURAL PRODUCTION
(Percentages)

Country	Average Annual Growth Rate		
	1951-1953	1959-1961	1966-1968
	to 1959-1961	to 1966-1968	to 1969
Argentina	1.8	2.3	2.2
Bolivia	0.3	2.7	3.6
Brazil	4.8	4.1	4.4
Central America			
Costa Rica	3.6	4.8	7.4
El Salvador	3.9	2.7	1.6
Guatemala	3.4	3.9	3.9
Honduras	2.4	4.6	1.0
Nicaragua	2.8	5.7	1.0
Colombia	3.3	3.1	5.5
Chile	3.1	2.9	0.2
Ecuador	3.3	3.0	2.3
Mexico	4.9	4.3	2.6
Panama	4.1	5.6	5.6
Paraguay	2.3	2.7	2.7

Table 12 (Continued)

Peru	3.7	2.4	-0.1
Dominican Republic	4.6	1.1	5.0
Uruguay	-0.3	0.7	3.0
Venezuela	4.7	6.1	4.2
TOTAL	3.7	3.7	3.5

Source: ECLA, on the basis of national accounts estimates.

TABLE 13

GLOBAL VALUE OF AGRICULTURAL PRODUCTION,
PRICES PAID THE PRODUCER
(Millions of current Colones)

	1969	1970	1971	1972
Coffee	405.4	468.2	527.2	487.5
Bananas	388.6	613.3	749.9	785.4
Cacao	50.7	52.2	53.7	55.3
Sugar Cane	78.0	79.6	81.4	83.2
Cattle	212.2	229.3	246.6	265.2
Cotton	8.6	8.6	10.1	11.2
Rice	46.5	48.1	49.8	51.5
Corn	34.9	36.3	37.8	39.3
Beans	8.0	8.2	8.2	8.3
Pork	29.1	30.1	31.2	32.3
Milk	152.4	162.5	173.2	184.6
Others ¹	353.6	407.3	432.2	410.4
TOTAL	1.768.0	2.143.3	2.401.3	2.414.2

Source: OFIPLAN

¹Calculated as a percentage of the total (20, 19, 18 and 17.)

TABLE 14
PERCENTAGE COMPOSITION OF THE VALUE
OF AGRICULTURAL PRODUCTION
(Based on current colones)

	1969	1970	1971	1972
Coffee	22.9	21.8	22.0	20.2
Bananas	22.0	28.6	31.2	32.5
Cacao	2.9	2.4	2.2	2.3
Sugar Cane	4.4	3.7	3.4	3.5
Cattle	12.0	10.7	10.3	11.0
Cotton	0.5	0.4	0.4	0.5
Rice	2.6	2.3	2.1	2.1
Corn	2.0	1.7	1.6	1.6
Beans	0.5	0.4	0.3	0.3
Pork	1.6	1.4	1.3	1.3
Milk	8.6	7.6	7.2	7.7
Others	20.0	19.0	18.0	17.0
TOTAL	100.0	100.0	100.0	100.0

Industry

The industrial sector has experienced an impressive rate of growth since 1963. (See Table 15.) Several sources indicate a Gross Industrial Product growth rate in excess of 11 per cent.¹ The Gross Industrial Product growth rate has been far greater than that of the Gross Domestic Product. The structural changes of the industrial sector are especially significant in the long run. (See Table 16.) In 1963 the traditional industries, foodstuffs, shoes, clothing and others generated 79.5 per cent of the Gross Industrial Product, but by 1967 traditional

¹Table No. 19, ECLA.

industries accounted for 71.1 per cent. The secondary sector was 12.9 per cent in 1963. However, by 1967, it had reached a rate somewhat in excess of 17 per cent. The growth rate has been impressive since then, even though for 1970 it was only 8.8 per cent.¹ In absolute terms, the traditional industries have contributed the most to the increment of the industrial sector. Food, beverages, and clothing have accounted for 32.8 per cent of the gross industrial product. As impressive as the previous figures are, the fact is that a number of favorable laws were passed which encouraged domestic production. Import substitution industries represent the bulk of new industrial activity. The accelerated domestic demand has been maintained partly due to new employment opportunities as well as the increase in export earnings, which as an example, rose by 22.2 per cent in 1970 over 1969. The rapid rate of demand has resulted in an inflationary period as evidenced in an increase in prices of 7.9 per cent during 1970. (See Table 17.).

The Central American Common Market

The Central American Common Market is the first attempt at economic integration by a group of underdeveloped countries. In 1950, industrial output for the entire group of Central American countries accounted for only 12.4 per cent of the economic activity. After integration, this sector has had the fastest growth rate, about 12 per cent.²

¹Economic Survey of Latin America, United Nations (New York, 1972), p. 164.

²Planning Office of the Presidency, Costa Rica: Previsiones del Desarrollo Económico y Social 1969-1972 y Planes del Sector Público, Volume I, San Jose, Costa Rica.

Most production is made up of traditional industries, i.e., tobacco, food, and beverages. Not all industrial growth has been absorbed by the Central American Common Market as there have been some additional extra-regional exports due to the new production facilities. It must be noted that the relative share of the traditional industries has declined. Among new industries are petroleum refining, manufacturing of tires and inner tubes, textiles, electrical appliances, wood products, glass containers, caustic soda, and chlorine.

TABLE 15
LATIN AMERICA: CHANGES IN THE RELATIVE
SHARE OF THE SECTORS IN THE TOTAL PRODUCT,
1960 and 1969
(Percentage variations)

	Manufacturing and basic Services		Services	
Sharp increase	Honduras	37.7	Nicaragua	17.8
	Panama	27.8		
	Bolivia	26.6		
	El Salvador	21.5		
	Guatemala	18.0		
	Dominican Republic	16.1		
Moderate increase	Paraguay	14.9	Ecuador	9.8
	Costa Rica	13.2	Peru	5.9
	Haiti	12.4	Colombia	5.7
	Chile	11.7	Dominican Republic	4.3
	Mexico	11.0	El Salvador	3.0
	Argentina	10.3	Paraguay	3.0
	Nicaragua	10.1	Costa Rica	2.2
	Peru	9.8		
	Brazil	7.0		
	Colombia	5.8		
	Ecuador	5.8		
Little or no change			Haiti	0.9
			Venezuela	0.8
			Mexico	0.3
			Guatemala	-0.4
			Brazil	-0.5
Moderate increase	Venezuela	-2.2	Uruguay	-1.8
	Uruguay	-2.3	Bolivia	-6.7

TABLE 16 (Continued)

Panama	-7.0
Argentina	-7.2
Chile	-8.2
Honduras	-8.7

Source: ECLA estimates on the basis of official data.

The agricultural sector has had continued expansion except for a down turn in 1966. The increase in crop production for export has been very significant, and has outstripped production for the home market. Among the crops showing growth rates in excess of 9 per cent are cotton, coffee, bananas, corn, beans, and sugar. Rice production, which is very important, has improved but most of the rice consumed is still imported.

Imports from outside the Central American Common Market have not been growing as fast and during the last twelve years imports have experienced periods of relative decline. This has been the result of a reduction in purchases of consumer goods because of the shortage of foreign exchange and also due to replacement of imports with goods manufactured within the Common Market. Regardless of all the positive signs of improvement, Central America still has a trade deficit, some of which can be attributed to increased capital imports.

Not all the countries within the Common Market have grown at the same rate nor are they equal in any sense of the word. Some have done better because they have had a better attitude toward integration and have provided more attractive investment inducements.

During the initial stages, both trade creation and trade diversion have taken place. Trade creation has been most evident in the agricultural sector and in very light industry. Trade diversion has occurred

TABLE 16
GROSS INDUSTRIAL PRODUCTION ESTIMATES
1963-1972
(Millions of Colones in 1962)

	1963	1967	1968	1969	1970	1971	1972	% of Growth Rate 1963-67 1969-72	
TOTAL	543.9	838.4	961.7	1,044.3	1,135.2	1,248.1	1,375.8	11.4	9.6
Food	154.0	205.0	235.3	248.8	265.7	286.2	306.9	7.4	7.3
Beverages	76.1	93.9	95.2	103.0	113.1	123.1	134.9	5.4	9.4
Tobacco	24.8	29.2	30.4	31.5	32.8	34.1	35.5	4.2	4.0
Textiles	27.5	55.2	58.8	64.6	74.7	91.0	112.4	19.0	20.0
Shoes and clothing	52.3	66.5	69.6	72.3	75.0	83.5	93.0	6.2	8.8
Wood	43.3	55.0	62.4	67.8	75.4	84.8	97.2	6.2	12.8
Furniture	18.9	25.1	26.6	28.4	30.2	32.2	34.3	7.4	6.5
Paper and paper products	6.1	12.2	8.5	10.0	11.6	17.4	22.5	18.9	31.0
Printing	18.3	26.7	29.4	31.8	34.3	37.0	40.0	9.9	8.0
Leather and leather products	7.9	9.0	9.5	9.9	10.3	10.7	11.1	3.3	4.0
Rubber products	4.2	9.0	19.0	20.4	22.0	23.8	25.7	21.0	7.9
Chemical products	40.6	68.3	77.3	91.5	103.3	115.9	130.3	13.9	12.5
Petroleum derivatives	--	16.7	48.3	52.8	54.7	56.6	58.5	--	3.5
Non-metallic mineral products	19.0	36.3	41.2	44.2	47.4	50.3	53.7	17.6	6.7
Basic metallic industries	1.7	7.4	8.2	8.9	9.6	10.3	11.1	44.0	7.8
Fabrication of metallic products	12.7	31.0	32.8	35.2	39.1	43.0	47.7	25.0	10.6
Machinery, not electric	7.4	17.5	21.5	23.7	25.6	26.8	28.3	24.0	6.0
Electrical articles	4.3	20.2	24.0	31.2	36.9	42.0	48.2	47.0	15.7
Transport Equipment	15.4	24.1	26.4	28.2	30.2	32.3	34.6	11.9	7.0
Miscellaneous industries	9.4	30.1	37.3	40.1	43.3	47.1	49.9	34.0	7.6

Source: OFIPLAN, Department of Project Evaluation.

TABLE 17
SOURCE AND APPLICATION OF THE FUNDS NECESSARY
TO FINANCE INDUSTRIAL PROJECTS INVESTMENTS FOR THE PERIOD 1969-1972¹
(Millions of colones)

	Total	Fixed Capital	Operating Capital
TOTAL	479.4	339.8	139.6
CREDITS:	156.8	121.8	35.0
National	36.5	25.6	10.9
Foreign	120.3	96.2	24.1
CONTRIBUTIONS: ³	322.6	218.0	104.6
National	67.5	42.5	25.0
Foreign	255.1 ²	175.5	79.6

¹New plants and new production lines.

²Includes 153.0 million colones, part of the total estimated cost of the plant to produce alumina which will be made during the years 1970, 1971 and 1972.

³The amount and origin of the capital was determined in accordance with the information included in the projects.

Source: Industrial Projects Inventory, OFIPLAN, Department of Project Evaluation.

in the production of some manufactured goods. It is possible that once the full impact of the Common Market becomes a reality, production costs will decrease as output increases. At such time the law of increasing returns to scale can be expected to come into effect.

With regard to agricultural goods, the Central American Common Market countries are competitive. The same is true for light industry. The future picture also provides for complementarity because many of the

Common Market countries have different potentialities in specializing in different manufacturing activities. Some of this is now under way and long range planning is based on complementarity and economies of scale. The implications are many including, of course, the possibilities to engage in manufacturing where before the individual markets were too small to support such activity. The market also has a tariff structure which in fact is higher than before. The average external tariff is 48 per cent.¹

Regarding the terms of trade, some evidence is available that presents a strong case that the Central American Common Market countries have improved their position. The basic points brought out include the rapid rate of import substitution, improvement in the prices they have been getting as a unified exporter and the increased bargaining power in purchasing capital equipment.

Competition among small manufacturers, businesses and agricultural enterprises has been stimulated. Many small operations have grown as a result of a larger market and those that have survived have been better organized and financed. Some monopolies have emerged and this in many cases has been promoted with full understanding of the implications of monopoly. For some industries the only alternative in a small market is full protection including elimination of competition.

Table 18 indicates the FOB value of a particular group of exports from Costa Rica from 1950 to 1968. The fluctuation in prices is primarily reflected in the values of the coffee and banana exports. Exports during

¹United Nations, Economic Survey of Latin America, 1967 (New York: 1969), pp. 74-78.

TABLE 18

FOB VALUE OF EXPORT OF GOODS
(thousands of dollars in 1962)

YEARS	AGRICULTURAL ORIGIN						OTHER ORIGIN			
	TOTAL (1)	TOTAL (2)	COFFEE (3)	BANANA (4)	CACAO (5)	REST (6)	TOTAL (7)	SUGAR (8)	BEEF (9)	REST (10)
1950	51,378,9	n.d.	16,079,0	31,097,8	1,714,0	n.d.	n.d.	10,0	0,0	n.d.
1951	53,308,9	n.d.	16,017,0	31,783,5	1,248,4	n.d.	n.d.	10,8	n.d.
1952	64,229,5	n.d.	17,884,2	38,050,3	3,297,3	n.d.	n.d.	653,1	98,4	n.d.
1953	67,791,6	63,170,0	23,722,5	32,818,1	2,636,1	3,993,3	4,621,6	903,8	340,4	3,377,4
1954	62,677,3	59,792,9	19,671,3	32,779,6	2,838,8	4,503,2	2,884,4	702,4	18,2	2,163,8
1955	66,381,5	63,092,1	23,911,5	30,383,1	3,786,5	5,011,0	3,289,4	887,7	5,0	2,396,7
1956	49,693,3	46,906,3	19,241,4	21,438,0	2,439,5	3,787,4	2,787,6	...	51,3	2,736,3
1957	62,636,8	59,200,9	24,845,6	28,624,2	2,870,1	2,861,0	3,435,9	116,0	261,6	3,058,3
1958	81,255,2	76,028,0	38,965,3	27,820,7	3,001,0	6,241,0	5,227,2	150,3	1,389,2	3,687,7
1959	75,893,1	66,274,1	36,529,1	19,670,1	4,499,5	5,575,4	9,619,0	848,7	3,491,6	5,237,7
1960	87,549,6	74,738,3	39,379,7	25,153,6	4,616,7	5,588,3	12,811,3	2,361,8	5,212,5	5,237,0
1961	85,547,5	74,455,5	43,840,5	21,229,2	3,988,6	5,397,2	11,092,0	3,336,7	3,482,6	4,272,7
1962	93,665,6	84,310,8	48,422,2	26,931,8	4,665,5	4,291,3	9,354,8	2,788,7	2,756,4	3,809,7
1963	93,206,9	75,647,2	46,107,7	24,089,0	3,788,9	1,661,6	17,559,7	4,681,5	5,103,8	7,774,4
1964	110,438,6	79,046,5	43,073,8	27,020,4	3,602,3	5,350,0	31,392,1	4,513,8	6,036,6	20,572,7
1965	110,103,9	78,695,6	40,736,6	29,154,6	2,640,9	6,163,5	31,408,3	4,787,9	3,414,1	23,206,3
1966	133,975,5	88,995,1	46,281,5	33,093,6	3,023,5	6,596,5	44,980,4	7,923,8	5,113,3	31,943,3
1967	144,365,3	95,846,9	55,711,6	32,221,6	3,226,1	4,687,6	48,518,4	8,542,5	7,387,9	32,588,0
1968	176,634,2	115,636,1	57,831,7	51,035,6	2,030,5	4,738,3	60,998,1	7,887,8	10,505,6	42,604,7

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Source: Planning Office of the Presidency of the Republic, San Jose, Costa Rica.

1968 were over those in 1967 by 19.2 per cent during a period of relative price stability. Table 19 shows the figures for trade with the rest of Central America. Costa Rica joined the Central American Common Market in November 1960.¹

TABLE 19
COMMERCE WITH CENTRAL AMERICA
(in thousands of dollars)

YEAR	EXPORT	IMPORT	COMMERCIAL BALANCE
1960	2,421	3,514	-1,093
1961	2,197	4,046	-1,849
1962	1,720	3,308	-1,588
1963	3,945	3,817	128
1964	15,388	8,285	7,103
1965	18,232	14,691	3,541
1966	25,157	23,155	2,002
1967	26,909	34,221	-7,312
1968 ¹	35,644	48,849	-13,205

¹Preliminary figures.

Source: Census and Statistics Bureau

According to Costa Rican sources, the following are the positive consequences for Costa Rica of membership in the Central American Common Market. Industry has absorbed about three thousand laborers every year since 1962. In 1960 industry could absorb only one thousand laborers. Productivity has increased every year since 1962.² All of the productivity increase may not be attributable to Central American

¹Planning Office of the Presidency of the Republic, Costa Rica: Previsiones del Desarrollo Económico y Social 1969-1972 y Planes del Sector Público, Volume I, San Jose, Costa Rica, p. 240.

²Ibid., p. 240.

Common Market membership. However, a substantial percentage of it can be directly related to activity since the Common Market was initiated. The output of manufactured products between 1962 and 1968 was up 87.9 per cent.¹ Investor interest in Costa Rica has increased considerably and all sectors have seen better than average growth.

The policy to industrialize as quickly as possible in order to gain a favorable position within the Central American Common Market has had some negative aspects, primarily in the realm of customs duties and other income derived from imports. The Banco Central of Costa Rica argued for a clear understanding of the implications of a policy that would provide protection in an atmosphere of import substitution activity.

An industrialization program generally takes as a route the protection from import duties and fiscal incentives. In its present phase, Costa Rica is no exception to this policy, which is covered by Law No. 2426 on Industrial Protection and Development. Based on this law multiple industrial projects have been established and a good number more are in the process of establishment. Together with the advantages of a fiscal nature that the law provides, Article 12 favors some industries with considerable import duty protection. These benefits, usually properly granted, in some cases are conducive to effective monopolies over which it is necessary that the State exercise the appropriate inspection privilege to which it is entitled under the contracts themselves.

In such cases the result is that the State ceases to receive the income from import duties upon the elimination of imports, which sacrifice on the part of the State many times is only passed on in part to the consumer through a relative decrease in prices. The degree of profit granted upon signing the contract is based on cost investigations conducted to that date, and likewise these are the elements considered in setting the sale price to the consumer. These factors, which

¹Planning Office of the Presidency of the Republic, Costa Rica: Previsiones del Desarrollo Económico y Social 1969-1972 y Planes del Sector Público, Volume I, San Jose, Costa Rica, p. 240.

are usually accepted before the plants are installed, can suffer important modifications in actual practice. It then becomes important to compare the estimates arrived at before the installation and those obtained after operation is begun. This same policy should be adopted insofar as quality is concerned so as to maintain an intermediate level. These important functions under the Commercial Department of the Ministry of Economy and Treasury, should be reinforced in the interest of the consumer and to avoid negative reactions against national industry.

From the fiscal point of view, the benefits mentioned are bringing about substantial decreases in the import duty income budget. Perhaps it would be convenient to revise the present policy and in the cases so required, to impose a tax on production or sales to compensate, at least in part, the previously referred to reductions which contribute to make the serious fiscal problem facing the country more acute. In other words, an effort is to be made to redistribute the benefits which the industrialization process represents among the corresponding sectors which would be guaranteed a market with an adequate margin of profit, the consumer who would obtain a reduction in prices (including a guarantee of equal quality), and the State which would be compensated on import duty income. It must be considered that a tax structure which rests on duties levied on foreign commerce (54 per cent in 1962) such as Costa Rica's cannot be substantially modified from one period to another without causing problems to the Public Treasury.¹

Tables 20 and 21 indicate the changes that have occurred both in duties and exonerations.

Torres Rivas, in his recent work, provides an analysis of the concept of the integration of Central America. His work is important because he confronts political and social issues in addition to economic ones. Torres Rivas concludes that little improvement was made during the decade of the 1960's and that less is likely to be made if present policies and conditions persist.

This industrialization process, accelerated since 1960 but which has not altered the agrarian bases of these countries,

¹Planning Office of the Presidency of the Republic, Costa Rica: Previsiones del Desarrollo Económico y Social 1969-1972 y Planes del Sector Público, Volume I, San Jose, Costa Rica, pp. 241-242.

TABLE 20
LATIN AMERICA: TREND OF MANUFACTURING PRODUCTION

COUNTRY	PERCENTAGE AVERAGE ANNUAL GROWTH RATE		
	1951-1953 to 1959-1961	1959-1961 to 1966-1968	1966-1968 to 1969
Argentina	5.0	4.1	6.2
Bolivia	-1.3	7.9	7.0
Brazil	9.9	5.2	10.0
Central America			
Costa Rica	7.2	9.3	8.7
El Salvador	5.7	10.1	4.8
Guatemala	5.1	7.7	8.0
Honduras	6.0	8.5	7.7
Nicaragua	6.7	10.7	9.9
Colombia	6.8	5.5	6.3
Chile	4.8	5.9	2.9
Ecuador	4.5	6.0	4.8
Mexico	6.3	8.8	7.8
Panama	8.6	11.8	11.3
Paraguay	2.0	5.0	5.6
Peru	6.9	8.7	3.6
Dominican Republic	5.4	2.9	4.5
Uruguay	2.5	1.1	3.4
Venezuela	10.1	6.9	5.1
TOTAL	7.0	5.9	7.4

Source: ECLA, on the basis of national accounts estimates.

TABLE 21

LATIN AMERICA: RATES OF INDUSTRIAL GROWTH
(Annual percentage growth rates)

	1959-1969		1959-1964		1965-1969
Average for Latin America.	6.4		6.3		6.5
Above the regional average	Mexico (8.0)	Mexico (7.7)	Mexico (8.3)		
	Panama (11.5)	Panama (12.1)	Panama (10.9)		
	Costa Rica (8.7)	Costa Rica (8.5)	Costa Rica (8.8)		
	Nicaragua (8.8)	Nicaragua (10.6)	Nicaragua (8.0)		
	Honduras (8.8)	Honduras (7.8)	Honduras (9.9)		
	Peru (7.5)	Peru (10.0)	Guatemala (7.6)		
	El Salvador (7.9)	El Salvador (9.1)	Bolivia (7.7)		
		Dominican Republic (7.7)			
		Chile (8.5)			
Close to the regional average	Brazil (6.8)	Brazil (6.8)	Brazil (6.8)		
	Guatemala (6.7)	Guatemala (5.8)	Colombia (6.0)		
	Bolivia (6.4)	Ecuador (6.2)	El Salvador (6.7)		
	Chile (5.9)		Argentina (6.0)		
Below the regional average	Venezuela (3.8)	Venezuela (4.0)	Venezuela (3.6)		
	Uruguay (0.9)	Uruguay (1.0)	Uruguay (0.9)		
	Haiti (3.2)	Haiti (3.8)	Haiti (2.5)		
	Paraguay (5.4)	Paraguay (5.6)	Paraguay (5.2)		
	Colombia (5.7)	Colombia (5.4)	Peru (5.1)		
	Argentina (5.3)	Argentina (4.5)	Ecuador (4.7)		
	Ecuador (5.5)	Bolivia (5.2)	Chile (4.0)		
	Dominican Republic (5.5)		Dominican Republic (3.2)		

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Source: ECLA, on the basis of official statistics.

was partly stimulated by the formation of a Common Market, allowing the addition of the reduced internal markets of each country and promoting some substitution of imports from outside the area. However, the Central American integration, used by many international organizations and the United States itself as an example of the route the other Latin American countries should follow, has quickly shown its insurmountable limitations.

In effect, and prior to the conflict between Honduras and El Salvador, the economies of the Latin American countries had been experiencing a noticeable reduction in their growth rhythm; the armed conflict itself, which has something to do with the accentuation of the differences between countries resulting from this type of industrialization, eliminated the possibility of a common market conceived exclusively as an additive market of the five countries. The economic stagnation of the region and the acuteness of the social conflicts are understandable since the transformation of the economic system, through a quick process of industrialization which would allow the increase of income for the greater part of the population jointly with the absorption of agricultural population overflow, could only be possible by incorporating the great masses as producers and consumers, that is, deepening the internal market of each one of our countries. This would entail a radical redistribution of income and, as a requirement, a redistribution of the land through agrarian reform. The solution of such a contradiction constitutes then a basic point of any realistic development policy of the region.¹

The Political System

The government structure of Costa Rica is made up of three separate branches which are the Executive, Legislative, and Judicial. The President and two Vice-Presidents are elected for a four-year term. By almost any criteria, the powers of the president are very limited. His main functions are to (1) appoint and remove ministers, (2) represent the nation at official ceremonies, (3) command the National Guard, and (4) present a State of the Union Address each year.

¹Edelberto Torres Rivas, Interpretación del Desarrollo Social Centroamericano (San Jose, Costa Rica: Editorial Universitario Centroamericana EDUCA, 1971), p. 23.

In addition to the four functions mentioned above, the president is expected to actively participate with the ministers in formulating the national budget and in controlling the public administration machinery at the national level.¹ Limitations to the presidency of Costa Rica are brought about by the substantial role played by semi-autonomous institutions throughout the governing function in Costa Rica. The legislature, which is unicameral, has considerably more power than the Executive Branch. There are five standing committees of the National Assembly which interact with the public bureaucracy. These are the committees for Judicial Affairs, Social Affairs, Government and Administration, Economic Affairs and Budget Affairs.²

The Judicial Branch of government in Costa Rica is very independent of the other two branches. The National Assembly appoints the members of the bench for eight-year periods. There are seventeen Justices of the Supreme Court. The Court's main responsibilities are to rule on the constitutionality of the actions of the two other branches and to "hear appeals of citizens to gain the right to habeas corpus and the writ of amparo."³

The country is divided into seven provinces and the provinces are divided into townships. The Council of each township is made up of members elected through popular election. The Councils throughout the country usually are made up of members of the major political parties in existence in Costa Rica.

¹República de Costa Rica, Constitución Política de la República de Costa Rica, 1949, San Jose, 1958.

²Charles F. Denton, op. cit., p. 107.

³Ibid., p. 111.

CHAPTER II

MAJOR DETERMINANTS OF MUNICIPAL PERFORMANCE

Introduction

There has been agreement among those who have approached the subject of local government in Costa Rica that prior to 1971 the legal and administrative provisions were inadequate to deal with the needs of a developing and modernizing society.¹ The major premise was that local government, if administratively sound, would become a significant force in the improvement of conditions prevalent throughout Costa Rica.² From the very beginning of the municipal reform movement, the overriding objective was to achieve legal and administrative change that would result in local governments capable of making decisions necessary to satisfy the

¹Christopher E. Baker, Ronald Fernandez Pinto, and Samuel Z. Stone, Municipal Government in Costa Rica: Its Characteristics and Functions (San Jose, Costa Rica: Associated Colleges of the Midwest Central American Field Program and School of Political Science, University of Costa Rica, 1971); Prof. Ligia de Arauz, El Regimen Municipal, Conference No. 3, Department of Institutional History of Costa Rica, University of Costa Rica.

²Municipal Development and Advisory Institute (IFAM), Filosofía, Objetivos y Programa de Trabajo, San Jose, 1971; Ministry of Government, Police, Justice and Grace, Código Municipal, Costa Rica, 1971.

demands of their citizens. During the process of preparing the project that would provide the strategy for achieving the desired changes, extreme care had to be taken to avoid conflicts with the functions being performed by the National Government. In Costa Rica, as in many other small developing countries, the Central Government is forced to involve itself in a great many activities usually left to local governments in more developed nations. The new interest in strengthening the municipalities is not likely to result in government at the national level surrendering overnight its significant participation in local government.

The municipal reform movement of Costa Rica has revolved around four major areas. The first was the economic and financial reform necessary to provide local government with financial means for satisfying the demands made on them. The most significant change made in this respect was to assign the real estate tax to the municipalities; income previously going to the National Government. However, such a plan was only imitative since real estate taxes usually represent the backbone of local government financing.¹ The change became effective on May 30, 1969, when Law No. 4340 was passed.

Legal reform was the subject of the second undertaking. As mentioned previously, agreement on the inadequacy of the laws on the books was practically universal. The need for new municipal laws resulted in the creation of a new Municipal Code, the provisions of which are carefully designed to maximize the role of municipalities as governing bodies. Two important changes were the adoption of the council-manager system

¹Prof. Ligia de Arauz, El Regimen Municipal, Conference No. 3, Department of Institutional History of Costa Rica, University of Costa Rica.

and a new concept of budget preparation.

In order for local governments to meet the obligation contained in the new Municipal Code, it was necessary to have some institutional reform. Article 19 of the new Code provided for the creation of the Municipal Development and Advisory Institute (IFAM), an institution which is to provide a number of services to local governments in Costa Rica.

In this chapter aspects of the municipal electoral process and the organizational structure in which the Councilmen perform are presented. An organization chart of the Executive Branch is provided, and should prove useful for understanding the various programs and activities that form the operating budget. Certain aspects of the National Code are reviewed and examples of demands made upon the Council of San Jose are discussed. Hopefully this will acquaint the reader with both the laws and the activities which center around the new Municipal Code. In addition to the knowledge that can be gained from a study of new laws, a good understanding of the budget provides information necessary for a clear understanding of the San Jose government. In this chapter considerable space has been devoted to the budget. The IFAM is the subject of Chapter IV. The reader is reminded that a translation of the Municipal Code and of the Organization Law of the IFAM can be found in the Appendix.

General Background of the Municipal Council

The membership of the Council during the period of this study was elected to office for a four-year period beginning May 1, 1970 and ending April 30, 1974. Fourteen individuals were elected to the Council for the township of San Jose. Also elected was an alternate for each principal. There were seven political parties with candidates for the

office of Councilman. The seven political parties were Liberación Nacional, Frente Nacional, Demócrata Cristiano, Unión Nacional, Movimiento Renovador Costarricense, Acción Socialista and Unificación Nacional.

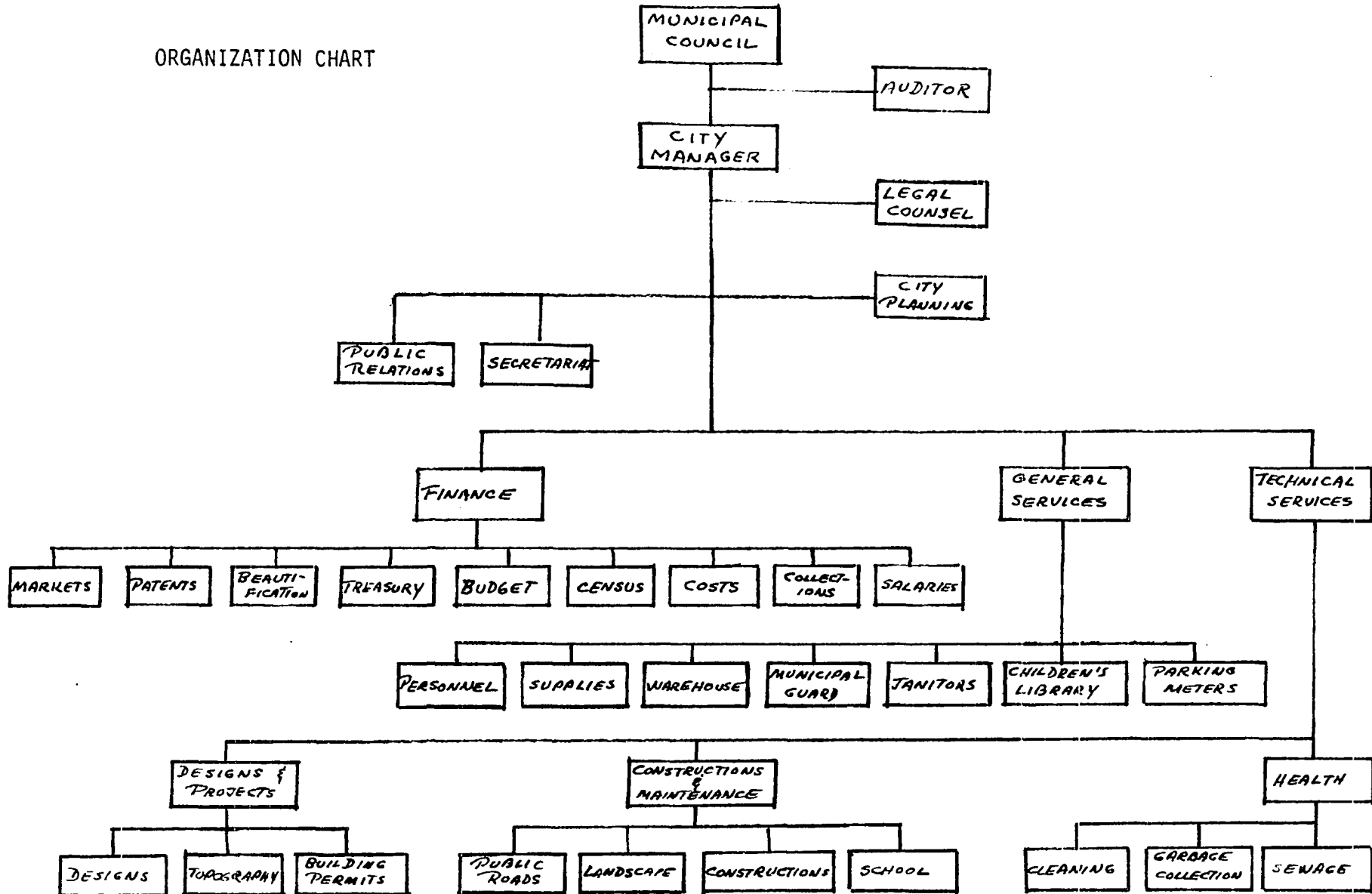
The Council members are responsible for electing a president and a vice-president who serve for a one-year period. All Council sessions are held at the Municipal Palace. Article 51 of the Municipal Code requires that all Council sessions be recorded in the form of Minutes. The Council must have at least three standing committees, provided for in Article 53 of the Municipal Code. San Jose has the required committees, Treasury, Public Works and at least six more which meet the requirement of the third category of Miscellaneous Committee. The Council names the manager of the municipal government. The Executive is appointed for a four-year period and is expected to engage in the activities generally associated with the position of city manager. On January 31, 1971, Mrs. Matilde María de Soto was named City Manager for San Jose. The City Manager's activities and their magnitude can be understood from the study of the operating budget and from the Organization Chart on page 62. The Auditor is appointed by and is responsible to the Council.

Municipal Code

Title I of the Municipal Code is of particular importance because it defines the duties of the local governments. It establishes both authority and responsibility for carrying out the necessary activities to insure responsible local government. It is not necessary to go into all of the stipulations, however, a few are helpful in understanding the Code.

ORGANIZATION CHART

DIAGRAM No. 1



Article 4. The municipalities will be in charge of the administration of the local services and interests with the purpose of promoting the integral development of the districts in harmony with national development.

Article 4 clearly assumes that the municipal governments will engage in decisions that will in one way or another affect national development. An analysis of the demands made of local governments does not substantiate such an assumption unless the position is taken that any activity of any social or economic nature must be related to development regardless of the impact that such activity may have. Section 1 of the Municipal Code, for example, requires that local governments support and promote culture by engaging in any activity which may directly contribute to cultural improvement. A few examples of the demands made upon the Council of San Jose will illustrate the kinds of activities that fall within Section 1.

On January 7, 1972, the San Jose government was asked to "take action on a request from Mr. Jose David from El Salvador who requests permission to hold a showing of his drawings." The question is not whether such an exposition might contribute to the goals of development, but rather the importance of the decisions engaged in by the San Jose government in relationship to development.¹ Another example which clearly pertains to the quality of life in San Jose is the demand made on May 5, 1972, in the form of a note from the President of the Republic, based on Law No. 4519 "referring to the lack of lands available for playing fields and authorizing the municipality to exonerate the owners

¹Minutes of Meeting No. 221 of the Municipal Council of San Jose of January 7, 1972.

of any lands used for this purpose."¹ Special note must be made of the phrase "authorizing the Municipality" because if it is considered an important decision it certainly cannot be attributed to the Municipality. As a matter of fact, the decision to exonerate payment of municipal taxes must come from the legislature.² This is an example where the President and the legislature have the power rather than the local government.

On June 30, 1972, Mireya Guevara de Padilla of the Government and Administration Committee of the Legislative Assembly sent a note requesting the Council's opinion on a project supporting the Township Sports Committee.³

The municipality is supposed to establish and manage public libraries. The only action in this respect was on May 22, 1972, when it presented a report on the expenses that would be incurred to operate the "Carmen Lyra" Library on Saturdays and Sundays.⁴

The Council considered a program suggested by the Ministry of Culture, Youth, and Sports to promote and develop musical culture.⁵ On the latter no position was taken by the Council during the period covered in this study.

¹Minutes of Meeting No. 275 of the Municipal Council of San Jose of May 22, 1972.

²Article No. 81, Chapter 2 of Municipal Code of Costa Rica.

³Minutes of Meeting No. 292 of the Municipal Council of San Jose of June 30, 1972.

⁴Minutes of Meeting No. 275 of the Municipal Council of San Jose of May 22, 1972.

⁵Minutes of Meeting No. 277 of the Municipal Council of San Jose of May 26, 1972.

As can be seen, none of the above demands appear important enough to help a country break out of an underdeveloped condition.

Section 2. Energetically support general and vocational instruction of the inhabitants of the district, coordinating their activity with the national or private organizations dedicated to direct or execute educational works of all kinds. To this effect, the municipalities should establish scholarship systems or assistance to students with limited financial resources who are deserving of same due to their proven dedication to their studies; maintain close contact with the Boards of Education and the Administrative Boards of Schools and Colleges to promote and watch over their work; set aside, according to their possibilities, funds for the construction or repair of schools and to subsidize educational centers of any kind and especially those of immediate interest to the district.¹

On February 11, 1972, several Councilmen proposed that a "sum be set aside in the amount of 5,400,00 Colones to increase the number of scholarships by ten."² This would bring to 150 the number of scholarships being sponsored by the Municipality as of February 11. Using an average exchange rate of 7 Colones to the U.S. Dollar prevailing during early 1972, the sum asked for by the Council amounted to 771.00 U.S. Dollars. The ten scholarships averaged about 77.00 U.S. Dollars. This proposal was discussed two other times and finally at the June 12 session, the amount was approved. It took four months for the Council to act on this request. In approving the additional 5,400.00 Colones, the total commitment of the Municipality for scholarships for the year 1972 amounted to 81,360.00 Colones, averaging 542 Colones per scholarship. In U.S. Dollars the amounts are approximately \$11,623.00 and \$77.00 respectively. Clearly the financial intervention by the municipality in the education process

¹Title I, Article 4, Section 2 of the Municipal Code of Costa Rica.

²Minutes of Meeting No. 235 of the Municipal Council of San Jose of February 11, 1972.

is not overwhelming.

On February 18, 1972, the Council once again dealt with education by entertaining a request from the Minister of Foreign Relations who asked that the Council nominate an individual for a scholarship offered by the OAS for studies in Tel Aviv.¹

The Board of Education of the New Santa Marta School invited the Council to attend the inauguration of a new school building.²

On March 24 there was a formal complaint from the Principal of the Anglo-American School regarding the need to repair the sidewalks servicing the school.³

Decisions concerning these three demands were not made during the period through June 30 nor were they brought up for further consideration.

Demands for financial assistance for school supplies and materials as well as building repairs are to be made of the local government. Five thousand Colones were requested for teaching materials.⁴ The request was made on March 24 and approved on June 19.⁵ On March 24 a request was made for 10,000 Colones for repairing a building at the Rodrigo Facio

¹Minutes of Meeting No. 238 of the Municipal Council of San Jose of February 18, 1972.

²Minutes of Meeting No. 244 of the Municipal Council of San Jose of March 3, 1972.

³Minutes of Meeting No. 254 of the Municipal Council of San Jose of March 24, 1972.

⁴Minutes of Meeting No. 254 of the Municipal Council of San Jose of March 24, 1972.

⁵Minutes of Meeting No. 287 of the Municipal Council of San Jose of June 19, 1972.

Teachers' College.¹ It was denied on the 12th of May on the grounds that the Municipal Code does not allow the municipality to provide funds to private schools but only to public schools.² During the six-month period the above examples represent the total involvement of the Municipal Council in the education area.

Section 3. Watch over the physical and mental health of the inhabitants of the district, establishing or participating in programs for the prevention and elimination of illness; organizing social welfare programs which at the opportune moment protect those individuals who require special assistance in the face of serious social problems; constructing or subsidizing all kinds of recreation centers for the population; supporting to a maximum the development of sports and promoting all kinds of organizations or activities which tend to obtain the maximum of welfare for the district's community.³

There is evidence that the municipality built a recreational park.⁴ The original demand was made prior to January 1, 1972. On April 5, the Council agreed to divide among nutrition centers the earnings from popular celebrations.⁵ The agreement was discussed in four different Council sessions, being approved on June 28.⁶ The decision to implement the agreement resulted in granting 3,007.20 Colones (\$429.60) to each of

¹Minutes of Meeting No. 254 of the Municipal Council of San Jose of March 24, 1972.

²Minutes of Meeting No. 271 of the Municipal Council of San Jose of May 12, 1972.

³Title I, Article 4, Section 3 of the Municipal Code of Costa Rica.

⁴Minutes of Meeting No. 248 of the Municipal Council of San Jose of March 13, 1972.

⁵Minutes of Meeting No. 256 of the Municipal Council of San Jose of April 5, 1972.

⁶Minutes of Meetings Nos. 260 of April 14, 1972, 267 of May 3, 1972, 287 of June 19, and 291 of June 28, 1972 of the Municipal Council of San Jose.

eleven nutritional centers and, in addition, a check in the amount of 39,093.35 Colones (\$5,585.00) to an orphanage.¹ The request for help made on January 1 by the Dos Rios Nutritional Center was referred to the Celebration Committee.² Interestingly enough, this request was never dealt with again and the Dos Rios Center was not among the eleven nutrition centers receiving aid.³

During their session of May 19, the Council denied the demand made by the President of the National Committee for Mental Health for a hearing to discuss the possibility of coordinating a procedure for increasing the knowledge about the danger of witchcraft practices.⁴ It was denied on the grounds that the subject should be handled at the national level.⁵

The Family Welfare Committee presented a petition for 5 per cent of the gross collected from the parking meters to be made available to them in order to help them carry out their programs.⁶ The demand was referred on January 17 to the Committee on Social Activities and Scholarships. The results of their consideration had not been communicated to the Council as of June 30. Another demand on which a decision was not

¹Minutes of Meeting No. 291 of the Municipal Council of San Jose of June 28, 1972.

²Minutes of Meeting No. 219 of the Municipal Council of San Jose of January 1, 1972.

³Minutes of Meeting No. 291 of the Municipal Council of San Jose of June 28, 1972.

⁴Minutes of Meeting No. 222 of the Municipal Council of San Jose of January 10, 1972.

⁵Minutes of Meeting No. 274 of the Municipal Council of San Jose of May 19, 1972.

⁶Minutes of Meeting No. 225 of the Municipal Council of San Jose of January 17, 1972.

made was that for Children's Homes and Kindergartens made by the representative of the Costa Rican Women's Alliance on February 16.¹ The Municipality recognized that the Torres River was becoming contaminated, and on February 23, it officially requested the National Government, more specifically the Ministry of Public Health, to undertake the necessary steps to correct the situation.² The Ministry acted with dispatch since their reply in the affirmative became a matter of record during the Council session of March 8.³

Section 4. Establish an integral policy of urban planning in accordance with the corresponding law and the provisions of this Code which provides for the efficient and harmonious development of urban centers and which guarantees at least: efficient electrification and communication services; good systems for the supply of water and elimination of sewage through adequate water and sewerage systems; modern lighting systems and maintenance of cities; efficient construction, repair services and cleaning of streets and other public thoroughfares; adequate park, garden and green zone programs for the public; programs on housing of a social nature and in general concrete and practical plans to make life comfortable for the urban population.⁴

The municipality was requested to provide materials for the construction of a bridge over the Maria Aguilar River. This request was officially introduced on January 28 and referred to the appropriate committee.⁵ The interesting thing about this request is that the bridge

¹Minutes of Meeting No. 237 of the Municipal Council of San Jose of February 16, 1972.

²Minutes of Meeting No. 240 of the Municipal Council of San Jose of February 23, 1972.

³Minutes of Meeting No. 246 of the Municipal Council of San Jose of March 8, 1972.

⁴Title I, Article 4, Section 4, Municipal Code of Costa Rica.

⁵Minutes of Meeting No. 230 of the Municipal Council of San Jose of January 28, 1972.

involved two different communities and construction of half of the bridge had been initiated and so reported on January 7 by one of the communities.¹

The Municipal Executive presented the Council with the regulations for the construction and operation of parking areas for the city of San Jose. It was forwarded to the Municipal Police and Judicial Committee for study.² On March 24 it was voted on and approved by the Council.³

The Pacific Electric Railroad requested that the municipality authorize them to construct a sewer paralleling the railroad tracks near the wholesale market. The Council can only enter into such an agreement if it has approval from the Comptroller General's Office of the Republic.⁴

The intervention of the National Government can be noted once again when considering the participation of the Municipal Government in the letrine program. The municipalities' only responsibility is to provide funds commensurate with the area under their jurisdiction.⁵

A specific demand for public lighting was made by a private

¹Minutes of Meeting No. 221 of the Municipal Council of San Jose of January 7, 1972.

²Minutes of Meeting No. 225 of the Municipal Council of San Jose of January 17, 1972.

³Minutes of Meeting No. 254 of the Municipal Council of San Jose of March 24, 1972.

⁴Minutes of Meeting No. 227 of the Municipal Council of San Jose of January 21, 1972.

⁵Minutes of Meeting No. 233 of the Municipal Council of San Jose of February 7, 1972.

citizen on February 28.¹ The demand specified the lack of lighting and garbage collection services for which the inhabitants were nonetheless being taxed. On March 20 the Council received a note from the Community Development Association President acknowledging receipt of funds from the Council for the purpose of having the Community Development Association install a public lighting system. No mention of the garbage request was made.² A similar demand was made regarding the placement of concrete benches on 12th Street. The request was made by the Integral Development Association of Cristo Rey neighborhood on April 7 and the Council referred it to the Municipal Executive. There is no record that it was acted upon by anyone.³

A demand of a critical nature regarding the flooding of the sewer system in the San Gerardo sector of Zapote was considered and approved during the same session.⁴ Analyses of prompt actions show common characteristics, such as emergency conditions, or, as in this particular case, the motion was presented by a Councilman who had the necessary information to provide the background required for proper consideration. A considerable number of the demands presented in this manner were resolved during the six-month period under study. On the other hand, a

¹Minutes of Meeting No. 242 of the Municipal Council of San Jose of February 28, 1972.

²Minutes of Meeting No. 251 of the Municipal Council of San Jose of March 20, 1972.

³Minutes of Meeting No. 257 of the Municipal Council of San Jose of April 7, 1972.

⁴Minutes of Meeting No. 262 of the Municipal Council of San Jose of April 19, 1972.

motion presented by a Councilman does not always result in prompt action. On March 10, a Councilman made the motion that the municipality undertake the regulation of playgrounds of new housing developments.¹ The demand was referred to the Public Works Committee but its conclusions, if any, were never introduced.¹

Section 8. Foment internal and external tourism protecting natural beauty and regulating the use and exploitation of lakes, islands, bays and beaches appropriate for recreation and sport and giving the necessary stimulus to the public and private programs of a touristic nature, taking also into consideration the marine fauna and flora.²

There are no demands that can be directly associated with the intent of Section 8. It must be concluded that San Jose, being the principal city of Costa Rica, benefits from the efforts made at the national level in promoting tourism.

Section 9 refers to security and public order.

Section 9. Watch over the safety of individuals and public order, through a coordinated action with the national authorities and organizations.³

It is not surprising that the municipal government does not make great decisions in this area. Since there is no municipal police as such, about all that the municipality can do is make pronouncements on the subject. As an example, on January 14, it denounced activities that attempted to upset the constitutional order through disagreement with

¹Minutes of Meeting No. 247 of the Municipal Council of San Jose of March 10, 1972.

²Title I, Article 4, Section 8 of the Municipal Code of San Jose.

³Title I, Article 4, Section 9 of the Municipal Code of San Jose.

the policies of the National Government. It specifically referred to the activities of a para-military group known as "Costa Rica Libre." The Council called upon the other local governments and civic organizations to join in expressing their protest against activities such as those of the "Costa Rica Libre" group. It also asked the President of the Republic to take whatever action was necessary to terminate such activities.¹

A demand was made by the lessees of the Central Market for additional police protection. The initial demand was made on May 5 and partially approved on June 7 on the grounds that the Central Market was under the management of the municipality. Four guards were approved and three additional guards were to be provided if the lessees increased their rental payment.² As of June 12 no decision had been reached on the three additional guards.³

Regarding another law and order problem, the local government's intervention amounted to nothing more than requesting action by a national organization. On June 30, it requested the National Housing and Urbanization Institute to implement the contract calling for remodeling buildings and the elimination of bars and houses of ill repute in a number of neighborhoods within the township of San Jose.⁴

¹Minutes of Meeting No. 224 of the Municipal Council of San Jose of January 14, 1972.

²Minutes of Meetings Nos. 268 of May 5, 1972 and 282 of June 7, 1972 of the Municipal Council of San Jose.

³Minutes of Meeting No. 284 of the Municipal Council of San Jose of June 12, 1972.

⁴Minutes of Meeting No. 292 of the Municipal Council of San Jose of June 30, 1972.

Section 6 of Article 4 requires the municipality to:

Section 6. Stimulate and protect farming, commercial and industrial development by means of incentives and adequate facilities so as to actively promote the production, distribution and consumption of goods and services, and the establishment of stable and well-remunerated sources of work for the population.¹

The stipulations of Section 6 are characteristic of those found in Municipal Codes of small developing nations. The issue is to determine how effective local governments are in meeting such challenges. Demands that can be associated with the provisions of this Section are very few. One of these is the demand made on February 11 for the modernization of the Central Market. The motion made required that a feasibility study be undertaken.² The motion was discussed at three other sessions and finally approved on May 29.³ Interestingly there appears to be no evidence that the national government was consulted during the decision-making process involving this demand.

The municipality identified the need for improvements in the distribution process for agricultural products and on February 21 it agreed to notify the Ministry of Public Works that the municipality would take back the lands and building on 10th Avenue being used by the Ministry. Subject land was the property of the local government.⁴ The

¹Title I, Article 4, Section 6 of the Municipal Code of Costa Rica.

²Minutes of Meeting No. 235 of the Municipal Council of San Jose of February 11, 1972.

³Minutes of Meetings No. 253 of March 23 and 277 of May 26 and 278 of May 29, 1972 of the Municipal Council of San Jose.

⁴Minutes of Meeting No. 239 of the Municipal Council of San Jose of February 21, 1972.

next time the subject was discussed was on March 1, at which time the Council instructed the Municipal Executive to proceed with the operation of the Wholesale Market and allocated 395,000 Colones for administrative expenses.¹ Although not entirely clear from the Minutes, it seems likely that the Ministry of Public Works had previously moved out and in fact returned the buildings and land.

During the interviews conducted, two specific questions were asked of the Councilmen regarding the new Municipal Code:

- 1) Since the 1970 Code, has municipal autonomy a) increased, b) decreased, c) changed?
- 2) Specifically, which is the greatest change that has occurred in the municipality's functions as a result of the 1971 Municipal Code?

Six Councilmen consider the new Code has provided more autonomy to the municipality, whereas three Councilmen perceive a decline. One Councilman answered that there definitely was a change but he could not decide which way. The Councilmen were then asked to cite the biggest change in the functions of the San Jose government as a result of the new Code. The answers were very emphatic and did not vary much. Almost to a man they cited the Council-Manager arrangement, budget based on a program approach, and the creation of the IFAM.² From the answers it is obvious that they did not perceive changes as affecting the function but rather organization.

To draw final conclusions about what the local government does on the basis of the Minutes during the period under study would prove a

¹Minutes of Meeting No. 243 of the Municipal Council of San Jose of March 1, 1972.

²Personal interviews conducted during the month of November, 1973. (See Appendix B.)

mistake. They do provide an insight into the Council's activities, but cannot be considered as definitive. For example, during the first half of 1972 work on the budget for 1973 had not yet begun. Since the work on the budget is done by the City Manager and approved by the Council, it is reasonable to expect that the Council's behavior patterns do not vary much during the second half of the year.

The analysis of the budget is at present the best source available to provide knowledge of the activities of the administrative side of the local government. Study of the composition and magnitude of the budget, coupled with analysis of the demands made upon the Council, provides substantial data from which conclusions may be drawn and knowledge obtained regarding the San Jose Township.

Budget

The budget under which the municipality of San Jose operated during 1972 was approved by them on September 26, 1971.¹ The budget was presented to the Comptroller General of the Republic as stipulated in Chapter IV, Article 118 of the Municipal Code.² Chapter IV of the Code sets out the rules that must be followed by local governments in making their budgets.

The budget for 1972 is made up of seven major expenditure programs, each with a number of separate activities. This budgetary approach, relatively new for San Jose, provides the managers of the programs the opportunity to plan and to manage accordingly. One of the Councilmen

¹Letter from Alvaro Fernandez Jimenez, Municipal Secretary, dated September 27, 1971 to the Comptroller General of the Republic.

²Title IV, Chapter IV, Article 118, Municipal Code of Costa Rica.

when interviewed replied that the budget on a program basis was the best thing resulting from the new Municipal Code.¹

Program No. 1 is entitled Management of Municipal Development Policies. The description reads:

Through this Program municipal action policies are delineated and a series of activities are implemented with the purpose of setting objectives, ordering, directing, coordinating, and watching over the adequate provision of basic services in order to fulfill the present requirements and to start establishing a system and the environment necessary for the future development of the municipal community in harmony with the Constitution and the Laws. According to these objectives, the actions toward designing the programs, of legislating and granting services which extend to the community for its own benefit by obtaining the necessary funds, trying to achieve their best use and to represent and defend the interests of the community under the municipal jurisdiction, etc., form part of the practice.

Program No. 1 is made up of seven separate functional budget categories which are:

1. General Legislation
2. Executive Leadership
3. General Secretary's Office
4. Auditors
5. Legal Counsel
6. Public Relations
7. Municipal Planning

The functions of each, as well as the budget amounts are as follows:

Activity No. 1 - GENERAL LEGISLATION

The Municipal Council is made up of fourteen Councilmen and nine alternates, all elected by popular vote, their responsibility being the setting up of the general policies of the Municipality, deciding on the budgets, setting the rates and tariffs for contributions, proposing taxes, and in general, dictating the rules of organization and service and any others authorized by the Law.

The fourteen Councilmen or the alternates when acting as such,

¹Personal interviews conducted during November 1973, Appendix B.

earn a fee of 150.00 Colones for each of the meetings which they attend, with a maximum of twelve meetings a month.

This activity calls for a budget of 352,100.00 Colones.

Activity No. 2 - EXECUTIVE LEADERSHIP

The Municipal Executive is named by the Council and is the person charged with exercising the functions inherent in a general administrator and chief of the municipal offices, watching out for their organization, operation and coordination, as well as the faithful compliance with the municipal agreements and ordinances and of the laws and regulations in general.

This activity calls for a budget of 222,368.00 Colones.

Activity No. 3 - GENERAL SECRETARY'S OFFICE

Within this activity the functions of secretarial services are included, such as preparing the Minutes of the meetings and having them ready for approval during the corresponding meeting, transcribing or informing as to agreements entered into by the Council according to the law.

In addition to the above, the municipal files are included in this activity.

This activity calls for a budget of 285,825.00 Colones.

Activity No. 4 - AUDITORS

The functions included in this activity are the verification of due compliance with the laws, regulations and other legal provisions which affect the municipality as well as making certain that full compliance is given the procedures established for the faithful and opportune execution of the municipality's agreements.

This activity calls for a budget of 330,262.00 Colones.

Activity No. 5 - LEGAL COUNSEL

This activity includes the lawyers who are to advise both the Municipal Council and the Executive in legal matters as well as dealing with judgments presented before any courts of justice.

This activity calls for a budget of 187,364.00 Colones.

Activity No. 6 - PUBLIC RELATIONS

This is the department in charge of publications and advertisements that the municipality is under the obligation to make known to the citizenry.

This activity calls for a budget of 148,179.00 Colones.

Activity No. 7 - MUNICIPAL PLANNING

This office will be an advisory unit of the municipality through the Executive, with the purpose of providing an orientation of the goals, purposes and programs of the capital city's municipality, in compliance with Chapter I, Article 4 of the Municipal Code.

This activity calls for a budget of 246,488.00 Colones.

A summary of the appropriations required to undertake Program No. 1 is as follows:

Program No. 1 - MANAGEMENT OF MUNICIPAL DEVELOPMENT POLICIES

<u>Code</u>	<u>I T E M</u>		<u>Appropriation</u>
	<u>PERSONAL SERVICES</u>		
1-00-00-01	01 Fixed Salaries	976,860.00	1,526,136.00
	23 Service Fees	10,000.00	
	27 Overtime	21,600.00	
	38 Councilman Fees	302,400.00	
	41 Social Security Fee	74,880.00	
	44 Quota for Popular Bank	4,991.00	
	47 Entertainment for High Officials of Public Powers	16,000.00	
	48 Entertainment for Repre- sentatives of Official Foreign Organizations	11,000.00	
	49 Thirteenth Month - Fixed Salaries	81,405.00	
	54 Thirteenth Month - Fees	25,200.00	
	55 Thirteenth Month - Over- time	1,800.00	
1-00-00-02	<u>NON PERSONAL SERVICES</u>		156,250.00
	11 Mail Services	600.00	
	12 Telegraph and Radio Serv.	500.00	
	13 Telephone Service	15,600.00	
	14 Water Services	1,800.00	
	15 Electric Power Services	6,500.00	
	20 Other Services	3,000.00	

	21 Publications and Information	52,500.00	
	22 Printing, Reproduction and Binding	24,000.00	
	30 Tickets (Fares)	3,500.00	
	33 Workmen's Comp. Insurance	26,956.00	
	35 Fire Insurance	6,294.00	
	57 Maintenance and Repair of Office Equipment	7,000.00	
	59 Other Maintenance Services	<u>8,000.00</u>	
1-00-00-03	<u>MATERIALS AND SUPPLIES</u>		75,200.00
	14 Writing Paper	22,500.00	
	15 Graphic Arts	17,200.00	
	16 Magazines and Periodicals	3,200.00	
	17 Paper and Cardboard	23,000.00	
	42 Cleaning Materials	500.00	
	43 Office and Desk Supplies	<u>8,800.00</u>	
1-00-00-04	<u>MACHINERY AND EQUIPMENT</u>		18,000.00
	07 Machinery and Equipment-Office	15,000.00	
	14 Library Books	<u>3,000.00</u>	
	TOTAL FOR PROGRAM No. 1		<u>1,775,586.00</u>

Program No. 2 is entitled General Administration. The description reads:

The main objective of this program is to provide General and Financial Services to all the other programs which the Municipality undertakes so that the basic services contained in same can be rendered to the community under the best conditions as to timing, economy, investment and efficiency.

In like manner, its ends are to be instrumental and provide all the facilities necessary so that all the administrative and operational facets of the municipality will function in the execution of financial activities such as the collection of income, allowances, administration and control of the budget, bookkeeping, transference and debt services, etc. Likewise and with similar purposes, to provide the other programs under General Services such as personnel administration, purchases and supplies, janitorial services, guards, information, etc. Therefore, this program covers the whole of the typical administrative services. The General Administration Program is, in synthesis, a means by which the other programs reach their goals.

Program No. 2 is made up of three sub-programs which in turn are sub-divided into various activities. The sub-programs and activities are as follows:

Sub-program No. 1 - FINANCIAL ADMINISTRATION

Activity No. 1 - COLLECTION, RESPONSIBILITY FOR INCOME AND PAYMENTS

Included within this activity are the duties of Treasury-Approval with the responsibility of ascertaining full compliance with the collection of fees, taxes, rental on municipal property or any other income which the municipality should receive as well as the payments which should be made.

This activity calls for a budget of 238,844.00 Colones.

Activity No. 2 - INSPECTION AND COLLECTION OF INCOME

Included within this activity are the License Collection and Claims Departments, the first in charge of the revision of licenses and the second in charge of collecting those accounts which are past due from the taxpayers.

This activity calls for a budget of 341,556.00 Colones.

Activity No. 3 - BOOKKEEPING AND BUDGET ADMINISTRATION

The purpose of this activity is to have the proper control of the different accounts in the budget of the Municipality and the appropriate bookkeeping of all the operations.

This activity calls for a budget of 141,298.00 Colones.

Activity No. 4 - DATA PROCESSING

The mechanized section within this activity is responsible for the issuance of collection receipts, preparation of payrolls, making up of checks and processing the accounting data.

This activity calls for a budget of 270,337.00 Colones.

Activity No. 5 - CENSUS

The purpose of this activity is to have a register of all the properties in the Township according to their location by districts, blocks and number of property as well as control of the services each property receives and fines imposed by the Technical Department so as to order the collection of same from the corresponding parties.

This activity calls for a budget of 139,156.00 Colones.

Sub-program No. 2 - FINANCIAL SERVICES

Activity No. 1 - MUNICIPAL DEBT ADMINISTRATION SERVICE

This activity includes the sums necessary for the amortization and interest payments corresponding to the year 1972 of the municipal debt.

This activity calls for a budget of 1,591,660.55 Colones.

Activity No. 2 - ADMINISTRATION OF TRANSFERENCES, SUBSIDIES, ETC.

The purpose of this activity is to give compliance to the laws and agreements of the municipality whereby subsidies are granted to the different institutions or individuals for which reason the necessary sums are included for this purpose.

This activity calls for a budget of 1,101,884.20 Colones.

Sub-program No. 3 - GENERAL SERVICES

Activity No. 1 - PERSONNEL ADMINISTRATION

Within this activity is control of the personnel working in this municipality as well as the preparation of the selection of three candidates for presentation to the Municipal Executive who is in charge of designations of personnel.

This activity calls for a budget of 186,236.00 Colones.

Activity No. 2 PURCHASE ADMINISTRATION

The necessary personnel to undertake the purchase of goods and services required by the municipality for its development is included in this activity.

This activity calls for a budget of 117,915.00 Colones.

Activity No. 3 - SUPPLY ADMINISTRATION

This activity is responsible for the Municipal Warehouse and distribution of materials and supplies to the different departments of the municipality.

This activity calls for a budget of 167,465.65 Colones.

Activity No. 4 - OTHER GENERAL SERVICES

With this activity are included the services of guards for municipal installations, janitorial services and administration

and transportation services.

This activity calls for a budget of 1,145,544.40 Colones.

A summary of the appropriations required to undertake Program No. 2 is as follows:

Program No. 2 - GENERAL ADMINISTRATION

<u>Code</u>	<u>I T E M</u>	<u>Appropriation</u>
2-00-00-01	<u>PERSONAL SERVICES</u>	2,195,153.40
	01 Fixed Salaries	1,764,528.00
	23 Special Service Fees	7,250.00
	27 Overtime	18,600.00
	32 Fixed Wages	97,593.60
	41 Social Security Quotas	141,054.00
	44 Popular Bank Quota	9,401.00
	49 Salaries - Thirteenth Month	147,054.00
	50 Fixed Wages - Thirteenth Month	8,132.00
	55 Overtime - Thirteenth Month	1,550.00
2-00-00-02	<u>NON PERSONAL SERVICES</u>	791,500.00
	03 Rent on Office Machinery & Equipment - IBM	110,682.00
	13 Telephone Service	10,300.00
	15 Electric Power Services	18,900.00
	20 Other Services	5,300.00
	22 Printing, Reproduction, & Binding	1,500.00
	30 Fares (within the country)	750.00
	33 Workmen's Comp. Insurance	50,778.00
	34 Premiums on Transportation Equipment	8,484.00
	35 Fire Insurance	4,434.65
	36 Fidelity Insurance	3,743.40
	44 Bank Commissions	114,227.00
	46 Interest on Internal Loans	407,601.03
	53 Vehicle Maintenance and Repair	45,000.00
	57 Office Equipment Maintenance and Repair	6,800.00
	59 Other Maintenance Services	3,000.00
2-00-00-03	<u>MATERIALS AND SUPPLIES</u>	151,800.00
	14 Writing Paper	13,200.00

	15 Graphic Arts	32,000.00	
	17 Paper and Cardboard Products	35,000.00	
	21 Leather Articles	1,000.00	
	25 Fuel and Lubricants	25,000.00	
	27 Insecticides, Fumigation Products and others	2,000.00	
	33 Uniforms	20,000.00	
	34 Shoes	7,200.00	
	42 Cleaning Materials	7,000.00	
	43 Desk and Office Materials	9,400.00	
2-00-00-08	<u>CURRENT TRANSFERENCES</u>		1,119,384.20
	01 Pension Board	731,053.25	
	02 Retirement	17,500.00	
	05 Charity	650.00	
	07 Shelter Home	1,000.00	
	08 Social Works Sor Maria Romero	5,000.00	
	11 Disabilities and Assistance	107,000.00	
	20 Contribution of 1% of the Ordinary Budget for the Metropolitan Area Planning Office	228,905.95	
	32 Subsidy - Governor	9,100.00	
	33 Subsidy - District Delegates of Rural Guard	17,875.00	
	34 Subsidy - Township Judge of Waters	1,300.00	
2-00-00-10	<u>PUBLIC DEBT</u>		1,184,059.52
	01 Bank of Costa Rica No. 1	30,499.80	
	02 Bank of Costa Rica No. 2	22,953.60	
	03 Bank of Costa Rica - Roof for Central Market	94,254.55	
	04 Juan Bautista Mena Ugalde	37,457.55	
	05 Successors of Alberto Bonilla Gonzalez	75,000.00	
	06 Alvarado Gallegos Sisters	46,956.35	
	07 FACO & Co.	16,856.95	
	08 Investments and Real Estate	86,536.20	
	09 Adela Serrano Thompson	64,000.00	
	10 Julia, Flora, Virginia, Mercedes, Victor M. Aguilar and Mercedes Pacheco	88,290.00	
	11 Costa Rican Electrical Institute	48,898.65	
	12 Efrain Jimenez Guerrero	15,000.00	
	13 Algina Feoli Feoli	40,000.00	
	14 Municipal Development and Advisory Institute	342,982.44	

15 Enrique Herrero & Co.	77,373.48
16 Antonio Carrasco Urbano	20,000.00
17 Eric C. Murray, Inc.	22,999.90
18 Carlos, Mario, and Jorge Jimenez R.	<u>54,000.00</u>

TOTAL FOR PROGRAM No. 2

5,441,897.20

Program No. 3 is entitled Municipal Health Services. The description reads:

The combination of actions exercised under this program have a preventive character and are oriented toward the purpose of guaranteeing the community, at all times and within the possibilities, a healthy environment (land, water, air) in which it can develop all its socio-economic manifestations under the best hygienic, physical, and mental conditions, free from the scourge of illnesses which might be generated as a consequence of the accumulation of residues, trash; sewage, stagnant sewage waters, highly contaminated air due to residual gasses from factories, vehicles, sewers and wells; noise produced by businesses, factories, vehicles which violate the citizen's calm and well-being, etc. This program is a basic one within the gamut of responsibilities and activities inherent in municipal action.

Program No. 3 is made up of two sub-programs which in turn are sub-divided into various activities. The sub-programs and activities are as follows:

Sub-program No. 1 - MUNICIPAL HYGIENE

ACTIVITIES

Activity No. 1 - SANITATION DEPARTMENT

In this activity are included the individuals in charge of the direction of the program.

This activity calls for a budget of 66,916.00 Colones.

Activity No. 2 - CLEANING OF STREETS AND PUBLIC SITES

In the exercise of this activity, 17 crews of 388 laborers and 17 foremen labor sweeping the streets daily over an extension of 96 kilometers in the city of San Jose and 37 kilometers in the suburban districts of the Central Township of San Jose.

This activity calls for a budget of 1,658,490.35 Colones.

Activity No. 3 - CLEANING, DRAINING AND FUMIGATION OF LANDS,
WELLS AND SEWERS

Included in this activity is the specialized crew which cleans rivers and overflow on streets, sewers and drainage ditches. The crew is composed of 12 operators and 1 foreman.

This activity calls for a budget of 106,644.70 Colones.

Activity No. 4 - TRASH COLLECTION AND RESIDENTIAL CLEANING

This activity is effected through the use of 16 trash collection units and three vehicles equipped with lifting arms to pick up the tanks distributed throughout the city. These vehicles serve an area of 128 kilometers daily, picking up an average of 923 cubic meters of trash.

This activity calls for a budget of 1,388,343.95 Colones.

Activity No. 5 - CONTROL, DEPOSIT AND TREATMENT OF TRASH

The sanitary fill is effected in municipal property located in the district of Pavas where an average of 1,082 cubic meters of trash is treated daily, including the trash that the other municipalities of the metropolitan area deposit here.

This activity calls for a budget of 129,520.45 Colones.

Activity No. 6 - MAINTENANCE OF CEMETERIES

This activity includes the personnel in charge of the maintenance of the Calvo Cemetery.

This activity calls for a budget of 18,738.20 Colones.

Sub-program No. 2 - OTHER HEALTH SERVICES

Activity No. 1 - CONTROL OVER THE ADJUDICATION OF ASSISTANCE
TO HEALTH CENTERS

This activity includes 2% of the ordinary income of the municipality for delivery to the Costa Rican Public Health Cooperation and Administration Organization (OCCASP) which will use the funds for national letrine programs in accordance with Law No. 4825 published in the Gazette on August 6, 1971.

This activity calls for a budget of 457,811.90 Colones.

A summary of the appropriations required to undertake Program No. 3 is as follows:

Program No. 3 - MUNICIPAL HEALTH SERVICES

<u>Code</u>	<u>I T E M</u>	<u>Appropriation</u>
3-00-00-01	<u>PERSONAL SERVICES</u>	2,820,788.65
	01 Fixed Salaries	114,948.00
	27 Overtime	2,700.00
	32 Fixed Wages	2,274,602.15
	34 Occasional Wages	32,500.00
	41 Social Security Quota	181,855.00
	44 Popular Bank Quota	12,121.00
	49 Fixed Salaries - Thirteenth Month	9,579.00
	50 Fixed Wages - Thirteenth Month	189,550.15
	52 Occasional Wages - Thirteenth Month	2,708.35
	55 Overtime - Thirteenth Month	<u>225.00</u>
3-00-00-02	<u>NON PERSONAL SERVICES</u>	250,015.00
	04 Rent of Machinery and Transportation Equipment	20,000.00
	13 Telephone Service	1,100.00
	15 Electric Power Services	1,430.00
	30 Fares	1,020.00
	33 Workmen's Comp. Insurance	65,465.00
	34 Premiums on Transportation Equipment	51,000.00
	53 Vehicle Maintenance and Repair	68,000.00
	54 Maintenance and Repair of Construction Equipment	40,000.00
	57 Maintenance and Repair of Office Equipment	500.00
	59 Other Services	<u>1,500.00</u>
3-00-00-03	<u>MATERIALS AND SUPPLIES</u>	278,850.00
	14 Writing Paper	1,150.00
	15 Graphic Arts Products	1,500.00
	17 Paper and Cardboard Products	2,000.00
	22 Tires and Tubes	95,000.00
	25 Fuel and Oil	100,000.00
	27 Insecticides, Fumigation Products and Others	3,300.00
	33 Uniforms	23,500.00
	34 Shoes	5,000.00
	42 Cleaning Materials	36,000.00
	43 Office Supplies	1,900.00
	57 Small Tools	<u>9,500.00</u>

3-00-00-08	<u>MINOR TRANSFERENCES</u>	476,811.90
	02 Retirement	19,000.00
	03 Portion for OCCASP for national letrine program	<u>457,811.90</u>
	TOTAL FOR PROGRAM No. 3	<u>3,826,465.55</u>

Program No. 4 is entitled Education and Cultural Services. The description reads:

This program includes the sums necessary to render cultural and educational services which may complement the efforts which the specialized central organizations are making to this end.

Program No. 4 is made up of three separate functional budget categories, as follows:

Activity No. 1 - TRANSFERENCE SERVICE AND EDUCATIONAL SUBSIDIES

Through this activity assistance is given schools and colleges, scholarships to high school students, and the Board of Education of the Township to which a subsidy of 8% of the product of the Real Estate Tax received by this municipality is granted.

This activity calls for a budget of 68,456.00 Colones.

Activity No. 2 - ORGANIZATION OF CONTESTS AND CIVIC FESTIVALS

The necessary sums required for the celebration of July 25 and September 15 are included in this activity.

This activity calls for a budget of 20,000 Colones.

Activity No. 3 - ADMINISTRATION OF MUNICIPAL LIBRARIES

The sums necessary for the administration and maintenance of the principal children's library located in the first floor of the Central Park building in San Jose are included in this activity.

This activity calls for a budget of 68,456.00 Colones.

A summary of the appropriation required to undertake Program No. 4 is as follows:

Program No. 4 - EDUCATION AND CULTURAL SERVICES

<u>Code</u>	<u>I T E M</u>	<u>Appropriation</u>
4-00-00-01	<u>PERSONAL SERVICES</u>	51,833.00
	01 Fixed Salaries	44,556.00
	41 Social Security Quota	3,341.50
	44 Popular Bank Quota	222.50
	49 Thirteenth Month - Fixed Salaries	<u>3,713.00</u>
4-00-00-02	<u>NON PERSONAL SERVICES</u>	6,773.00
	13 Telephone Service	960.00
	14 Water Service	360.00
	15 Electric Power Service	1,500.00
	22 Printing, Reproduction, and Binding	1,000.00
	33 Workmen's Comp. Insurance	1,203.00
	57 Office Equipment Maintenance and Repair	750.00
	59 Other Maintenance Services	<u>1,000.00</u>
4-00-00-03	<u>MATERIALS AND SUPPLIES</u>	4,850.00
	14 Writing Paper	750.00
	15 Graphic Arts Products	1,000.00
	16 Magazines and Periodicals	800.00
	17 Paper and Cardboard Products	1,500.00
	43 Office and Desk Supplies	<u>800.00</u>
4-00-00-04	<u>MACHINERY AND EQUIPMENT</u>	5,000.00
	14 Books for Library	<u>5,000.00</u>
4-00-00-08	<u>CURRENT TRANSFERENCES</u>	975,584.00
	09 St. John Bosco Oratory	9,000.00
	10 Maria Auxiliadora School	3,000.00
	15 High School Scholarships	60,120.00
	19 Boards of Education	898,464.00
	21 Guadalupe School for Special Education	<u>5,000.00</u>
4-00-00-12	<u>GLOBAL ASSIGNMENTS</u>	20,000.00
	03 National Celebrations (July 25 & September 15)	<u>20,000.00</u>
TOTAL FOR PROGRAM No. 4		<u>1,064,040.00</u>

Program No. 5 is entitled Socio-Economic Services. This program is described as follows:

The objectives of this program are to make possible the free concurrence of producers and consumers, sellers and buyers to the markets, abattoirs and fairs in such a manner that within adequate hygienic conditions and proper conditions, their activities can be developed for the benefit not only of the buyers and consumers, but also for the producers and sellers, guaranteeing to all alternatives of selection or choice of products as well as prices adequate for the consumers. Other activities included are those which are community oriented with similar ends and with the purpose of regulating, ordering and assisting in the movement of citizens and vehicles and avoiding congestion in the city, referring to the administration of centralization of vehicles, parking meters and the like.

Program No. 5 is made up of the following activities:

Activity No. 1 - DEPARTMENTAL MANAGERSHIP

This activity includes administration of the program and calls for a budget of 54,530.00 Colones.

Activity No. 2 - ADMINISTRATION OF MARKETS

The main objective of this activity is providing consumers and producers the opportunity of free commerce for which the municipality calls on the Central Market located in the center of the city of San Jose, which section is considered the best commercial zone, and the Southern Market as a peripheral market.

This activity calls for a budget of 195,037.00 Colones.

Activity No. 3 - PUBLIC LIGHTING

The public lighting service for the Township which extends at present along 345 kilometers of streets, is under the municipality and to make this service available, a contract has been entered into with the National Power and Light Company through which the necessary electric power is purchased as well as paying for the cost of new installations.

This activity calls for a budget of 710,000.00 Colones.

Activity No. 4 - ADMINISTRATION OF FAIRGROUNDS

This activity includes the funds required to maintain the Fairgrounds located in the district of El Zapote.

This activity calls for a budget of 39,422.00 Colones.

Activity No. 5 - ADMINISTRATION OF PARKING METERS AND THE LIKE

This municipality, duly authorized by Law No. 261 of November 17, 1965, has proceeded to the initial installation of 500 parking meters in the most central streets in the city of San Jose for which reason the funds necessary for the administration and maintenance of said parking meters are included in this activity.

This activity calls for a budget of 368,822.00 Colones.

A summary of the appropriation required to undertake Program No. 5 is as follows:

Program No. 5 - SOCIO-ECONOMIC SERVICES

<u>Code</u>	<u>I T E M</u>	<u>Appropriation</u>
5-00-00-01	<u>PERSONAL SERVICES</u>	490,372.00
	01 Fixed Salaries	409,524.00
	27 Overtime	12,000.00
	41 Social Security Quota	31,614.00
	44 Popular Bank Quota	2,107.00
	49 Fixed Salaries - Thirteenth Month	34,127.00
	55 Overtime - Thirteenth Month	1,000.00
5-00-00-02	<u>NON PERSONAL SERVICES</u>	793,089.90
	13 Telephone Service	1,860.00
	14 Water Service	1,700.00
	15 Electric Power Services	32,076.00
	18 Electric Power Services for Public Lighting	710,000.00
	22 Printing, Reproduction and Binding	5,000.00
	33 Workmen's Comp. Insurance	11,380.00
	35 Fire Insurance	10,492.90
	37 Insurance on Parking Meters	2,731.00
	48 Other Commercial and Financial Services	2,100.00
	53 Repair and Maintenance of Vehicles	4,000.00
	57 Office Equipment Repair and Maintenance	1,750.00
	59 Repair and Maintenance of Parking Meters	10,000.00

5-00-00-03	<u>MATERIALS AND SUPPLIES</u>	61,350.00
	14 Writing Paper	2,750.00
	15 Graphic Arts Products	17,250.00
	17 Paper and Cardboard Products	12,000.00
	25 Fuel and Lubricants	6,000.00
	27 Insecticides, Fumigation	
	Products and Others	1,200.00
	33 Uniforms	15,200.00
	34 Shoes	1,600.00
	42 Cleaning Materials	3,000.00
	43 Office and Desk Supplies	<u>2,350.00</u>
5-00-00-04	<u>MACHINERY AND EQUIPMENT</u>	23,000.00
	03 Automotive Equipment for	
	Transportation	<u>23,000.00</u>
TOTAL FOR PROGRAM No. 5		<u><u>1,367,811.90</u></u>

Program No. 6 is entitled Administration and Routine Conservation of Works and Property. The description of the program reads:

This program's principal goal is that of maintaining, in the best possible conditions for utilization, the streets and roads, sewers, buildings, etc., for the area within the Central Township of San Jose so as to guarantee normal service of same and protect the investments made.

This program is divided into four activities and these, together with the budgets required for each are as follows:

Activity No. 1 - MAINTENANCE AND CONSERVATION OF STREETS AND ROADS - ASPHALTIC SPOT REPAIR

In view of the hundreds of kilometers of concrete, asphalt and gravel streets which must be taken care of to guarantee good service from same, it is necessary to invest great sums of money; this year it is less than for previous years, since almost 100 kilometers of asphalt streets have already been reconstructed.

This activity calls for a budget of 814,446.35 Colones.

Activity No. 2 - MAINTENANCE AND CONSERVATION OF SEWERS

This activity includes specialized crews in the maintenance and conservation of storm sewers.

The activity calls for a budget of 166,366.00 Colones.

Activity No. 3 - MAINTENANCE AND CONSERVATION OF BUILDINGS

For the maintenance and conservation of the municipal buildings and installations, the sums necessary are included in this activity.

This activity calls for a budget of 345,591.00 Colones.

Activity No. 4 - MAINTENANCE AND CONSERVATION OF BEAUTIFICATION WORKS

The attention given to and the maintenance of 37 parks, 22 playgrounds, 6 monument gardens and a greenhouse where trees and plants for the beautification of these parks and green areas are grown, are all included in this activity.

This activity calls for a budget of 709,877,90 Colones.

A summary of the appropriation required to undertake Program No. 6 is as follows:

Program No. 6 - ADMINISTRATION AND ROUTINE CONSERVATION
OF WORKS AND PROPERTY

<u>Code</u>	<u>I T E M</u>	<u>Appropriation</u>
6-00-00-01	<u>PERSONAL SERVICES</u>	1,300,786.85
	01 Fixed Salaries	75,240.00
	32 Fixed Wages	985,318.35
	34 Occasional Wages	57,600.00
	41 Social Security Quota	83,860.00
	44 Popular Bank Quota	5,589.00
	49 Fixed Salaries - Thirteenth Month	6,270.00
	50 Fixed Wages - Thirteenth Month	82,109.85
	52 Occasional Wages - Thirteenth Month	4,799.65
6-00-00-02	<u>NON PERSONAL SERVICES</u>	134,588.00
	14 Water Services	1,400.00
	15 Electric Power Services	53,000.00
	33 Workmen's Comp. Insurance	30,188.00
	53 Maintenance and Repair of Vehicles	5,000.00
	54 Maintenance and Repair of Construction Equipment	45,000.00

6-00-00-03	<u>MATERIALS AND SUPPLIES</u>	578,907.00
	05 Wood	45,000.00
	09 Gravel, Sand and Clay	224,000.00
	25 Fuel and Lubricants	25,000.00
	26 Asphalt	77,407.00
	29 Dyes, Paints and Tints	19,000.00
	38 Cement and Limestone	66,000.00
	57 Minor Tools	17,500.00
	60 Other Materials	<u>105,000.00</u>
6-00-00-08	<u>CURRENT TRANSFERENCES</u>	22,000.00
	02 Retirement	<u>22,000.00</u>
	TOTAL FOR PROGRAM No. 6	<u>2,036,281.85</u>

Program No. 7 is entitled Investments, with a description that reads:

As the principal goal through the development of the projects and activities of this program, the present capacity of the municipality will be increased to achieve an expansion of the services offered by the municipality through projects such as the opening and paving of streets and roads, extension of new sewers and electrical power lines, additions to the existing facilities, improvements and major repairs, construction of buildings, and construction of parks, etc.

Also included are the purchase of lands and buildings, the acquisition of machinery for public works, production of construction materials in trade schools, etc.

Program No. 7 is made up of various sub-programs, activities, and projects which are listed hereafter, together with the budgetary requirement for each.

Sub-program No. 1 - INVESTIGATION, DESIGN AND CONTROL OF MUNICIPAL INVESTMENTS

ACTIVITIES

Activity No. 1 - TECHNICAL DIRECTION

The purpose of this activity is to investigate, design and control municipal investment for which the necessary engineering personnel for the direction and execution of these goals is included in this activity.

This activity calls for a budget of 127,820.00 Colones.

Activity No. 2 - CONSTRUCTION AND MAINTENANCE

This activity includes the engineering personnel and technical and administrative personnel necessary to bring about the appropriate construction and maintenance of streets, buildings and other municipal installations.

This activity calls for a budget of 358,633.00 Colones.

Sub-program No. 2 - CONSTRUCTION, RECONSTRUCTION, ADDITIONS AND IMPROVEMENTS

The municipal Technical Department is in charge of making up the work projects which will be executed during the year, detailing the cost of labor, materials, machinery and other expenses, to obtain the estimated cost of the projects to be undertaken.

Sub-program No. 2 is made up of 40 projects calling for a total combined budget of 5,106,050.45. All the projects in question refer to construction, maintenance, rebuilding of highways, buildings, parks, etc.

Sub-program No. 3 - OTHER INVESTMENTS

ACTIVITIES

Activity No. 1 - ACQUISITION OF MACHINERY AND EQUIPMENT FOR PUBLIC WORKS

Included in this activity is the down payment on the purchase of construction machinery and equipment such as an asphalt finisher, compactor, etc.

This activity calls for a budget of 600,000.00 Colones.

Activity No. 2 - ACQUISITION OF LANDS AND BUILDINGS FOR GENERAL USE

The necessary funds are set aside in this activity for the purchase of land for the expansion of streets and sidewalks.

This activity calls for a budget of 272,431.85 Colones.

Activity No. 3 - MAJOR REPAIRS AND IMPROVEMENTS OF MACHINERY AND EQUIPMENT FOR PUBLIC WORKS

The purpose of this activity is to have the necessary personnel

and materials for the repair and maintenance of the working equipment of this municipality.

This activity calls for a budget of 137,501.20 Colones.

Activity No. 4 - PRODUCTION OF CONSTRUCTION MATERIALS IN SCHOOLS

In this activity is included the personnel and the materials necessary for the production of materials which will be used in the construction of highways.

This activity calls for a budget of 61,588.00 Colones.

Sub-program No. 4 - PLANNING AND CONTROL OF URBAN DEVELOPMENT

ACTIVITIES

Activity No. 1 - DESIGNS AND PROJECTS

This activity includes the necessary technical personnel for the study of construction plans for buildings and their location within the city's urban plan.

This activity calls for a budget of 537,695.00 Colones.

Activity No. 2 - INSPECTION OF CONSTRUCTIONS AND URBANIZATIONS

The necessary personnel for inspection and review of the land and all construction permits issued by this municipality are included in this activity.

This activity calls for a budget of 176,792.00 Colones.

A resume of the appropriations required to undertake Program No. 7 is as follows:

Program No. 7 - INVESTMENTS

<u>Code</u>	<u>I T E M</u>	<u>Appropriation</u>
7-00-00-01	<u>PERSONAL SERVICES</u>	2,368,982.65
	01 Fixed Salaries	900,996.00
	32 Fixed Wages	1,093,413.15
	34 Occasional Wages	42,000.00
	41 Social Security Quota	152,711.00
	44 Popular Bank Quota	10,162.00
	49 Fixed Salaries - Thirteenth Month	75,083.00
	50 Fixed Wages - Thirteenth Month	91,117.50

	52 Occasional Wages - Thirteenth Month	<u>3,500.00</u>	
7-00-00-02	<u>NON PERSONAL SERVICES</u>		237,170.00
	13 Telephone Service	5,000.00	
	15 Electric Power Service	11,170.00	
	20 Other Services	6,000.00	
	30 Fares (in the country)	1,500.00	
	33 Workmen's Comp. Insurance	54,960.00	
	34 Premiums on Transportation Equipment Insurance	58,040.00	
	53 Vehicle Repair and Main- tenance	60,000.00	
	54 Construction Equipment Maintenance and Repair	35,000.00	
	57 Office Equipment Main- tenance and Repair	<u>5,500.00</u>	
7-00-00-03	<u>MATERIALS AND SUPPLIES</u>		3,873,927.00
	05 Wood	38,596.00	
	09 Gravel, Clay and Sand	684,389.00	
	14 Writing Paper	4,000.00	
	15 Graphic Arts Products	10,000.00	
	17 Paper and Cardboard Products	8,500.00	
	25 Fuel and Oil	389,534.00	
	26 Asphalt	1,482,150.00	
	38 Cement and Limestone	435,554.00	
	43 Office and Desk Supplies	8,500.00	
	57 Minor Tools	7,000.00	
	60 Other Materials	<u>805,204.00</u>	
7-00-00-04	<u>MACHINERY AND EQUIPMENT</u>		607,500.00
	01 Machinery and equipment for Construction	600,000.00	
	09 Engineering and Drawing Equipment	<u>7,500.00</u>	
7-00-00-05	<u>ACQUISITION OF EXISTING REAL ESTATE</u>		272,431.85
	02 Land for works on com- munication	<u>272,431.85</u>	
7-00-00-08	<u>CURRENT TRANSFERENCES</u>		18,500.00
	02 Retirement	<u>18,500.00</u>	
	TOTAL REQUIRED FOR PROGRAM No. 7		<u><u>7,378,511.50</u></u>

A resume of the financing to be utilized for the programs and activities mentioned is provided to convey a better understanding of municipal budgetary needs and realities.

RESUME OF FINANCING FOR PROGRAMS
AND ACTIVITIES

<u>Programs and Activities</u>		<u>Financing with Income or Current or Ordinary Funds</u>
Program No. 1	<u>MANAGEMENT OF MUNICIPAL DEVELOPMENT POLICIES</u>	<u>1,775,586.00</u>
Activity No. 1	General Legislation	325,100.00
2	Executive Direction	222,368.00
3	Secretary General	288,825.00
4	Auditor	330,262.00
5	General Counsel	187,364.00
6	Public Relations	148,179.00
7	Municipal Planning	<u>246,488.00</u>
Program No. 2	<u>GENERAL ADMINISTRATION</u>	<u>5,441,897.20</u>
Sub-program No. 1	<u>FINANCIAL ADMINISTRATION</u>	<u>1,131,191.40</u>
Activity No. 1	Collection, responsibility for income and payments	238,844.40
2	Inspection and collection of income	341,556.00
3	Bookkeeping and Budget Administration	141,298.00
4	Data Processing	270,337.00
5	Census	<u>139,156.00</u>
Sub-program No. 2	<u>FINANCIAL SERVICES</u>	<u>2,693,544.75</u>
Activity No. 1	Municipal Debt Administration	1,591,660.55
2	Administration of Transferences, Subsidies, etc.	<u>1,101,884.20</u>
Sub-program No. 3	<u>GENERAL SERVICES</u>	<u>1,617,161.05</u>
Activity No. 1	Personnel Administration	186,236.00
2	Purchase Administration	117,915.00
3	Supply Administration	167,465.65
4	Other General Services	<u>1,145,544.40</u>

Program No. 3	<u>MUNICIPAL HEALTH SERVICES</u>	<u>3,826,465.55</u>
Sub-program No. 1	<u>MUNICIPAL HYGIENE</u>	<u>3,368,653.65</u>
Activity No. 1	Sanitation Department	66,916.00
2	Cleaning of streets and public sites	1,658,490.35
3	Cleaning, draining and fumigation of land, wells, and sewers	106,644.70
4	Trash collection and residential cleaning	1,388,343.95
5	Control, deposit and treatment of trash	129,520.45
6	Maintenance of Cemeteries	<u>18,738.20</u>
Sub-program No. 2	<u>OTHER HEALTH SERVICES</u>	<u>457,811.90</u>
Activity No. 1	Control over the adjudication of assistance to health centers	<u>457,811.90</u>
Program No. 4	<u>EDUCATIONAL AND CULTURAL SERVICES</u>	<u>1,064,040.00</u>
Activity No. 1	Transference Service and Educational subsidies	975,584.00
2	Organization of Contests and Civic Festivals	20,000.00
3	Administration of Municipal Libraries	<u>68,456.00</u>
Program No. 5	<u>SOCIO-ECONOMIC SERVICES</u>	<u>1,367,811.90</u>
Activity No. 1	Departmental managership	54,530.00
2	Administration of markets	195,037.90
3	Public Lighting	710,000.00
4	Administration of fairgrounds	39,422.00
5	Administration of parking meters and the like	<u>368,822.00</u>
Program No. 6	<u>ADMINISTRATION AND ROUTINE CONSERVATION OF WORKS AND PROPERTY</u>	<u>2,036,281.85</u>
Activity No. 1	Maintenance and conservation of streets and roads - asphaltic spot repair	814,446.35
2	Maintenance and conservation of sewers	166,366.60
3	Maintenance and conservation of buildings	345,591.00
4	Maintenance and conservation of beautification works	<u>709,877.50</u>
Program No. 7	<u>INVESTMENTS</u>	<u>7,378,511.50</u>

Sub-program No. 1	INVESTIGATION, DESIGN AND CONTROL OF MUNICIPAL INVESTMENTS	<u>486,453.00</u>
Activity No. 1	Technical Direction	127,820.00
2	Construction and maintenance	<u>358,633.00</u>
Sub-program No. 2	CONSTRUCTION, RECONSTRUCTION, ADDITIONS, AND IMPROVEMENTS	<u>5,106,050.45</u>
Projects 1 - 40	Construction Works	<u>5,106,050.45</u>
Sub-program No. 3	OTHER INVESTMENTS	<u>1,071,521.05</u>
Activity No. 1	Acquisition of Machinery and equipment for public works	600,000.00
2	Acquisition of land and buildings for general use	272,431.85
3	Major repairs and improvements of machinery and equipment for public works	137,501.20
4	Production of construction materials in schools	<u>61,588.00</u>
Sub-program No. 4	PLANNING AND CONTROL OF URBAN DEVELOPMENT	<u>714,487.00</u>
Activity No. 1	Designs and Projects	537,695.00
2	Inspection of constructions and urbanizations	<u>176,792.00</u>
T O T A L		<u>22,890,594.00</u>

On the revenue side, the local government must act according to the provisions of Title IV, Chapter II of the Municipal Code. The revenue side of the balance sheet for the year 1972 shows the sources from which revenue is projected.

ORDINARY BUDGET
FOR THE MUNICIPALITY OF SAN JOSE FOR THE YEAR 1972

<u>Code</u>	<u>I T E M</u>	<u>INCOME</u>	<u>Appropriation</u>
1	CURRENT INCOME		21,890,375.00
	<u>Income from Taxes:</u>		
	<u>Direct Taxes</u>		

	<u>PROPERTY TAX</u>		11,247,205.00
01	Tax on Empty Lots	16,405.00	
02	Real Estate Tax	<u>11,230,800.00</u>	
	<u>Indirect Taxes</u>		
02	<u>TAXES ON PRODUCTION AND CONSUMPTION</u>		122,876.00
01	Tax on butchered beef	108,141.00	
02	Tax on butchered hogs	<u>14,735.00</u>	
03	<u>INCOME FROM ECONOMIC ACTIVITIES AND JUDICIAL ACTS</u>		2,189,404.00
01	Commercial Licenses	2,018.704.00	
02	Liquor Licenses (Local)	94,350.00	
03	Liquor Licenses (Imports)	<u>76,350.00</u>	
04	<u>OTHER FEES AND TAXES</u>		2,382.634.00
01	Taxes on Public Spectacles	361,303.00	
02	Taxes on construction (Construction Permits)	960,531.00	
03	Taxes for parking on public streets	<u>1,060,800.00</u>	
05	<u>INCOME FROM ASSETS</u>		1,203,714.00
	<u>FIXED</u>		
01	Rents from Central Market	737,346.00	
02	Rents from Southern Market	37,100.00	
03	Rent from stands at Cleto Gonzalez Viquez Park	10,898.00	
04	Other Rent	6,120.00	
07	<u>FINANCIAL</u>		
	Commission on private lighting 5%	<u>412,250.00</u>	
07	<u>FEES, DUTIES AND SERVICES</u>		3,535,689.00
12	Public Lighting	501,026.00	
13	Fees and Duties on Stamps	371,801.00	
14	Trash Collection	1,350,674.00	
15	Street Cleaning Services	1,234,392.00	
16	Treatment of Trash from other municipalities	24,209.00	
17	Market Transfer Fees	1,824.00	

18	Fees for Installation of Floors in Markets	42,847.00	
19	Street Pavement Fees	<u>8,916.00</u>	
10	<u>CURRENT TRANSFERENCES FROM THE PUBLIC SECTOR</u>		852,863.00
01	Subsidy from Government for maintenance and conservation of rural roads	7,683.00	
02	Portion from IFAM for 0.50 tax on National liquors	531,929.00	
03	Portion from IFAM for 0.50 tax on Foreign Liquors and beer	<u>313,251.00</u>	
12	<u>CURRENT TRANSFERENCES FROM THE PRIVATE SECTOR</u>		355,990.00
01	Fines for late payment of taxes	266,869.00	
02	Fines for sidewalks and sewers	<u>89,121.00</u>	
2	<u>CAPITAL INCOME</u>		1,000,219.00
01	<u>SALE OF FINANCIAL ASSETS</u>		1,000,219.00
04	Reimbursement for Finished Works (Asphaltic Cover and other Reimbursable Works)	<u>1,000,219.00</u>	
	TOTAL INCOME BUDGET		<u><u>22,890,594.00</u></u>

The municipalities must operate on a balanced budget. Only expenditures included in the budget are to be made. However, should a deviation become necessary, a deficit becomes a carry over figure and is absorbed early in the next year's budget. In reality, once the municipal budget is approved by the Office of the Comptroller General, local governments have very little flexibility. They are unable to impose new taxes or raise existing taxes without approval of the legislature. The new tax structure favored the local governments and the IFAM is expected to provide additional financial resources to the municipalities.

CHAPTER III

THEORETICAL FRAMEWORKS AND ANALYSIS OF DEMANDS AND DECISIONS

Introduction

This chapter is divided into two major components. The first deals with the theoretical considerations which proved useful in carrying out the research and interpreting the data obtained. The second part consists of the description and analysis of the data.

Theoretical Concepts

The argument of the relationship between theory and practice is a continuous one. Nimrod Raphaeli admits that the relationship existing between theory and practice has always been difficult to define. Raphaeli points out that "theory may be so abstract that it has no practical application, or so concrete, that it provides little or no insight into specific relations."¹ The study of the demands upon and output of the municipal government of San Jose represents an attempt to observe the

¹Nimrod Raphaeli, Readings in Comparative Public Administration (Boston: Allyn and Bacon, Inc., 1969), p. 5.

process of allocation of values and resources. This is done in this chapter. However, attention is being given first to theoretical frameworks that were useful for analyzing and understanding the input/output process of the San Jose Government. The theories that were found useful are not limited to those dealing with input/output analyses. Decision-making theory, development theories, organization theory and political and public administration comparative theories are also required to understand the full implications of the municipal government's function and performance.

The relationship between practice and theoretical frameworks that can be identified in this work should prove useful for comparative public administration studies. Robert Dahl maintains that any attempt to claim that public administration is a science cannot be serious "as long as the study of public administration is not comparative."¹ This work is intended to be helpful in comparing the input/output systems of municipal governments of developing countries where transitional societies are experiencing the pressures of modernization.

The classification scheme used in analyzing the activities of the municipal government has its limitations. It is not capable of including or projecting entire reality. "The only criteria of judgment are the model's applicability, usefulness, and communicability."² As theories are set forth in this section, the reader must keep in mind that they are intended as a framework of reference to be considered when

¹Robert A. Dahl, The Science of Public Administration: Three Problems, Public Administration Review, Volume 7, No. 1, 1947, p. 8.

²Lynton K. Caldwell, "Conjectures on Comparative Public Administration," in Roscoe C. Martin (ed.), Public Administration and Democracy (Syracuse, New York: Syracuse University Press, 1965), pp. 234-5.

conclusions are reached on a specific action or decision by the municipal government members.

At this point the question may be raised as to why it is necessary to consider theories other than those specifically associated with public administration. Robert T. Holt claims that "the boundary between the political system and the administrative system is the boundary between an analytically defined macro-system and an analytically defined micro-system."¹ Holt's statement is particularly useful in justifying the decision to argue that to benefit from the micro-analyses of the demands and decision in which the municipal government engaged, it is necessary to recognize that other social systems have an impact that cannot be ignored or, more precisely, that must be included. Dahl has been a proponent of ecological studies for years. "It follows that the study of public administration inevitably must become a much more broadly based discipline, resting not on a narrowly defined knowledge of techniques and processes, but rather extending to varying historical, sociological, economic, and other conditioning factors that give public administration its peculiar stamp in every country."² Raphaeli points out that "a fundamental difference between early and recent studies of comparative administration is that the former assumed cultural dimension to be constant and consequently disregarded the effects of culture upon administration. The ecological approach, on the other hand, asserts that administrative behavior is not random -- it is an outgrowth of the

¹Robert T. Holt, Comparative Politics and Comparative Administration, CAG Occasional Papers (February 1966), p. 6.

²Robert A. Dahl, The Science of Public Administration: Three Problems, Public Administration Review, Volume 7, No. 1, 1947, p. 11.

interaction of cultural traits and values and the administration -- in short, that the administrative culture is an extension of the greater social life."¹

Accepting the above proposition makes possible expanding the perimeters of the municipal government system to include whatever affects it. It is through the expansion of the perimeters that you move from a micro to a macro approach. It is conceivable that by expanding sufficiently the perimeters of the system being analyzed, its environment could shrink out of existence.² There is no intention of doing this. The opposite is true. The theories and approaches used in this work include interest groups, input/output, structural-functional, economics, organization and institution building, and are primarily useful in understanding the behavior of the Municipal Council in terms of marked environmental considerations pertinent to council decisions.

Theories other than public administration help in understanding the environment and the system of the municipal government. The burden of which theories are to be useful is placed on those who wish to pursue the study of municipal government behavior.

Interest Groups

Almond and Powell, in defining interest groups say, "By 'interest group' we mean a group of individuals who are linked by particular bonds of concern or advantage, and who have awareness of these bonds."³

¹Nimrod Raphaeli, op. cit., pp. 20-21.

²David Easton, A Framework for Political Analysis (Englewood Cliffs, N. J.: Prentice-Hall, Inc., 1965), p. 67.

³Gabriel A. Almond and G. Bingham Powell, Jr., Comparative Politics: A Developmental Approach (Boston: Little, Brown & Co., 1966), pp. 75-79.

The interest groups from within Latin American countries have many common characteristics; certainly many more are common than are significantly different. Usually such groups are referred to as the oligarchs. This is the group that controls the armies, banks, congress, and international affairs. Because their objective is personal gain, the oligarchy brands as Communist those who argue for social and economic justice. In presenting the news, bias is in favor of those whose interests must be protected. Often newspapers hide the facts or distort them in order to enhance the position of members of the "class" that counts. In Costa Rica many government agencies provide the jobs required by the prestige sectors.¹

At this point it becomes important to define what gives interest groups effective access to the institutions of a system. Four will be included in the remarks that follow. They are:

- (1) Factors relating to the group's strategic position in society.
- (2) Factors associated with the internal characteristics of the group.
- (3) Factors peculiar to the governmental institutions themselves.
- (4) The countries' economic and social conditions.

A brief look at a number of apparently separate interest groups will provide a basis for comments determining their similarities.

Business Groups

- (1) Industrialist Associations
- (2) Chambers of Commerce
- (3) Executive Association

¹Charles Frederick Denton, The Politics of Development in Costa Rica, PhD Dissertation, University of Texas at Austin, 1969, p. 227.

Most of the above have common members and in many cases "industrialists are also merchants." Most of the members are interrelated from a family point of view. A substantial number are, or consider themselves members of the oligarchy.

Most of the members of the above groups are directly involved with the United States business sector. Usually only in the field of agency or franchise arrangements are there overlaps with other countries' products.

Most industries operate under United States "technological" contracts, among them, detergents, tires, pulp, paper, etc.

The interests of business are very well articulated, that is, their interest usually becomes public policy.

Religious Groups

The people of Central America are 99.9 per cent Catholic. As a result, the church is a very dominant force and is instrumental in manipulating the political machinery to perform in accord with what the church professes to be the appropriate approach to matters that pertain to church interest. Much of the power of the church is derived from the fact that it is the acclaimed spiritual voice of the vast majority, but the quick and easy access to effective policy formulation appears to result from the overwhelming presence of members from the oligarchical families in the key positions within the church organization.

Professional Groups

Professional groups are well organized, in particular medicine and law. Physicians work for the Social Security system and also maintain

private practice. Their interest is so well articulated that you will only go to the Social Security if you cannot afford to go to a doctor's private clinic. In either case the doctor benefits.

Attorneys have established conditions that provide them continuous income. Almost any document that establishes any type of obligation must be drawn up by an attorney. In addition, most attorneys are very active in private business enterprises.

Labor Groups

Labor groups have until recently been insignificant in terms of power. The members have little, if any, social and economic standing. The power base is in every way very small and weak, primarily because the leadership has been second-rate and the membership has been made up of people who do not really understand their responsibilities and consequently have antagonized management more than would be expected.

Usually labor leaders evolve from a middle class background with hopes of achieving political and social position. As a result, the oligarchy reacts by buying them off through political appointments of little consequence.

Political Groups

Political groups are made up of the oligarchy. They are the leaders who give these groups purpose. The oligarchy has but one ideology - self-preservation - and usually this accounts for the fact that while there may exist many political parties, their objectives are essentially the same. In Central America changes in government represent a change only in family names, that is, families take turns running the government.

Ministries and diplomatic posts usually are assigned to members of the "few" families. Expertise, education, and ability, in many cases, play an insignificant role in the decision as to who will be appointed to a particular position.

The description which follows embodies what the writer considers are common characteristics of domestic (as opposed to external such as U.S. Government, United Fruit, etc.) interest groups. Those who do not have the common characteristics set forth must go out of the system in order to affect policy in their behalf. Such action has many implications which are beyond the scope of this work.

$$Y = f b (F(SP), E, I, W, P, G, A, E_p, R, C)$$

where Y = Characteristics of Effective Interest Groups

b = Generations -- this is to indicate that the effective interest groups have had the same characteristics over several generations.

F = Family ties. Social position is often a result of family ties, which in many cases are responsible for the social position that an individual enjoys.

SP = Social position, which is a very good indicator of many other attributes. The elite from each country have more in common because of their relative social position within each country than perhaps for any other reason.

I = Income: gainfully employed at the upper income brackets.

W = The accumulated wealth of self or of family.

P = Political power, meaning that they are effective in obtaining desired political decisions.

G = Group membership -- members of social, civic, and professional groups.

- A = Affiliations with United States business and often include the only real contact between United States diplomats and the local people.
- E_p = Economic power; they are responsible for payrolls.
- R = Religion. Regardless of the fact that most of the people are Catholic, it is this group that has access to religious leaders.
- C = Lack of Social Conscience. The oligarchy is not aware of the tremendous responsibility that it has. This group has not developed an attitude that places it in a position of helping to develop a system for the benefit of the masses.

The above description as presented here is based on observation by the writer of the relationships and behavior of specific groups in several Latin American countries. The works on interest groups by Almond and Powell and Lipset and Solari were extremely helpful in the formulation of the foregoing discussion on interest groups.¹

This writer submits that the oligarch, if made aware of his socio-economic responsibility, could become the most promising agent for change and development.

David Easton - Input/Output

It is David Easton who provides the most relevant approach to understanding what is to be done in the latter part of this chapter. It is Easton's flow model of the political system that best relates to the conceptual framework used for the analysis of the demands made on the

¹Gabriel A. Almond and G. Bingham Powell, Jr., op. cit., p. 74; Seymour Martin Lipset and Aldo Solari (eds.), Elites in Latin America (Oxford: Oxford University Press, 1967), pp. 117-300.

municipal government of San Jose. Easton considers his work, A Framework for Political Analysis as a systems analysis where the system will approach those used by natural scientists.¹ Easton bases system analysis on four major premises. These are: a system, an environment, the response and feedback. The system may refer to empirical behavior or to the symbols that might explain the behavior of the empirical system.² The unit of analysis is important to Easton.

I shall be arguing that all social systems are composed of the interactions among persons and that such interactions form the basic units of these systems. A political system is not a constellation of human beings that is selected out for investigation. It is a set of interactions isolated from other kinds of interactions in which the human being is engaged.³

This is precisely what has been attempted in analyzing the activities of the municipal government in the present Chapter.

For Easton, the study of politics is concerned with how authoritative decisions are made and executed in society.⁴ The assumption is made that the political system is an "open" system. This implies that the political system interacts with its environment. It becomes necessary to distinguish systematically between the political system and its environment.⁵ Social action which is not involved in the process of the authoritative allocation of values for the society is excluded from the system and becomes an external variable in the environment. Easton uses

¹David Easton, op. cit., pp. 1-2.

²Ibid., p. 26.

³Ibid., p. 36.

⁴Ibid., p. 50.

⁵Ibid., pp. 59-67.

"environment" as meaning both physical and social. The "universal environment, with its variety of differentiable systems has two major aspects: that is, the numerous systems external to a political system are composed of two basically different types, intrasocietal and extrasocietal." Intrasocietal is defined as "the physical environment that lies outside the boundaries of a political system and yet within the same society." Extrasocietal is that system which is outside the boundaries and the society.¹

Diagram No. 1 represents the exchanges between the political system and the total environment.² A comprehensive study of the municipal government of San Jose, considering the systems contained in Diagram No. 1, is certainly encouraged. There is, however, no attempt made in this work to claim anything but a beginning on what needs to be done.

Easton claims that his systems theory differs from other in that it treats political life as a responding system. The responding characteristics allow the system to persist.

Diagram No. 2 shows the dynamic response model of a political system which embodies Easton's concept. Simplified, the system can be seen in Diagram No. 3. The latter diagram comes much closer to representing the work carried out in analyzing the demands and decisions of the San Jose government.

Almond and Powell

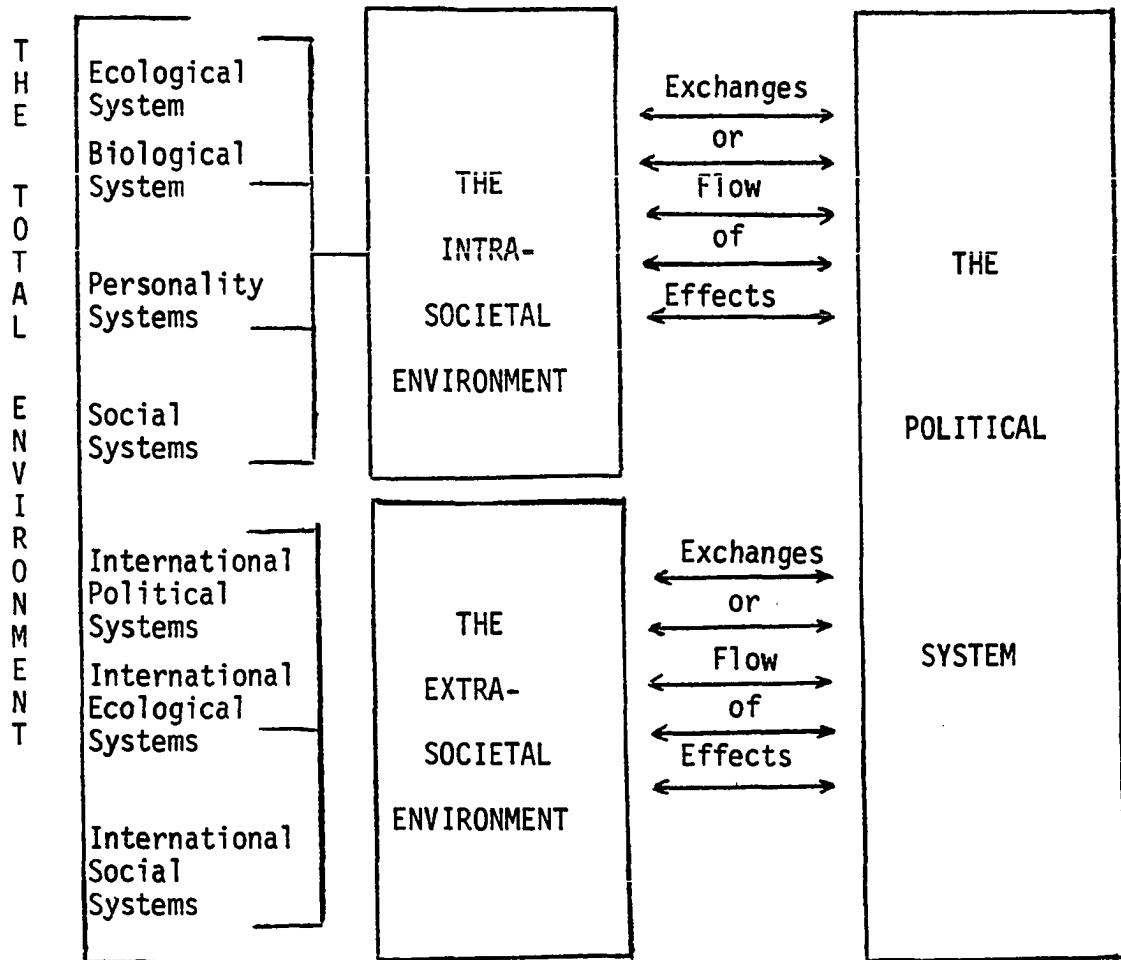
The structural-functional approach used by Almond and Powell

¹David Easton, op. cit., pp. 71-73.

²Ibid., p. 75

DIAGRAM 2

EXCHANGES BETWEEN THE POLITICAL SYSTEM AND THE TOTAL ENVIRONMENT



Source: David Easton, A Framework for Political Analysis (Englewood Cliffs, N. J.: Prentice-Hall, Inc., 1965), p. 75.

in their Comparative Politics: A Developmental Approach is one of the most significant works in the area of comparative politics. Understanding of their approach can easily be one of the most important tools in the analysis of demands upon and decisions made by a government. Their presentation complements Easton's system model. Terms are given the

same meaning as does Easton. Almond and Powell's classification of functions adds a dimension to Easton's work; a dimension that provides researchers with another useful framework for analysis.¹

The explanation regarding the use of boundaries is particularly useful.

The problem of boundaries takes on special significance because systems theory usually divides interaction processes into three phases -- input, conversion, output. Any set of interacting parts -- any system -- which is affected by factors in its environment may be viewed in this fashion. The inputs and outputs, which involve the political system with other social systems, are transactions between the system and its environment; the conversion processes are internal to the political system. When we talk about the sources of inputs, their number, content, and intensity, and how they enter the political system, and of the number and content of outputs and how they leave the political system and affect other social systems, we shall in effect be talking about the boundaries of the political system.²

Almond and Powell view the functioning of a political system on different levels. These are its capabilities, conversion functions and maintenance and adaptation functions.

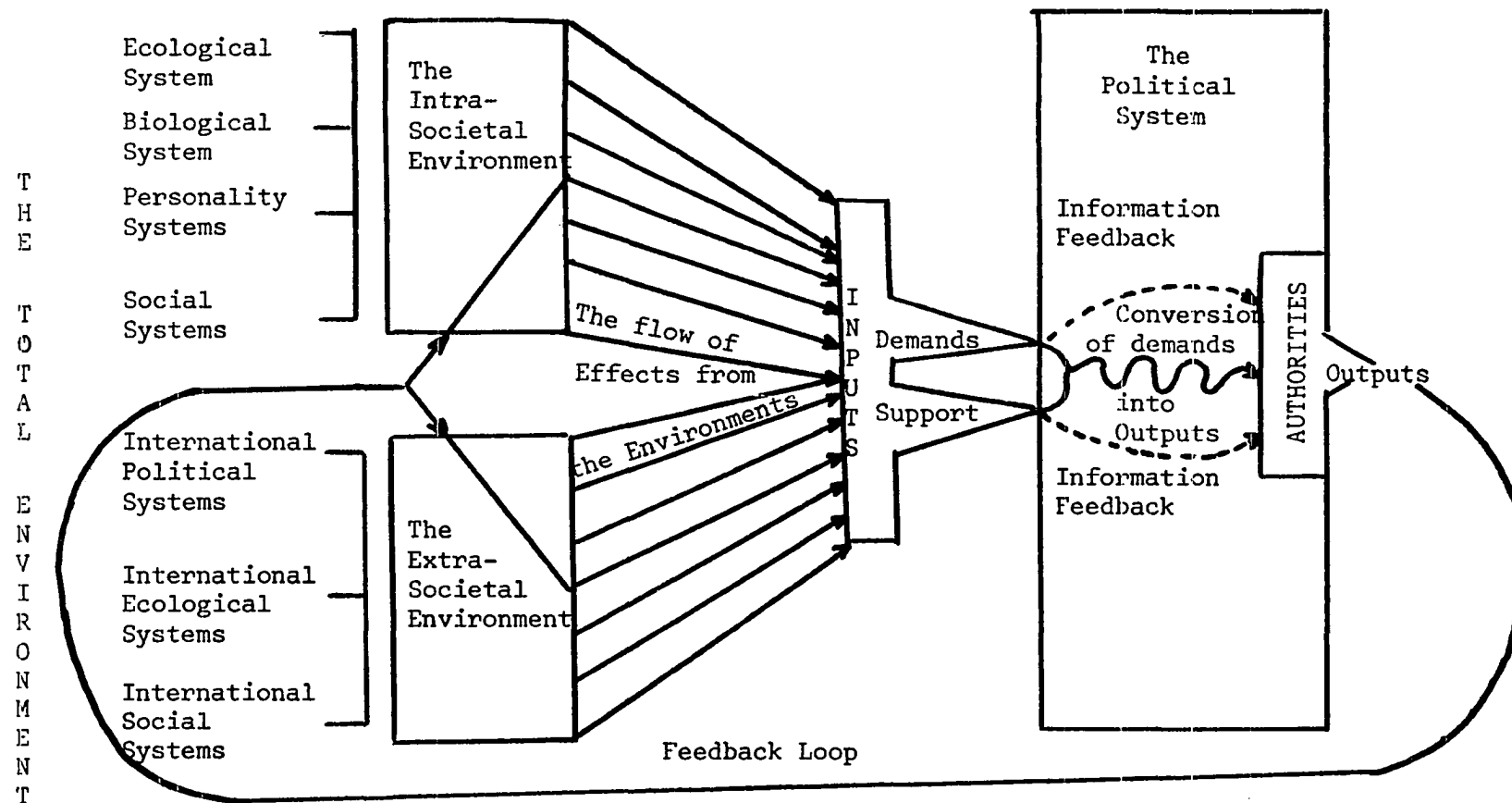
The capabilities of the system to perform in relation to other social systems are broken down into three main categories. They are the regulative, extractive and distributive capabilities.³

¹Gabriel A. Almond and G. Bingham Powell, Jr., Comparative Politics: A Developmental Approach (Boston: Little, Brown and Company, 1966), p. 17; David Easton, The Political System (New York: Alfred A. Knopf, Inc., 1953), pp. 130 ff., and his A Framework for Political Analysis (Englewood Cliffs, N. J.: Prentice-Hall, Inc., 1965), pp. 50 ff.; Harold D. Lasswell and Abraham Kaplan, Power and Society (New Haven: Yale University Press, 1950); Robert A. Dahl, Modern Political Analysis (Englewood Cliffs: Prentice-Hall, Inc., 1963), pp. 5 ff.

²Gabriel A. Almond and G. Bingham Powell, op. cit., pp. 20-21.

³Ibid., pp. 190-212.

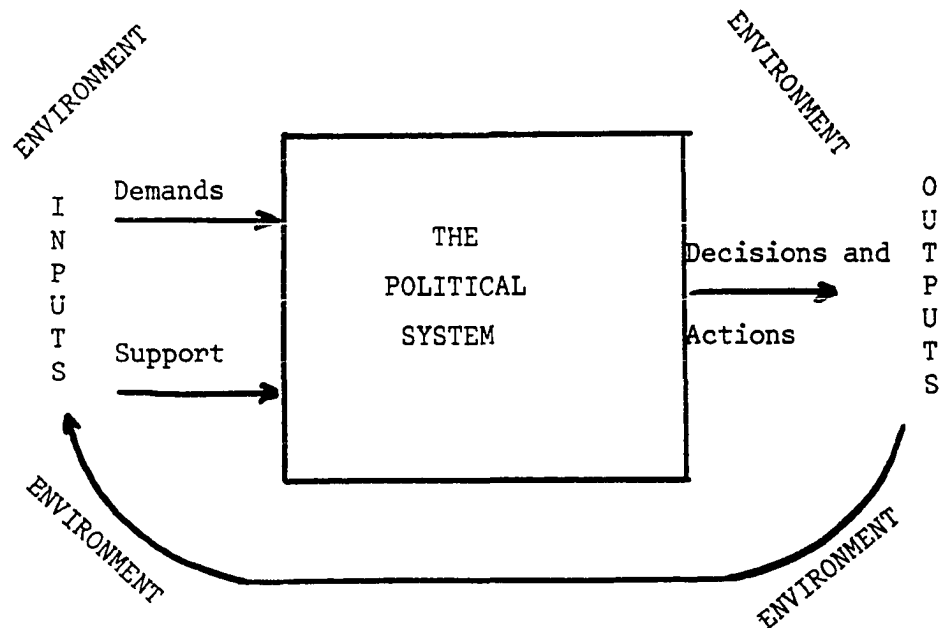
DIAGRAM 3
A DYNAMIC RESPONSE MODEL OF A POLITICAL SYSTEM



Source: David Easton, A Framework for Political Analysis (Englewood Cliffs, N. J.: Prentice-Hall, Inc., 1965), p. 110.

DIAGRAM 4

A SIMPLIFIED MODEL OF A POLITICAL SYSTEM



Source: David Easton, *A Framework for Political Analysis* (Englewood Cliffs, N. J.: Prentice-Hall, Inc., 1965), p. 112.

In characterizing the extractive capability we can first consider the amount of resources which flow into the government at various levels (national, state, local). The support aspect of extraction can also be ascertained -- the ratio of extractions levied to those obtained, and willingness of a population to provide resources under different sets of circumstances. In addition, it is important to know who pays for the resources extracted.

The regulative capability refers to the political system's exercise of control over behavior of individuals and groups. By common definition, this is the distinguishing capability of political systems, the employment of legitimate coercion to control behavior. In characterizing regulative performance one must consider what individuals and groups are being subjected to regulation, and what frequency or intensity of intervention is exercised.

The distributive capability refers to the allocation of goods, services, honors, statuses, and opportunities of various kinds from the political system to individuals and groups in the

society. It is the activity of the political system as dispenser or distributor of benefits among individuals and groups. The most relevant measurements of distributive capacity must involve the quantity and importance of the objects distributed, the areas of human life they touch, the particular sections of the population receiving various benefits, and the relationships between individual needs and governmental distribution to meet those needs.¹

Internal to the system is the conversion process. This process is the function that transforms inputs into outputs. The conversion process provides a scheme through which analyses can take place as well as comparison with other systems. Interest articulation, interest aggregation, rule making, rule application, rule adjudication, and communication make up the conversion functions.² Use of the conversion functions will provide knowledge on how demands are formulated, how they are combined in the form of alternate courses of action, how authoritative rules are formulated, applied, enforced, adjudicated and communicated.³

How a political system copes with changing conditions over the long run is the third functional level in Almond and Powell's model. System maintenance and adaptation functions are explained in terms of political recruitment and political socialization.⁴ For the present it is not necessary to go into greater detail in regard to political recruitment and socialization. Nevertheless, caution should be exercised in concluding that these two functions are not as important as those that have received more attention. It must be clarified that only the

¹Gabriel A. Almond and G. Bingham Powell, op. cit., pp. 195-198.

²Ibid., pp. 73-189.

³Ibid., p. 29.

⁴Ibid., pp. 42-72.

salient features most helpful in terms of this study have been presented.

Fred W. Riggs, The "Sala" Model

The "Sala" Model has a number of considerations which are particularly useful for scholars who have little first-hand knowledge of a developing society. Many of the characteristics imputed by Riggs to the model are quite relevant for the study of the administrative body of San Jose.

The Sala Model is the administrative model that Riggs uses in his "Prismatic" society. In Riggs' overall framework, the prismatic society is found between a traditional, or "folk", and a developed society.

Of the characteristics attributed to a prismatic society, there are several that are particularly beneficial in understanding the behavior of the Municipal Council members.

Riggs claims that in a society in transition, such as that of San Jose, there is a high degree of mixture of traditional and modern behavior. Modern behavior can be seen in the capital city of San Jose where modernization is quite evident. You can also find traditional behavior in that people have behavior patterns like those common at the turn of the century. As an example, a new institution charged with carrying out assignments of a modern nature could staff certain positions with people based on who they are rather than on their ability. The mixture of traditional characteristics and modern traits is called "heterogeneity." When the mixture of the two societies, traditional and industrializing-modernizing, results in new administrative institutions, you have an administrative phenomena which Riggs calls the "Sala

Model".¹ Riggs defines the "Sala" as a bureaucracy which combines the traditional diffuse aspect of older multi-functional bureaucracies with more specific aspects of modern professionally oriented bureaucracies.²

Another important characteristic of the prismatic model is that of a high degree of "formalism." Riggs defines formalism as the discrepancy or congruence between norms and realities. More specifically, the greater the discrepancy the more formalistic. A prismatic society experiences formalism in that the behavior of the administration may easily be something other than what the law requires.³ This is possible because, as suggested earlier, the make up of interest groups is of such a nature that they constitute a true ruling elite who feel little obligation to justify their administrative actions in terms of statutes. Riggs suggests that "what permits formalism is the lack of pressure toward program objectives, the weakness of social power as a guide to bureaucratic performance, and hence great permissiveness for arbitrary administration."⁴

Riggs is quite emphatic about another feature of his model which he calls "overlapping."

By "overlapping" I refer to the extent to which formally differentiated structures of a refracted type co-exist with undifferentiated structures of a fused type. In other words,

¹Fred W. Riggs, The "Sala" Model: An Ecological Approach to the Study of Comparative Administration in Readings in Comparative Public Administration (Boston: Allyn and Bacon, Inc., 1967), p. 415, and Prismatic Society Revisited (Morristown, N. J.: General Learning Press, 1973).

²Fred W. Riggs, Prismatic Society Revisited, op. cit., p. 27.

³Fred W. Riggs, The "Sala" Model, op. cit., p. 415.

⁴Ibid., p. 416.

it is typical in a prismatic situation for new structures -- government offices, parliaments, elections, markets, schools -- to be set up. But the effective functions of administration, politics, economics, education, continue to be performed, at least to a considerable extent, by older, undifferentiated structures, such as the family, religious bodies, caste and communal groupings. New norms or values appropriate to the differentiated structures are given lip service, but the older values of an undifferentiated society will retain a strong hold. Thus overlapping implies a social schizophrenia of contradictory formal (conscious) and informal (unconscious) behavior patterns.¹

Economic Development

The importance of administrative systems as vehicles for implementing and executing economic development programs has only recently received attention. Urquidi recognizes the important role public administration must play if significant development is to be achieved.

Public Administration throughout Latin America needs to be reformed to make possible more rapid economic development; otherwise its many defects will make it unequal to the demands of future economic growth. One of these defects is functional in nature and lies in general organization. Under pressure of new responsibilities, the government in Latin America has been unduly dispersing its activity. It has always been easier to create a new department than to reorganize an old one, and to establish an autonomous public agency than to broaden the government's functions. This tendency is shared by other areas, but Latin America cannot afford the luxury of proliferating its public agencies. It implies unnecessary duplication, privileged groups of government officials, and increased difficulties in setting up general standards of administration of personnel, purchases, accounting, etc. Above all, it means a confusion of authority that actually will hamper execution of a unified policy. Each autonomous agency -- wrongly characterized in some countries as decentralized -- competes with the government in functions and authority.²

¹Fred W. Riggs, *The "Sala" Model*, op. cit., p. 417.

²Victor Urquidi, The Challenge of Development in Latin America (New York: Praeger, 1964), p. 95.

The understanding of how present administrative systems work is necessary if they are to be used as a means through which programs in economic, political and social development are to be channelled. If the public administrator is to avoid making the same mistakes other social scientists have made he must not take the position that public administration is the only discipline that can effectively provide the answers. One of the purposes of this chapter is to provide an awareness of the broader range of options that should be acknowledged when attempting to analyze behavior, regardless of how specific it may be. Economics is one of these options.

The usual approach to the study of developing societies centers around studies based on economics. There is considerable literature in the field of economics specifically treating the subject of economic development. The basic goal of greater per capita income has become the overriding feature in the criteria determining the progress of nations.¹

It is encouraging that economists have become aware of the narrowness of their approach as well as of the lack of its success. As Oliveira Campos suggests, a "reason why economists are now much more inclined to discuss problems in other social sciences, particularly in the complicated and unreliable art of administration and governing, is the realization of the difference between the 'spontaneous' type of development, which was characteristic of most cases of economic growth during the 19th Century, and the present pattern of what we call 'derived

¹Benjamin Higgins, Economic Development (New York: W. W. Norton & Company, Inc., 1968), p. 12; Charles T. Nisbet, Latin America: Problems in Economic Development (London: Collier-MacMillan Ltd., 1969), pp. 148-150; Jacob Viner, The Economics of Development in The Economics of Underdevelopment (New York: Oxford University Press, 1963), pp. 9-31.

development'."¹ Derived development may be thought of as that brought about as a result of the government's intervention in providing satisfaction to demands originating with the masses. The pressure on government is such that it is forced to take on a significant role as a determinant in economic growth. Once again it can be readily seen that economic policies need to be carried out by government bureaucracies. The government's participation is relatively greater in developing economies because of the need to develop the necessary infra-structure to promote and support the private sector.

There are a considerable number of economic growth models.² Knowledge and understanding of them may be helpful for the public administrator. The intricacies of such models are better left to the economist. The public administrator should understand that there is a difference between growth and development. "Growth consists of rising national and per capita income; development entails a good deal more -- structural change, technological advance, resource discovery and closing sectoral and regional gaps."³

Organization Theory

Woodrow Wilson wrote an article in 1886 entitled "The Study of Public Administration" in which he attempted to establish administrative

¹Roberto de Oliveira Campos, Public Administration in Latin America, Reprinted from Public Administration: A Key to Development, Burton A. Baker (ed.) (Washington, D.C.: The Graduate School, U.S. Department of Agriculture, 1963), pp. 41-54, by permission. (Abridged)

²R. F. Harrod, Towards a Dynamic Economics (London, 1948).

³Benjamin Higgins, Economic Development (New York: W. W. Norton & Company, Inc., 1968), p. 106; The Economics of Underdevelopment, A. N. Agarwala and S. P. Singh (ed.) (New York: Oxford University Press, 1963).

studies as a discipline. Wilson saw public administration as a function to be performed separately from the political process.¹ Recent writers have not stayed with the dichotomy followed by Wilson. Their emphasis now seems to be that public administrators should be involved in the political process. Among them are Fritz Morstein Marx, Paul H. Appleby, Herbert Simon, Donald W. Smithburg and Victor A. Thompson.² Considering that public administration as an academic subject has been around since Wilson, the number of public administration scholars identified with the Theory of Organization is embarrassingly small.³

Max Weber's book The Theory of Social and Economic Organization is a good starting point for the study of bureaucratic organizations. His "ideal" model attempts to explain what a bureaucracy in its pure form should be.⁴ The characteristics that make up this model are so universal that it becomes indispensable for analyzing and comparing bureaucratic behavior. The most important features of Weber's ideal bureaucracy were:

1. An authority system based on law -- resulting in organizations of law and not of men.

¹Woodrow Wilson, The Study of Administration, Political Science Quarterly, Vol. II (June, 1887); reprinted in the Quarterly, Vol. LVI (December, 1941), pp. 481-506.

²Fritz Morstein Marx, etc., The Elements of Public Administration (Englewood Cliffs, N. J. : Prentice-Hall, Inc., 1946); Paul H. Appleby Policy and Administration (University, Ala.: University of Alabama Press, 1949); and Herbert Simon, Donald W. Smithburg, and Victor A. Thompson, Public Administration (New York: Alfred A. Knopf, Inc., 1950).

³Dwight Waldo, Theory of Organization: Status and Problems in Readings on Modern Organizations, Amitai Etzioni (ed.) (Englewood Cliffs, N. J.: Prentice-Hall, Inc., 1969), pp. 22-23.

⁴Fritz J. Roethlisberger and William J. Dickson, Management and the Worker (Cambridge, Mass.: Harvard University Press, 1939); A. M. Henderson and Talcott Parsons (eds.), Max Weber, The Theory of Social and Economic Organization (New York: Free Press, 1947), p. 328.

2. A hierarchy for the transmission of authority.
3. A rationalized job structure separating out functions.
4. A system where transactions are recorded through their appropriate registration, i.e., archives.
5. The lack of property rights to office and equal treatment for all members.
6. Competence on the basis of examination and right to position through appointment.¹

As Daniel A. Wren points out, Weber is responsible for making possible the comparison of an ideal bureaucracy with actual practice.² Many writers in the field of organization theory have built on the basic model developed by Weber. Chester Barnard saw organization as a system based on cooperation, and management's role primarily as that of coordinating. He also acknowledges the excess informal side of the organization; something which Weber disregarded.³ Phillip Selznick emphasized the importance of coping with the formal aspect of organization and considered delegation as the principal act of management.⁴ Herbert Simon sees an organization as primarily involved in processing decisions.⁵ Blau and

¹Max Weber, Bureaucratic Organizations, in Readings on Modern Organizations, Amitai Etzioni (ed.) (Englewood Cliffs, N. J.: Prentice-Hall, Inc., 1969), pp. 27.

²Daniel A. Wren, The Evolution of Management Thought (New York: The Ronald Press Company, 1972), p. 233.

³Chester I. Barnard, The Functions of the Executive (Cambridge, Mass.: Harvard University Press, 1938), pp. 55-57.

⁴Phillip Selznick, Leadership in Administration (Evanston, Ill.: Rowe, Peterson & Company, 1957).

⁵Herbert A. Simon, Administrative Behavior (New York: The Free Press, 1965), pp. 1-19.

Scott and others have concerned themselves with the importance of the communication process in the organization.¹ McGregor, Argyris, Maslow, Herzberg, and David have attempted to stress the importance of understanding individual behavior and its relationship to performance in the organization.² All of these writers have used Weber's model as a starting point. Only a few, such as Bennis, have categorically stated that bureaucracy as seen by Weber will be superseded by organizations devoid of hierarchy among other things.³ Others such as Boulding, Schmidt, and Meyers are primarily interested in computer application to organizations.⁴ The writers who have been mentioned can be associated with many schools of thought including the principles writers, scientific management, industrial psychology and sociology, administrative theory, human relations, and systems theory.

¹Peter M. Blau, W. Richard Scott, Formal Organization (San Francisco: Chandler Publishing Co., 1962); Karl W. Deutsch, Communication Models and Decision Systems in Contemporary Political Analysis (New York: Free Press, 1967), p. 273.

²Douglas McGregor, The Human Side of Enterprise (New York: McGraw-Hill Book Co., 1950); Chris Argyris, Personality and Organization (New York: Harper & Row, 1957); A. H. Maslow, Motivation and Personality (New York: Harper & Row, 1954); F. Herzberg, Work and the Nature of Man (Cleveland, Ohio: World Publishing Co., 1960); Keith David, Human Relations in Business (New York: McGraw-Hill Book Co., 1967).

³Warren Bennis, Beyond Bureaucracy in Readings on Modern Organizations, Amitai Etzioni (ed.) (Englewood Cliffs: Prentice-Hall, Inc., 1969)

⁴Kenneth E. Boulding, General Systems Theory -- The Skeleton of Science in Management Science, (April 1956), pp. 197-208; reprinted in Peter R. Schoderbeck (ed.), Management Systems (New York: John Wiley and Sons, 1967), pp. 7-15; Richard N. Schmidt and William E. Meyers, Introduction to Computer Science and Data Processing (New York: Holt, Rinehart and Winston, 1965), pp. 19-30.

A knowledge of organization theory and the evolution of management thought provides an invaluable tool for analyzing and understanding the operations of organizations. In the realm of comparative public administration there is presently a third dimension that proves useful in both an academic and pragmatic sense. This third dimension is that of institution building and institution transferring. Esmon and others have done considerable work in this area. Urquidi suggests that in order to bring about successful institution transfers social sacrifices must be made in the short run and the restrictions imposed should occur through administrative institutions.¹ The concept of sacrificing in the short run in order to achieve long-term gains is also the basis for most economic growth models. The following model and definitions of terms is an example of one of many presently available to the analyst.² It is particularly useful in that it is simple and yet comprehensive. This study does not attempt to follow the model in explicit detail, however, much of what follows relates to many of the variables found in it.

INSTITUTION BUILDING MODEL

INSTITUTIONAL VARIABLES:

I. LEADERSHIP

A. Internal Functional Characteristics

1. Competence
2. Commitment
3. Style
4. Tactics
5. Continuity and succession.

¹Victor Urquidi, op. cit., p. 87.

²R. W. Roskelley and Lila L. Garr, A Conceptual Elaboration of the Institution Building Model and Definitions, Unpublished Manuscript, 1972.

B. External Functional Characteristics

1. Linkage Management
2. Style
3. Tactics
4. Doctrine Manipulation

II. DOCTRINE

A. Internal Themes

1. Themes directed toward staff members
 - a. Purpose themes (goals)
 - b. Program themes (ways and means)
 - c. Cohesive themes (unity and loyalty)
 - d. Progress themes (advancement)
 - e. Change themes
2. Themes directed toward students
 - a. Goal themes
 - b. Program themes
 - c. Progress themes

B. External Themes

1. Intensity themes
2. Legitimacy themes
3. Purpose themes (goals)
4. Program themes (ways and means)
5. Service themes
6. Progress themes (change)

III. PROGRAMS

A. Internal Programs

1. Teaching
2. Research
3. Innovative
4. Evaluative
5. Succession Training

B. External Programs

1. Extension
2. Service
3. Growth - change

IV. RESOURCES

- A. Internal Resources
 - 1. Personnel
 - 2. Equipment
 - 3. Information (knowledge)
 - 4. Innovative ability
 - 5. Planned development
 - 6. Legal
- B. External Resources
 - 1. Legitimizing
 - 2. Financial
 - 3. Authority
 - 4. Status
 - 5. Physical (property)
 - 6. Community support

V. INTERNAL STRUCTURE

- A. Design of Organization
- B. Delegation of Authority
- C. Division of Labor
- D. Staff Orientation
- E. Staff Requirements
- F. Staff Development
- G. Staff Evaluation
- H. Performance Rewards

LINKAGE VARIABLES

I. Enabling Linkages

- A. Legislature
- B. Key Resource People and Organizations
- C. Mass Media

II. Normative Linkages

- A. Educational Institutions
- B. Religious Institutions

- C. Family
 - D. Economic Institutions
 - E. Political Institutions
 - F. Legal Institutions
- III. Functional Linkages
- A. Agricultural Sector of Community (organizations, marketing, processing)
 - B. Educational Sector of Community
 - C. Industrial Sector of Community
 - D. Business Sector of Community
 - E. Legal Sector of Community
 - F. Professional Associations
 - G. Civic Organization
 - H. Mass Media (press, radio, television)
 - I. Political Parties
 - J. State and Community Health Agencies
 - K. Government Agencies
 - L. Special Interest Groups
 - M. Minority Groups
- IV. Diffuse Linkages
- A. General Public
 - B. Parents
 - C. Age Groups

DEFINITIONS

INSTITUTION:

A set of integrated and complimentary ideas, concepts (intellectual

blueprints) covering the broad areas of elemental and essential variables and linkages which give direction to behavioral patterns designed to achieve the goals defined by society in such areas as education, family, economics, politics, and religion.

ORGANIZATION:

A social unit having complete stratified structure of positions that is systematically coordinated. It is goal-oriented and task-oriented as enunciated by its doctrine. It is characterized by a hierarchy of positions and roles the performance of which is socially regulated according to the goals and tasks undertaken.

INSTITUTIONAL VARIABLES:

Leadership:

Those persons occupying the functional positions of authority and responsibility at the several levels of a complex organization who are concerned with the internal organizational matters and the external environmental relationships expressed through linkages. These persons actively engage in structuring the organization, formulating policies and programs, cultivating resources, translating and manipulating doctrine, delegating authority, clearing channels of communication, managing all linkages of the organization, and implementing all of its activities.

Doctrine:

That combination of themes which can be and are manipulated by institutional leadership to enhance internal cohesion and unity and to make the institution more acceptable to the external environment.¹ Encompassed in that combination are those values, standards, and philosophies which proclaim the identity and legitimacy of the institution, its goals and the means of attaining them, and its service and progress orientation.

Programs:

Those planned and organized actions that are related to the performance of functions and services, i.e., the production of the outputs of the institution (teaching, research, extension). Programs are designed to fulfill the goals of the organization as set forth in legal mandates, official doctrine, and needed and demanded by the environment to be

¹Fred Bruhns in Milton Esman's, Some Issues in Institution Building Theory, (New York: Cornell University, 1969), p. 23.

served.¹

Resources:

Those inputs of the institution that are converted into products and services and into increases in institutional capability. These include financial resources that can be used for construction of physical plant, equipment, facilities, and employment of personal services, and also such intangibles as legal and political authority, individual and collective knowledge of staff members, and information about technologies and the external environment.

Internal Structure:

That organization of resources into formal and informal patterns of authority, division of responsibility among the different units of the organization, channels of communication, and means of resolving differences and formulating consensus on priorities, policies, and procedures.

LINKAGE VARIABLES

Enabling Linkage:

Those relationships which the university as an organization must build with other organizations and social groups which control and have the power to allocate authority and resources which the organization must have to function.

Functional Linkages:

Those relationships with other organizations which make use of the target organization's output in serving the Society. These include agencies and organizations that hire graduates, that diffuse or use directly the new technology or products, that send personnel to be trained by or seek counsel from the target organization. It also includes other similar organizations with which cooperative programs are developed.²

Normative Linkages:

Those relationships with other organizations in the Society which act as guardians of the Society's values,

¹W. N. Thompson, et. al., A Method of Assessing Progress of Agricultural Universities in India, a mimeograph, 1970, pp. 3-4.

²McDermott's definition, modified by Roskelley.

norms, and standards. This would include churches, political parties, and ideological groups.¹

Diffuse Linkages:

Those relationships with generalized interest groups, such as farmers, bankers, students -- which are not organized in recognizable, concrete entities. This linkage may be considered as the "Public," in the unspecific sense of the word "public" when used in "public relations."²

THE OPERATIONAL RELATIONSHIP OF LEADERSHIP TO OTHER VARIABLES AND TO LINKAGES

We see Leadership as being the intervening variable between institutional variables and their environmental linkages. The function of Leadership is to translate and manipulate Doctrine to Normative Linkages which, in turn, activate Enabling Linkages to provide the Resources with which Internal Structure is built and Programs are provided for the Functional and Diffuse Linkages thus building relationships in the environment which provide identity, legitimacy, and support for the institution.

Characteristics of the Political Process

This portion of Chapter III will specifically address the data obtained as a result of the analyses of the Minutes of San Jose's Council meetings from January 1, 1972 to June 30, 1972. During this six-month period a great deal of activity was recorded in the Minutes. Each of a total of 1057 demands was analyzed, using a model made up of 16 independent variables and 237 subvariables. The Model, the data corresponding to each variable and subvariable and examples of demands categorized within each variable and subvariable are found in the Appendix. An attempt will be made to define the model and to present some of the findings. Additional relationships can be made of the data provided. However, it was necessary to be selective, and therefore the responsibility for

¹McDermott's definition, modified by Roskelley.

²Ibid.

determining what not to include rests with the writer.

The previously cited study of municipal governments in Costa Rica -- which did not include San Jose -- used a model based on the impression that in Costa Rica there would be a predominance of traditional society.¹ The same model has been used to identify and classify the activities of the San Jose Municipal Council. In doing this, three considerations were paramount. First, the data on San Jose would fill a gap existing in the Baker, Pinto and Stone study. Second, the use of the same classification scheme would permit some comparisons and perhaps useful information about San Jose in relation to the other Townships which appear in the Stone work. Third, the premise that in Costa Rica there would be a high predominance of a traditional society certainly would not exclude San Jose. As a matter of interest it would be useful to try to observe the presence of traditional values in a modernizing metropolis.

The first step will be to set forth the principal elements of the model and then to come back and analyze it in greater detail. Absolute numbers are derived from the Minutes. Percentages are rounded off for the purpose of presentation. The reader is reminded that the complete model and data base can be found in the Appendix.

Variable number 1 denotes the workload on a per month basis. Each month is represented by a subvariable. Every motion or subject of business discussed during any of the 72 Council Meetings is included. The total of 1057 was broken down as follows:

¹Baker, Pinto and Stone, op. cit., p. 93.

VARIABLE 1 - Month of Introduction
(Complete list of Variables)

<u>Variable</u>		<u>No. of Transactions</u>	<u>No. of Meetings</u>
1-1	January	155	12
1-2	February	165	11
1-3	March	172	12
1-4	April	160	12
1-5	May	196	12
1-6	June	209	13

The figure of business transactions or considerations of demands (the terms are used interchangeably) at first glance would appear high. However, as demands are analyzed, it becomes obvious that only a small percentage of the transactions require much time.

Variable number 2 represents the type of demand in terms of whether it was a new demand or a follow-up demand. Demands that indicated they had been introduced prior to January 1, 1972 became follow-up demands. There were 433 in the follow-up category. This represented 40.8 per cent of the total 1057 demands dealt with during the six-month period. Demands introduced during the six-month period amounted to 532, or 50.3 per cent of the total. About 8.4 per cent of the demands are not clear as to whether they should be in the new or follow-up categories.

VARIABLE 2 - Type of Demands
(Complete list of variables)

<u>Variable</u>		<u>Number</u>	<u>Per cent</u>
2-1	New Demand	532	50.3
2-2	Follow-up	433	40.8
2-3	Not Clear	87	8.7
2-4	Other	5	.2

Variable number 3 is the General Origin Variable. Demands were categorized as to whether they were from a governmental or non-governmental

source. Better than half are non-governmental in origin. More specific breakdowns are made in Variable number 4.

VARIABLE 3 - General Origin
(Complete list of Variables)

<u>Variable</u>		<u>Number</u>	<u>Per cent</u>
3-1	Non-governmental - local	389	52.6
3-2	Governmental - Municipal	264	35.8
3-3	Governmental - other local	53	7.2
3-4	Deputy	4	.5
3-5	Autonomous Institutions	18	2.5
3-6	Other governmental - external	4	.5
3-7	Non-governmental - external	5	.7
3-8	Other	1	.2
3-9	Undetermined	0	

Beginning with Variable number 3, the number of demands forming the base figure for analysis is 738. This figure represents the total of separate demands presented to the Council.

Variable number 4 provides information of a specific nature as to the origin of the demand. This variable is a refinement of Variable number 3, and the information it generates is helpful in determining interest articulation.

VARIABLE 4 - Specific Origin
(Partial list of Variables)

<u>Variable</u>		<u>Number</u>	<u>Per cent</u>
	Non-governmental - local (3-1)		
4-1	Private citizen	183	24.7
4-2	Unorganized group	38	5.1
4-3	Formally organized - temporary group	4	
4-4	Formally organized - permanent group	72	10.0
4-5	Church group	11	
4-6	Private firm	82	11.2
4-7	Other	0	
4-8	Undetermined	0	

Variable 4 (Continued)

<u>Variable</u>		<u>Number</u>	<u>Per cent</u>
	Governmental - Municipal (3-2)		
4-9	Councilman/Alternate	135	18.4
4-10	Trustee	9	
4-11	Council	58	7.8
4-12	Municipal Executive	41	5.6
4-13	Other	14	
4-14	Undetermined	2	
	Governmental - other local (3-3)		
	Deputy (3-4)		
4-21	Deputy	4	
	Autonomous Institutions (3-5)		
4-22	SNAA	2	
4-22a	IFAM	3	
4-23	INVU	6	
4-23a	Electoral College	4	
4-24	Governor of San Jose Province		
4-25	Other	8	
4-26	Undetermined	0	
	Non-governmental - external (3-6)		
4-27	Non-governmental - external	6	
	Other (3-7)		
4-28	Other	1	
4-29	Undetermined	0	

Variable number 5 is the method of presentation. It not only provides information as to method but also as to people involved.

VARIABLE 5 - Method of Presentation

<u>Variable</u>		<u>Number</u>	<u>Per cent</u>
5-1	Originator - in writing	196	26.5
5-2	Originator - in person	23	3.0
5-3	Originator - undetermined	1	
5-4	Representative of originator - in writing	264	36.0

Variable 5 (Continued)

<u>Variable</u>		<u>Number</u>	<u>Per cent</u>
5-5	Representative of originator - in person	14	1.9
5-6	Councilman/Alternate	145	19.7
5-7	Trustee	22	3.0
5-8	Municipal Executive	54	7.3
5-9	Other	18	2.5
5-10	Undetermined	1	

Variable number 6 specifically deals with the scope of the demands. It is divided into subvariables that indicate the scope of the benefit. In many cases only the individual making the demand benefits. However, nearly 50 per cent of the demands made benefit the public.

VARIABLE 6 - Scope
(Complete list of Variables)

<u>Variable</u>		<u>Number</u>	<u>Per Cent</u>
6-1	Private interest or benefit	222	30
6-2	Public interest or benefit	360	49
6-3	Church interest or benefit	6	
6-4	Private and public interest or benefit	83	11.2
6-5	Other	37	5.0
6-6	Undetermined	30	3.8

Variable number 7 is set up in order to identify the territorial dimension of the demand. The request for a license to do business is an example of a demand of individual scope, whereas a demand for the establishment of a pedestrian area is of a district nature.

VARIABLE 7 - Scope - territorial dimension
(Complete list of Variables)

<u>Variable</u>		<u>Number</u>	<u>Per cent</u>
7-1	Individual	213	29
7-2	District	298	40.4
7-3	Countrywide	163	22
7-4	Other	64	8.6

Variable number 8 identifies the kind of resource asked of the Council. Variable 8 has 32 subvariables and its breakdown permits considerable detail of the kind of activities the Council has to deal with.

VARIABLE 8 - Resources asked for
(Partial list of Variables)

<u>Variable</u>		<u>Number</u>	<u>Per cent</u>
8-1	Future Budget	95	13
8-2	Services	191	26
8-3	Regulation	85	11.5
8-4	Advisory	23	3.2
8-5	Investigative	38	5.2
8-6	Internal Regulation	66	9.0
8-7	Procedural	99	13.5
8-8	Good Offices	30	4.0
8-12	Material assistance - municipal property	33	4.4

Variable number 9 is made up of the resources that were used to satisfy demands. In some cases there was no record specifically acknowledging that a demand was satisfied and in such cases variables were not affected. There were about 190 such cases.

VARIABLE 9 - Resources drawn upon
(Partial list of Variables)

<u>Variable</u>		<u>Number</u>	<u>Per cent</u>
9-1	Future Budget	67	9
9-2	Services	145	20
9-3	Regulations	64	8.6
9-4	Advisory	19	2.5
9-5	Investigative	29	3.9
9-6	Internal Regulation	50	6.9
9-7	Procedural	76	10.4
9-8	Good Offices	20	2.7
9-12	Material assistance - municipal property	24	3.3

Variable number 10 indicates the source of resources required to satisfy the demands made. Subvariables (1) and (2) comprise 89 per cent of the demands.

VARIABLE 10 - Source of Resources
(Complete list of Variables)

<u>Variable</u>		<u>Number</u>	<u>Per cent</u>
10-1	Existing municipal resources	489	66
10-2	Future municipal resources	170	23
10-3	Extra municipal resources - Executive	1	
10-4	Extra municipal resources - Loans	1	
10-5	Extra municipal resources - Bonds	0	
10-6	Other	68	9.2
10-7	Undetermined	9	1.3

Variable number 11 has 71 subvariables. A very fine breakdown was deemed necessary so that the type of subjects introduced could be clearly defined. Since the complete breakdown and results are found in the Appendix, only the most frequently used subvariables are set forth here. The following 13 subvariables contain 479 demands or about 65 per cent of the total.

VARIABLE 11 - General Subject
(Partial list of Variables)

<u>Variable</u>		<u>Number</u>	<u>Per cent</u>
11-3	Procedural	135	18.3
11-5	Commercial licenses	11	1.5
11-6	Construction permits	65	9.0
11-9	Other regulations and permits	59	8.0
11-10	Roads and bridges - construction	16	2.2
11-11	Roads and bridges - maintenance	49	6.7
11-12	Water supply - creation/ex- tension	16	2.2
11-21	Public lighting - creation/ extension	14	2.0
11-30	Recreation and parks - creation/extension	24	3.3
11-50	Public assistance - charity	18	2.5
11-59	Zoning	42	5.8
11-60	Urbanization	25	3.4
11-69	Sidewalks	19	2.6

Variable number 12 indicates what happened to a demand the first time that it was presented. Once again, not all the subvariables are needed at this juncture.

VARIABLE 12 - Session Decision
(Partial list of Variables)

<u>Variable</u>		<u>Number</u>	<u>Per cent</u>
12-1	Approved - unqualified	138	18.6
12-3	Approved - submitted for implementation to unidentified person	36	5.0
12-4	Approved - submitted for implementation to specific person	48	6.6
12-10	Deferred	367	49.6
12-17	Demand denied	22	3.0

Variable number 13 has been set up so that a demand can be traced through as it is discussed during the Council meetings. About 60 per cent of all demands were discussed only during the session introduced. Actually over 90 per cent were discussed over the course of three Council meetings.

VARIABLE 13 - Discussion
(Complete list of Variables)

<u>Variable</u>		<u>Number</u>	<u>Per cent</u>
13-0	Discussed only in the session it was introduced	461	60
13-1	Discussed in one other session	185	24
13-2	Discussed in two other sessions	54	7
13-3	Discussed in three other sessions	18	1.8
13-4	Discussed in four other sessions	7	
13-5	Discussed in five other sessions	4	
13-6	Discussed in six other sessions	3	
13-7	Discussed in seven other sessions	1	

Variable 13 (Continued)

<u>Variable</u>		<u>Number</u>	<u>Per cent</u>
13-8	Discussed in eight other sessions	1	
13-9	Discussed in more than eight sessions	4	

Variable number 14 specifically indicates what the final decision of each demand was. The main purpose is to determine the number of demands approved and denied. In addition, the nature of the decision is determined.

VARIABLE 14 - Final Decision
(Partial list of Variables)

<u>Variable</u>		<u>Number</u>	<u>Per cent</u>
14-1	Approved - not submitted to specific person for implementation nor made contingent upon any condition	213	29
14-4	Approved - submitted to specific person for implementation	37	5
14-12	Demand denied - disagree with demand	37	5
14-14	No final action taken	319	43.3

Variable number 15 was set up to indicate the decision time. It is composed of 9 subvariables in order to determine the number of sessions a demand was dealt with before a decision was taken, or as was the case with 296 demands, a final decision was not reached during the period under discussion.

VARIABLE 15 - Decision Time
(Complete list of Variables)

<u>Variable</u>		<u>Number</u>	<u>Per cent</u>
15-1	Same session introduced	194	26.3
15-2	One session after introduced	181	24.6
15-3	Two sessions after introduced	35	4.8

Variable 15 (Continued)

<u>Variable</u>		<u>Number</u>	<u>Per cent</u>
15-4	Three sessions after introduced	14	1.9
15-5	Four to eight sessions after introduced	16	2.2
15-6	Nine to twelve sessions after introduced	1	
15-7	Thirteen or more sessions after introduced	3	
15-8	No decision reached	286	39.0
15-9	Undetermined	8	

Variable number 16 indicates whether a vote was recorded or not.

The by-laws require a vote which undoubtedly takes place on all demands.

As can be seen, only very few are recorded in the minutes.

VARIABLE 16 - Vote
(Complete list of Variables)

<u>Variable</u>		<u>Number</u>	<u>Per cent</u>
16-1	No vote recorded	596	81
16-2	Vote recorded	122	16.6
16-3	Other	20	2.4

As mentioned previously, the impression that there is a predominance of parochial orientation in Costa Rica was tested by the Baker, Pinto and Stone study.¹ In their study, in 16 out of 25 townships better than 50 per cent of the demands were of a private nature. Only six had less than 30 per cent. The percentage point spread among the 25 townships was 82.6 per cent. Thus, the probability of an accurate conclusion as to the relationship of parochialism and privately initiated demands cannot be made from the data in the Stone study. Similarly, a position regarding San Jose is hard to defend. Private interest or benefit are represented by Variable 6-1. These amount to 30 per cent. The nature of private

¹Baker, Pinto and Stone, op. cit., p. 93.

demands was mostly permits regarding private dwellings or property rights. Variable 6 deals primarily with interest articulation which Almond and Powell call "the first functional step in the political process."¹ It is hard to imagine that private demands such as those found in Variable 6-1 can be reduced so as to affect in any way the number of absolute demands. What seems more probable is that by using the administrative organizations rather than the Council as a vehicle for dealing with such matters, a more effective system might emerge in which case less parochialism will exist. It is important not to lose sight of the fact that 360 or 49 per cent of all the demands made were in the public interest and covered a wide range of activities.

Variable 7 provides another approach to the analysis of the demands in that it makes it possible to determine the territorial dimension involved. In the case of Variable 7-1, Individual is defined to include no aggregation at all. For San Jose private dimension demands were 29 per cent. Demands which reflect aggregation are in subvariables 7-2 through 7-4. An example of no aggregation is a request by an individual for a business permit. A motion by three Councilmen that a demand made for the construction of a road between two rivers be sent to the Executive is an example of an action which would impact on at least the District.² The demands reflecting aggregation at the district level or higher reached a very impressive 70 per cent. The Stone study found that in all but two townships, the territorial dimension in the private category was higher than 40 per cent, and in all but four, the lowest level

¹Gabriel A. Almond and G. Bingham Powell, Jr., op. cit., p. 73.

²Minutes of Meeting No. 245 of March 6, 1972 of the Municipal Council of San Jose.

of the demands.¹ That 70 per cent of the demands made of the Council represent some degree of aggregation indicates that sufficient pressure groups may exist to articulate positions and to demand satisfaction.

The demand classification scheme also provides the information as to who originated the demands. For the purpose of discussion, 88 per cent of the demands made of the San Jose Council can be considered in three groups. These are the private citizen, or unorganized, the organized, and the Council. The private or unorganized category reached 30 per cent which is lower than anything found by Baker, et. al. in their study of 25 townships.² The demands presented by organized groups amounted to 27 per cent, and in the Baker, et. al. study only the townships of San Ramon and Grecia are reported higher. Councilmen originated 35 per cent of all the demands presented to the Council of San Jose, and this is considerably higher when comparing the data about the townships in the Baker, et.al study. Only six townships had more than 20 per cent of the demands presented by a Council member, and of the twenty-five townships, twelve had less than 10 per cent of their demands presented by a Councilman.³ It appears that the San Jose Councilmen generally see themselves in a different role than those of other townships in Costa Rica. Considering that the Council members originally presented 35 per cent of the demands, it could be concluded that they do perceive themselves as individuals who must take the initiative in seeking action on problems facing their community. If there is a qualification to

¹Baker, Pinto and Stone, op. cit., p. 94.

²Ibid., p. 96.

³Ibid., p. 96.

such a conclusion, it could be made through the interpretation of the data in Variable 5. Specifically subvariable 5-6 indicates that only 19.7 per cent were presented by Council members. However, when Variable 5-6 is taken together with the rest of the "Council group" which Variables are 5-7 and 5-8, you arrive at the 35 per cent in the Council member category. The make up of the 35 per cent is very important. The kind of demands that are in question clearly leads to the conclusion that the Council members and the Council, as an organization, are perceived, both internally and externally, as primarily a decision-making organism.

If the perception is that the Municipal Council is in fact a decision-making body, then the kinds of issues they are asked to deal with are important if one is to determine the role that the Municipal Council has as an agent for development. Variable number 8 represents the resources asked of the Municipality. The four major categories are: Services and Material, Regulation, Good Offices, and Administration. The "Services" asked of the Council were items such as authorization for a water outlet for the residents of a specific street.¹ The service category accounts for 369 demands, or 50 per cent of the resources demanded. Of the 369 demands, 285 demands, or approximately 77.5 per cent, were for services other than materials. The Regulation subvariable makes up 11.5 per cent and the Good Offices subvariable accounts for 13 per cent. About 22.5 per cent of all the demands may be considered of an administrative nature and consequently, are represented by subvariables 8-6 and 8-7. Interestingly enough, the Stone research found that the

¹Minutes of Meeting No. 227 of January 21, 1972 of the Municipal Council of San Jose.

combination of the administrative and regulatory categories ranged from 50.0 to 93.4 per cent and concludes that therefore the Councils must "dedicate their attention to routine matters which have little to do with problem-solving of a developmental type."¹ For San Jose, the combination of subvariables 8-3, 8-6, and 8-7 accounts for 34.5 per cent of the demands. However, re-emphasizing the importance of the nature of the 285 demands included in subvariables 8-1 and 8-2, it is feasible and proper to add them to subvariables 8-3, Regulation; 8-6, Internal Regulation; and 8-7, Procedural. Two hundred eighty six represents 38.7 per cent of the total demands. Therefore, the total percentage of demands under discussion becomes 72.7 per cent which is very high and substantiates the same conclusion reached in the Stone research, that is, that very little problem-solving of a developmental type takes place.

Variable 9 can be very enlightening since it denotes the kind of resources on which the municipality must draw in order to satisfy the demands. About 65 per cent of the resources actually drawn upon were in the categories included in subvariables 9-1 through 9-11, which represent future budget commitments, services, regulation, advisory, investigative, internal regulation, procedural, and good offices. Nearly 190 demands or 26 per cent, cannot be traced to having had any commitment of resources. The remainder are scattered out in subvariables 9-12 through 9-32. For instance, about 3 per cent of the demands involved municipal property, and less than 2 per cent required materials and equipment. In only two instances were requests made for "labor". One instance where labor was

¹Baker, Pinto and Stone, op. cit., p. 103.

demand was on February 21 when the services of the Community Engineer were requested to assist in a building project.¹ The other instance was on May 5 when a request was presented for additional municipal guards for the Central Market.² There were seventeen different demands for which the municipality provided a combination of funds, labor, materials, and equipment. One example is the demand for the construction of a cemetery presented to the Council in writing by a private individual on January 3.³ Variable 9-32 indicates the allocation of funds for scholarships which took place on April 14.⁴ The amount of money involved in scholarships was referred to earlier. However, the point needs to be made that providing funds for scholarships has been one of the activities of the Council for years. Even when considering the insignificance of the money involved, it is still surprising that only six demands were made for scholarships.

It is very important that a clear understanding take place about just exactly what are the subjects of the demands. It is only through a very detailed breakdown that this can occur. Variable number 11 has 71 subvariables. This large breakdown was necessary because one of the main themes of this entire project is that the demands made of the Council may not be of a nature which could be considered as especially

¹Minutes of Meeting No. 239 of February 21, 1972 of the Municipal Council of San Jose.

²Minutes of Meeting No. 268 of May 5, 1972 of the Municipal Council of San Jose.

³Minutes of Meeting No. 219 of January 3, 1972 of the Municipal Council of San Jose.

⁴Minutes of Meeting No. 260 of April 14, 1972 of the Municipal Council of San Jose.

relevant to national economic and social development. The construction permits could easily be handled by the Executive. However, 9 per cent of the total demands were of this nature. Other regulations and permits represented another 9 per cent. Collapsing subvariables 11-10 and 11-11 shows that about 9 per cent of the demands deal with the construction and maintenance of roads and bridges. Sixteen demands, which represent 2.2 per cent, dealt with the creation or extension of the water supply. Public lighting matters account for 2 per cent. There were two requests for the creation of garbage collection services. A relatively active group of demands concerned the creation or extension of recreational facilities and parks. There were 24 demands on these two subjects, together amounting to 3.3 per cent. Two other large categories were the demands on zoning and urbanization. There were 42 and 25 demands respectively. In most cases these amounted to nothing more than requests for regulatory or procedural actions. At no time was there an issue which dealt with housing or urban issues. In Stone's work, there is a conclusion which applies extremely well to the activities of the Council of San Jose, Costa Rica.

The conclusion that we are dealing with local structures of government which are not called upon to solve major developmental problems is supported not only by the types of matters they deal with, as discussed before, but also by the types of demands they do not deal with. Specifically, we found that demands related to larger issues such as housing, zoning, urbanization, unemployment and economic development were almost never brought before the consideration of the councils.¹

The actual decision-making process can best be understood by carefully assessing the probable implications of the data in Variables

¹Baker, Pinto and Stone, op. cit., p. 105.

12 through 16. These variables deal with the process of responding to demands. The data base for Variable 12 can be collapsed into three major categories in order to determine the action taken by the Council. The Council approved 37 per cent of the demands made upon it. A corollary to approval is the number of demands on which action was deferred. The reasons for deferring action vary. However, 56.6 per cent is a staggering figure, especially in light of the fact that for the other municipal governments on which there is data, all twenty five have deferred less than 25 per cent.¹ The San Jose Council denied 5.8 per cent of the demands presented. Twenty of the townships in the Stone study denied in excess of 5 per cent with a range of 0 to 33.8 per cent. It is impossible to draw much of a conclusion by making a comparison primarily due to the number of demands deferred by the San Jose Council. Actually, 367 demands were deferred because further action was required from other than the demand source. One example of where action was required before a decision could be made is the request on March 3 to eliminate an open sewer.² After investigating the allegation, the Council was able to determine that it was not in fact an open sewer and there was no health hazard involved. In general terms, deferred decisions do not imply a lack of decision-making ability, but rather compliance with Article 48 of the Municipal Code which requires that "all decisions will be made after the receipt of the report from a Council Commission and after deliberation." Of course there are exceptions to Article 48, or if not exceptions, certainly

¹Baker, Pinto and Stone, op. cit., p. 116.

²Minutes of Meeting No. 244 of March 3, 1972 of the Municipal Council of San Jose.

an understanding of it that allowed the Council to make 194 decisions during the same session in which demands were introduced, and 181 decisions were made when a demand was discussed in one other session. The number of demands on which a decision was reached either at the session of introduction or at one other session, represents 54 per cent. Demands on which there was no decision during the period under study account for 42 per cent and, as reflected, when considering causes for deferred demands, a "no decision" can be accounted for in terms of insufficient information and/or deliberation. Certainly there is no evidence to support a hypothesis that the Municipal Council of San Jose deals in conflict resolution. Few, if any, of the demands presented to the Council can be considered as requiring significant allocation of values or resolution of conflicts. As a matter of fact, 461 demands (63.6 per cent) were discussed only in the session in which they were introduced, hardly giving rise to any thought that such demands were profound.

CHAPTER IV

INSTITUTO DE FOMENTO Y ASESORIA MUNICIPAL (IFAM)

Introduction

The structural reform of government at the municipal level has been a concern of municipal authorities in Costa Rica since 1955. During 1955, the National Congress of Municipalities suggested two major reforms in the existing municipal system. The first was to have new laws enacted and the second was the creation of a National Municipal League. In 1963 the National Bank of Costa Rica established a new department within the bank designed to provide financial assistance to municipal governments. During the late 1960's the Ministry of Government studied the possibility of setting up an office to act as liason between the national government and the municipalities throughout the country. None of these efforts proved successful and the Legislative Assembly appointed a committee to investigate the needs for a new body of law that would make the local governments a viable element in the governmental system of the country.

The efforts of the committee appointed by the Legislature resulted in the enactment of the Municipal Code of May 4, 1970 which in

its Article 19 creates the Municipal Development and Advisory Institute (IFAM).¹ Article 19 of the Municipal Code reads:

The Municipal Development and Advisory Institute is created as a public law institution which will have full legal status, and,

The Institute will be an organization destined to obtaining the coordination of the municipalities by means of voluntary adhesion with the purpose of providing financial assistance services, technical advice, and to cooperate with them in the realization of projects which may be of interest to one municipality, groups of municipalities or all the country.

Transitory Article: The organization, financing, and operation of said Institute will be regulated by a special law, the draft of which will be prepared by the Executive Power and forwarded to the Legislative Assembly in a period not greater than three months from the date of publication of the present law.

Objectives of the IFAM

The IFAM became a new institution in Costa Rica with the same purposes and structure as those of similar agencies in other Latin American countries, among them Brazil, Colombia, Venezuela, Dominican Republic, Guatemala, and Honduras. The emphasis of similar institutions in Latin America has been to provide loans and technical assistance to local governments.

The IFAM is an autonomous institution which means that it is politically and administratively separated from the National Government and it has the authority to raise its own funds. The stated objectives of the IFAM are:

- 1) Provide the local governments with financial assistance through the granting of short, medium, and long-term loans at interest rates commensurate with the financial possibilities of these organizations, using its own funds and the funds obtained from other national or international financial organizations.

¹IFAM, Filosofía, Objetivos y Programas de Trabajo, San Jose Costa Rica, June, 1971, pp. 2-5.

- 2) Provide the municipalities with technical assistance in the preparation and execution of work and service projects (local and regional) as well as in the administrative field with the purpose of perfecting the organization and operation of the local administrations, including of course, the development of municipal personnel through permanent training programs.

Functional Organization of the IFAM

The IFAM has a Board of Directors of seven members which include the Minister of Government, the Minister of Transportation, and five members selected by the Council of Government. The Board of Directors appoints the Manager for a period of six years. Mr. Armando Arauz Aguilar has been Manager of IFAM since its inception.

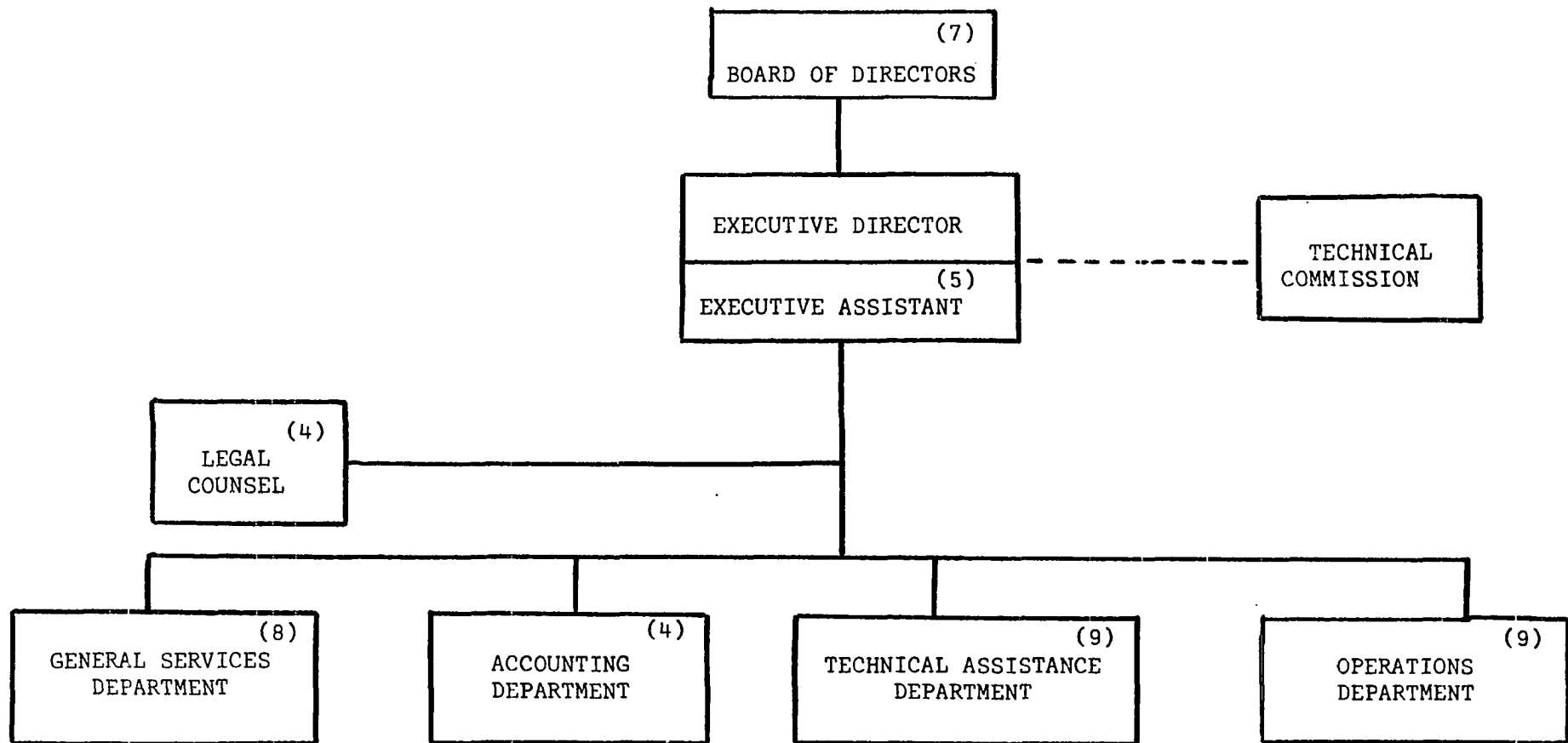
A verbatim translation of the organization law is provided in the Appendix. The law is clear and concise. Careful reading will provide a great deal of information about every aspect of the organization. Comments made at this juncture are to highlight some particularly useful provisions. However, the document itself should not be ignored.

The organization chart on page 155 represents the main elements of the IFAM. The numbers inside each box on the chart represent the authorized complement. The total IFAM complement is 46 people. The Technical Commission is made up of people from within the organization's complement. The Board of Directors is charged with setting the broad guidelines for the position to be taken by the Executive. It must also supervise the work of the Executive through the Auditor, who is appointed by and reports directly to the Board of Directors.

The staff of the IFAM may be identified on a departmental basis. The Executive Director's office has an Assistant to the Executive, a bilingual Executive Secretary, a Secretary of the Board of Directors,

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ORGANIZATION CHART
MUNICIPAL DEVELOPMENT AND ADVISORY INSTITUTE
(IFAM)



and a Secretary to the Board of Directors. The Legal Counsel is made up of three attorneys and a secretary. The General Services Department's assignment is to provide support for other departments. It has a staff of eight people. The Accounting Department has three Accountants and a secretary. Its function is to keep the books for the IFAM. The Technical Assistance Department has nine people attached to it. Their main mission is to train and develop human resources for the municipalities. The Operations Department is staffed with three Economists, one Architect, one Engineer and four support people. Their primary mission is to review projects presented by municipalities to the IFAM.

The Executive is in fact the manager of the IFAM. He is in a position similar to that of the Executive of the Municipality of San Jose. They are the managers. They are responsible for achieving the objectives and for the day to day operation of their respective organizations. It is important to attach the correct emphasis to this very important function. It seems appropos to digress and concentrate briefly on some of the aspects of these managers' positions.

The studies on the council-manager have primarily revolved around experiences in the United States. Ever since Dayton, Ohio, put the plan into operation in 1914, the council-manager arrangement has grown continuously.¹ Evidence is consistent that where growth is occurring most rapidly, the council-manager system is used.² The importance

¹Edward C. Banfield and James Q. Wilson, City Politics (New York: Alfred A. Knopf, 1963), p. 168.

²Deil S. Wright, The City Manager as a Development Administrator in Robert T. Daland, Comparative Urban Research (Beverly Hills, California: Sage Publications, Inc., 1969), p. 204.

of such a system for Costa Rica has been recognized. Kalnins' original study describes four alternate methods for choosing the city manager.

They are:

1. Named by the Executive Branch of the National Government.
2. Direct popular elections.
3. As a result of election by the Municipal Council -- usually a member of the Council is elected.
4. Named by the Council, but without becoming a member of the Council.

Kalnins explains each method, but does not necessarily state a preference. In reference to the council-manager system, he says:

This system originated in the United States of America and stems from the principle or assumption that the municipality is a great commercial enterprise whose stockholders are the citizens, that is, the inhabitants or denizens of the corresponding municipality or township.

In the municipalities where this system is applied, the Executive is under the deliberating organ and must faithfully execute its agreements or resolutions; his authority is very similar to that of a manager or administrator of a company. In other words, he is an official in the service of the Council who carries out the duties of the position for a salary. Therefore, if the Council is not satisfied with his work, he can be removed and another person named to take his place.

Individuals with theoretical and practical knowledge in the field of Public Administration are usually named, although there are municipalities that only require residency.

Among the advantages which this type of Executive-Administrator presents are:

- a) Local government is simplified. In effect, the Executive is under the Council and only the latter can determine the administrative policy to be followed, thereby eliminating the possibility of conflict between the two factions in the pursuit of power.
- b) The division of power is avoided as this is concentrated on the Council.

- c) The Executive-Administrators are generally more qualified in administrative matters than the Executives elected, and consequently can better carry out the complex administrative functions.
- d) Politics in municipal administration are eliminated since the Executives named by the Council have relatively more freedom from political pressures and influence.

On the other hand, the adversaries of the system under comment present the following arguments:

- a) The administrative matters of the municipality are placed in the hands of a stranger to the community who applies the regulations and executes the agreements automatically, coldly, and inflexibly.
- b) The system does not allow the Executive to exercise or obtain leadership in the community based on his own initiative and personal authority.
- c) Administrative matters are dealt with as a private enterprise and this makes the system appear as anti-democratic.
- d) The naming and continuance in office of the Executive-Administrator can be effected by political influence.
- e) In the developing countries, there is a shortage of individuals who are qualified in the field of Public Administration other than Central Public Administration.
- f) To be able to obtain qualified administrators it is necessary to offer high salaries which is hard on the municipal budget.¹

Deil S. Wright suggests that council-manager cities are "closely tied to a policy or developmental orientation." He adds that "a focus on local government is consonant with resurgent interest in the role of local government in facilitating economic, social, and political development."²

¹Arvids Kalnins, Reorganización de la Estructura del Gobierno Local de Costa Rica, Project No. 2, Planning Office of the Presidency, October, 1969.

²Deil S. Wright, op. cit., pp. 204-205.

The city manager, as well as the manager of an institution such as the IFAM, has a great responsibility to eliminate politics from local administration. There is evidence that this can be accomplished. Richard S. Childs wrote:

Politics went out the window when Dayton's first city manager blew in and, after a single splutter, the local wings of the political parties ceased to function in municipal elections, either visibly or covertly.¹

The Municipal Code and the laws of the IFAM are by design supposed to at least minimize the political influences that have prevailed in the past. As Fred Riggs cautions, however, there is likely to be considerable difference between the official pattern of behavior and actual behavior in societies such as Costa Rica's.²

Financial Resources of the IFAM

The IFAM's authorized capital is 40,000,000 colones, of which about 24,000,000 colones were provided by AID at 2-1/2 per cent per annum for forty years. The National Government invested 10,000,000 colones. The investment was in the form of a Bond issue. In addition, the tax on the sale of liquor was assigned to the IFAM. The tax on domestic liquor and beer is to be divided 50 per cent for the administration of the IFAM, and the other 50 per cent to be divided among the local governments. The tax is to be collected by the National Manufacturer of Liquors and turned over directly to the IFAM. The tax on foreign liquor and beer is collected

¹Richard S. Childs, Civic Victory: The Story of an Unfinished Revolution (New York: Harper & Row, 1952), p. 148.

²Fred W. Riggs, Administration in Developing Countries: The Theory of Prismatic Society (Boston: Houghton Mifflin, 1964), pp. 15-19.

by Customs, turned over to the Central Bank, and subsequently to the IFAM. Of the total tax collected on foreign liquor and beer, 60 per cent must go to the Municipal Government of San Jose.¹

The financial needs of the municipalities are much greater than the resources available from which to obtain the necessary capital. With this in mind, IFAM organized a meeting of the Executives of other similar organizations held in San Jose during May 24, 25 and 26, 1971. Eight Latin American countries sent representatives. There were also representatives from the United Nations, the Organization of American States, the Inter-American Development Bank, the Agency for International Development, and the Central American Integration Bank. The objective of the meeting was to apprise lending institutions of the needs of local governments and of the important role municipalities can play in the realm of economic development.²

Functions of the Institute

Close study of the provisions of the law creating IFAM indicates that a major goal of the new organization is to become an important agent for development.³ This will be no easy task. The problems of institution building and institution transfer are recognizable as the IFAM expands its

¹IFAM, Filosofía, Objetivos y Programas de Trabajo, Costa Rica: 1971, pp. 48-50.

²IFAM, "Reunión de Ejecutivos de Instituciones de Crédito y Asesoría Municipal," Costa Rica, May, 1971.

³Municipal Code of Costa Rica, Title I, Article 4 and Title II, Article 19; Organization and Operation Law of the Municipal Development and Advisory Institute, Chapter II, Articles 4 and 5.

efforts in attempting to achieve its mandate. There are many variables that have to be reconciled for progress to occur. The IFAM leadership is aware of its mission and is prepared to work toward the successful execution of its responsibility.¹ The IFAM must instill a new philosophy of administration divorced from political influence. It must also make local government administrators aware of what it means to become members of a local government that must have its own goals and perform so as to achieve them with minimal intervention from the national level. Where appropriate personnel who can accept the forces of change do not exist, the IFAM must advance the cause of recruiting competent people who can use the new organizational resources to stimulate and improve their community.

The Government of Costa Rica, working with AID, sent a number of councilmen from throughout Costa Rica to Mexico to study municipal administration. Also, the University of Costa Rica has presented several courses for municipal personnel. From September 28, 1970 to January 6, 1972, the IFAM held 28 courses attended by 639 participants.

The delicate financial condition of all municipalities was another major concern of those engaged in devising an organization that would be viable for solving the great problems often faced at lower government levels. The IFAM had to undertake a considerable task just to define the financial status of local governments and to provide meaningful options. As the budget for San Jose indicates, revenue is obtained from a number of sources. The taxes which are received by all the municipalities

¹IFAM, Filosofía, Objetivos y Programas de Trabajo, San Jose, June, 1971.

are:

1. Property Taxes (Law No. 4340 of May 19, 1969, and Law No. 27 of 1939)
2. Commercial licenses (no national law exists, only rates approved individually by each municipality)
3. Industrial licenses (no national law exists, each municipality has one)
4. Taxes on Public Spectacles (Law No. 561 of July 1, 1946)
5. National Liquor licenses (Law No. 2940 of December 18, 1961)
6. Foreign liquor licenses (Law No. 2940 of December 18, 1961)
7. Tax on the sale of liquor (Law No. 2940 of December 18, 1961, modified by Organic Law No. 4716 of the IFAM of February 9, 1971)
8. Taxes on butchered hogs (Law No. 4712 of October 5, 1971)
9. Taxes on butchered beef (Law No. 4712 of October 5, 1971)
10. Municipal Stamps (Municipal Code)
11. Construction permits (Article 70 of Urban Planning Law No. 4240 of November 15, 1968)¹

According to Kalnins, all of the municipalities of Costa Rica recognize that the present municipal tax structure does not provide adequate means to allow municipalities to provide the public services required of them.² Kalnins proposes a complete restructuring of the entire system arguing that partial reform would be dysfunctional.³

¹Arvids Kalnins, IFAM, Tributos Municipales Costarricenses: Análisis Crítico y Perspectivas, Municipal Documents Series, 1972, p.5.

²Ibid., p. 24.

³Ibid., p. 24.

In his comprehensive reform proposal, Kalnins suggests that the IFAM itself should collect certain kinds of taxes, such as territorial and property.¹ In addition, tax collections per capita are much too low. Prior to 1971, 80 per cent of all municipalities had a per capita income of less than 5.00 colones per year. The situation has improved and Table No. 22 indicates that San Jose has a per capita income of 103.42 colones, or 14.77 dollars.

TABLE 22
PER CAPITA TRIBUTARY INCOME (1971)
SAMPLE OF 22 MUNICIPALITIES

Township	Municipal Income 1971	Population to December 31, 1971	Per Capita Income 1971
Alajuela	3,733,102.21	84,299	44.28
Cañas	558,260.16	12,771	43.71
Cartago	3,359,312.19	61,067	55.01
Ciudad Quesada	1,767,600.10	56,734	31.15
Desamparados	1,173,569.43	47,689	24.60
Golfito	1,470,688.12	41,720	36.25
Grecia	2,605,655.80	33,303	78.24
Guadalupe	1,639,821.05	58,037	28.25
Heredia	1,633,117.50	33,740	48.40
Liberia	442,947.70	18,021	24.57
Limon	2,222,215.06	38,660	57.48
Nicoya	1,460,883.96	50,123	29.14
Orotina	324,027.08	9,410	34.43
Puntarenas	3,889,195.19	74,149	52.45
Puriscal	1,540,702.61	31,186	49.40
Perez Zeledon	2,266,381.81	66,544	34.05
Quepos	925,587.68	18,023	51.35
San Jose	22,357,853.35	216,167	103.42
San Ramon	1,259,607.58	32,485	38.77
Santa Cruz	694,183.81	32,355	21.45
Siquirres	523,562.32	24,405	21.45
Turrialba	1,581,975.97	51,236	30.87

Source: Nuestro Gobierno y el Regimen Municipal, Costa Rica, 1972, p. 37.

¹Arvids Kalnins, op. cit., p. 193.

The IFAM must provide technical assistance to all municipalities. The IFAM considers that this objective must be achieved through assistance in improving public administration resources and through specific advisory services in the administration of projects. The IFAM considers these as short-range goals and is presently providing the corresponding help.¹ Another short-range objective is that of organizing a system to provide municipal credits in order to stabilize the financial condition of the municipalities so that they can carry out their plans. As late as 1969, there were laws on the books that authorized municipalities to borrow up to 13 million colones. However, they were able to obtain only 390,000 colones in credits during 1969.² The IFAM in practice is to become the banking agency for the municipalities. Articles 5 (a) and 5 (b) specifically state:

- Article 5. (a) To grant the municipalities short, medium, and long-term loans to finance projects of municipal works and services and supervise their application;
- (b) To act as financial agent for the municipalities and grant endorsements, whenever convenient or necessary, on loans obtained by the municipalities with national, international or foreign finance corporations as well as on purchases or contracts for works or services with local or regional concerns.³

The Administrative organization of the municipalities is to receive top priority. Article 5(g) and (h) charge the IFAM with the responsibility to undertake studies of their administrative capabilities with the intent

¹IFAM, Filosofía, Objetivos y Programas de Trabajo, June, 1971, pp. 25-26.

²Ibid., p. 26.

³Ministry of Government, Ley de Organización y Operación del IFAM, Article 5 (a) and (b), Costa Rica, 1971.

of improving these on a continuous basis.¹

The Municipal Code requires cooperation between and among municipalities.² The same position regarding municipal cooperation is found in subparagraph (j) of Article 5 of the IFAM Law. It is expected that such cooperation will be a by-product of the other activities in which the IFAM will engage, such as providing technical assistance and financial centralization.

Technical assistance and financial capabilities for the IFAM are based on realistic provisions. The responsibility is clear and so are the means. The IFAM is empowered to coordinate activities within municipalities in order to maximize the utilization of resources. It is also required to coordinate its own activities with national and international institutions.³

San Jose, as a municipality, is much more advanced than all the others in Costa Rica, and many of the programs and activities in which the IFAM will spend the greatest amount of its resources will not be of great significance to San Jose. A brief summary of what these activities and programs are should help put the IFAM in better perspective.

The Technical Assistance Program is comprised of four major categories:

1. Assistance to improve the internal administrative organization of the municipalities. Specific resources to be allocated to the following:

¹Ministry of Government, Ley de Organización y Operación del IFAM, Article 5 (g) and (h), Costa Rica, 1971.

²Title II, Municipal Code of Costa Rica, 1971.

³Ministry of Government, Ley de Organización y Operación del IFAM, Articles 45 and 50, Costa Rica, 1971.

- a. Municipal Secretary
 - b. Municipal Tax Structure
 - c. Accounting
 - d. Treasury
 - e. Budgetting
 - f. Personnel
 - g. Procurement
 - h. Archives
2. Assistance in the administration of municipal works and services. Examples of present projects are:
- a. Administration of Markets
 - b. Administration of Slaughterhouses
 - c. Administration of Cattle Exchanges
 - d. Administration of Electricity Systems
 - e. Administration of Water Works
 - f. Administration of Parks and Gardens
3. Assistance in planning, development, execution and supervision of projects. Some of the types of activities which fall under this classification are:
- a. Studies of basic needs
 - b. Establishment of priorities
 - c. Feasibility studies
 - d. Project development
 - e. Definition of goals
4. Assistance in the improvement of human resources through appropriate training. This is to be accomplished through:
- a. Training courses
 - b. Seminars
 - c. Scholarships
 - d. On-the-job training

The financial assistance program for municipal works and services embraces many of the activities mentioned under the Technical Assistance Program. Specifically, the IFAM must provide means for financing a substantial part of the programs for which it provides technical assistance. It must do so in an environment that takes into consideration the infra-structure needs of the entire country as well as the activities of national and international agencies. It must be remembered that the IFAM, to a great extent, must make whatever financial arrangements

are necessary to obtain the capital needed to provide municipalities with credits.

The Investigations Program is devised so that the IFAM will undertake a number of studies of the municipal governments in Costa Rica to determine problem areas, and to arrive at the causes of such problems. The results of this program are expected to be two-fold. One will be the solutions that may be arrived at and the second is the probability of enriching the data base and consequently the relevancy of future interventions on the part of the IFAM.

The IFAM may intervene in any way it deems necessary to assure that cooperation between municipalities becomes a reality. Therefore, the Program of Inter-municipal Cooperation is receiving a great deal of attention. The IFAM is able to carry out this responsibility through the encouragement and establishment of programs of a universal nature such as conventions, seminars, and bilateral and multilateral contracts between municipalities concerning public works.

The fact that the IFAM must coordinate its activities with national and international agencies has been mentioned previously. This particular activity is one of the programs in which the IFAM is committed to engage. It must coordinate systems for providing technical expertise, publications, and financial assistance.

The last major program that the IFAM has elaborated is that of providing legal counsel. It has set up a staff for the provision of legal advice to the Board of Directors and the Executive of the IFAM as well as providing a number of services to municipal entities.¹

¹IFAM, Filosofía, Objetivos y Programas de Trabajo, June, 1971 pp. 30-37.

The IFAM and the Municipal Council

The Municipal Council sessions of San Jose do not indicate that the Council is very involved with the IFAM. It is possible that the Council sessions of smaller municipalities reflect greater contact with the IFAM. This has not been substantiated primarily because the study of Municipal Government in Costa Rica by Baker, Pinto and Stone was concluded before the IFAM began. During the six months from January 1, 1972 to June 30, 1972, the IFAM appears in only three Minutes. On January 10, the subject of trash collection was addressed and a motion made to seek technical assistance from the IFAM.¹ A letter from the Director of the IFAM, Armando Arauz Aguilar, was read on March 3, advising the Council that the joint study of the IFAM and the municipality of San Jose on staple goods would begin in April.² In a letter read into the record on June 5 the IFAM advised the Council of the objectives of its programs on the integral marketing of agricultural goods.³

Caution must be exercised in concluding that the IFAM does not have considerable interface with the municipality. There is every reason to believe that the administrative organs of both institutions work closely on various programs. The budget and the program definitions would tend to substantiate the proposition of a close relationship between the two organizations. In addition, the pronouncements of the corresponding

¹Minutes of Meeting No. 226 of the Municipal Council of San Jose of January 10, 1972.

²Minutes of Meeting No. 244 of the Municipal Council of San Jose of March 3, 1972.

³Minutes of Meeting No. 281 of the Municipal Council of San Jose of June 5, 1972.

executives indicate that such a condition exists.¹

Personal interviews during November, 1973 included specific questions referring to the IFAM. As mentioned previously, of the 14 councilmen, 10 were interviewed. To the question, "What do you believe the IFAM will provide the San Jose municipality?", nine answered funds and one refused to discuss it. The interviewees were asked if in accordance with their experience they felt the IFAM had taken significant autonomy from the San Jose Municipal government. Seven answered that if there were any autonomy lost, it was insignificant. Two councilmen felt there had been a significant loss, and one councilman answered that he did not know. To the question as to which local government would benefit most from the IFAM, only one believed San Jose would benefit most. Three felt San Jose and all the others would benefit relatively equally and six councilmen stated that the IFAM would be most beneficial for the other local governments. The interviewees were asked if the IFAM was a significant resource for the municipality of San Jose. Seven councilmen consider the IFAM of great importance and three believed it is of some importance.

The last question asked during the interviews also dealt with the IFAM. It asked the councilmen to "Specifically state what has been the biggest change in the function of the municipality as a result of the IFAM?" As expected, the answers varied somewhat. One answered that the local government could consider plans of greater magnitude because of being able to count on funds from the IFAM. Another answered that the

¹IFAM, Reunión de Ejecutivos de Instituciones de Crédito y Asesoría Municipal, Costa Rica, May 1971.

purchase by a number of municipalities of vacant lots for dumping trash had been the most significant. One councilman considered that change has been due to the new Municipal Code and not to the IFAM. Three of those interviewed did not want to comment on this aspect of the interview. Another councilman said that the municipality had experienced little if any changes due to the IFAM, whereas still another claimed it was too early to say whether the IFAM would cause any changes in the functions of the municipality. One of the members stated, "The IFAM has succeeded in getting the municipality to give up some of its revenue in order to support the bureaucracy of the IFAM." One councilman answered he did not know.¹

The interviews indicate some positive feelings about the IFAM. A substantial number see it as a source of funds, as having taken an insignificant amount of autonomy from the local government, and as being a resource of great importance. It is not surprising to find that the councilmen consider that the IFAM will be most beneficial for the other local governments. Such a projection would have been easy to make after reading the Baker, Pinto and Stone study.²

¹Interviews were structured as per the sample questionnaire found in the Appendix.

²Christopher E. Baker, Ronald Fernandez Pinto, and Samuel Z. Stone, op. cit.

CHAPTER V

CONCLUSIONS

The data which have been obtained should be used to gain insight into the behavior of a segment of the political process. To use the data to draw general conclusions would be to tread on dangerous ground. There are too many variables that have not been scrutinized but that intuitively affect the overall political process at the local level. An example of some independent variables that need to be considered, but which were not considered in this study, are those dealing with the personnel resources available to attract competent people to such organizations as the Executive Branch of the municipal government and to the IFAM. Just as important would be a profile study of the people motivated to seek election as councilmen. Another area of significance is the performance of the autonomous institutions. It is easy to fall into a trap and to conclude that since few demands in the areas of housing, urbanism, education, etc., are in fact made of the Council, that therefore such demands are made of the autonomous institutions. A study needs to be made to indicate clearly the output side of the autonomous institutions relative to the development needs of the local government and of the nation.

The five working hypotheses offered in the Introduction of this study were useful in giving direction to much of the research and, because of their consequences, each hypothesis deserves a brief analysis that will lead to more relevant and accurate statements useful in setting forth the necessary groundwork for future empirical studies, not only of the San Jose government, but of other similar organizations in developing areas.

Hypothesis 1

Historically the local government has had no autonomy and has done poorly dealing with local needs. This hypothesis is true in fact, but not in terms of the laws on the books. The laws dealing with the concept of autonomy for the local governments in Costa Rica go back to December 28, 1824, Decree No. 29, which established that municipalities were to exist in every town irrespective of population size. On June 13, 1828, Decree No. 71 defined the goals and objectives of local governments. Municipal legislation evolved until 1867, during which major efforts were made to strengthen local governments. Little further change occurred until the Municipal Code of 1970.¹

A careful analysis of the body of law dealing with municipal autonomy would lead to a rejection of the first segment of hypothesis number 1. However, this is an excellent example of "formalism" as defined by Riggs.² Over the nearly 150 years that have elapsed since the first policies regarding local government, an evolutionary process has been

¹Prof. Ligia de Arauz, "El Regimen Municipal", University of Costa Rica, History Department, Conference No. 3.

²Fred W. Riggs, "Prismatic Society" and the "Sala Model" in Nimrod Raphaeli Readings in Comparative Public Administration (Boston: Allyn and Bacon, Inc., 1967), pp. 415-416.

going on during which the national government took greater participation in and control of the affairs affecting local communities. The centralization became so intensive and ineffective that a structural change became the main objective of those seeking municipal reform. The reform is evident in the emergence of the Municipal Code, the IFAM and the Council-Manager system. That the performance of local governments has been poor is clearly indicated not only because of the reform which has taken place, but also through the analyses of the kinds of demands made of the Council. Even at this juncture in the municipal process, the municipal government is unable to deal with important issues, if for no other reason, than that over the years most important issues were dealt with at the national level. The bureaucracy at the national level will not easily return functions to the local level of government. Extreme caution must be exercised in promoting complete autonomy lest it becomes the end itself when in fact, in a sound concept of economic and social development, there should be considerable overlap between levels of government.

Hypothesis 2

From a political point of view, major allocation decisions are not made at the local government level. This hypothesis must be accepted on the basis of the data presented in this work. The lack of demands made of the Council in the areas of economic and social development indicate that the allocation, if made, will be made by the National Government through various channels. A clear definition of what is meant by major allocation decisions from a political point of view might be in order. One definition which could be used is that supplied by Easton in which he

states that what "distinguishes political interactions from all other kinds of social interactions is that they are predominantly oriented toward the authoritative allocation of values for a society."¹ There seem to be two major areas of consideration that indicate that the hypothesis is in fact true. First, using Easton's definition to trace the political process at the local level, one can substantiate that the San Jose Council does not engage in the activity of making authoritative decisions to any appreciable degree. Second, that even should you wish to include some of the activities of the Council within the scope of Easton's definition, the research would nevertheless prove that in terms of national development, the decisions made by the Council are not viewed as major.

The findings that substantiate the acceptance of hypothesis 1 give rise to the question of what role the Council plays in the political process. In the past there seems to be little doubt of the importance of the Municipal Council as an element in the political process. However, the data reflecting Council activities between January 1, 1972, and June 30, 1972, indicate that the Council now deals with issues of a procedural or administrative nature around activities such as issuing construction contracts and liquor licenses.

The period of study is too soon after the various changes that have been instituted to provide a more responsive local government, to determine the effectiveness of these changes. There is great awareness and concern regarding the need to have local government become an effective element of the political process in Costa Rica. As Carlos Manuel Vicente

¹David Easton, A Framework for Political Analysis (Englewood Cliffs: Prentice-Hall, Inc., 1965), pp. 49-50.

Castro, Minister of Government has said,

The State is the nation politically organized; and the municipality is the community politically organized.

Historically, local governments were born to face the power of Central Governments, mostly monarchic. But, at the same time, they emerged as a need of the communities, which became politically organized to fight for their own development, led by deliberating councils of authentic popular origin.¹

Hypothesis 3

The demands made of the municipal Council do not require the execution of the function of conflict resolution at the local level. This hypothesis must be accepted on the basis of the data obtained from the Minutes of the Council meetings. The rapidity with which demands were disposed of, either through a quick decision or no decision at all, makes it very difficult to believe that the Council functions as a body fulfilling the role of decision maker in a process of conflict resolution. The function of conflict resolution usually arises out of a need to allocate resources among competing groups. In the case of San Jose, the Municipal Council, as embodied in the new Municipal Code, has few resources. The resources it has are disposed of without the need to develop a clear-cut set of alternatives based on the utility of the decision. In other words, the Council seldom has to consider the kinds of choices that lead to political stability, national unification, national independence, accomodating conflicting group demands, reducing tension among regions and classes, and sustaining economic and social

¹Carlos Manuel Vicente Castro, Nuestro Gobierno y el Régimen Municipal, Ministry of Government, Republic of Costa Rica, 1972.

development.¹ Another indicator of conflict resolution could be the number of interactions among and between other local governments and between the San Jose Council and the Executive Branch of the National Government. These kinds of interventions were practically non-existent. In addition, there was little discussion with the Executive Branch of the Municipal Government which could be due to the fact that there were few demands presented to the Council that were not clearly within their jurisdiction, and therefore, the need did not exist for interfacing with other governmental sectors, including their own administrative unit. Baker, Pinto and Stone reached the same conclusion in their study of twenty-five other Costa Rican townships.²

Hypothesis 4

The Municipal Government of San Jose is seen as an organization that does not have sufficient resources for infra-structure development. This hypothesis stands up after consideration of the data on the Council and after close study of the budget prepared by the Municipal Executive. With regard to the Council, scrutiny of the kinds of demands presented to it, indicates that the Council is perceived as an organization that cannot deal effectively with demands requiring action on infra-structure projects. The number of demands asking for funds or materials were few. Unless autonomous institutions loosen their hold on these kinds of activities, the situation will continue as is.

¹Warren F. Ilchman and Norman Thomas Uphoff, The Political Economy of Change (Berkeley: University of California Press, 1971), p. 1.

²Baker, Pinto and Stone, op. cit.

Conclusions about the resources of the municipality must be made in light of the administrative budget. Special consideration should be given to Program Number 7 which has four subprograms dealing with streets, sewage systems, and parks. Program 7 is budgeted at 7,378,511.50 colones, but it is really nothing more than a maintenance kind of activity rather than a development oriented program.

Demands are not made of the Council because it is seen as an organization unable to provide satisfaction. This can be easily understood considering the role of local governments in the past. It is also true that the Council is not considered as a body to which individuals and groups make demands of national import. If Almond and Powell are correct, and interest articulation is the first step in the political conversion process, the government of San Jose is being by-passed on the demands that address the economic and social development of the nation. Neither is the municipality perceived as a spokesman for the community. Considering the substantial impact of the city of San Jose on the nation, it can be said that the political process is not presently decentralized, regardless of what is found on the statute books.

Hypothesis 5

Problems normally associated with a rapid growing urban community are not dealt with by the local government of San Jose but by the National Government of Costa Rica. This hypothesis is true and must be accepted on the basis of what has already been said in this chapter. The data substantiating this conclusion are overwhelming in that there was not a single situation that needed to be coded in categories associated with urbanization and modernization. Subjects such as population

growth, health, housing, education, employment, industrialization, agriculture, economic development, social and economic integration, urban and rural growth, political development, and the establishment of goals were never at issue in terms of problems associated with a growing and dynamic urban environment.

In the interest of intellectual honesty, a word of caution is necessary, not to qualify the position that this hypothesis must be accepted, but to highlight the fact that the assumption being made in the hypothesis is that if the municipal government is not dealing with urban problems, then the National government is. There is ample reason to accept this proposition based on the present study. However, the function and performance of the National government is beyond the scope of this work. Denton makes the point that Costa Rica has "taken to the use of semi-autonomous organizations in its public administration more than any other Latin American country."¹ This would tend to explain the lack of certain kinds of demands being made of the municipality. A network of autonomous and semi-autonomous institutions as vast as that found in Costa Rica appears to be so entrenched that effective decentralization of resources and responsibilities seems highly unlikely. The IFAM itself is somewhat of a contradiction. On one hand decentralization is provided for in the Municipal Code, and on the other, the IFAM is created to centralize a number of important activities. At any rate, the point is that at best the local governments in Costa Rica stand little chance in the near future of emerging as viable agents of change

¹Charles Frederick Denton, op. cit., p. 233.

and development.

Prospects for the Future

The structural changes represented by recent legislation are clearly in the right direction for re-organizing and strengthening the local governments. The reform has been comprehensive. The new Municipal Code is adequate to deal with present and near future needs. The new budget system has clarified objectives and delineated responsibility. The Council-Manager form of government has provided professional management of municipal activities. The IFAM is staffed to provide much needed technical expertise. In addition, tax reform established financial ability of local governments to the point of assuring considerable new financial resources to all the municipalities. All of these measures provide a better framework for local governments to work in. To be sure, the success of any of the reform measures will depend on the continuous commitment to improve the relative participation of local government in the political, economic, and social spheres. Commitment implies much more than an attitude. It implies re-assessment of national objectives and of the means to achieve them. It especially requires considerable emphasis on making public administration an effective means through which the nation can break the vicious circle of underdevelopment. To do any of these things, ability to produce the leadership necessary to set directions and to implement programs is crucial.

The local governments in Costa Rica must take advantage of their new capabilities for improving conditions in their communities. They should strive to become a significant force in the political process by promoting their existence as the most basic unit in the political

process capable of "converting demands into general policy alternatives."¹

San Jose is particularly well off when it comes to the probability of success. There are a number of factors in its favor. Recently the birth rate has been decreasing from what has been the highest in Latin America. The economic growth rate has been high and steady for a decade, and per capita income has increased considerably. Costa Rica, as a country, has a stable political climate and a population homogeneity and quality that may well be its greatest asset.

¹Gabriel A. Almond and G. Bingham Powell, op. cit., p. 98.

APPENDIX A

CODING SCHEME FOR CLASSIFICATION OF DEMANDS

CODING SCHEME FOR CLASSIFICATION OF DEMANDS

<u>VARIABLE 1 - Month of Introduction</u>	<u>Data Base</u>
(1) January	155
(2) February	165
(3) March	172
(4) April	160
(5) May	196
(6) June	209
 <u>VARIABLE 2 - Type of Demand</u>	
(1) <u>New Demand</u>	532
<u>Example:</u> Minutes of Meeting No. 219 of January 3, 1972 wherein Mr. Carl Kitzing, Manager of Carl Kitzing Co., refers to the order of demolition of a wall located at 40th Street and Third Avenue.	
(2) <u>Follow-up Demand</u>	433
<u>Example:</u> Minutes of Meeting No. 236 of February 14, 1972 wherein the National Electric Service informs the Municipality of the designation of Fernando Chavarria Loaiza as Inspector of Township Waters for the Township of San Jose.	
(3) <u>Not Clear Whether (1) or (2)</u>	87
<u>Example:</u> Minutes of Meeting No. 254 of March 24, 1972 wherein Mr. Juan Ramon Alvarado makes a request for a donation of land to build a home.	
(4) <u>Other</u>	5
<u>Example:</u> Minutes of Meeting No. 219 of January 3, 1972 wherein Mr. Wilfred Eichborn thanks the Municipality for the agreement on the birth of Johannes Keppler.	
 <u>VARIABLE 3 - General Origin</u>	
(1) <u>Non-governmental - local</u>	389
<u>Example:</u> Minutes of Meeting No. 263 of	

Data Base

April 21, 1972 wherein Mr. Doruch Zomer Zomer claims payment for a piece of land.

(2) Governmental - Municipal 264

Example: Minutes of Meeting No. 221 of January 7, 1972 wherein the Municipal Executive remits Modification No. 53 to the 1971 Budget for Programs.

(3) Governmental - other local 53

Example: Minutes of Meeting No. 242 of February 28, 1972 wherein the Municipal Executive forwards note from Mr. Edwin Corrales C., Fire Superintendent of the National Insurance Institute on the subject of inspection of hydrants and water outlets in the community of San Sebastian.

(4) Deputy 4

Example: Minutes of Meeting No. 271 of May 12, 1972 wherein Deputy Angel F. Solano Calderon, Secretary of the Permanent Commission on Economics of the Legislative Assembly, requests the Municipality's criteria with regard to the law which "Authorizes the Central Government and the Decentralized Organizations, to assign budgetary funds for the promotion of national arts", published in Alcance No. 133 to the Gazette No. 248 of December 15, 1971.

(5) Autonomous Institution 18

Example: Minutes of Meeting No. 257 of April 7, 1972 wherein Mr. Luis Bernal Montes de Oca, Director of ITCA requests a hearing.

(6) Other governmental - external 4

Example: Minutes of Meeting No. 238 of February 18, 1972 wherein Mr. José de J. Conejo, Chief Economist and Technical Assistant of the Ministry of Foreign Relations informs the Municipality of a scholarship offered by the OAS for a course in Tel Aviv on Urban Development Financing.

Data Base

- (7) Non-governmental - external 5

Example: Minutes of Meeting No. 220 of January 5, 1972 wherein Mr. Asdrubal Quesada of the National Bus Service requests assistance insofar as fares are concerned.

- (8) Other 1

Example: Minutes of Meeting No. 219 of January 3, 1972 wherein a message from Mrs. Karen Olsen de Figueres wishing the Municipality a Merry Christmas and a Happy New Year was read.

- (9) Undetermined 0

VARIABLE 4 - Specific Origin

(Non-governmental - local)

- (1) Private citizen 183

Example: Minutes of Meeting No. 263 of April 21, 1972 wherein Mr. Doruch Zomer Zomer claims payment for a piece of land.

- (2) Unorganized group 38

Example: Minutes of Meeting No. 222 of January 10, 1972 wherein the residents of Barrio Fatima request the Municipality to force Mrs. Agapita or Carmen Romero Ureña to construct streets, sewers, etc., and urbanize the section.

- (3) Formally organized, temporary group 4

Example: Minutes of Meeting No. 284 of June 12, 1972 wherein Mr. Alfonso Rodriguez B., in behalf of Parents and others of the Julia Lang and America School, complains that the San Jose Board of Education leased the school buildings for adult teaching in the evening with the consequent dangers for the school children.

- (4) Formally organized, permanent group 72

Example: Minutes of Meeting No. 234 of

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February 9, 1972 wherein the Social Welfare Committee of the Cristo Rey neighborhood denounces the utilization of the Municipal hatchery as a sewer.

(5) Church group 11

Example: Minutes of Meeting No. 219 of January 3, 1972 wherein Sister Marfa Romero, Director of Social Works of Marfa Auxiliadora thanks the Municipality for the donation of toys for the poor children.

(6) Private firm 82

Example: Minutes of Meeting No. 237 of February 16, 1972 wherein it is informed that new information is expected from Mr. William F. Busser of International Executive Corporation on the study of the quality of air in San Jose and vicinity.

(7) Other 0

(8) Undetermined 0

(Governmental - Municipal)

(9) Councilman/Alternate 135

Example: Minutes of Meeting No. 248 of March 13, 1972 wherein a request was made to the Ministry of the Treasury for 30,000 Colones to be transferred to the Municipality to pay for the mercury lamps in La Salle Urbanization.

(10) Trustee 9

Example: Mr. Arturo Quiros Alvares, in Minutes of Meeting No. 219 of January 3, 1972, in his capacity as Municipal Secretary of the Township of Tibas, informs on the designation of a representative to the Special Committee for the solution of the problems related to the disposal of trash.

(11) Council 58

Example: Minutes of Meeting No. 239 of

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February 21, 1972 wherein the Council designates the President and Municipal Executive to visit the Minister of Public Works and Transportation to inquire as to when the buildings vacated will be available for the installation of the Central Market.

(12) Political Chief/Municipal Executive 41

Example: Minutes of Meeting No. 255 of April 3, 1972 wherein the Municipal Executive informs on pension payment to Samuel Murillo Ugalde and Jose Cantillano Gamboa.

(13) Other 14

Example: Minutes of Meeting No. 236 of February 14, 1972 wherein Mr. Arnolando Castro Rojas, Secretary of the Municipal Workers' Union informs the Municipality of the new Board of Directors.

(14) Undetermined 0

(Governmental - other local,
institutional and related
personnel)

(15) Education and Nutrition Center 1

Example: Minutes of Meeting No. 219 of January 3, 1972 wherein the Education and Nutrition Center thanks the Municipality for toys given the poor children of María Reina de Pavas.

(15a) Laborer's Bank 1

Example: Minutes of Meeting No. 227 of January 21, 1972 wherein a note from the Laborer's Bank remained on the table after being read.

(16) National Nutrition Clinic 1

Example: Minutes of Meeting No. 219 of January 3, 1972 wherein Dr. Uriel Badilla Fernandez, Director of the Nutrition Clinic of Tres Rios requests financial assistance to continue his work.

Data Base

- (16a) Mixed Social Welfare Institute 1

Example: Minutes of Meeting No. 232 of February 4, 1972 wherein Note #000338 from the Municipal Executive forwarding note from the Mixed Social Welfare Institute (IMAS) on steps taken by Miss Nury Vargas about the land in Cristo Rey, was read.

- (16b) Physical Education Department 1

Example: Minutes of Meeting No. 234 of February 9, 1972 wherein Professor Rafael Angel Cuberos, Director General of Sports thanks all municipalities for sending scholarship students to the first course on sports monitoring of the National Trainers and Umpire School.

- (17) Community Development Committee 2

Example: Minutes of Meeting No. 219 of January 3, 1972 wherein Mr. Eudolfo Solano Valverde, President of the Community Development Committee of Hatillo requests assistance for the construction of twelve classrooms in the Republic of Paraguay School.

- (17a) Children's Neuro-psychiatric School 1

Example: Minutes of Meeting No. 231 of February 2, 1972 wherein the Principal of the Children's Neuro-psychiatric School requests financial assistance.

- (17b) Department for the Control of Intestinal Parasitism 1

Example: Minutes of Meeting No. 233 of February 7, 1972 wherein a note from Dr. Amado Arias Viquez, Director of the Department of Research against Intestinal Parasites, informing on certain aspects of the national letratinization program was read.

- (18) School for Special Education 1

Example: Minutes of Meeting No. 221 of January 7, 1972 wherein a note from the School

Data Base

for Special Education requesting permission to park a bus on Fernandez Guell Avenue. The bus is to be raffled off for the benefit of the school.

(18a) First Circuit Court of Administrative Litigation 1

Example: Minutes of Meeting No. 231 of February 2, 1972 wherein File No. 1776 was presented by the First Circuit Court on appeal made by Mr. Wolfgang Weigel Maiss.

(18b) Presidency 2

Example: Minutes of Meeting No. 241 of February 25, 1972 wherein a note from Mrs. Karen Olsen de Figueres was read.

(19) Rodrigo Facio College 2

Example: Minutes of Meeting No. 254 of March 24, 1972 wherein Professor Luis Castro Rodriguez of the Rodrigo Facio College requests financial assistance to transmit the Battles of Santa Rosa and Rivas over the radio.

(19a) Comptroller's Office 3

Example: Minutes of Meeting No. 238 of February 18, 1972 wherein Mr. Rafael A. Chinchilla the Assistant Comptroller General refers to Circular No. 3-L-72 regarding street sales, and other aspects.

(19b) National Electricity Service 1

Example: Minutes of Meeting No. 236 of February 14, 1972 wherein the National Electricity Service informs of the designation of Engineer Fernando Chavarria Loaiza as Township Water Inspector for the Township of San Jose.

(20) Costa Rica School 1

Example: Minutes of Meeting No. 225 of January 17, 1972 wherein Mrs. Myriam de Garcia requested the construction of an apartment in the Costa Rica School for the installation of a dental clinic.

Data Base

- (20a) Dominican Republic School 3
- Example: Minutes of Meeting No. 225 of January 17, 1972 wherein the request by Mrs. Mercedes de Moya for the construction of a sidewalk around the school was denied.
- (20b) Safety and Industrial Hygiene Council 3
- Example: Minutes of Meeting No. 232 of February 4, 1972 wherein Mr. Alcides Ratana Fallas, President of the Safety and Industrial Hygiene Council informs that on January 31 the Chartier gasoline station, located on Second Streets, 8th and 10th Avenue, was closed.
- (20c) National Safety Institute 2
- Example: Minutes of Meeting No. 242 of February 28, 1972 wherein the Municipal Executive forwards note from the Chief of Fire Department and Insurance Superintendent on inspection of fire hydrants and water outlets in the District of San Sebastian.
- (20d) Ministry of Culture, Youth and Sports 4
- Example: Minutes of Meeting No. 244 of March 3, 1972 wherein the Minister of Culture, Youth and Sports makes request for the celebration of the Book Fair.
- (20e) National Immigration Council 1
- Example: Minutes of Meeting No. 248 of March 13, 1972 wherein the Council read a note from Mrs. Flora Lara Yglesias regarding whether a foreigner can be granted permission to engage in commerce.
- (20f) Republic of Mexico College 1
- Example: Minutes of Meeting No. 248 of March 13, 1972 wherein the Principal of the Republic of Mexico College forwards the names suggested for election to the Board.
- (20g) Sanitation 1

Example: Minutes of Meeting No. 251 of March 20, 1972 wherein Mr. Ernesto Ramos Santiesteban makes a complaint for sewer drainage in the Lincoln area.

(20h) Ministry of Public Works and Transportation 2

Example: Minutes of Meeting No. 284 of June 12, 1972 wherein the Council read a note from Mr. Juan Jose Murillo, Chief of the Legal Department of the Ministry of Public Works and Transportation on the cession to the State of a piece of land to effect the deviation of the Ocloro River.

(20i) Popular and Community Development Bank 1

Example: Minutes of Meeting No. 254 of March 24, 1972 wherein the Public Relations Manager of the Popular and Community Development Bank, Mr. Henry Oconitrillo Lara, informs the Municipality of the first candidates to the permanent National Board of Directors.

(20j) Provincial School Board 2

Example: Minutes of Meeting No. 254 of March 24, 1972 wherein Professor Carlos Ruiz Porras Alvarez, Director of Provincial Schools forwards candidates for the reorganization of the Board of Education for the Virilla School District.

(20k) United Nations School 1

Example: The Minutes of Meeting No. 254 of March 24, 1972 indicate that the request made by Mrs. Enilce M. de Garita of the United Nations School was denied.

(20l) National Geographic Institute 1

Example: Minutes of Meeting No. 263 of April 21, 1972 wherein the Council read a Circular from the Director General of the National Geographic Institute with regard to the Republic's Administrative Territorial Division and requesting lists of all the urbanizations authorized to date.

Data Base

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|-------|---|---|
| (20m) | <u>Board of Education</u> | 4 |
| | <u>Example:</u> Minutes of Meeting No. 269 of May 8, 1972 wherein the San Jose Board of Education requests the ratification of approval of blue-prints for the Topol Urbanization. | |
| (20n) | <u>Girls' High School</u> | 1 |
| | <u>Example:</u> Minutes of Meeting No. 271 of May 12, 1972 wherein Professor Ana Cecilia Quiros Berrocal forwards the names of three candidates to the Board of Directors of the Girls' High School. | |
| (20o) | <u>San Jose Teachers' College</u> | 2 |
| | <u>Example:</u> Minutes of Meeting No. 272 of May 15, 1972 wherein the Council read a letter from the Professors of the San Jose Teachers' College requesting the study of plans and designs of the block known as Professors of Teachers' College Row. | |
| (20p) | <u>Ministry of Agriculture and Cattle Farming</u> | 1 |
| | <u>Example:</u> Minutes of Meeting No. 276 of June 12, 1972 wherein the Council read a letter from Engineer Mario A. Boza from the Ministry of Agriculture requesting trash cans for the Poas Volcano National Park. | |
| (20q) | <u>Civil Guard</u> | 1 |
| | <u>Example:</u> Minutes of Meeting No. 284 of June 12, 1972 wherein Captain Carlos L. Martinez Delgado, Third Commandant of the 2nd Company of the Civil Guard requests the cement benches which are being removed from the Spain Park to place them in the Company's Park. | |
| (20r) | <u>Children's Home</u> | 1 |
| | <u>Example:</u> Minutes of Meeting No. 290 of June 26, 1972 wherein the President of the orphanage requests a decision on the request made in June of 1971 for the payment of a piece of land. | |
| (20s) | <u>Miguel de Cervantes School</u> | 1 |

Data Base

- (20t) Liceo Nuevo School of Hatillo 1

Example: Minutes of Meeting No. 292 of June 30, 1972 wherein the lists of candidates for the Administrative Board of the Liceo Nuevo of Hatillo were discussed.

- (20u) National Production Council 1

Example: Minutes of Meeting No. 237 of February 16, 1972 wherein the Council read Notes No. 000478 and No. 18309 on expropriation of land belonging to Mr. Jose Pujol.

- (20v) Ministry of Government 1

Example: Minutes of Meeting No. 237 of February 16, 1972 wherein Note No. 01350 from the Minister of Government, Police, Justice and Grace on the construction of civic centers was read.

(Deputy)

- (21) Deputy 4

Example: Minutes of Meeting No. 228 of January 24, 1972 wherein support is granted the Municipality of Coronado and the project of law of Deputy Araya Vargas is recommended on the non-taxing of agricultural implements.

(Autonomous Institutions)

- (22) National Sewer and Water Systems Service (SNAA) 2

Example: Minutes of Meeting No. 284 of June 12, 1972 wherein Engineer Herbert Ferrer C. of the SNAA answered notes of residents of 10th Street and indicates that the sewer they refer to is the property of the Municipality as it is rain water and not sewage.

- (22a) Municipal Development and Advisory Institute (IFAM) 3

Example: Minutes of Meeting No. 248 of March 13, 1972 wherein letter from the Director General of IFAM on disposition, pick-up and treatment of trash was read.

Data Base(23) National Housing and Urbanization
Institute (INVU)

6

Example: Minutes of Meeting No. 272 of May 15, 1972 wherein the National Housing and Urbanization Institute refers to request made by the Professors of the San Jose Teachers' College.

(23a) Electoral College

4

Example: Minutes of Meeting No. 219 of January 3, 1972 wherein the Electoral College forwards the census of constituents for the nation.

(24) Governor of San Jose Province

1

Example: Minutes of Meeting No. 234 of February 9, 1972 wherein copy of document No. 00350 from Mrs. Matilde Marin de Soto, Governor of the Province, was read.

(25) Other

8

Example: Note from the IMAS referring to request from Alfonso Carvajal Bejarano to construct house on Municipal property.

(26) Undetermined

0

(Non-governmental - external)

(27) Non-governmental - external

6

Example: Minutes of Meeting No. 240 of February 28, 1972 wherein authorization is granted the Embassy of the Republic of Argentina to celebrate a children's book show.

(28) Other

1

Example: The congratulatory message from Mrs. Karen Olsen de Figueres wishing the Council Happy Holidays was read.

(29) Undetermined

0

VARIABLE 5 - Method of Presentation

- | | |
|--|-----|
| (1) <u>Originator - in writing</u> | 196 |
| <u>Example:</u> Minutes of Meeting No. 263 of April 21, 1972 wherein Mr. Doruch Zomer Zomer makes claim in his letter for payment of a piece of land. | |
| (2) <u>Originator - in person</u> | 23 |
| <u>Example:</u> Minutes of Meeting No. 228 of January 24, 1972 wherein motion by Chavez Molina is rejected since the "theft by use" phrase refers solely to movable goods and cannot be applied to real estate. | |
| (3) <u>Originator - undetermined</u> | 1 |
| <u>Example:</u> Minutes of Meeting No. 254 of March 24, 1972 wherein Public Relations Chief, Edgar Saborio Mejia, informs that he will be on vacation from the 27th of March to the 15th of April. | |
| (4) <u>Spokesman - in writing</u> | 164 |
| <u>Example:</u> Minutes of Meeting No. 242 of February 28, 1972 wherein Professor Rafael Angel Cuberos from the Ministry of Culture, Youth and Sports requests the name of the person who is to substitute for Councilman Jimenez Duran on the Sports Committee. | |
| (5) <u>Spokesman - in person</u> | 14 |
| <u>Example:</u> Minutes of Meeting No. 260 of April 14, 1972 wherein the National Youth Movement invites the Municipality to attend the celebration of their 7th Anniversary. | |
| (6) <u>Councilman/Alternate</u> | 145 |
| <u>Example:</u> Minutes of Meeting No. 249 of March 15, 1972 wherein authorization was granted the Municipal Executive to publish bid on the purchase of oil and derivatives. | |
| (7) <u>Trustee</u> | 22 |

Data Base

Example: Minutes of Meeting No. 277 of May 27, 1972 wherein the Trustee of the Zarcero Municipality informs the Council that the Municipality of Zarcero repudiates the aggression against the American Embassy.

(8) Political Chief/Municipal Executive 54

Example: Minutes of Meeting No. 247 of March 10, 1972 wherein the Municipal Executive presents note on disability pensions to Municipal employees to be paid by the Social Security Bank.

(9) Other 18

Example: Minutes of Meeting No. 237 of February 16, 1972 wherein the Council read a report from the Financial Department on the claim made by Mr. Claudio Zamora Gonzalez on Liquor License No. 323.

(10) Undetermined 1

Example: Minutes of Meeting No. 237 of February 16, 1972 wherein the decision of the Public Relations and Protocol Committee on the inauguration of playgrounds in Ciudad Satelite of Hatillo is returned for a modification.

VARIABLE 6 - Scope (Private-Public Dimension)

(1) Private interest or benefit 222

Example: Minutes of Meeting No. 263 of April 21, 1972 wherein Mr. Doruch Zomer Zomer claims payment of a piece of land.

(2) Public interest or benefit 360

Example: Minutes of Meeting No. 225 of January 17, 1972 wherein the matter of parking areas is discussed.

(3) Church interest or benefit 6

Example: Minutes of Meeting No. 232 of February 4, 1972 wherein Mr. Clinton Padgett informs the Municipality of the placing of three parking meters in front of the Church

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and requests that they be removed.

- (4) Mixed private-public interest or benefit 83

Example: Minutes of Meeting No. 250 of March 17, 1972 wherein accounts as presented are approved and payment of same is ordered.

- (5) Other 37

Example: Minutes of Meeting No. 230 of January 28, 1972 wherein the Public Relations Department remits note from Mrs. Olga Solano Bolaño announcing the arrival of Miss Nazla I. Dane and requesting that some courtesy be extended.

- (6) Undetermined 30

Example: Minutes of Meeting No. 263 of April 21, 1972 wherein the Council decides that the Municipality of San Jose is in no condition to send delegates to Asuncion, Paraguay.

VARIABLE 7 - Scope (Territorial Dimension)

- (1) Individual 213

Example: Minutes of Meeting No. 263 of April 21, 1972 wherein Mr. Doruch Zomer Zomer claims payment for a piece of land.

- (2) District 298

Example: Minutes of Meeting No. 238 of February 18, 1972 wherein motion is made to forward request to transit authorities for the establishment of a pedestrian area.

- (3) Countrywide 163

Example: Minutes of Meeting No. 232 of February 4, 1972 wherein the period granted for the renewal of liquor licenses is extended.

- (4) Other 64

Example: Minutes of Meeting No. 241 of February 25, 1972 wherein the Municipal

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Executive forwards documents regarding problems with Facó, Ltd.

VARIABLE 8 - Resources asked for

- (1) Future Budget or external budget 95

Example: Minutes of Meeting No. 263 of April 21, 1972 wherein Mr. Doruch Zomer Zomer claims payment for a piece of land.

- (2) Services 191

Example: Minutes of Meeting No. 271 of May 12, 1972 wherein a note from the Electoral College requesting lists of constituents was discussed.

- (3) Regulation 85

Example: Minutes of Meeting No. 248 of March 13, 1972 wherein Mr. Hernan Alvares Moya requests permission to make an addition on his property.

- (4) Advisory 23

Example: Minutes of Meeting No. 254 of March 24, 1972 wherein the Provincial School Director of San Jose forwards candidates for the Sacred Heart Education Board.

- (5) Investigative 38

Example: Minutes of Meeting No. 263 of April 21, 1972 wherein Mrs. Vilma A. Zamora requests an inspection and warning against Mr. Alvaro Torres with regard to the type of business.

- (6) Internal Regulation 66

Example: Minutes of Meeting No. 219 of January 3, 1972 wherein Mr. Karl Jurgen Kitzing refers to the demolition order on a wall which he must keep to repair and decorate as he has done on another portion of same.

- (7) Procedural - related 99

Example: Minutes of Meeting No. 270 of May 10,

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1972 wherein motion presented by Councilmen Chavez Molina, Chacon Arroyo and Badilla Mora with regard to making a public statement to the effect of obtaining world peace and disapproval of the blockage authorized by the President of the United States in Viet Nam.

- (8) Good offices re: demand addressed to public entity or individual 30

Example: Minutes of Meeting No. 221 of January 7, 1972 wherein Mrs. Angela Flores Navarro states that she is being fined for a supposed obstruction on her sidewalk when it was the SNAA who made a hole on the sidewalk to place a meter and asks who is responsible for said fine.

- (9) Good offices re: demand addressed to private entity or individual 0

- (10) Good offices re: demand addressed to mixed private-public 0

- (11) Good offices re: demand addressed to other or undetermined 0

- (12) Material assistance - money (includes municipal property) 33

Example: Minutes of Meeting No. 225 of January 17, 1972 wherein the Family Welfare Committee requests 5% of the income from parking meters to enable them to do their job successfully.

- (13) Material assistance - materials 7

Example: Minutes of Meeting No. 221 of January 7, 1972 wherein the Integral Community Development Committee of Paso Ancho Norte informs that the work on the bridge over the Maria Aguilar River has already been started and that they will continue to fight for public lighting.

- (14) Material assistance - equipment 8

Example: Minutes of Meeting No. 252 of March 22, 1972 wherein Bid No. 17-72 is granted to Almacen Font.

Data Base

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|------|---|---|
| (15) | <u>Material Assistance - labor</u> | 2 |
| | <p>Example: Minutes of Meeting No. 251 of March 20, 1972 wherein Mr. Alejandro Abellan Cisneros informs that the access road to 30th Avenue and 10th Street has become a trash pile.</p> | |
| (16) | <u>Material assistance - money and materials</u> | 1 |
| | <p>Example: Minutes of Meeting No. 246 of March 8, 1972 wherein motion is made by Councilman Chavez Molina to supply the sum of 5,000 Colones to provide the families affected by a fire in Barrio Cuba with staples and household items.</p> | |
| (17) | <u>Material assistance - money and labor</u> | 0 |
| (18) | <u>Material assistance - money and equipment</u> | 0 |
| (19) | <u>Material assistance - materials and equipment</u> | 0 |
| (20) | <u>Material assistance - materials and labor</u> | 1 |
| | <p>Example: Minutes of Meeting No. 268 of May 5, 1972 wherein Sor Maria del Rosario Moya, Principal of the Orphanage requests assistance for the building of booths for the yearly school fair.</p> | |
| (21) | <u>Material assistance - equipment and labor</u> | 2 |
| | <p>Example: Minutes of Acta No. 235 of February 11, 1972 wherein a motion is presented by Councilman Chavez Molina to the effect that the Municipality purchase two rigs to clear the streets of abandoned vehicles.</p> | |
| (22) | <u>Material assistance - money, materials and labor</u> | 0 |
| (23) | <u>Material assistance - money, materials and equipment</u> | 0 |
| (24) | <u>Material assistance - money, equipment and labor</u> | 0 |
| (25) | <u>Material assistance - materials, equipment and labor</u> | 1 |

Data Base

Example: Minutes of Meeting No. 246 of March 8, 1972 wherein the residents of 17th, 19th and 20th Streets complain of the problems brought about by a stopped up sewer.

- (26) Material assistance - money, materials, equipment and labor 23

Example: Minutes of Meeting No. 219 of January 3, 1972 wherein a note by Ernesto Gonzalez and Francisco Escobar with reference to the construction of a cemetery was read.

- (27) Material assistance - unspecified 1

Example: Minutes of Meeting No. 231 of February 2, 1972 wherein the Executive passes on the documents on the labor of Social Worker Angelé with regard to families affected by fire of December 13 in Paso Ancho.

- (28) Other combinations 2

Example: Minutes of Meeting No. 254 of March 24, 1972 wherein a request made by Mr. Juan Ramon Alvarado for a piece of land was denied.

- (29) Other 16

Example: Minutes of Meeting No. 275 of May 22, 1972 where Councilman Ramirez Azofeifa informs of his election as President of the Public Works Committee and names the Vice President and Secretary.

- (30) Demand Denied (only used in case of Variable 9) 0

- (31) Undetermined 7

Example: Minutes of Meeting No. 253 of March 23, 1972 wherein a note from the Municipal Executive No. 000948 on the case of Eden Sanchez Muñoz was discussed.

- (32) Scholarships 3

Example: Minutes of Meeting No. 224 of January 14, 1972 wherein File No. 2450, Index 428 is forwarded to the Budget Committee for

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financial assistance to be made available for scholarships.

VARIABLE 9 - Resources drawn upon

- (1) Future budget or external budget 67

Example: Minutes of Meeting No. 282 of June 7, 1972 wherein Mr. Fernando Carvajal Ruiz, Trustee Alternate for San Sebastian requests that he be paid the fees as Trustee for the sessions he attended although some meetings were also attended by the Principal.

- (2) Services 145

Example: Minutes of Meeting No. 284 of June 12, 1972 wherein Note No. 001840 from the Municipal Executive with regard to Quepos Progressive Board on the sale of Municipal benches was read.

- (3) Regulation 64

Example: Minutes of Meeting No. 292 of June 30, 1972 wherein the installation of steel doors without Municipal permission is suspended.

- (4) Advisory 19

Example: Minutes of Meeting No. 292 of June 30, 1972 wherein a Telegram from Deputy Mireya Guevara de Padilla requesting the Municipality's opinion on the project to force the municipalities to supply an annuity to the township sports committees was read.

- (5) Investigative 29

Example: Minutes of Meeting No. 274 of May 19, 1972 wherein Mr. Fernando Fournier Acuña informs that he sold a property located in San Sebastian to Galimentel, S. A. on July 30, 1970 and on that date paid up all taxes accrued and also that the new owner is now being charged with a supposed fine for constructing without permission.

- (6) Internal regulation 50

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Example: Minutes of Meeting No. 262 of April 19, 1972 wherein a motion is made by Councilman Aguilar Aguilar with regard to allowing national artists to use the Zapote Plaza.

- (7) Procedural related 76

Example: Minutes of Meeting No. 228 of January 24, 1972 wherein Councilman Alvaro Umaña is designated as representative on the Board of Directors of the Popular Bank.

- (8) Good offices re: demand addressed to public entity or individual 20

Example: Minutes of Meeting No. 233 of February 7, 1972 wherein a letter from the Labor Unions addressed to the Municipal Executive on the case of Claudio Artavia Artavia was read.

- (9) Good offices re: demand addressed to private entity or individual 1

Example: Minutes of Meeting No. 239 of February 21, 1972 wherein motion was made by Councilman Chavez Molina to demand from the corresponding railroad companies that they fix the roads at crossings.

- (10) Good offices re: demand addressed to mixed private-public 0

- (11) Good offices re: demand addressed to other or undetermined 0

- (12) Material assistance - money (includes municipal property) 24

Example: Minutes of Meeting No. 263 of April 21, 1972 wherein Mr. Doruch Zomer Zomer claims payment for a piece of land.

- (13) Material assistance - materials 6

Example: Minutes of Meeting No. 244 of March 3, 1972 wherein Rev. Jorge Perez Martinez requests materials to remodel the Maria Reina del Universo Chapel.

Data Base

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| (14) | <u>Material assistance - equipment</u> | 6 |
| | <u>Example:</u> Minutes of Meeting No. 259 of April 12, 1972 wherein Bic No. 14-72 was granted Almacen Font. | |
| (15) | <u>Material assistance - labor</u> | 2 |
| | <u>Example:</u> Minutes of Meeting No. 239 of February 21, 1972 wherein a request was made for a Community Engineer to help in block construction in La Ermita. | |
| (16) | <u>Material assistance - money and materials</u> | 1 |
| | <u>Example:</u> Minutes of Meeting No. 246 of March 8, 1972 wherein motion was made by Councilman Chavez Molina to supply the sum of 5,000 Colones to provide the families affected by a fire in Barrio Cuba with staples and household items. | |
| (17) | <u>Material assistance - money and labor</u> | 0 |
| (18) | <u>Material assistance - money and equipment</u> | 0 |
| (19) | <u>Material assistance - materials and equipment</u> | 0 |
| (20) | <u>Material assistance - materials and labor</u> | 0 |
| (21) | <u>Material assistance - equipment and labor</u> | 0 |
| (22) | <u>Material assistance - money, materials and labor</u> | 0 |
| (23) | <u>Material assistance - money, materials and equipment</u> | 0 |
| (24) | <u>Material assistance - money, equipment and labor</u> | 0 |
| (25) | <u>Material assistance - materials, equipment and labor</u> | 2 |
| | <u>Example:</u> Minutes of Meeting No. 246 of March 8, 1972 wherein the residents of 17th, 19th and 20th Streets complain of the problems brought about by a stopped up sewer. | |
| (26) | <u>Material assistance - money, materials, equipment and labor</u> | 17 |

Data Base

Example: Minutes of Meeting No. 232 of February 4, 1972 wherein Mr. Alvaro Sancho, Manager of Monterrey Co., Ltd. requests that 5th Avenue be asphalted.

- (27) Material assistance - unspecified 2

Example: Minutes of Meeting No. 280 of June 2, 1972 wherein Note No. 001706 from the Municipal Executive attaching note No. 370DM72 from Mr. Alberto Cañas, Minister of Culture and Sports requesting the symbolic lease of a lot to construct the House of the Author was read.

- (28) Other combinations 0

- (29) Other 12

Example: Minutes of Meeting No. 247 of March 10, 1972 wherein the residents of Martinez and Melendez complain about the construction of five houses.

- (30) Demand Denied 2

Example: Minutes of Meeting No. 271 of May 12, 1972 wherein Resolution was read by which appeal on revocation is admitted on construction permit requested by Mr. Francisco Constenla Garcia.

- (31) Undetermined 4

Example: Minutes of Meeting No. 253 of March 23, 1972 wherein the Municipal Executive forwards note on the case of Mrs. Juana Sandino Chaverri.

- (32) Scholarships 0

- (33) No resources drawn upon 190

VARIABLE 10 - Source of Resources Required to Resolve Demand

- (1) Existing Municipal resources 489

Example: Minutes of Meeting No. 232 of February 4, 1972 wherein the Merchant Union requests a list of Commercial Licenses issued to foreigners residing in San Jose.

- (2) Future Municipal resources 190

Data Base

Example: Minutes of Meeting No. 263 of April 21, 1972 wherein Mr. Doruch Zomer Zomer requests payment for a piece of land.

- (3) Extra Municipal resources - Executive 1

Example: Minutes of Meeting No. 235 of February 11, 1972 wherein it is agreed to increase the Municipal Executive's salary by 500 Colones and an extraordinary budget is created to this effect.

- (4) Extra Municipal resources - loans 1

Example: Minutes of Meeting No. 254 of March 24, 1972 wherein request made by Mrs. Emilce M. De Garita of the United Nations School is denied.

- (5) Extra Municipal resources - bonds 0

- (6) Other 68

Example: Minutes of Meeting No. 241 of February 25, 1972 wherein Jaime Ramirez and Carlos Maria Cascante Barboza offer to donate strip of land.

- (7) Undetermined 9

Example: Minutes of Meeting No. 233 of February 7, 1972 wherein Dr. Amado Arias Viquez informs of certain aspects of the National Letrinization Program according to Law No. 4825 of July 29, 1971.

VARIABLE 11 - General Subject

- (1) Complaints re: personnel and internal investigation 14

Example: Minutes of Meeting No. 260 of April 14, 1972 wherein motion was presented by Councilman Chavez Molina to the effect that an addition should be made to the Internal Work Regulations so that no Municipal Official may perform any work which requires Municipal authorization.

- (2) External investigation 17

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Example: Minutes of Meeting No. 268 of May 5, 1972 wherein a letter from Councilman Antonio Anchia Mora informing that Varela Street is interrupted for traffic is read.

(3) Procedural 135

Example: Minutes of Meeting No. 244 of March 3, 1972 wherein Mrs. Maria Fernandez Alvarado informs on her financial situation with regard to fine imposed for construction of port-cochere in her residence.

(4) Liquor Licenses 5

Example: Minutes of Meeting No. 232 of February 4, 1972 wherein the period of renewal for liquor licenses is extended to February.

(5) Other Licenses 11

Example: Minutes of Meeting No. 268 of May 5, 1972 wherein the residents of Aguantafilo request sale permit to be issued to Mr. Gerardo Zuñiga Garcia.

(6) Construction permits 65

Example: Minutes of Meeting No. 261 of April 17, 1972 wherein Mr. Hubert Federspiel informs that the installation of iron doors at his place of business had to be erected slightly beyond the construction line and requests permission to finish work in this manner.

(7) Regulation of public transportation 4

Example: Minutes of Meeting No. 284 of June 12, 1972 wherein a motion is made by Councilman Solano Guillen to give financial feasibility to Agreement No. 4, Article 3, Session No. 44 of October 2, 1970 regarding transportation.

(8) Law and order - public morality 7

Example: Minutes of Meeting No. 237 of

Data Base

February 16, 1972 wherein the Municipality of Cartago manifests its support against subversion of public order.

- (9) Other regulations and permits 59

Example: Minutes of Meeting No. 251 of March 20, 1972 wherein Mr. Juan Jose Jimenez Porras requests renewal of contract on lease of land in Uruca Plaza.

- (10) Roads and bridges - construction 16

Example: Minutes of Meeting No. 251 of March 20, 1972 wherein a motion is presented by Councilman Aguilar Aguilar for the Municipal Executive to meet with the Customs Administrator on the paving of 3rd Avenue and 23rd and 25th Streets.

- (11) Roads and bridges - maintenance 49

Example: Minutes of Meeting No. 271 of May 12, 1972 wherein Mr. Franklin Rosales, ex-President of the Progress Board of Pitahaya, requests the asphaltting of certain streets.

- (12) Water supply - creation or extension 16

Example: Minutes of Meeting No. 292 of June 30, 1972 wherein Mr. Humberto Solano Ch. requests that SNAA be authorized to connect a water outlet.

- (13) Water supply - service 5

Example: Minutes of Meeting No. 266 of April 28, 1972 wherein a decision is made to address a request to SNAA to assist the residents of Barrio Cristo Rey.

- (14) Water supply - maintenance 0

- (15) Electricity supply - creation or extension 4

Example: Minutes of Meeting No. 292 of June 30, 1972 wherein a motion is presented by Councilman Ramirez Azofeifa with regard to the installation of public lighting for La Luisa Street residents.

Data Base

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| (16) | <u>Electricity supply - service</u> | 1 |
| | <p>Example: Minutes of Meeting No. 242 of February 28, 1972 wherein Mrs. Catalina (Kety) Guendell Calderon states that she lives in Paso Ancho where there is no public lighting or garbage pick up so she should not have to pay any taxes.</p> | |
| (17) | <u>Electricity supply - maintenance</u> | 0 |
| (18) | <u>Telephone - creation or extension</u> | 0 |
| (19) | <u>Telephone - service</u> | 0 |
| (20) | <u>Telephone - maintenance</u> | 0 |
| (21) | <u>Public lighting - creation or extension</u> | 14 |
| | <p>Example: Minutes of Meeting No. 261 of April 17, 1972 wherein residents of San Sebastian 3rd Street, request installation of public lighting.</p> | |
| (22) | <u>Public lighting - maintenance</u> | 1 |
| | <p>Example: Minutes of Meeting No. 257 of April 7, 1972 wherein note from Alfredo H. Racedo, Manager of Latin American Electric Society, offering to make a revision of and supply maintenance to electric installations is read.</p> | |
| (23) | <u>Garbage collection - creation or extension</u> | 2 |
| | <p>Example: Minutes of Meeting No. 261 of April 17, 1972 wherein the Chief of Public Relations forwards note with regard to cleaning and beautifying the Capital City.</p> | |
| (24) | <u>Garbage collection - service</u> | 6 |
| | <p>Example: Minutes of Meeting No. 284 of June 12, 1972 wherein Mr. Ricardo Borbon Barahona complains about dirt being dumped on his property and trash collection site placed by Municipality on which trash is strewn around, causing a health hazard.</p> | |
| (25) | <u>Garbage collection - maintenance</u> | 5 |

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Example: Minutes of Meeting No. 254 of March 24, 1972 wherein Bid No. 19-72 was granted to Traversa, S. A.

- (26) Sewerage - creation or extension 5

Example: Minutes of Meeting No. 290 of June 26, 1972 wherein note signed by the President of the Student Council of the Luis Dobles Segreda School requesting the authorities' intervention to solve the flooding of this school due to the fact that the sewers and drains are not finished on 42nd Street was read.

- (27) Sewerage - maintenance 7

Example: Minutes of Meeting No. 262 of April 19, 1972 wherein the Municipal Executive is ordered to effect repairs on sewer in San Gerardo in Zapote.

- (28) Sewerage - service 1

Example: Minutes of Meeting No. 284 of June 12, 1972 wherein Engineer Herbert Farrer C. of SNAA answers the residents of 10th Street informing them that the sewer they refer to is Municipal property and is rain water not sewer.

- (29) Letrines 1

Example: Minutes of Meeting No. 269 of May 8, 1972 wherein Circular from the Municipality of San Ramon with regard to their request to the Legislative Assembly on the letrization law is read.

- (30) Recreation and Parks - creation or extension 24

Example: Minutes of Meeting No. 247 of March 10, 1972 wherein the residents of Lara and Saenz Gonzalez request the installation of a playground.

- (31) Recreation and Parks - service or permit 10

Example: Minutes of Meeting No. 219, of

January 3, 1972 wherein decision was made to organize official inauguration of the Carmen Lyra Park.

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| (32) | <u>Recreation and parks - maintenance</u> | 7 |
| | <p>Example: Minutes of Meeting No. 281 of June 5, 1972 wherein the Municipality of Alajuela forwards agreement requesting support of municipalities to approach the Ministry of Agriculture and Legislative Assembly to protect the Poas Volcano National Park from being deforested.</p> | |
| (33) | <u>Market - creation and extension</u> | 4 |
| | <p>Example: Minutes of Meeting No. 269 of May 8, 1972 wherein a decision is made to recondition the buildings once occupied by the Ministry of Public Works to establish the market.</p> | |
| (34) | <u>Market - service or permit</u> | 0 |
| (35) | <u>Market - maintenance or regulation</u> | 2 |
| | <p>Example: Minutes of Meeting No. 253 of March 23, 1972 wherein Mrs. Horalia Ratana Fallas requests that administrative procedures be cancelled on the losses she sustained in the Central Market.</p> | |
| (36) | <u>Slaughterhouse - creation or extension</u> | 0 |
| (37) | <u>Slaughterhouse - maintenance or regulation</u> | 0 |
| (38) | <u>Agricultural vocational schools - creation or extension</u> | 0 |
| (39) | <u>Agricultural vocational schools - maintenance</u> | 0 |
| (40) | <u>Other vocational schools - creation or extension</u> | 3 |
| | <p>Example: Minutes of Meeting No. 274 of May 19, 1972 wherein Mr. Aristides Torijano Barrientos Principal of the Adult Education Center requests financial assistance to install a workshop.</p> | |
| (41) | <u>Other vocational schools - maintenance</u> | 2 |

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Example: Minutes of Meeting No. 271 of May 12, 1972 wherein Mr. Johnny Muñoz Duran requests assistance for the development of sports and culture.

- (42) Other secondary schools - creation or extension 2

Example: Minutes of Meeting No. 254 of March 24, 1972 wherein Professor Marcos Vinicio Gutierrez Vilces of Liceo Nuevo de Hatillo requests financial assistance to buy office equipment and teaching materials.

- (43) Other secondary schools - maintenance 3

Example: Minutes of Meeting No. 274 of May 19, 1972 wherein the Materials Committee of the Osejo Coed School requests that the wire fence in front of said school be removed.

- (44) Primary schools - creation or extension 2

Example: Minutes of Meeting No. 244 of March 3, 1972 wherein the Santa Marta School invites the Councilmen to the inauguration of their new school building.

- (45) Primary schools - maintenance 3

Example: Minutes of Meeting No. 291 of June 28, 1972 wherein the Director of the Miguel de Cervantes School states that the National Assembly granted assistance for a fence, but now they require different materials and financial assistance to complete same.

- (46) Health facilities - creation or extension 5

Example: Minutes of Meeting No. 248 of March 13, 1972 wherein a request is made to the Ministry of Public Health to designate the Committee for the reforms to the Industrial Hygiene Code.

- (47) Health facilities - maintenance 3

Example: Minutes of Meeting No. 219 of January 3, 1972 wherein Mr. William F. Busser informs the President of the Municipality of

Data Base

the interest of International Service Corporation in making a study of the quality of the air in San Jose.

- (48) Nutritional program - creation or extension 2

Example: Minutes of Meeting No. 232 of February 4, 1972 wherein the sum of 1,100 Colones is assigned to the nutrition center of Hatillo and the Treasurer is authorized to include this sum in the next modification to the Budget.

- (49) Nutritional program - maintenance 1

Example: Minutes of Meeting No. 273 of May 17, 1972 wherein a decision is made to financially assist with the sum of 4,000 Colones for the Dietetic and Nutritionist Association to aid in the celebration of their 7th Central America and Panama Congress.

- (50) Public assistance - charity 18

Example: Minutes of Meeting No. 225 of January 17, 1972 wherein the Family Welfare Committee requests 5% of the income from parking meters.

- (51) Educational assistance - scholarships 9

Example: Minutes of Meeting No. 260 of April 14, 1972 wherein the scholarships for the 1972 school year are revalidated.

- (52) Cemetery 3

Example: Minutes of Meeting No. 251 of March 20, 1972 wherein the residents of Calvo Cemetery complain that this place is being used as a parking lot.

- (53) Jail 0

- (54) Public Library 4

Example: Minutes of Meeting No. 275 of May 22, 1972 wherein a report is requested on labor and personnel expenses necessary

Data Base

to operate the Carmen Lyra Library on Saturdays.

(55) Post Office 0

(56) Fire protection 1

Example: Minutes of Meeting No. 242 of February 28, 1972 wherein the Municipal Executive forwards note from Chief of Fire Department and Insurance Superintendent on inspection of hydrants and water outlets in the District of San Sebastian.

(57) Housing 9

Example: Minutes of Meeting No. 241 of February 25, 1972 wherein agreement is reached to request the Housing and Urbanization Institute to provide the family of Abdenago Quiroz with a house.

(58) Unemployment 0

(59) Zoning 42

Example: Minutes of Meeting No. 263 of April 21, 1972 wherein Mr. Doruch Zomer Zomer requests payment for a piece of land.

(60) Urbanization 25

Example: Minutes of Meeting No. 248 of March 13, 1972 wherein Mr. Mario Montealegre Aguilar remits note regarding extension on the Adelia Aguilar Urbanization.

(61) Economic development - industrial 1

Example: Minutes of Meeting No. 219 of January 3, 1972 wherein the Municipality of Golfito supports the Municipality of Buenos Aires so that the exploiters of wood replant the forests after the trees are cut down.

(62) Economic development - agricultural 2

Example: Minutes of Meeting No. 286 of June 16, 1972 wherein Deputy Pedro Gaspar

Data Base

Zuñiga requests the municipality's opinion on the financing project of the township agricultural centers.

- (63) Economic development - other 1

Example: Minutes of Meeting No. 244 of March 3, 1972 wherein the Municipal Executive forwards with his note No. 000715 the note from the Executive Director of IFAM with regard to conducting a marketing study of staple goods in the month of April.

- (64) Church 3

Example: Minutes of Meeting No. 251 of March 20, 1972 wherein the Zapote Parish Council requests assistance for the construction of a theoric shelter.

- (65) Municipal Band 0

- (66) Municipal office and storage - creation or extension 1

Example: Minutes of Meeting No. 284 of June 12, 1972 wherein the Municipal Executive is authorized to publish public bid offer for the purchase of office materials.

- (67) Municipal office and storage - permission to use 1

Example: Minutes of Meeting No. 221 of January 7, 1972 wherein Mr. Jose David of El Salvador requests permission to hold an art exhibit in the Municipal Theatre of San Jose.

- (68) Street cleaning 3

Example: Minutes of Meeting No. 231 of February 2, 1972 wherein Mr. Ulises Jimenez Mesen states that 11th Street has been taken up as a car repair shop and a lady throws dirty waters.

- (69) Sidewalks 19

Example: Minutes of Meeting No. 246 of March 8, 1972 wherein Mrs. Margarita Melendez Planco requests the construction of a sidewalk.

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(70) Other 50

Example: Minutes of Meeting No. 230 of January 28, 1972 wherein payment is authorized to the heirs of Municipal Official Aureleano Gomez for pension and assistance from the Legal Department so that the widow can collect from Social Security.

(71) Undetermined 23

Example: Minutes of Meeting No. 260 of April 14, 1972 wherein the residents of Hatillo No. 4 request a hearing.

VARIABLE 12 - Session Decision

(1) Approved - not submitted to a specific person for implementation nor made contingent upon any condition 138

Example: Minutes of Meeting No. 257 of April 7, 1972 wherein the Councilmen were informed of the accounts and approval of same was obtained.

(2) Approved - submitted to unidentified person for implementation 8

Example: Minutes of Meeting No. 258 of April 10, 1972 wherein the SNAA is authorized to connect a water outlet for Mrs. Aura Rojas Robles, Castula Sanchez Monge, and Misael Mena Quiros.

(3) Approved - Implicitly submitted to specific person for implementation 36

Example: Minutes of Meeting No. 219 of January 3, 1972 wherein a decision was made to celebrate a bullfight for the benefit of Abdenago Calvo Quiroz' family with all proceeds going to the family.

(4) Approved - submitted to specific person for implementation 48

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Example: Minutes of Meeting No. 243 of March 1, 1972 wherein authorization is given the Municipal Executive to name personnel, contract for publicity, etc., with regard to the establishment of the Wholesale Market.

- (5) Approved - contingent upon specified condition 9

Example: Minutes of Meeting No. 236 of February 14, 1972 wherein the Zapote Plaza is leased to Mr. Jose Antonio Cordero to celebrate a youth festival.

- (6) Approved - submitted to specific person for implementation and contingent upon specified condition 2

Example: Minutes of Meeting No. 222 of January 10, 1972 wherein the file on the rescision of contract between Municipality and Concrete Products is presented for the Municipal Executive to enter into conversations with the company for the exchange of lots in San Francisco de Dos Rios.

- (7) Approved - other 30

Example: Minutes of Meeting No. 229 of January 26, 1972 wherein an addition is made to agreement No. 4, Article 4 of Session No. 121 of May 7, 1971 to include payment for a piece of land owned by Mrs. Cristina Maria Melendez Cedeño and left for public use.

- (8) Deferred - no specific reason given 12

Example: Minutes of Meeting No. 269 of May 8, 1972 wherein the Municipal Executive reports on the pension for Mr. Filiberto Monge.

- (9) Deferred - further action required from demand source 7

Example: Minutes of Meeting No. 247 of March 10, 1972 wherein a request is made for the inclusion in the record of statements made by Councilman Solano Guillen with regard to the public statements made on the recent elections in Sarapiquí.

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| (10) | <u>Deferred - further action required from non-demand source</u> | 367 |
| | <p>Example: Minutes of Meeting No. 244 of March 3, 1972 wherein the residents of Los Sauces Sur complain about the danger an open sewer represents.</p> | |
| (11) | <u>Deferred - further action required from demand and non-demand source</u> | |
| | <p>Example: Minutes of Meeting No. 257 of April 7, 1972 wherein Mr. Luis Bernal Montes de Oca, Director of ITCA requests hearing to make known the difficulties this Institute is going through.</p> | |
| (12) | <u>Deferred - other</u> | 23 |
| | <p>Example: Minutes of Meeting No. 224 of January 14, 1972 wherein Mr. Santiago Quezada R. requests official acceptance of roads and sidewalks of 2nd stage of San Francisco Oeste Urbanization.</p> | |
| (13) | <u>Demand denied - no specific reason given</u> | 0 |
| (14) | <u>Demand denied - insufficiency of resources</u> | 11 |
| | <p>Example: Minutes of Meeting No. 269 of May 8, 1972 wherein Dr. Carlos A. Contreras requests financial assistance to finance the No. 72 Belen Camp.</p> | |
| (15) | <u>Demand denied - permits or licenses not available</u> | 5 |
| | <p>Example: Minutes of Meeting No. 266 of April 28, 1972 wherein a request was made by Mrs. Maria Cecilia Arias Rojas for permission to construct on Municipal property.</p> | |
| (16) | <u>Demand denied - lack of information</u> | 0 |
| (17) | <u>Demand denied - disagree with demand</u> | 22 |
| | <p>Example: Minutes of Meeting No. 235 of February 11, 1972 wherein a request is made by Mr. Tomas Echeverria Camacho on claim for losses sustained in market.</p> | |

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| (18) <u>Demand denied - other</u> | 4 |
| <p>Example: Minutes of Meeting No. 269 of March 15, 1972 wherein the only offer received on Bid No. 9-72 was rejected.</p> | |
| (19) <u>No action taken - not specifically deferred</u> | 5 |
| <p>Example: Minutes of Meeting No. 277 of May 26, 1972 wherein the Municipality of Alajuela repudiates the caricature which appeared in the newspaper making ridicule of the work of the municipality.</p> | |
| (20) <u>Other</u> | 2 |
| <p>Example: Minutes of Meeting No. 234 of February 9, 1972 wherein copy of note No. 00350 from the Governor of the Province, Mrs. Matilde Marin de Soto on the request made to her office to conduct sales on streets and highways was read.</p> | |
| (21) <u>Undetermined</u> | 0 |

VARIABLE 13 - Discussion

- | | |
|---|-----|
| (0) <u>Only discussed in the session in which it was introduced</u> | 461 |
| <p>Example: Minutes of Meeting No. 244 of March 3, 1972 wherein approval and payment was ordered on accounts presented.</p> | |
| (1) <u>Discussed in one other session</u> | 185 |
| <p>Example: Minutes of Meeting No. 271 of May 12, 1972 wherein note from the Electoral College requesting lists of constituents was read.</p> | |
| (2) <u>Discussed in two other sessions</u> | 54 |
| <p>Example: Minutes of Meeting No. 247 of March 10, 1972 wherein the case of Claudio Artavia Artavia was discussed.</p> | |
| (3) <u>Discussed in three other sessions</u> | 18 |
| <p>Example: Minutes of Meeting No. 236 of</p> | |

Data Base

February 14, 1972 wherein the delivery of prize for Historic-Literary Contest under the auspices of the Municipality for the celebration of its 600th Anniversary was discussed.

- (4) Discussed in four other sessions 7

Example: Minutes of Meeting No. 224 of January 14, 1972 wherein Mr. Jose Antonio Cordero requests permission to lease the Zapote Plaza to hold a youth festival.

- (5) Discussed in five other sessions 4

Example: Minutes of Meeting No. 228 of January 24, 1972 wherein Mr. Alvaro Umaña is designated candidate of the Municipality of San Jose to participate in the election for representative at the Popular Bank.

- (6) Discussed in six other sessions 3

Example: Minutes of Meeting No. 259 of April 12, 1972 wherein a hearing is granted to the representative of the Producers and Transporters on the Wholesale Market.

- (7) Discussed in seven other sessions 1

Example: Minutes of Meeting No. 248 of March 13, 1972 wherein letter from the Director of IFAM inviting the Municipality to participate in the meeting of Special Commissions to make up the Intermunicipal Cooperative document on treatment and collection of trash and its disposal was read.

- (8) Discussed in eight other sessions 1

Example: Minutes of Meeting No. 220 of January 5, 1972 wherein Agreement No. 4, Article 4 of Session 219 of January 3, 1972 is revoked.

- (9) Discussed in more than eight other sessions 4

Example: Minutes of Meeting No. 236 of

Data Base

February 14, 1972 wherein Mr. Mario Bermudez Secretary of OICI acknowledges receipt of list of Councilmen and forwards the Agenda for XIV Congress.

VARIABLE 14 - Final decision

- (1) Approved - not submitted to a specific person for implementation nor made contingent upon any condition 213

Example: Minutes of Meeting No. 270 of May 10, 1972 wherein the time of the meetings for Mondays and Wednesdays is modified to 1920 hours.

- (2) Approved - submitted to unidentified person for implementation 10

Example: Minutes of Meeting No. 260 of April 14, 1972 wherein request by residents of Pueblo Nuevo de Pavas for the installation of a 4" tube a kilometer long is discussed and authorization to this effect is given SNAA.

- (3) Approved - implicitly submitted to specific person for implementation 23

Example: Minutes of Meeting No. 252 of March 22, 1972 wherein Bid No. 6-72 is granted to Almacen Font.

- (4) Approved - submitted to specific person for implementation 37

Example: Minutes of Meeting No. 226 of February 16, 1972 wherein request is made to National Water and Sewage Systems to make connection for Mr. Victor Ramos Mora.

- (5) Approved - contingent upon specified condition 15

Example: Minutes of Meeting No. 245 of March 6, 1972 wherein authorization is granted to Mr. Oscar Araya for the construction of seventeen houses in Los Diamantes Urbanization.

- (6) Approved - submitted to specific person for implementation and contingent upon specified condition 2

Data Base

Example: Minutes of Meeting No. 221 of January 7, 1972 wherein approval of request made by school for special education to park a bus which is to be raffled off on the Southeast corner of the Central Bank is granted.

- (7) Approved - other 41

Example: Minutes of Meeting No. 271 of May 12, 1972 wherein a note from the Electoral College requesting lists of constituents is read.

- (8) Demand denied - no reason given 1

Example: Minutes of Meeting No. 275 of May 22, 1972 wherein the Agreement No. 472 from the Transit and Urbanism Commission with regard to the proposition of Councilman Redondo Gomez to request the prohibition of parking along Paseo Colon and 2nd Avenue is denied.

- (9) Demand denied - insufficiency of resources 13

Example: Minutes of Meeting No. 271 of May 12, 1972 wherein a request is made by Rev. Jorge Fuentes, Parish Priest of Hatillo.

- (10) Demand denied - permits or licenses not available 11

Example: Minutes of Meeting No. 247 of March 10, 1972 wherein Mr. Claudio Zamora Gonzalez presents administrative claim.

- (11) Demand denied - lack of information 0

- (12) Demand denied - disagree with demand 37

Example: Minutes of Meeting No. 243 of March 1, 1972 wherein motion is made by Councilman Molina to name a delegation to the League Pro Defense of National Sovereignty.

- (13) Demand denied - other 7

Example: Minutes of Meeting No. 246 of March 8, 1972 wherein motion is presented by several Councilmen to change the meeting day from Friday to Thursday.

Data Base

- (14) No final action taken 319

Example: Minutes of Meeting No. 263 of April 21, 1972 wherein Mr. Doruch Zomer Zomer claims payment for a piece of land.

- (15) Other 3

Example: Minutes of Meeting No. 273 of May 17, 1972 wherein a note from the Bruno Fusco National Ballet Company is forwarded to the Ministry of Culture, Youth and Sports.

- (16) Undetermined 6

Example: Minutes of Meeting No. 244 of March 3, 1972 wherein Mr. Carlo Fritello Maioline and others refer to the municipal notice obliging them to clean the lots which have not been built on and indicate that the Municipality has a lot in the American Urbanization which should be cleaned.

VARIABLE 15 - Decision Time

- (1) Same session introduced 194

Example: Minutes of Meeting No. 235 of February 11, 1972 wherein approval and order for payment is given on accounts presented.

- (2) One session after introduced 181

Example: Minutes of Meeting No. 245 of March 6, 1972 wherein Mr. Gaetano di Lioni Vuoto is exempted from leaving construction line.

- (3) Two sessions after introduced 35

Example: Minutes of Meeting No. 258 of April 10, 1972 wherein pension payments are authorized for Samuel Murillo Ugalde and Jose Cantillano Gamboa.

- (4) Three sessions after introduced 14

Data Base

Example: Minutes of Meeting No. 282 of June 7, 1972 wherein Mr. Hubert Federspiel is authorized to construct iron doors along present construction line.

- (5) Four to eight sessions after introduced 16

Example: Minutes of Meeting No. 268 of May 5, 1972 wherein appeal is made by Jose Puyol Marti on expropriation of land.

- (6) Nine to twelve sessions after introduced 1

Example: Minutes of Meeting No. 236 of February 14, 1972 wherein Mr. Mario Bermudez the Secretary General of OICI acknowledges receipt of list of Councilmen and forwards copy of official Agenda to the XIV Congress.

- (7) Thirteen or more sessions after introduced 3

Example: Minutes of Meeting No. 224 of January 14, 1972 wherein repudiation is expressed of any effort made by nonconformist groups for the subversion of constitutional order.

- (8) No decision reached 286

Example: Minutes of Meeting No. 263 of April 21, 1972 wherein Mr. Doruch Zomer Zomer claims payment for a piece of land.

- (9) Undetermined 8

Example: Minutes of Meeting No. 219 of January 3, 1972 wherein Mr. Manuel Antonio Garcia Gonzalez thanks the Municipality for scholarships received.

VARIABLE 16 - Vote

- (1) No vote recorded 596

Example: Minutes of Meeting No. 222 of January 10, 1972 wherein the residents of Barrio Guell request the reconstruction of bridge over the Ocloro River which was washed away in the floods.

Data Base(2) Vote recorded

122

Example: Minutes of Meeting No. 271 of May 12, 1972 wherein the blueprints of Florida Norte Urbanization are approved.

(3) Other

20

Example: Minutes of Meeting No. 219 of January 3, 1972 wherein a minute of silence was held and condolences expressed to Councilman Sandi Diaz and family on the death of his brother.

APPENDIX B
QUESTIONNAIRE FOR COUNCILMEN OF THE
CENTRAL TOWNSHIP OF SAN JOSE

QUESTIONNAIRE FOR COUNCILMEN OF THE
CENTRAL TOWNSHIP OF SAN JOSE

1. Do you think that the IFAM will provide the San Jose Township primarily
 - a) technical assistance,
 - b) funds,
 - c) other (specify)?
2. How much national impact do you consider the Municipality has over economic and social development?
 - a) Much
 - b) Some
 - c) None
3. According to your experience, has IFAM reduced the Municipality's autonomy in
 - a) a significant manner,
 - b) an insignificant manner?
4. Do you see your role as Alderman as one that will allow you to influence national policies?
 - a) Yes
 - b) No
5. In your opinion, what organization level has the responsibility of economic development?
 - a) National Government
 - b) Municipal Government
 - c) both
6. Do you think IFAM will be more beneficial for the
 - a) San Jose Township,
 - b) other townships in Costa Rica?
7. Since the 1970 Code, has Municipal autonomy
 - a) increased,
 - b) decreased,
 - c) changed?

8. Does IFAM represent a resource of
 - a) great importance,
 - b) little importance, or,
 - c) no importance for the San Jose Township?
9. Specifically, which is the greatest change that has occurred in the Municipality's functions as a result of the 1971 Municipal Code?
10. Specifically, which is the greatest change that has occurred in the functions of the Municipality as a result of IFAM?

APPENDIX C
MUNICIPAL CODE

TRANSLATION

MINISTRY OF GOVERNMENT, POLICE, JUSTICE

AND GRACE

San José, Costa Rica

MUNICIPAL CODE

A Publication of the
Ministry of Government

As the municipalities improve their capacity for local government, it is convenient to transfer to them functions and resources which are presently in the hands of the Central Power,

José Figueres Ferrer

Each day the tendency to regionalize development is greater.

The programs that the municipalities prepare on their own or in conjunction with others, will become pillars on which the development of the peoples will be based.

This is the modern idea of local government; an active Promoter of Social and Economic Development.

The municipalities will continue to be political organs. And, at the same time they will be progress and development organs.

Carlos Manuel Vicente Castro

ONE MORE STEP TOWARD INTEGRAL MUNICIPAL REFORM

The Ministry of Government is pleased to offer the citizenry the text of the new Municipal Code, in effect as of January 1, 1971.

Within the general policies of the Government, directed toward the strengthening of the popular institutions and the creation of more adequate mechanisms to enable the Costa Ricans to participate more and more in the development of the country, the municipal regime has merited our special attention.

It was imperative to revise the archaic Municipal Ordinances and all the disperse legislation which through the years had been promulgated on municipal matters. It was necessary to analyze this legislation; maintain the good, correct the defects, and add those provisions which were indispensable to structure an up-to-date, harmonious, and modern body of laws.

The new Code has the fundamental characteristic of being made up so as to strengthen municipal autonomy, the real essence of local government. And, although someone might think that by strengthening the municipalities the Central Government will be weakened, we are convinced that a modern and efficient municipal regime with deep rooted awareness of the communities could be the best complement for the work of the Executive Power.

We believe that the new legislation will fulfill the expectations which brought it about. From now on the municipalities will have a legal and adequate instrument to work in an orderly manner. Let us hope that this will be the starting point for great achievements for the good of the country, which as always, is in dire need of the coordinated and conscious effort of its best leaders in the local, regional and national fields.

The new Code is, at the same time, part of a program directed toward the creation of new institutional processes which will allow the people and the Government to struggle together in the great work of uplifting national vitality. A strong and efficient municipal regime; a powerful program for community development; a new Rural Assistance Police at the service of the Costa Rican citizen; a Municipal Development and Advisory Institute which will finance the municipalities and machinery for neighborhood roads which will open broad avenues for national progress. All this constitutes a harmonious combination of Governmental measures to strengthen Costa Rican democracy from its foundation.

We recognize that this program is both a challenge and a hope. We accept the challenge with patriotic valor and we will work with altruism to make this hope a tangible reality.

Dr. Carlos Manuel Vicente Castro
Minister of Government

San José, January 20, 1971

No. 4574

THE LEGISLATIVE ASSEMBLY OF THE REPUBLIC OF COSTA RICA,

Decrees:

The following

MUNICIPAL CODE

TITLE I

General Provisions

Article 1. The municipality is the combination of neighbors in one township of the Republic who promote and administer their own interests through the municipalities.

Article 2. The municipalities have legal status granted by the State with a set territorial jurisdiction.

Article 3. The territorial jurisdiction of the municipality is the township. The capital of the township is the seat of the Municipal Government and will have the title of city.

Article 4. The municipalities will be in charge of the administration of the local services and interests with the purpose of promoting the integral development of the township in harmony with national development.

Among these, the municipalities should:

- 1) Promote the progress of culture, the sciences, and the arts through the establishment of public libraries; the organization of literary and artistic contests of all kinds; the celebration of seminars and congresses on cultural and scientific subjects of immediate interest to the township or the region; promoting expositions to make known the artistic or historical heritage and finally, financing or subsidizing, in whole or in part, all those activities which directly contribute to the cultural, scientific and artistic advancement of the area.
- 2) Energetically support general and vocational instruction of the inhabitants of the township, coordinating their activity with the national or private organizations dedicated to direct or execute educational works of all kinds. To this effect, the municipalities should establish scholarship systems or assistance to students with limited financial resources who are deserving of same due to their proven dedication to their studies; maintain

close contact with the Boards of Education and the Administrative Boards of Schools and Colleges to promote and watch over their work; set aside, according to their possibilities, funds for the construction or repair of schools and to subsidize educational centers of any kind and especially those of immediate interest to the township.

- 3) Watch over the physical and mental health of the inhabitants of the township, establishing or participating in programs for the prevention and elimination of illness; organizing social welfare programs which at the opportune moment protect those individuals who require special assistance in the face of serious social problems; constructing or subsidizing hospitals, health, nutritional and public assistance centers in general; establishing and subsidizing all kinds of recreation centers for the population; supporting to a maximum the development of sports and promoting all kinds of organizations and activities which tend to obtain the maximum welfare for the community.
- 4) Establish an integral policy of urban planning in accordance with the corresponding law and the provisions of this Code which purports the efficient and harmonious development of urban centers and which guarantees at least: efficient electrification and communication services; good systems for the supply of water and elimination of sewage through adequate water and sewerage systems; modern lighting systems and maintenance of cities; efficient construction, repair services and cleaning of streets and other public thoroughfares; adequate park, garden and green area programs for the public; programs on housing of a social nature, and in general concrete and practical plans to make life comfortable for the urban population.
- 5) Formulate an integral rural development policy which tends to bring to the rural communities a minimum of public services and the necessary incentives so that the native population improves their living and working conditions daily. This policy should necessarily include an organic plan for rural roads, a good postal, telegraphic, telephonic or any other analogous means of communications network, an active organization program of the rural communities and an adequate plan for construction and improvement of rural housing.
- 6) Stimulate and protect the farming, commercial and industrial development by means of incentives and adequate facilities so as to actively promote the production, distribution and consumption of goods and services, and the establishment of stable and well remunerated sources of work for the population.
- 7) Protect the natural resources of all kinds, associating an energetic municipal action to those on the national scale provided for in forestry matters for the protection of hydrographic resources, the forests and wild animals through the establishment

or promotion of national parks, forest preserves and animal refuges.

- 8) Foment internal and external tourism protecting natural beauty and regulating the use and exploitation of lakes, islands, bays and beaches appropriate for recreation and sport and giving the necessary stimulus to the public and private programs of a touristic nature, taking also into consideration the marine fauna and flora.
- 9) Watch over the safety of the individuals and public order, through a coordinated action with the national authorities and organizations.
- 10) Promote the civic awareness of the population so that the citizens in the exercise of the principles of democratic self-determination participate opportunely and consciously in the activities of the municipal government.

Article 5. The municipal jurisdiction defined in the above Article does not affect the functions assigned to other Public Administration Organizations.

Article 6. By means of the necessary agreement with the other State Administrations, the municipalities can jointly or exclusively assume the functions on the administration of services or realization of works of a local public interest granted to these Administrations.

Article 7. In the exercise of their functions, the municipalities enjoy the autonomy granted to them by the Political Constitution, with the powers of Government and Administration inherent to same.

Within these powers, the following will be included:

- a) Dictate the autonomous, organization, service, and any other regulations authorized by the law;
- b) Agree, according to the law, on the necessary income for the compliance of its obligations and decide on its distribution and use;
- c) Enter into pacts, agreements or contracts with individuals or organizations, national or foreign, which might be necessary for the realization of its functions; and,
- d) Call the people to popular consultation.

Article 8. The State will watch over the integrity and strengthening of the municipal autonomy.

Article 9. The municipalities will promote active participation,

conscious and democratic, of the people in the decisions of the local Government.

Article 10. The non-State public or private organizations which are legally constituted to comply with the goals of township interest can only execute works of interest or public services with the approval of the Municipal Council or through agreement with the corporation.

Article 11. The municipal works and public services can be executed through concessions when this is advantageous for the efficiency of the municipal undertaking.

Article 12. The national authorities will be obliged to cooperate so that compliance with municipal decisions is duly obtained.

Article 13. The municipalities are granted all type of exemptions from taxes of all kinds and any other benefit akin to the State's organizations with the exception of the taxes which the Central Administration has to pay.

TITLE II

Municipal Coparticipation

Article 14. The Municipalities are authorized to enter into cooperative agreements among themselves for the purpose of solidarily cooperating in the providing of services and in the realization of works of common interest with a view toward better serving the public.

Article 15. The coparticipation agreements have the force of law between the participating municipalities and will require the approval of the Office of the Comptroller General of the Republic.

Article 16. The Municipal Governments of the Metropolitan Area of San Jose and those of any other area which may end up having similar characteristics must take steps which, in their judgment, are convenient to adopt a cooperative statute which coordinates their works and public service programs.

Article 17. In the cooperative agreements the Municipalities must agree to the formation of Intermunicipal Commissions to watch over the correct and efficient compliance with same.

Article 18. The municipalities are empowered to effect regional or national congresses with the purpose of considering common problems and agreeing on uniform policies. These faculties include that of contributing to the expenses of such congresses.

Article 19. The Municipal Development and Advisory Institute is created as a public law institution which will have full legal status, and,

The Institute will be an organization destined to obtaining the coordination of the municipalities by means of voluntary adhesion with the purpose of providing financial assistance services, technical advise, and to cooperate with them in the realization of projects which may be of interest to one municipality, groups of municipalities or all the country.

Transitory Article: The organization, financing and operation of said Institute will be regulated by a special law, the project of which will be prepared by the Executive Power and remitted to the Legislative Assembly in a period not greater than three months as of the date of the publication of the present Law.

TITLE III

Municipal Organization

CHAPTER I

Municipal Council

Article 20. The Municipal Government will be composed of a deliberating body called the Council, integrated by Aldermen selected by popular election and by an executive official named by the Council.

Article 21. The functions of the Council are:

- a) Establish the general policy of the municipality;
- b) Agree on the budgets, set the contributions and rates and propose taxes;
- c) Dictate the regulations of the corporation in accordance with the law;
- ch) Organize, through regulation, the providing of the municipal services;
- d) Celebrate agreements, promise funds or goods and authorize the expenses of the municipality with notations being made for the fixed expenses and the acquisition of goods and services not to exceed 5,000 Colones, which operations will be under the jurisdiction of the Executive;
- e) Name and remove the Executive and the Auditor or Accountant, whatever the case may be;
- f) Name the members of the Administrative Boards of official instruction centers which can only be removed with just cause.*

*Amended by Law No. 4621 of July 27, 1970, published in "La Gaceta" No. 169 of August 1, 1970.

- g) Be aware of the resources which it must resolve in accordance with this Code;
- h) Propose to the Legislative Assembly the projects of law which may be necessary for municipal development and take care of legislative consultations on projects under consideration;
- i) Agree to the celebration of plebiscites, referendum and council meetings, all in accordance, in each case, to the electoral law in effect;
- j) Grant honorable mentions; and,
- k) Any other indicated by the Law.

CHAPTER II

Aldermen

Article 22. The number of Aldermen and Substitutes in each municipality will be 5 Aldermen and 5 Substitutes in the townships of 50,000 or less inhabitants; of 7 Aldermen and 7 Substitutes in the townships of more than 50,000 inhabitants without exceeding 100,000, and 9 Aldermen and 9 Substitutes in the townships which exceed 100,000 inhabitants.

Article 23. To be an Alderman, the following will be required:

- a) To be a citizen in good standing;
- b) To be a secular individual;
- c) To be a resident of the township in which the position will be held; and,
- ch) To be a Costa Rican citizen by birth or by naturalization with no less than 5 years of residence in the country after having obtained citizenship.

Notwithstanding, to be an Alderman of one of the central townships of a province, residence in the township, as indicated in Subparagraph (c) of this Article, will not be a requirement if the Alderman has his main activities in the township where the post will be held and resides within the Province to which the township belongs.

Article 24. The following cannot hold the post of Alderman nor be candidates to a post of Alderman:

- a) The officials or employees of the Powers of the State or the autonomous or semiautonomous institutions who are forbidden in an absolute manner from participating in political activities with the exception of their voting privilege;

- b) Those who are forbidden from exercising public posts or civil rights by judicial decree, or who have a warrant against them for crimes against the Public Treasury; and,
- c) Those who are affected by the prohibitions established by other laws.

Article 25. Spouses or blood relatives within the third degree or second degree by affinity cannot register as candidates for the same political party and in the same township.

The relatives referred to in the above paragraph cannot be Aldermen simultaneously in the same municipality. If individuals covered by this prohibition should be elected, the one elected for the party that obtained the most votes in the corresponding township election shall exercise the post. If this individual should decline before the day in which he is to take possession of the post, the individual who was refused by reason of family relationships will be called. The elected Alderman who is excluded will be replaced by the candidate immediately following on the voting ticket of his own party.

The above regulations will also be applied as required if the impediment by reason of the family relationship should come up after the Aldermen are in exercise of their duties.

Article 26. The following are cause for the loss of credentials as Alderman:

- a) Be under the impediments contained in Articles 23, 24 and 25 of this Code; and,
- b) Abandon the post for more than three consecutive months without just cause or without the authorization of the Council.

Article 27. Aldermen cannot decline a post except for the following reasons:

- a) If the Alderman is under any of the impediments contemplated in Articles 24 and 25;
- b) If the Alderman suffers from an illness which permanently disables him from the exercise of the post;
- c) Changing residence or transferring his main activities, whichever the case may be, outside the township in a permanent manner; and,
- ch) Be over sixty years of age.

Article 28. The Aldermen are prohibited from:

- a) Intervening in the discussion or voting of the matters in which they, their spouses or relatives, to the extent specified in

paragraph 1 of Article 25 of this Code, have a direct interest;

- b) Become bound to the municipality or become dependent on same by reason of a different charge, commission, work or contract which carries a payment or retribution obligation in his favor and, in general, accept money or municipal property with the exception of fees, per diem and travel expenses; and,
- c) Intervene in matters and work or functions which are of the competence of the Municipal Executive or the Council itself. Exempted from this prohibition are the special commissions which one or several Aldermen act on in compliance with Council agreements, as long as these do not include functions which according to this Code are of the exclusive competence of the municipal officials.

Article 29. If the Alderman does not decline to participate in the discussion and voting of matters as indicated in the prohibition established in Section (a) of the above Article, he can be challenged by any interested party, orally or in writing, to abstain from intervening in the discussion and voting of the matter in question. After hearing the challenged Alderman, the Council will decide if the challenge is in order. The Council may, when considered necessary, defer discussion of the matter which brings about a challenge while more facts are obtained for a decision to be made.

Article 30. The Council can grant the Aldermen leave of absence without payment of fees only for the following reasons:

- a) The need to leave the township for a period of up to six months;
- b) Illness or temporary disability for the duration of the disability; and,
- c) Death or illness of parents, children, spouse, brothers or sisters, for a period of up to one month.

Article 31. The Electoral College is charged with:

- a) Declaring the nomination of candidates to Aldermen invalid for the reasons stipulated in Articles 23, 24 and 25;
- b) Declaring the credentials issued to the Aldermen null for the reasons indicated in this Code;
- c) Cancelling the credentials of the Aldermen for the causes set forth in this Code;
- ch) Accepting, when required, the resignations of the Aldermen;
- d) Replacing the principal Aldermen who leave their posts with

the corresponding substitutes following the order of election of same;

- e) Completing the number of substitute Aldermen from among the candidates who were not elected who would have been in line according to the rules which determined the election.

Article 32. The duties of the Aldermen are:

- a) To attend the meetings;
- b) To vote on the matters presented for decision which will have to be either negative or affirmative;
- c) Not to leave the meetings without the authorization of the President of the Council;
- ch) To act on the commissions to which he is assigned;
- d) To justify the requests for leave of absence to which Article 30 refers;
- e) To keep within the subject of discussion when speaking as well as showing respect and composure within the meeting chamber; and,
- f) All the others which correspond to this legal body and those established in the internal regulations of the municipality.

Article 33. The Aldermen have the right:

- a) To request and obtain the floor from the President of the Council to speak on the matters under discussion;
- b) To make motions and propositions;
- c) To request a revision of municipal agreements;
- ch) To appeal before the Council on the resolutions of the President; and,
- d) To call the President to order any time that during the exercise of his post he deviates from the provisions of this Code or the internal regulations of the municipality.

Article 34. The Aldermen and Trustees will take possession of their posts on the first day of May immediately after their election. Principal and Alternate Aldermen should be present in the meeting chamber of the municipality at 1200 hours and will be sworn in before the Provisional Board after the Board has been sworn in in their presence. The Provisional Board will be integrated by the eldest Aldermen among them who were elected. The eldest Alderman will act as President and the Alderman following in age will act as Vice President. The Electoral College, upon extending the

corresponding credentials, will indicate, according to this Article, which Aldermen should hold the posts mentioned.

It will be the responsibility of the Provisional Board to verify the attendance at the first meeting of the Aldermen and Trustees based on a list which the Electoral College should forward to this effect.

Once the Aldermen have been sworn in, the Principals and Alternates will elect a President and Vice President from among the Principals by secret vote. For such election the relative majority of the votes present will suffice. If there should be a tie, luck will decide.

Article 35. The Alternate Aldermen will be subject, as applicable, to the same provisions established in this Title for the Principals.

The Alternates will substitute the Principals in cases of temporary or occasional absences and to this effect will be called by the President of the Council from among those present according to the order of election.

The Alternates will have the right to attend all the Council meetings.

CHAPTER III

Council President

Article 36. The President of the Council will remain in office for one year and can be reelected.

During temporary absences of the President, the Vice President will act as substitute. The Vice President will also be elected for one year.

During temporary absences of the President and Vice President, the eldest Alderman present will act as substitute.

Article 37. The President of the Council will be charged with:

- a) Presiding, opening, suspending and closing the meetings;
- b) Preparing the Order of the Day;
- c) Receive the votes and announce if a matter has been approved or denied;
- d) Acknowledge a speaker or request a speaker to abstain from discussing a subject matter if he has done so without permission or if he speaks out of turn;
- e) Watch over order during meetings and request any individuals present to leave the chamber if they are not acting properly;

- f) Sign the Minutes of each meeting together with the Secretary; and,
- g) Name the members to ordinary and extraordinary commissions, always trying to allow participation in same of all the political factions represented in the Corporation and indicating the period of time they have in which to render a decision on their findings.

CHAPTER IV

Agreements and Council Meetings

Article 38. The hour and day of the Council Meetings will be agreed to by same and published in advance in the Official Paper. The number of ordinary meetings to be celebrated will be set for each Council. However, a minimum of four meetings a month must be celebrated except in the municipalities of a central township of a province in which there will be eight meetings.

The Council may not celebrate more than one paid meeting during one day.

Article 39. The Council may celebrate any necessary extraordinary meetings to which the Principal and Alternate Aldermen must be called to attend, as well as District Representatives when matters relating to the District they represent are going to be discussed.

The summons for a meeting should be made at least twenty-four hours in advance and must indicate the reason for the meeting. The Aldermen must be notified personally or at his residence, and this notification could be made through the authorities of the locality, but in any case written proof of notification must be obtained.

Only matters to which the summons referred can be discussed during extraordinary sessions.

Article 40. Council meetings must be held at the headquarters of the municipality.

Extraordinary meetings may be held in other districts of the township when matters relating to same are going to be discussed.

Article 41. All sessions will require a quorum of three Aldermen in the Councils of five members, of four in the Councils of seven members, and of five in the Councils of nine members.

Article 42. Council meetings must start within fifteen minutes of the time stipulated for the meeting in accordance with the clock in the chamber.

If the above-mentioned fifteen minutes should elapse without the

establishment of a quorum, a notation to this effect will be made in the Minutes.

The Alternate Alderman who substitutes for a Principal will have the right to remain for the entire meeting as a member of the Council if such substitution should have begun after the fifteen minutes to which the first paragraph refers, or if it should have begun prior to that and the Principal had not shown up within the fifteen minutes mentioned above.

Article 43. Council Meetings will follow the previously prepared Order of the Day or agenda which may be modified or altered through an agreement.

Article 44. Any municipal official may be called to the Council Meetings when the Council so agrees and no payment of fees must be made.

Article 45. Council Meetings will be public, the Council retaining the privilege to agree that a specific meeting or part of same should be held in closed chambers but only in very special cases.

The participation of the citizens in the meetings must be regulated by the Council itself.

Article 46. The Council will agree on decisions by a simple majority of vote from the members present, except in the cases in which this Code prescribes a special majority.

If after a voting this should result in a tie, the voting will be held again immediately, and if this second voting should result in a tie the matter will be considered rejected.

Article 47. Any initiative toward the adoption, reform, suspension, or voiding of regulatory provisions must be presented or adopted for discussion by one of the Aldermen.

Except in the case of internal regulations, the Council will public the project in the Official Paper, submitting same to public consultation for a period of not less than ten working days, after which time a pronouncement will be taken on the matter.

All regulatory provisions must be published in the Official Paper and will become effective as of the date of their publication, or a later date as indicated therein.

Article 48. All decisions reached by the Council, originating from an initiative by one of the Aldermen will have to be accepted through prior project or written motion signed by the proponent.

All decisions will be made after the receipt of the report from a Council Commission and after deliberation; only the judgment procedure may be waived.

Article 49. The Council may declare their decisions as definitely approved only in situations considered to be of the utmost urgency by the two-thirds vote of the total number of members.

Article 50. The Secretary of the Council will prepare a file on each project and decision to which he will add the judgment arrived at by the Commission and the motions presented during debate. The files will also include the transcripts of the decisions reached, signed by the President and the Secretary.

Article 51. Minutes of all Council sessions will be kept, wherein all decisions reached will be noted and a succinct notation of the deliberations on the matter, except in the case of designations or elections in which case only the decision reached will be included.

The Minutes must be signed by the President and Secretary after approval by the Council.

These can be kept on loose sheets only if they have previously been numbered and stamped at the Comptroller General's Office.

Article 52. The Minutes of the Council meetings must be approved in the session immediately following except when special circumstances do not allow this procedure, in which case, the approval of the Minutes will be postponed for the subsequent ordinary meeting.

Once the Minutes are read and before their approval, any Alderman may suggest revisions to decisions, except in those cases where decisions are definitely approved in accordance with this Code.

The same majority required to achieve a decision vote will be necessary for a revision.

Article 53. In the Council meeting immediately following the annual election of the Council President, he will designate the members of the Work Commission who will remain in office for one year.

In each Council there will be at least three Commissions: Treasury and Budget, Public Works, and Miscellaneous.

All Commissions will be integrated by at least three members: two of these must necessarily be chosen from among the Principals and Alternates. These Commissions may include officers or employees of the municipality and individuals not connected with the municipality.

CHAPTER V

Executive

Article 55. The designation of the Executive will be made by the Council during the second week of the month of June following their installation. A Principal or Alternate Alderman or Trustee cannot be

named as Executive.

The Executive will be in office for four years as of the first day of the month of July immediately following the installation of the corresponding municipality and can be reelected.

Transitory: The Council will name an Executive a month after this Code comes into effect for a period up to July 1, 1974.

Article 56. The Executive will be subject to the same provisions on requirements, impediments, prohibitions, challenges and leaves of absence established herein for the Aldermen as far as reasonably applicable, in view of the nature of the position and the origin of the designation and other requirements, which to guarantee the efficiency of the Executive function, the corresponding municipality may establish.

Article 57. The Executive is responsible for:

- a) The execution of the functions inherent to the condition of general administrator and head of the municipal units, watching over its organization, operation and coordination, as well as faithful compliance with municipal decisions and rules and regulations in general;
- b) Attending the Council meetings without a right to vote;
- c) Providing the Council with regular, exact, complete information which may be necessary to assure good and superior management of the corporation;
- ch) Proposing to the Council general standards for the policies which must be followed and which he may consider appropriate;
- d) Presenting to the Council for approval the municipal budget projects;
- e) Proposing to the Council the creation of positions and indispensable services for the good operation of the local government;
- f) Name, promote, remove, grant leave and impose penalties on the municipal personnel in accordance with this Code and the corresponding regulations;
- g) Watch over the proper development of the policies adopted by the municipality, the realization of the work programs and the execution of the budgets;
- h) Execute or bring about the execution of all the decisions or agreements reached by the Council;

- i) Call to extraordinary sessions; will be obliged to call a session when so requested in writing by at least two aldermen;
- j) Exercise veto powers in accordance with this Code;
- k) Exercise legal representation of the municipality;
- l) Render weekly reports of the expenses authorized according to subparagraph (d) of Article 21; and,
- m) Fulfill the other duties ascribed to him in accordance with this Code, Municipal Regulations, and pertinent provisions.

Article 58. The Executive can only be removed or suspended from his post through the vote of two thirds of the Aldermen which make up the Council.

Article 59. In case of a temporary separation from his post as Executive, his duties will be passed on by the Council to a person who meets the requirements of the position.

The designation of the person who is to substitute for the Executive permanently will be so designated for the remainder of the term for which this official was appointed.

CHAPTER VI

Auditor and Accountant

Article 60. Each municipality will have an accountant in addition to the Treasurer, and those municipalities having an income in excess of one million five hundred thousand colones, will also have an Auditor.

The violation of the preceding paragraph will result in the necessary disapproval on the part of the Comptroller General of the Republic of any budget of the municipality in question.

Article 61. The Auditor or the Accountant, when there is no Auditor, will be named by the Council and can only be suspended or removed for just cause, with the vote of the majority of two thirds of the Aldermen.

CHAPTER VII

Secretary

Article 62. Every corporation shall have a Secretary named by the Executive.

The duties of this office will be:

- a) To attend the meetings of the Council, prepare the Minutes, and have them ready for approval at the appropriate time;
- b) To transcribe or notify, according to the law, of the agreements reached by the Council to whom it corresponds;
- c) To extend the certifications which may be requested of the municipality;
- ch) To perform any other duties which the laws and internal regulations of the municipality or the Executive may order.

CHAPTER VIII

District Councils and Trustees

Article 63. The Municipal Councils will constitute as many District Councils as there are districts in the township.

The District Councils will be composed of five members, residents of the district; one of which will necessarily be the Trustee who will preside over the meetings of the Council.

The members of the District Council will be named within the three months following the installation of the Municipal Councils, for a period of two years, with the privilege of reelection and will exercise their posts without collecting any fees.

The Municipal Council will regulate all matters relative to the designation of the members of the District Councils and the operation of same.

Transitory I. The District Councils established to date will continue to be guided by the laws in effect up to the termination of the period for which their members were named.

Transitory II. Within two months after this Code comes into effect, the Municipal Councils will regulate the manner of designation of the members of the District Councils, and within two years after this Code comes into effect, the matters relative to the operation of such Councils will be regulated.

Article 64. The District Councils will have the following duties:

- a) To act as liaison between the municipalities and the communities;
- b) To collaborate with the municipalities;
- c) To fiscalize the municipal works undertaken in the district,

informing the Executive on same;

- ch) Prepare an annual list of the more urgent public works in the region for the purpose of Article 116;
- d) Collect contributions or hold public fairs, immediately turning the funds obtained over to the municipality, which will necessarily have to use them for the ends the District Council may have stipulated; and,
- e) Any other duties as assigned by the Council relative to its nature and goals.

Article 65. There will be a Principal Trustee and an Alternate who will substitute for the Principal for each District, both by popular election and residents of the district.

The provisions of this Title on requirements, impediments, prohibitions, repositions, swearing in and installation as Aldermen are applicable to the Trustees.

TITLE IV

Municipal Treasury

CHAPTER I

General Provisions

Article 66. The municipal financial year will begin on January first of each year.

Article 67. The municipalities may not make use or dispose of their Treasury for purposes other than those specified in this Code.

They may not make use of their funds for celebrations, parties, inaugurations, or similar events except the celebration of April 11, July 25, September 15, and the anniversary of the township's foundation. Representation expenses may be incurred only to honor members of the Supreme Powers and representatives of official foreign organizations as long as these courtesies are of interest to the municipal activities.

Donations, loans of funds, real estate or property, renting of funds and the extension of guarantees in favor of other persons can only be made when a special law so authorizes it expressly, or when the donation, loan, not referring to money or stocks, is of interest to the township and in favor of a state institution after obtaining the approval of the Comptroller's office in both cases.

Article 68. As an exception to the provisions contained in the preceding article, the municipalities may give temporary assistance in

or staple items to residents of the township who may be going through unfortunate situations, once these have been duly investigated.

The municipalities may also subsidize education or charitable centers or social service centers, or those that render their services to the corresponding township, all the province, or the country in general.

Each year, for Christmas, the municipalities may give nationally made toys to the poor children of the township with the exclusion of the children of municipal officials or employees except those of the employees whose salaries are not over five hundred colones a month. The toys will be given out by a Neighborhood Committee which will be formed by the Executive.

Article 69. The municipalities are authorized to grant scholarships for studies within the country exclusively, other than primary level.

The scholarships must be given to students of limited financial resources, residents of the township, and of proven capacity for study, based on the considered opinion of the Administrative Board of the school in which they will study.

Article 70. In processing the municipal budgets, the Comptroller General of the Republic will only approve the expenses to which Articles 18, 67, 68, and 69 refer if these are in proportion to the financial situation of the corporation.

Article 71. Municipal property and rights cannot be embargoed or auctioned by judicial order, except when a real guarantee is placed on them with the authorization of the Comptroller's office, which authorization will not be necessary when it entails a credit transaction.

Article 72. All officials or employees who receive, are in charge of, or must pay municipal property or stock, or whose duties allow or demand their holding, will be responsible for same and for any loss, damage, abuse, use or illegal payment which may be blamed on fraud, fault or negligence on his part.

In addition to others, illegal use will be considered to be the management of property or stock in a manner different to that prescribed by the laws, rules or superior provisions.

The perpetrator of such acts will be removed without the loss of civil or penal responsibilities which he may have incurred.

Article 73. The official or employee who in the name of the municipality incurs debts or commitments of any nature, against the laws and regulations, or without legal authorization, will be exclusively responsible to the corresponding creditors and in addition, will be

suspended from his post for up to a month without pay, except in the case of a second offense, or if it were a criminal action, in which case he will be removed.

Article 74. The Comptroller General of the Republic will determine the financial responsibility which the municipal officials and employees may incur against the municipality by reason of the custody or administration of municipal funds or property, as long as there is evidence of guilt or a manifest violation of the law.

Prior to making a decision, the Comptroller's office will grant a hearing to the interested party.

The resolution will have executive title and the corresponding actions will be interposed by the Comptroller's office in behalf of the respective municipality, if the latter should not initiate judicial proceedings for collection within a month.

The effects of the Comptroller's office resolution will have no effect, only if it were annulled under the administrative litigation jurisdiction or by penal order which firmly contradicts it.

Article 75. The Comptroller General of the Republic can act as an assistant in all the proceedings from which penalties for civil responsibilities against the municipalities may result, and can demand civil and penal responsibility from the municipal officials which derive from their functions.

Article 76. The municipal fees for the Aldermen will be paid according to the following table:

<u>Ordinary Income of the Municipality</u>		<u>Fees per Session</u>
	Up to ₡ 250,000.00	₡ 50.00
More than ₡ 250,000.00	up to 500,000.00	₡ 60.00
More than 500,000.00	up to 1,000,000.00	₡ 75.00
More than 1,000,000.00	up to 2,500,000.00	₡ 90.00
More than 2,500,000.00	up to 5,000,000.00	₡ 110.00
More than 5,000,000.00	up to 10,000,000.00	₡ 125.00
More than 10,000,000.00		₡ 150.00

Article 77. The municipalities may not pay for more than four sessions per month, ordinary and extraordinary, when there are five Aldermen; more than eight when there are seven Aldermen, and more than twelve when there are nine Aldermen.

In the cases where the municipalities have more sessions than those paid for, it will be understood that the first sessions held will be paid.

No more than one fee per Alderman, per session, may be paid for paid sessions.

When a principal alderman does not show up within the fifteen minutes immediately after the hour fixed to start the session, or if he should leave before the session is over, he will not be entitled to a fee.

The alternate alderman will be entitled to the fees when he substitutes for a principal in a paid session, providing the substitution should start before or immediately after the fifteen minutes of grace period mentioned in the above paragraph, and extends up to the end of the session.

Article 78. The municipalities may enter into all kinds of contracts with recognized non-profit organizations, or whose only purpose in a specific case is that of assisting the municipality after approval is obtained from the Comptroller's office.

Article 79. The operations made by the municipalities on real estate whose value is in excess of fifty thousand colones will require the authorization of the Comptroller's office, who will examine both the legality and the timeliness of the operation.

When the municipality estimates that the property is worth fifty thousand colones or less, the value of the property will be established by a survey made by the General Direct-Tax Collection Bureau.

Article 80. All contracts signed by the municipalities, except for work contracts, will require the countersignature of the Comptroller General, provided its value is over ten thousand colones, without which it will have no effect.

Likewise, municipal agreements that involve financial claims for the sum of five thousand colones or more will be subject to similar control.

CHAPTER II

Of Income

Article 81. The municipalities cannot grant total or partial exoneration from any fine or tax, contribution or tariff which they must collect, except with legislative approval.

Article 82. The tariffs will be paid quarterly at the end of each quarter and included in one receipt. The licenses will be paid quarterly at the beginning of each quarter.

Any delay in the payment of any tariff, contribution or municipal tax will have a late payment charge of 2% per month or fraction thereof, which may not in any case exceed 24% of the total debt.

Article 83. The debts on Municipal taxes, contributions or tariffs will constitute preferred legal mortgage on the corresponding properties.

Article 84. The certifications of the municipal accountants relative to debts on municipal taxes, contributions, or tariffs will have executive title and in a corresponding trial only exemption from payment or prescription may be entered as a plea.

Article 85. The municipal taxes, contributions and tariffs will be in effect once they have been approved according to the law and published in the Official Gazette.

The organization charged with the approval of the municipal tariffs may modify same upon making approval.

Article 86. Except for special laws, collection of municipal tariffs will become past due in three years and that of taxes and contributions in five.

The officials who let these collections become past due will be personally responsible for their payment.

The provisions of the first paragraph of the preceding article will apply solely to the municipal fees originated as of the date this Code comes into effect.

Article 87. The municipalities will place a tariff fee on urban services they may render, which will be made up taking into consideration the real cost of the service and a profit percentage for development.

Public lighting, cleaning of public thoroughfares, and trash collection services must be paid even if no interest is had in these.

Article 88. All remiss owners will be charged for the cost of the following services:

- a) Elimination of harmful vegetation from the edges of public thoroughfares, cleaning of fences which face these thoroughfares, and cutting of branches which shadow the thoroughfares, causing damage or rendering the passage of persons or vehicles difficult;
- b) Construction of sidewalks and cleaning empty lots;
- c) Removal of objects, materials or others which create an obstacle on public thoroughfares;
- d) Installation of drainage ditches for stormwaters in constructions when the external walls are immediately adjacent to a public thoroughfare.

Article 89. The municipalities will be obligated to periodically revise the tariffs.

Article 90. The value of new street paving works, construction of new roadways, sidewalks, gutters, molding, drainage ditches, sewers, water lines and electrical distribution and lighting effected by the municipality must be paid for by the owners of the properties directly benefitted, in proportion to the property line of each.

It is the responsibility of the Comptroller's office to approve the total value of the work and each contribution being authorized to modify the estimated values set by the municipality.

Before granting approval, the Comptroller's office will make publication in the Official Gazette, granting hearings to the interested parties.

Article 91. The urban contributions contained in the preceding article must be covered within the time established by the municipality.

The provisions of this article contained in the second and third paragraphs above, will be applicable to the contributions for the construction of neighborhood roadways.

Article 92. The cost of construction works of neighborhood roads will be paid by the owners of the farms directly benefitted when such works are performed by the municipality.

The contribution will be set in the following manner:

- a) 50% of the value of the works will be distributed proportionately among the owners according to the property line of the corresponding properties; and,
- b) the remaining percentage will be distributed proportionately among the owners in accordance with the size of each property.

Article 93. For the purpose of determining the contributions, the specific sums received from the National Budget, or any other donation or sums received from national or international public organizations, or from individuals interested in the general development of the region, will be deducted from the cost of the works referred to in the preceding articles.

The contributions or donations of the residents of the township will be taken into consideration for the calculation of the costs, but will be reduced from the contributions to be paid by these residents, unless express provisions to the contrary are made.

The portion of the cost of the works to which the preceding articles refer will be the charge of the municipality insofar as

municipal properties, or those exempt from contributions, are benefitted.

Article 94. Through a contribution which will be known as detail, the municipalities will charge the owners of properties directly benefitted with neighborhood roads, an annual quota for the maintenance or improvement of the roads, payable in advance.

The contribution will be set subject to the following standards:

- a) One third of the value of the works will be proportionately distributed according to the property lines;
- b) One third of the value will be distributed proportionately according to the size of the farm; and,
- c) The rest will be distributed proportionately according to the use of the road originated by each property.

Article 95. The municipalities can accept payment of the contributions for repairs or maintenance of neighborhood roads through personal services.

The maintenance work on neighborhood roads can be effected directly by the interested parties with authorization from the municipality and subject to the conditions the municipality may impose. The municipality will set the percentage of investment authorized for each party which will be added on to the detail payment.

For the purpose of the provisions of Article 24 of General Public Roads Law No. 1851 of February 28, 1955, the cancelled details will be taken into account in the manner established in this Article.

Article 96. Through the license tax, the municipalities will tax the activities subject to municipal licenses.

The Comptroller's office will regulate the maximum limits within which the tariffs should be set.

Article 97. The commercial license tax will be paid during all the period of time in which an establishment is in operation, or ambulatory commercial activities have been carried out, and during the time in which a license has been in effect, although the activity may not have materialized.

Article 98. No one can open an establishment dedicated to profitable business or ambulatory commercial activities without the corresponding commercial license.

The municipality must decide on the requests for licenses within thirty working days from the date of proper presentation; once this period has elapsed, the individual may initiate operations without any prejudice from whatever the corporation definitely decides on his request.

The violation of the provisions of this article will bring about the closing of the commercial establishment or the disallowing of ambulatory commercial activities, which measures will be executed through police authority.

Any changes in activities or extensions to new activities will also be subject to the same limitations and penalties.

Article 99. The municipal license to which the preceding article refers can only be denied when the activity contemplated is against the law, morals, or good behavior, when the establishment does not fulfill the requirements of the law and regulations in effect, or when the activity, by reason of its physical location, is against the law or the municipal regulations in effect.

Article 100. The license referred to in Article 98 can only be suspended by non-payment of two or more quarters or for non-compliance with the requirements established by law for the development of the respective activity.

The suspension of the license will imply the closing of the establishment or the disallowance to engage in ambulatory commercial activities, which measures will be executed by the police authorities.

The license will expire when operations cease and the municipality is so informed by the interested party, or when the period for which it was issued expires, when it refers to temporary industries or commercial establishments.

Article 101. No municipal license transfer, including licenses for the retail sale of liquor, will affect municipal interests until it is accepted by the municipality, which acceptance will be granted if the requesting party is an individual capable of operating the establishment and if both parties are up to date in the payment of their tariffs, contributions and municipal taxes.

Article 102. The commercial license tax for the retail sale of liquor will be covered under a special law.

Article 103. Any memorandum of request addressed by private citizens to the municipalities must bear a \$1.00 fee stamp. A \$1.00 fee stamp will also be adhered to any certification issued by the municipality at the request of private citizens.

The bid offers to the municipalities will bear a \$2.00 municipal stamp, if the bid were private, and \$5.00 if public.

Commercial license renewals for liquor sales will pay a municipal fee of \$50.00 for each license.

All requests for licenses to engage in profitable activities must bear a \$20.00 municipal stamp.

Any appeal against municipal agreements will bear a Ø5.00 municipal stamp, except the agreements to which the following paragraphs refer.

Any appeals against private bid adjudications will pay a Ø50.00 municipal fee and any appeals on public bids will pay Ø100.00 in municipal stamps.

No appeal will be processed if the corresponding fee has not been paid.

Article 104. All transfers of property will pay municipal stamp fees in favor of the township municipality where the property is located, and will be attached to the corresponding documents as without the payment of the fees, the Public Registry cannot enter the transaction.

The tax will be of one per thousand of value of the property according to the estimate of the parties or greater value set in Direct Taxing except if the transfer were due to judicial auction or adjudication in universal trials, in which case the tax will be paid on the total paid in auction or on the expert evaluation included in the documents, respectively.

All mortgages or mortgage bonds and all cessions or interruptions of mortgage credits will pay the stamp fee to which the first paragraph of the preceding article refers. The amount of tax will be one per thousand of the amount involved in the operation, or on the value set in Direct Taxing if this were greater.

All documents on the institution of companies will bear a municipal stamp from the township wherein the company is located in the amount of Ø50.00 without which the company cannot be registered.

CHAPTER III

Credit

Article 105. The municipalities can obtain loans with the authorization of the Legislative Assembly when these are to be obtained with foreign organizations or when obtained in the country with foreign capital, and with authorization of the Office of the Comptroller General in all other cases.

Detailed information as to what investment is proposed with the funds to be obtained and a certification by the Municipal Secretary to the effect that the agreement in which it was decided to request the authorization was approved by two thirds of the total aldermen in a nominal vote, indicating the date of the meeting and the number of the agreement, will be forwarded together with the request for authorization to the Legislative Assembly or the Comptroller's office, as the case

may be. A report from the Comptroller's office on the financial possibilities of the municipality will also be forwarded to the Legislative Assembly.

The provisions of this Article will be applicable on the issuance of bonds as indicated in the following article.

Article 106. The municipalities may issue bonds to finance work or service programs with the authorization of the Comptroller General's office.

A report from the Central Bank on the convenience of the issue of bonds will be attached to the request for authorization.

The bank must render the report to which the preceding paragraph refers within a month. If this time period elapses without word from the Bank, the municipality may make its authorization request without attaching the report.

Article 107. Once the loan is obtained or the bonds issued, when the municipality has not included in its ordinary budget the necessary funds to fulfill the obligations incurred, the Office of the Comptroller General will make the necessary inclusions to the project to comply with the obligations incurred.

Article 108. The funds obtained through loans or issuance of bonds cannot be used for ends other than those indicated in the authorization granted by the Legislative Assembly or the Office of the Comptroller General, as the case may be.

Article 109. When the investment works intended are not reimbursable, the financing through loans or issuance of bonds cannot exceed 10% of the ordinary income of the municipality.

Article 110. Purchases for which the price must come in total or in part from funds of future fiscal periods will be subject to the provisions of this Chapter, as applicable, although only the authorization of the Office of the Comptroller General will be required.

CHAPTER IV

Budget

Article 111. The municipalities will prepare the ordinary budget for January 1 to December 31 of each year, which will include all probable income and all expenses. The latter in no case should exceed the first.

Article 112. The coding and classification system for the income and expense budget accounts will be determined by the Office of the Comptroller General.

Article 113. It will be the responsibility of the Office of the Comptroller General to establish by regulations published in the Official Gazette, the income estimating system to which the municipalities must adhere.

Article 114. The expense budgets will be prepared on the basis of programs relative to the different fields of action of the municipality, and may be short, medium, or long term.

These programs must be made up in an objective manner insofar as goals and work necessary to achieve them.

Transitory. It will be the responsibility of the Office of the Comptroller General to determine which municipalities must start adjusting to the budget by program system in such a manner that no more than three years after this Code comes into effect, all the municipalities of the country are working with the new system.

Article 115. To cover the general administrative expenses, up to 40% of the municipalities' ordinary income can be set aside.

General administrative expenses are those current expenses which do not imply direct cost of municipal services.

Article 116. In the month of July each year, the District Councils will present to the Executive a list of the more urgent works in the district.

When the Executive decides not to include said works in the ordinary budget project, he must inform the Municipal Council of the reasons which justify his actions.

Article 117. The ordinary budgets must be prepared during the month of September each year in extraordinary secret sessions exclusively dedicated to this subject.

Aldermen and principal and alternate Trustees will be called to this session, as well as whatever municipal officials whose presence is deemed necessary.

Article 118. The municipalities' ordinary budgets must be submitted to the approval of the Office of the Comptroller General no later than September 30 of each year which period will not be extended.

All projects of ordinary or extraordinary budgets forwarded to the Office of the Comptroller General will be attached to a copy of the Minutes of the Meeting in which they were approved, including a complete transcription of the budget, be signed by the Secretary and countersigned by the Executive.

When referring to extraordinary budgets in which application is made to resources not included in the last report forwarded to the Office

of the Comptroller, a certification from the Treasurer must be attached wherein it is stated that the income was produced and the amount collected.

Article 119. If the ordinary budget is not presented to the Office of the Comptroller General at the proper time, the previous year's budget will be in effect for the next period, with the exception of those expenses which, by their nature, were only applicable for the year in question, and without prejudice to the inclusion of the necessary funds to meet contractual obligations properly incurred or the continuation of the programs already started, in accordance with determination by the Office of the Comptroller General.

The parties responsible for the non-approval of the ordinary budget and the inappropriate timing for the presentation of same at the Office of the Comptroller General will be subject to removal or loss of credentials, as the case may be, retaining however the civil and penal responsibilities which might be placed on them for these actions.

Article 120. The Comptroller General of the Republic will forward the original and three copies of the ordinary budget which will be in effect for the upcoming period to the Municipal Executive, no later than December 15 of each year.

Article 121. The modifications of the existing budgets will only be applicable within one same budgeted program except in emergency situations wherein a program may be modified by affecting another.

The ordinary budget may not be modified to increase salaries or create new positions, except when it refers to readjustments due to the application of the Minimum Salary Decree, in the one hand, or that new employees are required due to the expansion of services or the addition of a new service.

Article 122. The ordinary fixed expenses can only be financed by municipal ordinary income.

Article 123. The extraordinary income may only be allocated through extraordinary budgets which may be used to reinforce programs in effect or new programs.

Article 124. The approval of modifications and budgeting extensions and the agreement on extraordinary budgets may be made in ordinary or extraordinary sessions which may be public.

The period of time allowed the Office of the Comptroller General to resolve these budgetary modifications and extensions and extraordinary budgets will be twenty days as of the date of the presentation of the project. The preventions on formal requirements made by the Comptroller's Office will suspend said period of time until its expiration.

Article 125. The Office of the Comptroller General of the Republic must approve or disapprove the budget projects it receives.

The disapproval will be made in a reasoned resolution and can be partial or total, because of violation of the judicial orders in effect, or lack of resources.

Modifications may be introduced to the projects only with the approval of the Council or an Alderman Committee named to this effect and which appears before the Comptroller without the loss of the privileges granted in Article 115.

Article 126. The Municipal Executive may formulate the observations he may deem necessary against the municipal agreements which approve ordinary or extraordinary budgets or modifications or extensions to same, which observations must be forwarded to the Office of the Comptroller General of the Republic together with the project of agreement.

Article 127. The municipalities may not make assignments nor acquire financial obligations if there is no budgetary portion set aside to cover the expense, or when the portion set aside is used up or is insufficient; neither can payment be made with a charge against an expense account which corresponds to another item.

Any violation of the above provisions will be grounds for the suspension of the official or employee responsible and a second infraction will be just cause for removal.

Article 128. The Executive will make up a daily list of the payment orders he issues, indicating the number of each order, the amount, the person to whom it is issued, and the account to which it is to be charged.

Two copies of this list will be forwarded daily to the Auditor or Accountant who will also forward every day one copy of these lists, duly signed, to the Treasurer with a notation that it has been posted.

Article 129. With the information on the execution of ordinary and extraordinary budgets up to December 31, the Office of the Comptroller General will effect the corresponding liquidations which will have to be approved and sent to the respective municipality no later than March 31.

Article 130. The ordinary budget superavit may be budgeted to cover commitments of an ordinary character, or for investments.

Notwithstanding, the superavit of monies set aside for medium or long-term loans which have not been finished, must be budgeted to maintain financial support of the programs.

Deficits from ordinary budgets must be covered in the period immediately following with the excedents produced by ordinary income and those ordinary incomes which, though corresponding to the previous year, may be produced in the following year.

Article 131. The free superavit of the extraordinary budgets, will be dedicated, in the first place, to cover the deficit of the ordinary budget, and secondly, may be budgeted to cover commitments of an ordinary character or new investments.

The specific superavit of extraordinary budgets will be budgetted to cover compliance with the corresponding specific ends.

Article 132. Commitments acquired in the preceding financial period when the corresponding budget had enough of a balance to support them, can be covered in the following financial period.

CHAPTER V

Treasury and Accounting

Article 133. All municipal income must go directly to the receiving Bank for the municipality.

When there are no Banks or State Banking Agency locally, the municipalities may receive their income directly in the Municipal Treasury or in the Auxiliary Branches in the districts.

When considered necessary and convenient for municipal interests, special collecting agents may be named to receive specific incomes. These agents must supply guarantee of faithful compliance and deliver the funds to the Municipal Treasury in the manner and time period established by the Council.

The Municipal Treasurer, when also a collector, cannot hold funds in excess of 50% of the amount of the Fidelity Bond in his name; any excess must be deposited or placed in the custody of the nearest bank or National Banking System Agency and the corresponding withdrawals may be made only by prior agreement of the Council.

The Auxiliary Treasuries or Treasurers will deliver the funds received to the Municipal Treasury or the Banking Agency, as the case may be, within the period set by the Council or when the funds amount to 50% of the amount of the Fidelity Bond issued by the Auxiliary Treasurer.

The violation of the provisions of this article will be just cause for the removal of the responsible parties.

Article 134. All municipal payments will be ordered by the Executive and will be made by check issued by the Accountant, which will bear the signature of the Executive and the Treasurer and the approval of the Auditor when required.

Payment in cash may be made through the Auxiliary Treasuries.

The Councils may authorize the operation of a Petty Cash in care of the Treasurer through which goods and services may be obtained and

payment of per diems and travel may be made up to a sum of five hundred colones. All payments made from Petty Cash must be authorized by the Executive. The Petty Cash will be operated under the standards dictated by the Office of the Comptroller General.

Article 135. The Municipal Treasurer will not make any payment if there is no municipal agreement authorizing it, or otherwise be subject to just cause for removal and the other responsibilities which apply.

Article 136. The municipal checks must be cashed within the first three months of their issuance. Once this period has elapsed, the Treasury will advise the interested party by certified mail that if the check is not cashed within the following year, it will be annulled and all rights cancelled in favor of the municipality.

Article 137. Each quarter, the Accountants or Auditors, as the case may be, will render a report to the Office of the Comptroller General of the Republic with regard to the income received and payments made by the municipality and commitments acquired which are pending for payment.

Together with the above-mentioned report, another one regarding the financial condition of the Municipal Treasury will be forwarded. This report must be prepared by the Treasurer and approved by the Accountant or Auditor.

The reports must be forwarded to the Comptroller's Office within the month following expiration of the financial period and should be made up in accordance with the standards set by the Comptroller's Office.

The Accountant or the Auditor will provide a copy of these reports to the Executive who will present it, together with his observations, to the Municipal Council in the session immediately following.

In addition to the foregoing reports, the Comptroller's Office may demand from the municipal officials as many reports as may be deemed necessary for the fulfillment of its legal responsibilities.

The unjustified tardiness in the forwarding of these reports as well as the lack of veracity on the information contained therein will be just cause for removal.

Article 138. The auditor or accountant, as the case may be, and the Treasurer, must render to the Executive the reports he may request with regard to the duties assigned to them.

Article 139. The Accountants and Auditors will have other duties as assigned by the Office of the Comptroller General.

Article 140. The standards regarding municipal bookkeeping will be dictated by the Office of the Comptroller General.

TITLE V

Personnel

Article 141. With the exceptions established in this Code, municipal personnel will be named and dismissed by the Executive in accordance with the provisions of this Title.

Article 142. The Executive will prepare and maintain current, a Job Description Manual which will contain the clear description of the duties, responsibilities and minimum requirements of each position as well the corresponding salary. The Manual and the Wage Scale must be approved by the Council.

To prepare and bring the Manual and Wage Scale up to date, the Executive may request the collaboration of the General Civil Service Bureau, who will be obligated to cooperate.

Article 143. To be a municipal employee the requirements are:

- a) Good conduct;
- b) Meet the minimum requirements established in the Job Description Manual; and,
- c) Prove competency through tests, examinations or contests which must be established for each position.

Article 144. Any spouse or direct line or collateral relative up to the third degree inclusive of any of the Aldermen, principal or alternate, the Executive, the Treasurer, the Auditor, the Accountant or individual in charge of selecting candidates, as the case may be, cannot be employed by the municipality.

The prohibitions indicated in the preceding paragraph will not be effective if, upon the election of a principal or alternate alderman, or the designation of an Executive, Treasurer, Auditor or Accountant, or individual in charge of selecting candidates, a relative is already employed.

Article 145. To fill vacancies, a contest must be established or promote another employee; except when the Council or the Executive may decide not to do so, considering this measure convenient and compatible with public service.

In case it is necessary to hold a contest, an employee may temporarily be assigned or promoted for a period of up to two months.

Article 146. The employees temporarily assigned or promoted must meet the conditions established in this Code and the Job Description Manual.

Article 147. The Executive, upon making a designation, must choose among all the applicants selected those who are residents of the township. Only in the absence of applicants who reside in the township can a non-resident be named to the position.

Article 148. The exchange of municipal workers will be approved by the Executive, and transfers will be ordered by him, providing no evident harm is caused the employee.

Article 149. Municipal employees will have the following rights and privileges:

- a) They may be removed only in accordance with the first paragraph of Article 154 of this Code or by reduction in force.

Reduction in force will only apply due to lack of funds or due to reorganizations required for good public service, and will be enforced in the ordinary budget of the municipality for the following financial period in which the sums necessary to cover payment of the indemnity covered in subparagraph (ch) of this Article;

- b) They will enjoy an annual leave according to the uninterrupted time in service, as follows:

- 1) For fifty weeks to four years and fifty weeks of service, fifteen working days of leave;
- 2) For five years and fifty weeks to nine years and fifty weeks, twenty working days of leave; and,
- 3) For ten years and fifty weeks or more, one calendar month of leave.

- c) They may take occasional exceptional leave with pay or without pay, according to the following article;

- ch) If they should be suspended due to the elimination of their position, they will be entitled to one month's salary for each year or six or more month's fraction of services, up to a maximum limit of twelve months. This payment will be made in consecutive monthly installments for the amount of the salary earned, from the time the position is abolished and until the limit contemplated is completed.

It is understood that if the employee dismissed returns to work in the same municipality before he has received all the monthly installments to which he is entitled, payment of these will cease immediately. However, when the salary in the new position is less, the monthly installments will make up the difference up to the amount and in payment of the indemnity to which he is entitled.

The indemnity established in the section substitutes the payments covered by the Labor Code insofar as notice of dismissal and unemployment benefit;

- d) They will be entitled to an additional monthly salary every year during the month of December in accordance with the Law.

The benefit referred to in the preceding section and this section are not subject to sale, transfer or tax of any kind, nor can they be absorbed by creditors, except in cases of child support which can amount to 50%; and,

- e) They may take leave for training subject to the respective regulation of the municipality and the following provisions:

- 1) Leave can only be granted for training in the subjects which are of direct interest to the corporation;
- 2) Leave may be without pay, with partial or full pay benefits;
- 3) Leave with pay may not be in excess of one year;
- 4) In the case of leave with pay for one year, the employee will be obligated to work for the municipality for a period of three years; this obligation will be proportionate in the cases of leave with partial pay or for a period of less than one year;
- 5) If the employee does not comply with the above obligation, he will have to indemnify the municipality for damages, which will be estimated by the Office of the Comptroller General at the request of the corporation and after hearing the interested party. The sum set by the Comptroller's Office will have Executive Title;
- 6) To become eligible for training leave, the employee must first sign a contract which will require the cosignature of the Comptroller's office, and present a compliance bond to the satisfaction of the Council; and,
- 7) At the end of each leave, the employee must render a report on achievement together with appropriate certifications.

Article 150. The Executive will grant leave according to the provisions of the Internal Labor Regulations, providing the following conditions are met:

- a) He may grant a one week leave with pay in cases of the marriage of an employee or the death of either of his parents, children, brothers or spouse;

- b) All other leaves of absence with pay which apply under the provisions of the Internal Labor Regulations must be deducted from the vacation period without the number of days of leave exceeding the number of days of vacation to which the employee is entitled at the time leave is granted;
- c) Leave without pay may be granted up to a period of six months which can be extended one time for an equal period of time in very specified cases, which will be provided for in the Internal Labor Regulations. If an employee has been granted leave without pay, he may not request another until double the time of the leave granted previously has elapsed; and,
- ch) Insofar as leave to continue studies is concerned, they will be subject to the provisions of subparagraph (a) of the preceding article and can only be granted by the Executive with the approval of the Council.

Whenever a leave of absence is granted, a temporary promotion or assignment is made for the duration of the leave.

Article 151. The municipal employee has the following duties:

- a) Comply with the obligations inherent on their position;
- b) Maintain the necessary discretion in work-related matters which, by their nature or by virtue of special instructions, so require it, even after having ceased in the municipal service without elimination of their obligations to denounce any criminal act;
- c) Observe dignity in the performance of their duties, and,
- ch) Have all due regard for the public so that no justified claim for bad service or poor attention may ensue.

Article 152. The municipal employees are forbidden from:

- a) Acting toward ends other than those ascribed to them in the performance of their jobs,
- b) Dedicate themselves during working hours, to work or discussions not related to their jobs;
- c) Collect or solicit, directly or indirectly, contributions or subscriptions from other public servants, except in very qualified instances as established in the Internal Labor Regulations;
- ch) Solicit or accept tips, presents, or rewards offered as a retribution for acts inherent on their positions;

- d) Solicit or receive, without the express approval of the Council, additional compensation from other public organizations for the performance of their duties.

Article 153. To guarantee good service, the following disciplinary measures may be taken:

- a) written admonishment;
- b) written reprimand;
- c) Suspension without pay for up to fifteen days.

The above penalties will be applied to the individuals and in the cases determined by the Internal Labor Regulations, except that suspensions will only be meted out by the Executive.

The imposition of the above disciplinary measures will have no consequences other than those derived from their application and do not infer the loss of privileges granted by this Code.

Article 154. Employees will be subject to removal when they incur in the causes for removal contained in the Labor Code and those established in this Code.

To effect such removal, it must be done subject to the following standards:

- a) The Executive or the Office of Personnel will inform the employee in writing of the purpose of the removal indicating the corresponding causes and granting the employee a period of five working days as of the date the notification is received in which to express his reasons, if any, for opposing such measure, together with whatever proof he may have in his favor;
- b) Once the period of time indicated above expires and the employee has not presented any opposition or if he has expressly indicated his conformity, the employee can be dismissed without further action, except when he can prove he was unable, through just cause, to present opposition;
- c) If the party concerned presents opposition within the legal period of time, all proof applicable must be presented within fifteen days, after which time the Executive will have an equal period of time in which to decide on the penalty which applies;
- ch) The employee who is removed may appeal this decision of the Executive before the Labour Court of the judicial district to which the municipality belongs, within a period of eight working days as of the notification of dismissal. In his appeal, the employee will indicate the facts of the case, proof to substantiate these facts and will refer to the rights on which he bases his appeal;

- d) Once the appeal is received, the Executive will forward it, together with the corresponding file, within the third day to the judicial authority which will make a decision according to the ordinary procedure established in the Labor Code, considering the appeal as a suit. The Judge may simply reject the appeal when it does not conform to the above section;
- e) The sentence passed by the Labor Courts will decide whether the employee should be removed or reinstated with full rights and privileges, and payment of lost wages, these not to exceed, in any case, a period of six months.

In case the Labor Court denies the bid for removal, and the municipal representative does not present the corresponding appeal within the legal period, it will be considered with full rights.

The municipal employee may forego execution of sentence when this calls for reinstatement in exchange for payment of notice of dismissal and unemployment benefits to which he may be entitled, and in concept of damages, the sum of up to two months' salary.

Article 155. The preceding article will be applicable, as required, to the suspensions to which subparagraph (c) of article 153 refers. The appeal will be handled by the corresponding Mayors who will make a decision on first presentation.

Article 156. The provisions contained in this Title, on the procedures for employment and removal, will not be applicable to the officials who depend directly on the Council, nor the occasional employees hired under special budgets for special services or daily fees.

The labor actions which affect the officials who depend directly on the Council will be taken by the Council.

TITLE VI

Expropriations

Article 157. Real estate, whether whole properties, portions, or rights, which, by reason of their location, are considered absolutely necessary, in the opinion of the municipality for a local public interest service, may be acquired as public utility according to the rules of this Title.

Article 158. The concept of the preceding article applies to those properties which the municipality decides to acquire for delivery to public use or to be left as property of, under the administration of, or for the use of state organizations.

Article 159. Before agreeing to an expropriation and having studied the plans of the property from the census of real property, the Council will request the Executive to have an appraisal performed, indicating the name of the owner or the individual in whose name the property is registered at the Public Registry, as well as the location, boundaries, and extension of the property in question.

Article 160. The Executive will comply with the agreement of the Council through a request for appraisal attached to a transcript of the municipal agreement and the corresponding plans addressed to the Bureau of Direct Taxes.

Article 161. Once the appraisal indicated in the preceding article and after agreement of the Council, the Executive will request the owner, through personal or telegraphic communication, to manifest within eight working days, whether he is willing to sell the property for the price of the appraisal, and to present himself for the signing of the corresponding bill of sale.

Article 162. If there were no agreement, or if the owner does not honor the summons by the Executive, the Council may proceed to the expropriation based on the reasons of public utility. This agreement will be published in the Official Gazette.

Article 163. Once the expropriation agreement is published, the Executive or the municipal representative will request the Court to apprise the owner of the designation, within the following five working days, of the expert whose duty it is to propose, for the setting of damages which may be applicable, being made aware that if he does not comply, the expert will be named by the Court. If the owner does not make the designation within the period of time granted, the Court will designate one. The expert named by the owner, or in his defect, by the Court, must render a decision within fifteen days following the date of his acceptance and will receive the fees set by the Court.

Upon receipt of the documents of investigation, if the property were registered, the Judge will order the Public Registry to make note of the expropriation.

Article 164. At any moment during the investigations, if the municipality deposits the sums set as indemnity by the Bureau of Direct Taxes, at the request of the Executive or the municipal representative, the Court will issue authorization to take possession of the expropriated property, although having to continue the proceedings initiated.

Article 165. When the expert's report to which Article 163 refers is handed in, after hearing both parties, the Court will dictate resolution indicating the amount of indemnity which in no case may exceed the greater estimated sum of the appraisals. The Court will also order the expropriated party to turn over the property or portion of same to the service for which it is intended, after deposit has been made by the municipality of the sums set. Once the deposit has been made, the Court

will authorize the municipality to take possession of the property if this has not already taken place according to the provisions of Article 164.

Article 166. Once the deposit of the sum set is made in a definite manner, the Court will dictate a resolution ordering the delivery of the file to the Notary Public assigned by the Executive or the Municipal Executive so that the transfer of title may be effected, which will contain a protocolized copy of the resolution setting the indemnity, the consignment of price, the procedure to which this article refers, and any other information which may be necessary.

The Property Registry will enter the property or portion of land in the name of the municipality even if the property is not registered.

Article 167. Of all judicial proceedings, only the final resolution setting the amount of indemnity can be appealed, which must be presented within three working days following the date of the last notification. The other resolutions will only have the recourse of responsibility.

It will not be necessary to estimate the proceedings, and desertion will not arise from same.

In these proceedings, the standards on sentence execution contained in the Regulating Law No. 3667 of March 12, 1966 will apply, as required, except for the provisions of paragraph (4) of Article 78.

These proceedings will require legal stamped paper.

Article 168. The judicial proceedings must be initiated within three months following the agreement to expropriate.

Within the three months following the initiation of the proceedings, the municipality must deposit the amount of the appraisal from the Bureau of Direct Taxes.

The non-compliance with the provisions contained in the above paragraphs will bring about the nullification of the expropriation agreement, and in this case, the Judge will consider the proceedings closed without further action, and will order the Public Registry to enter the notation referred to in Article 163.

Article 169. From the amount of indemnity, the municipality or the Judge, will separate the sums necessary to immediately cancel all taxes which affect the expropriated property.

TITLE VII

Recourses Against Municipal Acts

CHAPTER I

Recourses Against Agreements

Article 171. The aldermen may request revision against municipal agreements taken by the Council in the manner prescribed by this Council and the Executive can interpose a veto.

The interested parties can establish the ordinary recourses of revocation and appeal, the extraordinary recourse of revision, and exercise the jurisdictional actions which the laws prescribe against these agreements.

Article 172. Any municipal agreement will be subject to the revocation and appeal recourse, with the exception of the following:

- a) Those that have not been approved in a definite manner;
- b) Those purely procedural, of execution, confirmation or ratification of previous ones, and those accepted expressly or implicitly;
- c) Those of a regulatory nature;
- ch) Those approving budgets, their modifications, and additions, and,
- d) Those submitted to special procedures regulated by Articles 82, 83, 89, and 90 of Regulating Law No. 3667 of March 12, 1966.

Article 173. The appeals against acts which accord publication or granting of public bids will be handled by the Office of the Comptroller General in accordance with the laws in effect. There will be no revocatory recourse against these agreements.

Article 174. The revocatory and appeal recourses must be presented within five days and through reasoned memorandum.

If only an appeal is presented, it will be understood that a revocatory is also interposed, limited, insofar as motives, to the same on which the appeal is based.

The appeal may be established only because of illegality while the revocatory may be based also on the inopportune of the act.

The revocatory must be made known to the Council at the next ordinary meeting following its presentation.

In the case of revocatory with subsidiary appeal, if the first is not resolved within eight days from the session in which it was

presented and the file has not reached the authority who is to handle the appeal, the interested party may request that the reforwarding be ordered, warning the official of the penalties established in Article 40 of the Regulatory Law.

The provisions in the above paragraph will also be applicable in the case that only an appeal is presented and the file is not forwarded within eight days for presentation to the competent authority for resolution.

The appeal will be handled by the Administrative Appeals Court.

Article 175. Interested parties may present to the Council extraordinary revision recourse of all municipal agreement against which an appeal has been presented and same was not interposed on time, providing ten years have not elapsed since the agreement was made and the act has not made use of all its effects, so that the act will not continue to be effective.

The recourse to which the preceding paragraph refers may only be based on reasons which give origin to the absolute nullification of the act, and can only be accepted after a vinculating decision from the Comptroller General's office to whom the file prepared for the recourse will be forwarded once the procedures are complied with.

Article 176. Veto of municipal agreements may be interposed by the Executive only for reasons of illegality and within the fifth day after definite approval of the challenged agreement.

In the memorandum the Executive presents, he will indicate, without exception, the policies or juridic principles violated.

The interposition of the veto will suspend the execution of the agreement.

In the meeting immediately following the presentation of the veto, the Council must reject or accept it.

Article 177. The following agreements will not be subject to a veto:

- a) Those not definitely approved;
- b) Those in which the Executive may have personal, direct, or indirect interest;
- c) Those having recourse in special administrative appeals proceedings covered by Articles 82, 83, 89, and 90 of the Regulating Law;
- ch) Those which should be approved by the Legislative Assembly or the Comptroller General's Office or have been authorized by the latter;

- d) Those appealable to the Comptroller General's office, and,
- e) Those merely of procedure, or ratification, confirmation or execution of other previous ones.

CHAPTER II

Recourses Against Other Acts

Article 178. The decisions of the officials who depend directly on the Council will have revocatory and appeal recourses against same, which must be interposed within the fifth day. The decisions relative to labor matters in the hands of the Executive are subject to the recourse regulated in Title V.

The revocatory and appeal may be based on reason of illegality or inopportunity and will not suspend the execution of the act, without eliminating the ability of the Council to decide on suspension as a first measure upon receipt of the appeal.

The exclusive interposition of an appeal will not keep the official from revoking his decision if he considers the reasons on which the recourse is based to be valid.

Article 179. The decisions of the officials who do not depend directly on the Council will have the revocatory and appeal recourses within five days to present it to the Executive; these may be based on illegality or inopportunity motives and will suspend the act.

Article 180. There may be the extraordinary recourse of revision against any act not arising from the Council and not of a labor nature, when the recourses authorized by the preceding articles of this Chapter are not opportunely established, provided five years have not elapsed since the agreement and its effects are not totally expended, to render the act ineffective or keep it from having further effectiveness.

The recourse will be presented to the Council, who will accept it only if the act were absolutely null.

TITLE VIII

Final Provisions

Article 181. The laws authorizing the municipalities to make donations to Public Law organizations and those granting exemptions from taxes and municipal contributions to these same organizations, not expressly derogated by this Code will remain in effect.

Article 182. Reformed as applicable are the Financial Administration Law of the Republic No. 1279 of May 2, 1951, the Electoral Code

Law No. 1536 of December 10, 1952, Law No. 1271 of March 6, 1951 on fines against delinquent taxpayers, Law No. 74 of December 18, 1916 and Decree Law No. 578 of July 6, 1949 both relative to contributions for works.

Article 183. On all laws, where it reads "Township Roads Board" will now read: "Municipality."

Article 184. Article 67 of the Urban Planning Law No. 4240 of November 15, 1966 is ammended as follows:

"Said expropriations may be acted on by the institute or corresponding municipality as the case may be, the latter being bound to the precepts contained in Title VI of the Municipal Code."

Article 185. The following regulations are derogated: Municipal Ordinances, Law No. 20 of July 24, 1867, except sections seven and eight as may not be modified by this Code. Municipal Organization Law No. 131 of November 9, 1909; Municipal Organization Addition Law No. 11 of September 10, 1925; Municipal Treasury Law No. 180 of August 28, 1923 and its Regulations, Executive Decree No. 50 of December 15, 1925; Law establishing District Councils No. 118 of July 6, 1939; Revision of Municipal Treasurer and Accountant accounts Law No. 178 of August 16, 1938; Subsidies for Local Political Authorities Law No. 1462 of June 26, 1952; Contributions to Municipal Congresses Law No. 1817 of November 3, 1954; Municipal Stamp Law No. 2440 of October 30, 1959; Scholarship and Subsidies to specific Institutions Law No. 1442 of May 15, 1952, insofar as the municipalities are concerned; articles 5 to 9, 11 and 14 to 23 of the Public Roads General Law No. 1851 of February 28, 1955; Law on number of aldermen for each municipality, No. 81 of August 7, 1943; and article 24, section (f) of the Costa Rican Social Security Bank Constitution Law No. 17, of October 22, 1943.

Article 186. Any other general or special policy which opposes the provisions of this Code is derogated.

Article 187. This Code will go into effect three months after its publication.

Transitory I. The officials and employees of the District Councils and Road Boards, will automatically form part of the respective municipality's personnel. The properties, rights, and obligations of such Councils and Boards will form part of the capital worth of the corresponding municipality.

Transitory II. The municipalities must subsidize the Governors, Political Chiefs, Police Officers of their area for a period of two years and as of the effective date of this Code, except when a law orders the cessation of this obligation.

With the authority of the Office of the Comptroller General, these subsidies may be reduced, suspended, or eliminated when the

official in question does not render the required cooperation which, as an authority, he must render the municipalities.

The subsidies will be on a monthly basis and will be set according to the following scale:

ORDINARY INCOME OF THE TOWNSHIP

a) Governor and Political chief:		Subsidy
	up to ₡ 100,000.00	₡ 175.00
More than ₡ 100,000	up to 250,000.00	300.00
More than 250,000	up to 500,000.00	400.00
More than 500,000	up to 1,000,000.00	500.00
More than 1,000,000	700.00

b) Police officers:

ORDINARY INCOME OF THE DISTRICT

	up to ₡ 7,500.00	₡ 40.00
More than ₡ 7,500	up to 10,000.00	50.00
More than 10,000	up to 15,000.00	60.00
More than 15,000	up to 25,000.00	70.00
More than 25,000	up to 40,000.00	80.00
More than 40,000	up to 50,000.00	100.00
More than 50,000	up to 75,000.00	125.00
More than 75,000	up to 100,000.00	150.00
More than 100,000	175.00

Be it communicated and published,

Legislative Assembly. San Jose, on the thirtieth day of the month of April of nineteen hundred seventy.

JOSE LUIS MOLINA QUESADA
President

ARNULFO CARMONA BENAVIDES
First Secretary

MARIO CHARPENTIER GAMBOA
Second Secretary

Presidency. San Jose, on the fourth day of the month of May of nineteen hundred seventy.

Be it executed and published,
J. J. TREJOS FERNANDEZ

The Minister of Government
CRISTIAN TATTENBACH YGLESIAS

APPENDIX D

LEY DE ORGANIZACION DEL

INSTITUTO DE FOMENTO Y DESARROLLO MUNICIPAL

(IFAM)

TRANSLATION

MINISTRY OF GOVERNMENT, POLICE, JUSTICE AND GRACE

San José, Costa Rica

ORGANIZATION AND OPERATION LAW OF THE
MUNICIPAL DEVELOPMENT AND ADVISORY INSTITUTE
(I.F.A.M.)

A Publication of the
Ministry of Government

"The Executive Power is fully aware that social living is becoming more complex each day and that the desires of the citizens, in all levels, are more numerous and almost inevitably become an urgent demand for public services, national or local. In order to face this situation, the country must organize itself in such a manner that it is able to successfully respond to this heterogeneous and immediate social reality.

It is within this scheme that justification is found for the existence and operation of efficient local governments."

José Figueres Ferrer

"Within the framework with which the Political Constitution surrounds the organization of the Costa Rican State, the Municipality is the natural, immediate, and appropriate channel for the active participation of the people in the solution of its most deeply felt problems. But, in order to make this participation a pattern of behavior of the citizens, it is necessary to have strong and efficient Local Governments which likewise enjoy full popular prestige."

Carlos Manuel Vicente Castro

"...All this is part of a program directed toward the creation of new institutional processes which will allow the people and the Government to struggle together in the great work of uplifting national vitality. A strong and efficient Municipal regime; a powerful program for community development; a new Rural Assistance Police at the service of the Costa Rican citizen.

A Municipal Development and Advisory Institute which will finance the municipalities and machinery for the neighborhood roads which will open broad avenues for national progress. All this constitutes a harmonious combination of Governmental measures to strengthen Costa Rican democracy from its foundation.

We recognize that this program is both a challenge and a hope.

We accept the challenge with patriotic valor and we work with altruism to make this hope a tangible reality."

Reproduction of an excerpt of the prologue written by the Minister of Government for the Municipal Code.

I.F.A.M.: Another step toward a financed and efficient autonomous Municipal process

A few days ago I wrote with enthusiasm the prologue for the official publication which contains the new Municipal Code.

Today I am writing the prologue to a pamphlet in which another transcendental law for Costa Rica will be published. I refer to the Organization and Operation Law of the Municipal Development and Advisory Institute (I.F.A.M.).

I believe that few times, in the history of a country, has a Minister of Government and Justice had such a marked privilege.

The Municipal Development and Advisory Institute (I.F.A.M.) constitutes the indispensable complement to the Municipal Code. It has, as its fundamental goals, the financing of the basic programs of public municipal works and services and at the same time providing the municipalities with the technical advice necessary to make the local Government an effective instrument for the improvement and development of our peoples.

If there was ever an urgent need for a specialized institution in any field of national activity, it was in the municipal field. The I.F.A.M. fills a great institutional void in Costa Rica.

The relationship between the Institute and the country's municipalities, as established in Article 19 of the Municipal Code and covered under this Law, is all on a voluntary basis. To safeguard the authentic municipal autonomy, the I.F.A.M. will in no way interfere with the activities of the municipalities. It will limit itself to offering financial and technical assistance to the corporations who want it or are interested in getting it.

The success of the new institution will lie in the prestige it may attain among the municipalities of the country, by the opportune financing of their projects and the high quality of technical advice it can provide.

There are plans to solidly capitalize the Institute so that it can respond to the expectations its creation has brought about. In any case, we are going to need the most sincere support of all municipal personnel, as we launch this institution.

I want to make public our appreciation to the Agency for International Development, especially its officers, Messrs. Lawrence E. Harrison and Ronald F. Venezia, who have prompted the creation of the I.F.A.M. with exemplary enthusiasm to the point that through their good offices it was possible to obtain a loan with the aforementioned agency in the amount of 3,600,000 Dollars, or approximately 24 million Colones, to start the operations of the Institution. On its part, the Government of the Republic

will put forth another 10 million Colones with which a working capital will be formed to allow the Institution to take care, in my opinion, of the most urgent financing needs of the municipalities.

With this Law we enter into a process which will bring about a more autonomous municipal regime; more efficient and better financed. We hope the Institute will become, in a short period, the force which will drive and firmly expand the prestige of the local governments of Costa Rica.

Carlos Manuel Vicente Castro
Minister of Government

No. 4716

THE LEGISLATIVE ASSEMBLY OF THE REPUBLIC OF COSTA RICA,

Decrees:

The following

ORGANIZATION AND OPERATION LAW OF THE MUNICIPAL DEVELOPMENT AND ADVISORY INSTITUTE (I.F.A.M.)

CHAPTER I

Of the Constitution

Article 1. The Municipal Development and Advisory Institute, which will also be known by the initials I.F.A.M., created under Article 19 of Law No. 4574 of May 4, 1970, will be governed by the provisions contained in this Law.

Article 2. The Municipal Development and Advisory Institute is an autonomous concern, legally constituted and with its own patrimony in accordance with Article 188 of the Political Constitution.

Article 3. The legal address of the Institute is the city of San Jose. By decision of the Board of Directors, branches can be established in other sites in the country.

CHAPTER II

Of its Purpose and Functions

Article 4. The purpose of the I.F.A.M. is to strengthen the municipal regime, stimulating the efficient operation of the local government and promoting the constant improvement of the public municipal administration.

Article 5. For the compliance of its goals, the I.F.A.M. will have the following functions:

- a) To grant the municipalities short, medium, and long-term loans to finance projects of municipal works and services and supervise their application;
- b) To act as financial agent for the municipalities and grant avals, whenever convenient or necessary, on loans obtained by the municipalities with national, international or foreign finance corporations as well as on purchases or contracts for works or services with local or regional concerns;
- c) To act, at the request of the municipalities, as a central purchasing agent for materials or equipment;
- ch) To promote the formation of patrimonial agencies of public interest between the municipalities and other public and private concerns.
- d) To provide technical assistance to the municipalities for the preparation and execution of projects of public works and services, local and regional.
- e) To provide the municipalities with technical assistance with the object of promoting the improvement of their organization and the efficient operation of the administration;
- f) To maintain permanent training programs for Councilmen and municipal personnel; and cooperate in the recruitment and selection of same;
- g) To study the administrative organization and the operation of the local public services with a view toward their constant improvement;
- h) To carry out investigations and provide ideas and practices which contribute to the improvement of the municipal regime;
- i) To administer municipal or intermunicipal public works or services, when one or several municipalities so request it and the I.F.A.M. deems it convenient;
- j) To stimulate intermunicipal cooperation and promote an active exchange of information and experiences between the municipalities;
- k) To coordinate with other national or international organizations to strengthen its own efficiency and seek solutions to specific problems of the municipalities;

- 1) To collaborate with the Executive Planning Office and with the National Housing and Urbanization Institute in their regional and urban planning functions, and,
- 11) Any other functions assigned by law or which may result from its own nature and goals.

CHAPTER III

Of its Organization

Article 6. The management of the I.F.A.M. will be under a Board of Directors and the Executive Director who will be advised by a Technical Commission.

Section 1

Of the Board of Directors

Article 7. The Board of Directors will be composed of seven members, as follows:

- a) The Minister of Government and Police or his delegate;
- b) The Minister of Transportation or his delegate;
- c) Two members freely chosen by the Council of Government; and,
- d) Three members chosen by the Council of Government out of three groups of three candidates which to this end will be supplied by the Political Party which ends up in second place in the national elections for President of the Republic.

The elective members referred to in subparagraphs (c) and (d) should be persons who are known to be interested in municipal matters and will remain in their posts for four years and can be reelected. The Council of Government will name the assignees during the last fifteen days of the month of May in which the Presidential term starts, as mentioned in Article 134 of the Political Constitution and will take office on the first day of June of the same year.

Article 8. Except in the case of subparagraphs (a) and (b) of Article 7, membership in the Board of Directors will cease for:

- a) Any member who is absent from the country for over a month without the authorization of the Board of Directors, or with said authorization, for over a year;
- b) Any member who, in the opinion of the Board, is absent from four consecutive regular meetings without just cause;
- c) Any member who violates or allows manifest violations of the laws by reason of the exercise of his post;

- ch) Any member who, in the opinion of the Board, is unable to perform his duties for a period of six months due to physical disability; and,
- d) Any member who resigns his post or is legally unable to perform his duties. The resignation should be presented to the Board of Directors for the corresponding measures.

Article 9. In the cases referred to in the above article, and in the event of the death of a member of the Board, the Board or the Executive Director will inform the Executive Power so that a vacancy can be declared and the corresponding replacement may be named, without the loss of the position freeing the individual involved from the responsibilities he may have acquired.

The replacement will be named within the first fifteen days following the vacancy, in the same manner as the member who has to be replaced was named, and the new member will serve for the remainder of his antecedent's legal term.

Article 10. The following cannot be members of the Board of Directors:

- a) Spouses or relatives by blood or affinity up to the third degree, inclusive; and,
- b) Those who are under judicial proceeding or prison sentence or warrant in the penal branch for crimes against public property, have declared insolvency or bankruptcy and who, within the previous year have been involved in suits in the executive branch with any municipality for collection of their own unpaid debts.

Article 11. It will be the responsibility of the Board of Directors, in a general way, to state the policy of the Institute and see to the realization of its goals and specifically:

- a) To name, suspend or remove the Executive Director and the Auditor with just cause;
- b) To decide on the annual ordinary and extraordinary budgets; approve the monthly and yearly balances and the liquidation of the fiscal year's financial obligations, as well as the Institute's yearbook;
- c) To issue their own regulations and the organization and operation regulations of the Institute;
- ch) To issue personnel statutes with the corresponding wage scales for the employees and officers of the I.F.A.M.;
- d) To decide on requests for credit which may be presented to

the Institute, according to the provisions of the specific regulations which must be issued on this subject;

- e) To authorize the contracting of national, international or foreign loans for the compliance of its goals and the issuance of I.F.A.M. bonds;
- f) To authorize the sale or mortgaging of the Institute's properties as well as the investment of the available funds, and accept arbitrational transactions and obligations;
- g) To grant the public bids which the I.F.A.M. might promote, according to the provisions established by the Law of Financial Administration;
- h) To establish the general rules through which technical assistance will be provided;
- i) To be informed of and decide on appeals against the acts of the Executive Director and the Auditor, according to the procedures established in the regulations, and,
- j) To exercise the other functions which apply according to this Law and its regulations.

Article 12. The sessions of the Board of Directors will be presided by the Minister of Government and Police. In the event of his absence, the Minister of Transportation will preside and, in the latter's absence, the oldest member present will preside.

Article 13. The Board of Directors will have a valid meeting upon the presence of four members, and decisions will be taken by simple majority, except in the cases in which this Law demands a special majority, and in the following, in which the favorable vote of at least five of the Board's members will be required:

- a) The suspension or removal of the Executive Director or Auditor;
- b) The contracting of loans, issuance of bonds and the granting of credit for an amount in excess of one million Colones;
- c) The acceptance of arbitrational transactions and obligations; and,
- d) The granting of credit when the decision of the Technical Commission is negative.

Article 14. The Board of Directors will have ordinary sessions twice a month and extraordinary sessions when a meeting is called by two of its members or by the Executive Director. The members of the Board will be paid fees in accordance with the provisions of Law No. 3065 of November 20, 1962.

Article 15. The members of the Board of Directors will perform their duties with absolute independence from the Public Powers, the autonomous institutions or the municipalities and will therefore be responsible for their acts. This responsibility will be irremovable during their term in office except in case these should fall under the provisions of Article 8.

Section II

Of the Executive Director

Article 16. The general administration of the I.F.A.M. will be under an Executive Director named by the Board of Directors for a period of six years with the privilege of reelection.

Article 17. The Executive Director should be a person of known capacity and proven experience in municipal matters.

Article 18. The Executive Director will be elected by the favorable vote of not less than four members of the Board of Directors and his removal can only be agreed to by the vote of at least five members of the Board.

In any case, no individual can be named Executive Director if he is a member of the Board of Directors or has been a member during the year prior to his designation; if he is a municipal alderman, whether principal or alternate, or spouses or relatives by blood or affinity up to the third degree, inclusive, of any one of the members of the Board of Directors or the Auditor.

Article 19. In the event of the absence or temporary impediment of the Executive Director, the Board of Directors can name any of the Department Heads of the Institution to replace him as Acting Executive Director.

Article 20. The duties of the Executive Director will be:

- a) To exercise the general administration of the I.F.A.M. according to the legal provisions and the decisions of the Board of Directors;
- b) To execute or obtain execution of the agreements and resolutions of the Board of Directors;
- c) To present to the Board the project for the annual budget, the projects for extraordinary budgets; the monthly and yearly balances; the Institute's yearbook, and the liquidation of the fiscal year's financial obligations;
- ch) To call the Board to extraordinary meetings;

- d) To name, remove and exercise disciplinary authority with regard to the Institute's personnel according to the regulations;
- e) To be present at the meetings of the Board of Directors without the right to vote;
- f) To act on requests for technical assistance according to the general rules established by the Board of Directors;
- g) To preside the Technical Commission;
- h) To exercise judicial and extrajudicial representation of the I.F.A.M., and,
- i) To perform any other function assigned to him by law, by the Board of Directors, or by the regulations.

Article 21. The Executive Director cannot name to the I.F.A.M. personnel any individual who is a spouse, is related to him or the members of the Board of Directors by blood or affinity up to the third degree, inclusive.

The fact that an individual who falls within the relationship categories indicated in the above paragraph is named to the Board of Directors or as Executive Director will not be grounds for the removal of an officer or employee of the Institute. Likewise, it will not be grounds for removal if after he is so named he becomes a relative by affinity of any one of these.

Section III

Of the Technical Commission

Article 22. The I.F.A.M. will have a Technical Commission which will be presided by the Executive Director and will be composed of the heads of the Departments and other officers as determined by the regulations.

Article 23. The duties of the Technical Commission will be:

- a) To advise the Executive Director on the matters he submits to them;
- b) To study and make decisions on the requests for loans presented by the municipalities; on internal and external loans, and on the issuance of bonds of the I.F.A.M. or the municipalities, at the request of the latter; and,
- c) To study and make decisions on requests for technical assistance which the municipalities may address to the I.F.A.M.

Article 24. The Board of Directors will not consider any request for credit, any project for internal or external loan, or the issuance of bonds, without the decision of the Technical Commission. And the Executive Director will not make any decision on any request for technical assistance, without previously obtaining the Commission's opinion on the subject.

Section IV

Of the Auditor

Article 25. The Institute will have an auditor, named by the Board of Directors. The rules on designation, suspension and removal established for the Executive Director are applicable to the Auditor.

Article 26. The Auditor should be an individual of good conduct who holds the title of Certified Public Accountant. In case of unavailability, the Board of Directors may name an individual with equivalent training.

It will be understood that there is unavailability when the vacancy has been advertised two times and at least three professionals with the aforementioned title do not apply for the position.

Article 27. The Auditor has as his duty the exercise of fiscalization and vigilance over the administrative and financial operation of the I.F.A.M., as well as over the compliance with the laws. He will be directly responsible to the Board of Directors and will answer to same for his acts.

Section V

Of Personnel

Article 28. The officers and employees of any of the State's agencies, its autonomous or semiautonomous institutions, municipalities and University of Costa Rica, who transfer to work at the I.F.A.M. will retain therein all the benefits and privileges derived from their work contracts without loss of continuity, as well as the privileges acquired insofar as retirement and private pensions established in the different agencies and institutions from which they come. In these latter cases, they must continue to pay normally into the referred to agencies or institutions, which once the waiting periods have been complied with, will give due course to the retirement privileges.

CHAPTER IV

Of the Initial Capital and Financial Resources

Article 29. The initial capital of the Institute will be ten million Colones put in by the State.

Article 30. In addition to the initial capital, the I.F.A.M. will have the following financial resources:

- a) The funds obtained from the taxes to which Article 52 of this Law refers;
- b) The commissions and interest on the credit operations which the Institute may undertake with the municipalities;
- c) The income for the services of technical assistance, advise and information, and for any other type of services or works which the Institute may perform in favor of or for the account of the municipalities;
- ch) The product of the issuance of bonds and the loans which the I.F.A.M. may obtain with national, international, or foreign finance corporations;
- d) The earnings obtained from the profitable investment of the funds temporarily available;
- e) The subsidies which the State or the municipalities may agree to; and,
- f) The donations, inheritances, gifts, or any eventual income which may be granted to them.

Article 31. The properties and rights of the I.F.A.M. will be utilized exclusively for the realization of its goals; but the Board of Directors can agree to the investment of the funds temporarily available in short-term and income-producing operations which will be destined to the reinforcement of the Institute's income.

These investments should be made under the best guarantee, profit and cash value conditions.

CHAPTER V

Of the Special Provisions on Credits and Technical Assistance

Article 32. In the granting of loans to the different municipalities, the I.F.A.M. may utilize up to 80% of its own resources and up to 100% of the resources which it may obtain from national, international or foreign finance corporations.

Article 33. The Institute may finance up to 90% of the cost of projects of municipal works and services, taking into account the nature of same and the economic capacity of the corresponding municipality. The remaining percentage should be supplied by the interested municipality.

Article 34. In each case, the I.F.A.M. and the municipality or

municipalities in question should sign a contract in which both the amount of the loan as well as its destination and the conditions under which it is granted should be minutely stipulated. Prior to the granting of a loan, the I.F.A.M. may demand feasibility studies of the project which is to be financed, financial capacity studies of the interested municipality or municipalities, and other details which, in its opinion, are indispensable for the processing of the corresponding request.

Any loan implies the faculty on the part of the Institute to technically and financially supervise the execution of the project financed by the Institute.

Article 35. The aval granted by the State in favor of the I.F.A.M. due to the loans which the latter may contract for with national, international or foreign finance corporations will require legislative approval.

Article 36. The loans contracted for in foreign currency will require, in addition, the authorization of the Central Bank. The funds forthcoming from these loans will be delivered to said Bank who will thereafter provide the funds necessary to pay the principal and interest at the same rate of exchange at which the loan was obtained.

Article 37. To guarantee the financial operations that the I.F.A.M. may enter into with the municipalities, the latter may cede their income and mortgage any necessary properties to this end.

In any case, and as complementary guarantee of all these operations, the Comptroller General of the Republic will not approve any ordinary or extraordinary budget of any municipality that is in arrears with the Institute. To this end, the Institute will provide the Comptroller's Office with a monthly list of the municipal corporations that are in arrears.

Article 38. At the request of the interested municipality, the I.F.A.M. may act as financial agent for the placement of municipal bonds in the stock market in which case a commission will be charged which will be agreed to in each case.

Article 39. The I.F.A.M. will offer the municipalities of the country all kinds of technical assistance compatible with its technical and administrative resources. Such assistance will be charged for at cost, in accordance with the terms of the agreement which in each case must be signed with the interested municipal corporation.

Article 40. Also, the Institute can establish programs for legal, financial, accounting, information, publications and documentary advisory services which will be offered to the municipalities through the payment of a yearly fee which will be agreed to between the interested parties.

Article 41. In the contracts which may be signed by reason of loans or agreements for technical assistance, the I.F.A.M. may demand

changes or administrative reforms from the municipalities which will imply a guarantee of good local government. The I.F.A.M. can also, of its own accord, suggest such changes or reforms in compliance with the general purpose for which the Institute was created.

CHAPTER VI

Of the Liquidation of the Fiscal Year's Financial Obligations

Article 42. The Fiscal Year for the I.F.A.M. will be a year from January 1 to December 31.

Article 43. The net profits of the Institute will be used:

- a) 10% for the formation of a fund for training and investigation in municipal matters; and,
- b) 90% for the formation of the reserves of the Institution. When these reserves exceed 50% of the capital, the excedent will be automatically incorporated to the capital.

Article 44. When the annual liquidation of the operations of the I.F.A.M. shows losses, these will be charged to the Institute's reserves.

CHAPTER VII

Of the Fiscal Regime

Article 45. The I.F.A.M. will have the right to the following exemptions and privileges:

- a) Exemption from all types of taxes and fiscal contributions, established or that may be established and which might apply on its properties, rights or stock, rent or income of any kind or on any legal action, contracts or transactions it might enter into;
- b) Exemption from all types of taxes and fiscal fees and municipal contributions, present or future, on the issuance, subscription, negotiation, cancellation of principal and interest and bonds, certificates, titles or stocks issued by the I.F.A.M.;
- c) Exemption from all types of taxes, fees, contributions and import duties, consular or of any other nature, when it refers to the import of articles destined for municipal public works or services or in the service of the Institute, providing said articles are not for companies in which private individuals have any part or benefit, except in the case of subparagraph (ch) of Article 5; and,

- ch) Postal, telegraphic and radiographic privileges for communications between the Institute and municipalities and other government agencies.

CHAPTER VIII

General Provisions

Article 46. When the I.F.A.M. receives requests for credit from the municipalities to finance projects of municipal public works or services which have relation to the functions or jurisdiction of the government agencies or any or some autonomous or semiautonomous institutions, these agencies or institutions must be consulted. In these cases the Institute, in agreement with the interested municipality, may contract for the execution of the project with the corresponding government agency, paying the cost with the funds destined for the loan granted to the corresponding municipality.

Article 47. The I.F.A.M. may render its services to the municipalities to conduct feasibility studies of their projects; prepare them technically; formulate pertinent plans and specifications; make up the bids for the construction of works and supervise their execution. In any case, the Institute may not charge for these services a price greater than the common rates established in each case by the laws and regulations in effect.

Article 48. The specific funds or subsidies destined to municipal public works or services can be included in the National Budget in the name of I.F.A.M. specifying the finality pursued and the municipality to which they are destined. The Institute will make certain that the project is executed and will supervise its execution. In any case, the Institute can, at the request of the interested corporations, advance part or the total of the corresponding budgetary item charging a minimum interest or commission agreed to previously. When such occurs, the Minister of Finance, after having studied the document in which the corresponding agreement is contained, must issue I.F.A.M. the funds necessary for reimbursement of the funds advanced.

Article 49. The municipalities can effect their purchases in the I.F.A.M. Storehouse, and in this case they will not need to formulate public bids nor obtain the authorization of the Comptroller General of the Republic.

Article 50. The I.F.A.M. should coordinate its activities with those of the other governmental agencies, especially with the Ministry of Government and Police and with that of Transportation, to obtain efficient cooperation between the municipalities of the country, and of the latter with the Central Government and the other public institutions.

Article 51. With the exceptions expressly indicated in this Law, all the operations of the I.F.A.M. will be subject to the pertinent provisions of the Financial Administration Law of the Republic.

Article 52. Articles 37, 38, and 39 of Law No. 10 of October 7, 1936 on the Sale of Liquor, revised through Law No. 2940 of December 18, 1961 are hereby ammended so that they will read in accordance with the texts which are indicated hereafter; and another article is added to the aforementioned law which will take the place which at present is held by Article 40, this now being No. 41 and the numbering being changed on the following:

"Article 37. The tax on national liquors, foreign liquors and beer, will be one Colon per litre or fraction of a litre of content.

Article 38. The tax on national liquors will be retained by the National Liquor Factory, at the time of sale, indicating the amount of the tax on the corresponding bill of sale. At the end of each month, the total tax collected will be paid to the Municipal Development and Advisory Institute.

Article 39. The tax on foreign liquors and beer will be set by customs and collected by the Central Bank, who will make quarterly payments to the Municipal Development and Advisory Institute for the total tax collected during that period.

Article 40. Of the total received by the I.F.A.M., in accordance with the foregoing articles, I.F.A.M. is entitled to 50% for the purposes indicated in subparagraph (a) of Article 30 of its Constitutive Law; the other 50% will be distributed among the municipalities of the country, crediting each with the corresponding amount in a special account, according to the following criteria:

- a) Insofar as liquors are concerned, as contained in Article 38, the credit will be made among all the municipalities, in proportion to the consumption corresponding to each township;
- b) Insofar as liquors and other foreign drinks to which article 39 refers, 60% should be credited to the Municipality of San Jose and the remaining 40% to the other municipalities in proportion to the population of each township."

Article 53. The agreement for a loan subscribed to between the Government of Costa Rica and the United States of America through the Agency for International Development (Loan AID 515-L-023) is hereby ratified in its entirety, the text being attached and forming an integral part of this Law.

Article 54. With the purpose of forming an adequate working capital for the compliance with the purposes and objectives of the Municipal Development and Advisory Institute (I.F.A.M.), created by Article 19 of Law No. 4574 of May 4, 1970, the Executive Power is authorized to transfer to said Institution, in a non-reimbursable manner, the funds which the Loan Agreement refers to as approved by this Law.

Article 55. This is a public order law and is in effect as of the date of its publication.

TRANSITORY PROVISIONS

I. To subscribe the initial capital of the I.F.A.M. the Executive Power is authorized to issue, through the Ministry of Finance and in accordance with the following provisions, titles against the Public Treasury up to the sum of ten million Colones (Q10,000,000.00).

- a) The titles will bear the date of January 1, 1971 and will be known as "Municipal Development Bonds, 8%, 1970." They will have full guarantees from the State and the bonds, as well as their interest coupons, will be exempt from all present and future taxes. They will earn an annual interest of 8% payable quarterly on the first day of each of the months of January, April, July and October, as of the month of January, 1971. They will have a fixed quota for interest and amortization fund, and may be redeemed quarterly at any time through lotteries. They will have a ten-year term but the State reserves the right to make extraordinary amortizations at any time through lotteries and to recall for payment, at par, the total of the bonds issued.
- b) For the amortization and interest service of the debt which is authorized through this Law, the Ordinary Budget of the Republic will include the necessary annual sum.
- c) The Central Bank of Costa Rica will be in charge, as Fiscal Agent, of the service and payment of the Bonds and interest coupons to which this Law refers, as well as the management of the accounting of same, all in accordance with the provisions of Article 121 of the Organic Law. The Bank will only be obligated to service these stocks when the transfer of the funds necessary for said service is made.
- ch) The Government Banks, members of the National Banking System and the autonomous institutions are authorized to buy, as an investment, the bonds to which this Law refers, which will be considered as first class listed securities with absolute guarantee and cash value. The institutions that acquire these bonds may also place these bonds among individuals or other autonomous institutions with a repurchase agreement, at par and with interests up to date. The Central Bank will be obligated to grant the commercial banks of the State the extension of the maximum corresponding on the amount of the acquisition of these bonds.

II. During the first four years of operation of the I.F.A.M., the Executive Power, the Comptroller General of the Republic, the autonomous and semiautonomous institutions and the municipalities of the

country can make available specialized personnel to the Institute. This personnel will retain all the rights inherent to their original position, but the I.F.A.M. may subsidize them if the salaries for similar positions are superior in the Institute.

III. The first Board of Directors of the I.F.A.M. must be formed no later than a month after this Law goes into effect, as is indicated in Article 7 of same, and its members should be sworn before the President of the Republic. The elective members of the first Board of Directors will terminate their term on May 31, 1974 except in cases of reelection. The naming of the Executive Director should be made by the Board of Directors no later than eight days after being sworn in.

IV. The operations of the I.F.A.M. governed by this Law will start on the date that the Board of Directors determines, but not later than three months after having named the Executive Director, which period must be used for the organization and installation of the Institute.

V. Within the fifteen days following the date in which this Law becomes effective, the Executive Committee of the National Unification Party will send to the Council of Government the three lists of three candidates to which Article 7 of this Law refers, and the Council of Government will choose from these three lists the three members to which subparagraph (d) of Article 7 of the said Law refers.

Be it communicated to the Executive Power:

Legislative Assembly. San Jose, on the twenty-sixth day of the month of January of nineteen hundred and seventy-one.

DANIEL ODUBER QUIROS
President

EDGAR ARROYO CORDERO
Secretary

JORGE SOLANO CHACON
Assistant Secretary

The Presidency. San Jose, on the ninth day of the month of February, nineteen hundred and seventy-one.

Be it executed and published,

JOSE FIGUERES

The Minister of Government, Police,
Justice and Grace

CARLOS MANUEL VICENTE CASTRO

APPENDIX E
MICRO-MACRO ANALYSIS MODEL

METHODOLOGY FOR ADMINISTRATIVE
MACRO AND MICRO ANALYSIS OF THE PUBLIC SECTOR

ADMINISTRATIVE MACRO ANALYSIS

CONCEPTS OF STATE

1. Does the Constitution establish the separation of powers? If so, how many and which are these?
2. Is there a clear national concept of the make up of the State because of these powers?
3. Is there a clear national concept of the necessary operational independence which these powers should have?
4. Is there a clear national concept that in spite of the necessary operational independence of these powers, these form a part of a whole: the State indivisible in its ultimate development goals?
5. Is there a clear national concept of the necessary operational inter-relationships of these powers so as to maintain the unitary criteria of the State?
6. Does the Constitution provide a frame of reference for the establishment of national integrated development policies?
7. Is there a power structure compatible with the development goals?
8. Since in a democracy the State is of the people, for the people and by the people, does public opinion, as its manifestation, play a noticeable influence in the orientation of State activities?
9. Are there adequate conditions for public opinion to manifest itself and channel same as an orientating political force for State activities?
10. Are there permanent political parties?
11. Are there fundamental ideological differences among these political parties, or do these represent individual criteria or that of groups of persons?
12. Where stable military forces with a career criteria exist, do these have influence over the electoral process?

13. Do these military forces participate in the organization and execution of the electoral process?
14. Is the electoral function under a totally independent scope from that of the other powers?
15. Is the electoral function under the scope of some of the other powers, and if so, how is the neutrality of its members guaranteed in such a process?

LEGISLATIVE POWER

16. What degree of effective participation does the people have in the selection of pre-candidates to the Legislative Power?
17. Is there an adequate selection process for the nomination of legislators or is this effected exclusively by partisan interests?
18. Is there a clear concept among the members of the Legislative Power on the national projections that their determining functions entail?
19. Are there personal, sectarian or locally oriented criterions within the Legislative Power in its decision making?
20. Is there a clear concept within the Legislative Power on the important role this body plays in the socio-economic development process of the country?
21. What degree of real independence does there exist between the Legislative Power and the Executive Power?
22. How is the necessary inter-relation between the legislative and executive functions exercised to insure unity of efforts in the pursuit of objectives of national interest?
23. What influence does the President of the Republic exercise over the members of the Legislative Power who are members of his own party?
24. Are reciprocal efforts made between the legislators of the party in power and those of the opposition to maintain a harmonious working relationship in the pursuit of important national objectives?
25. Have the objectives of national interest which require legislative support of all the parties and have medium and long term projections which demand continuity because they cover more than one governmental period been defined?
26. Does the Legislative Power consider necessary the constitutional and legal reforms which might limit the indispensable structure and procedure change for development, and is it willing to make

them in spite of the fact that these might affect certain pressure and influential groups?

27. What degree of influence do pressure groups have over the Legislative Power?
28. Is the Legislative Power conscious of the importance of planning and the role that the budget by programs and activities as a short term plan plays?
29. Is the project of budget by programs and activities submitted by the Executive Power considered a means by which to limit the legislative functions or a financial-economic instrument of administrative rationalization?
30. Is the internal organization of the Legislative Power adequate for the presentation, study, and approval of the laws?
31. Are there permanent commissions with professional and technical consultants for the conduct of the main legislative activities?
32. Is the technical consultant and secretarial personnel of the Legislative Power selected under the merit system or the political partisanship method?
33. Does this technical consultant and secretarial personnel of the Legislative Power have career status, including employment stability?
34. Does the Legislative Power have auxiliary organizations such as a Comptroller General, or Exchequer?
35. Are the functions of this auxiliary organization fundamentally those of financial control or do they cover other fields?
36. Is financial control exercised a priori, a posteriori, or both?
37. Does the Comptroller General's Office have other consulting or auxiliary functions for the Legislative Power, and if so, which are these?
38. Does the Comptroller General's Office exercise coordinating or integrating functions for certain fundamental activities of the other Powers and the decentralized organizations of the Executive Power?
39. Does the approval of the budgets of the decentralized organizations of the Executive Power fall on the Comptroller's Office?
40. Does the Comptroller General's Office have any participation in the determination of other acting policies of the decentralized organizations such as the assigning of personnel, purchases, etc.?

EXECUTIVE POWER

A. Central Government

41. Is there a clear concept on the part of the President of the Republic that the maximum individualization of leadership in the country corresponds to him and that therefore he personifies maximum authority?
42. In the exercise of this concept, is there an adequate organization in the office of the President so that he can efficiently exercise his important duties?
43. What role does the Vice President, Vice Presidents, or Designates play in the work of the executive team?
44. Is there a Council of Government where the strategic policies of the Executive Power can be collegiately studied at a high level and coordinate in one plan of action those of the different ministries and decentralized organizations?
45. Does this Council of Government exercise any collegiate work which reduces the authority of the President of the Republic?
46. Is the main function of the ministries or secretaries that of collaborating with the President, or do their authority and sectorial duties go as far as formulating non-integrated ministerial policies?
47. Are the formulation of executive policies, planning, budget, personnel (civil service), and administrative analysis (organization and methods) among the principal consulting units of the President?
48. Is there a minister or secretary of the presidency or a high official for the coordination with those consulting units and to serve as secretary of the Council of Government or Cabinet Council and what are his specific functions?
49. Do these consulting units constitute isolated nuclei or a system with sectorial units on which they exercise technical authority in their corresponding field?
50. Are there planning, personnel, budget, and administrative analysis systems, and if so, is their scope only governmental or does it also cover the decentralized organizations?
51. Of what does the organization (structures and administrative procedures) of the Executive Power consist to meet its integrated development goals and to coordinately execute its basic programs?

52. Are the basic development functions under the direct control of the Executive Power or are these in good part under the direction of decentralized organizations which act on their own criteria?
53. Is each minister or secretary responsible solely for the matters in his scope, or are they considered part of an indivisible whole?
54. Does each ministry or secretary have the authority to act with a degree of independence such that he can directly present matters such as work plans, budget proj-cts, etc., to the Executive Power without the need for approval from the corresponding central office, the President and/or the Council of Government?
55. Does each minister or secretary have the authority to act with such a degree of independence that he can effect reorganizations in his ministry without the prior approval of the administrative analysis central office, the President and/or the Council of Government?
56. Does each minister or secretary have the authority to act with such a degree of independence that he can approve administrative regulations for his ministry different from the general provisions and regulations which should exist for any government?
57. Is there an adequate internal organization in each of the ministries to meet its goals?
58. Is there an adequate organization of the minister's office or secretary's office in each of these ministries?
59. Are there consulting organizations which the respective minister or secretary require to make strategic decisions available in these offices?
60. Are there the necessary offices in each of these ministries for the compliance of their goals?
61. Are modern principles of scientific administration applied in these ministries and offices for their formal and human organization, internal coordination, administrative direction and control?
62. Is there a suitable policy between the expenses of the Central Government and the decentralized organization?
63. Are the expenses of the Central Government made with austerity and those of the decentralized organizations with a criteria of bonanza?
64. Is there a frequent practice of granting budgetary subsidies to specific decentralized organizations or groups?
65. Is there a frequent practice of granting set budgetary percentages for specific ends, powers or decentralized organizations?

66. Have studies been made to determine the costs of the services rendered by the government (mail, telegraph, certifications, etc.)?
67. Are there adequate auxiliary organizations in the Central Government for general and administrative services such as transportation, conservation and construction of real estate, archives, accounting, mechanical tabulation, publications, etc.
68. Is there a central purchasing and supply system which allows the acquisition and rationed use of capital and consumer goods which the government requires for its activities?
69. Is there a central personnel office which has the responsibility for all the public sector in this field?
70. Does the central personnel office cover the employees of the Legislative and Judicial Powers and of the decentralized organizations?
71. If not, does it achieve uniformity of the applicable policies for the Executive and other powers and organizations?
72. In case there exist various personnel administration systems, are there uniform policies for the selection, classification of jobs, salaries, promotions, career status, incentives, penalties, retirement, etc.?
73. Is there a central personnel office in the government which exercises leadership in its field?
74. Does the central personnel office have other functions in addition to those of procedure, personnel motivation for a greater participation in the development programs?
75. Is there a tendency between officials and employees of the Central Government to transfer to the decentralized organizations, and if so, what are the principal reasons for this?
76. Are there training programs and policies for public personnel both national and international?
77. Is there any organization in charge of the central administration of technical assistance (scholarships, consulting and contracts with experts, supervision of programs, etc.)?
78. To what degree has the planning system been consolidated with regard to the legal provisions which established it?
79. Are the decentralized organizations legally obligated to form part of the planning system, or is this done only at will?

80. When central planning systems exist for budget, statistics, personnel, and administrative analysis and the sectorial units are not under their administrative jurisdiction but rather under the corresponding ministries, how are the technical policies issued by the central office coordinated and met?
81. To what degree has the planning system been consolidated with regard to the elaboration of sectorial programs?
82. Within the planning responsibilities short, medium and long term goals have been set and, in the first instance, how do these relate to the annual programs budget?
83. When the budget office does not form part of planning system organization but rather of the Ministry of the Treasury, how is the work of both offices coordinated?
84. To what degree are the medium and long term plans being taken into account in the elaboration of the short term plans, programs and projects of the ministries, their offices and the decentralized organizations?
85. What is the administrative situation for the management of global development programs of the economic infrastructure if these exist?
86. If these sectorial development programs of the economic infrastructure exist, who has the responsibility for their formulation and execution?
87. What type of coordination exists for the different sectorial programs?
88. Is there a good national statistics system capable of producing the data which is required for the rational orientation of the activities of the country?
89. Does this statistical system guarantee the continued and periodical compilation of basic information without duplications and with a high sense of function utility of the development plans?
90. Does this statistical system guarantee the periodical and opportune basic information so that the users of the public or private sectors can utilize or analyze the data for their own purpose?
91. Is there a taxing system that satisfies the integrated development goals and at the same time fulfill the requisites of universality, justice and tributary efficiency so that the State can count on the financial resources required to meet its goals?
92. Are there regulations and effective actions to avoid the evasion of taxes?

93. Does the Government depend to a high degree on indirect taxes as a source for its resources? Cite the figure to which this tariff reaches.
94. Is there a good system to facilitate direct tax reporting such as income taxes, real estate, etc.?
95. Are special organized methods used to control the reporting on incomes and expenses on income tax?
96. Is the real property list system used to control the statements on real estate or territorial taxes?
97. Are special statistics carried with great data on territorial and income taxes to measure variations in economic structures?
98. Are there regulations so that all public income is deposited in one cash box and distributed later from here through special appropriations by the Central Government?
99. Is there any office in charge of providing technical consulting to the Government in matters of economic integration of the Central American Isthmus?
100. Does this office have special executive functions, and in such case, what are they?
101. What kind of relationship does the Government have with the chambers, unions and others in the private sector for the formulation of the economic integration policies of the Central American Isthmus?

B. Organizations Decentralized by Function*

102. Do the organizations decentralized by function have a board of directors which exercises within its scope the determination of its own policies?
103. What degree of relationship does there exist between the policies of those organizations decentralized by function and those of the Executive Power?
104. How are the policies within the decentralized organizations determined?
105. Does the Executive Power and directly the President of the Republic exercise influence on the formulation of the policies of the organizations decentralized by function?

*Under this nomination are included, in administrative terminology, the autonomous, semi-autonomous organizations, public corporations, etc.

106. Are designations of the members of the boards of directors of these organizations made based exclusively on agreements or partisan political interests, or to the contrary, are technical knowledge and experience taken into account?
107. Are these boards of directors changed in toto when a new governmental administration takes over to bring about a greater relationship with the policies of the Executive Power?
108. Are the members of these boards of directors changed partially and periodically and if so, how do the policies of these organizations interrelate with the policy of the Executive Power?
109. Is there a career status for the naming of the managers and auditors of these decentralized organizations on the part of the boards of directors or are these designations of trust or partisan politics?
110. Does the Executive Power intervene directly or indirectly in these designations (in some countries this could even be regulated by law)?
111. Are there career status and merit systems in these organizations for all personnel including the intermediate managerial levels, or is there a criteria of favoritism, nepotism or proselytism for designations, promotions, etc.?
112. When there is career status and merit systems in these organizations do they base themselves on general and universal policies for all, similar to those applied in the Central Government, or do they have their own statutes and regulations?
113. What degree of lineal or technical relationship exists with the central civil service?
114. Is more importance for promotions within the personnel system given to time of service than to the merits of the applicant?
115. Do these organizations decentralized by function have sectorial planning, budget, statistics, administrative analysis units, and if so, what technical, normative, or lineal relationship does there exist with the central office of the Government system?
116. Who approves, and to what degree, the plans, budgets, investigations and reorganizations when the organizations decentralized by function do not constitute part of the respective systems of the central government?

C. Organizations Geographically Decentralized

117. Is the determinative function at a provincial, departmental, and municipal level exercised by a popular election group?

118. Is the executive function at a provincial, departmental, and municipal level exercised by a popular election authority or designated by the Central Government and therefore subject to same hierarchically?
119. What relationship or interdependence does there exist between the determinative and executive authorities of the provinces or departments and the municipalities?
120. In the great geographically decentralized units, are there adequate systems for urban and regional planning, budget, personnel, purchasing, and supplies, etc.?
121. Are the geographically decentralized systems technically and administratively capable of solving the main problems of the community they serve?
122. What are the principal activities handled by the geographically decentralized organizations in the service of their respective territory?

JUDICIAL POWER

123. Is the procedure for the integration of Judicial Power efficient, or is it made by partisan interests?
124. Does the President of the Republic intervene in the election of the members of the Judicial Power?
125. Is there real independence between the Judicial Power and the Executive Power?
126. How is the necessary interrelation between the Judicial functions and those of the other powers exercised to insure the unity of effort in the pursuit of national interest objectives?
127. Is the internal organization of the Judicial Power adequate to handle its functions efficiently?
128. Is the Administrative personnel selected under the merit criteria and does it have career status?
129. Are there adequate planning, budget, purchase and supplies, accounting, auditors, filing, and general services systems, etc.?

ADMINISTRATIVE MICRO ANALYSIS

INVESTIGATION

- | | | |
|--|-----|----|
| 1. Was a careful investigation on the scope and possible responsibilities of the institution made before it was established? | Yes | No |
| 2. Are periodic investigations made to determine the changes? | Yes | No |
| 3. Are periodic investigations made to determine the particular objectives of the institution? | Yes | No |
| 4. Are periodic investigations made to orient its plans? | Yes | No |
| 5. Are periodic investigations made to make reorganizations? | Yes | No |
| 6. Are the economic and social investigations made by other state organizations taken into account for the work? | Yes | No |
| 7. Have studies been made to discover the environment which could benefit the institution? | Yes | No |
| 8. Have studies been made to discover the potential of service of the institution? | Yes | No |
| 9. Are the investigations made and experience obtained by other organizations used by the institution? | Yes | No |
| 10. Are there previously established comparative standards to measure the facts investigated? | Yes | No |

FORECASTS

- | | | |
|---|-----|----|
| 11. Are the principal duties of the institution forecasted? | Yes | No |
| 12. Are forecasts made for a period of one year? | Yes | No |
| 13. Are forecasts made for a period of two years? | Yes | No |
| 14. Are forecasts made for more than a two-year period, but less than five years? | Yes | No |

- | | | | |
|-----|--|-----|----|
| 15. | Are forecasts made for a period of more than five years, but less than ten years? | Yes | No |
| 16. | Are forecasts made for periods in excess of ten years? | Yes | No |
| 17. | Are forecasts or predictions made on the basis of experience? | Yes | No |
| 18. | Are forecasts or predictions made on the basis of real and existing facts? | Yes | No |
| 19. | Are forecasts or predictions made on the basis of special investigations designed for this purpose? | Yes | No |
| 20. | Are forecasts made through the application of scientific statistical methods? | Yes | No |
| 21. | Do the forecasts take into account national environmental external factors? | Yes | No |
| 22. | Do the forecasts take into account administrative internal factors? | Yes | No |
| 23. | Is a forecast made for the training of managerial personnel of the future? | Yes | No |
| 24. | Are general external factors that can affect the future operation of the institution taken into account? | Yes | No |

OBJECTIVES AND POLICIES

- | | | | |
|-----|---|-----|----|
| 25. | Has the institution a clearly defined social objective of service to the community? | Yes | No |
| 26. | Is the compliance with the social objective periodically evaluated? | Yes | No |
| 27. | Is there a basic differentiation in its officials between the social objective and the reason for political support or profit when it deals with public services of an industrial or commercial nature? | Yes | No |
| 28. | Is the achievement of the motive evaluated on a yearly basis? | Yes | No |
| 29. | Are the incentives of the institution determined before hand? | Yes | No |

30.	Are there private incentives for the members of the institution other than salaries?	Yes	No
31.	Are there policies that correspond to the social objectives?	Yes	No
32.	Is the formulation of policies done in a separate manner or does this constitute part of the executive responsibilities?	Yes	No
33.	Are the policies determined by a special non-operative organ?	Yes	No
34.	Is there a fundamental separation between the political formulations and administrative responsibilities?	Yes	No
35.	Does the executive personnel intervene directly in the determination of policies?	Yes	No

PUBLIC OPINION

36.	Is importance given the formation of public opinion on the institution?	Yes	No
37.	Are special media of external public relations used to orient public opinion about the institution?	Yes	No
38.	Are special media of external public relations and investigation used to obtain knowledge of public opinion?	Yes	No
39.	Does public opinion have any influence on the policy determinations of the institution?	Yes	No
40.	Do the officials have any influence in obtaining prestige for the institution?	Yes	No
41.	Are there good internal public relations in the institution?	Yes	No
42.	Are both external and internal public relations conceived as a two-way means from the informant to the informer and vice-versa?	Yes	No
43.	Are external and internal public relations evaluated periodically?	Yes	No

PLANNING, PROGRAMMING AND BUDGETS

44.	Does the institution carry out systematic and operative planning?	Yes	No
45.	Does planning follow the policies and objectives?	Yes	No
46.	Is short term planning carried out (one year)?	Yes	No
47.	Are work programs effected within short term planning?	Yes	No
48.	Is the execution of programming controlled and are the differences obtained evaluated with regard to the planning?	Yes	No
49.	Are there medium term plans in the institution (more than one year to four years)?	Yes	No
50.	Are there long term plans (more than four years)?	Yes	No
51.	Are the short term plans and their programs part of the medium and long term plans?	Yes	No
52.	Are central planning standards established?	Yes	No
53.	Is there coordination between the sectorial plans?	Yes	No
54.	Are the plans and programs simple?	Yes	No
55.	Are there uniform standards and work standards?	Yes	No
56.	Are the plans flexible?	Yes	No
57.	Are the plans in balance with regard to the resources utilized?	Yes	No
58.	Are planning and action conceived as separate parts of the same task?	Yes	No
59.	Are the plans known among the users?	Yes	No
60.	Are plans made known among the institution's personnel to guarantee their collaboration?	Yes	No
61.	Is a yearly program of activities inventory made?	Yes	No

62.	Are Gantt graphics used to make up programs and control their execution?	Yes	No
63.	Has the best location, within the institution, for the sectorial planning unit been studied?	Yes	No
64.	Are there pluripersonal lineal planning organs?	Yes	No
65.	Have their experiences been evaluated?	Yes	No
66.	Are there pluripersonal planning consultant organs?	Yes	No
67.	Has their work been evaluated?	Yes	No
68.	Are budgets for programs and activities formulated annually?	Yes	No
69.	Do the budgets offer logical groupings of the expenses according to purpose and function?	Yes	No
70.	Do the budgets, on the contrary, offer only data on income and expenditure?	Yes	No
71.	Are modern administration techniques followed in the preparation of the budgets?	Yes	No
72.	Is there a good budgetary normative structure if the institution is of considerable size?	Yes	No
73.	Does the budget offer enough programatic information so that priorities can be established?	Yes	No
74.	Are modern budgetary normative elements satisfied in the budget?	Yes	No

FORMAL ORGANIZATION

75.	Is there a previous cooperative effort system and consciously planned insofar as administrative structures are concerned?	Yes	No
76.	Does the administrative structure come from experience?	Yes	No
77.	Have studies been made to determine the best organization for the institution?	Yes	No
78.	Are periodic reorganization studies made to maintain the institution up to date?	Yes	No

79.	Do all the parts of the organization obey a definite objective?	Yes	No
80.	Is there an adequate delegation of duties?	Yes	No
81.	Are duties established in writing in a manual?	Yes	No
82.	Are authority and duties delegated in a proper echelon?	Yes	No
83.	Are authority and duties properly delegated?	Yes	No
84.	Is there consciousness in the hierarchy that authority proper cannot be delegated?	Yes	No
85.	Is there fear in delegating authority and duties to subordinates?	Yes	No
86.	Is there the belief that only the hierarchs can responsibly assume the duties?	Yes	No
87.	Do the hierarchs feel obligated to know all the details of the organization's operation?	Yes	No
88.	Is there any fear on the part of the maximum authority to delegate functions in view of the responsibility that is ascribed to total compliance with duties?	Yes	No
89.	Is delegation confused with abdication?	Yes	No
90.	Is a previous analysis made of the duties and organization before delegation is made?	Yes	No
91.	Is delegation understood as a redistribution of duties?	Yes	No
92.	Is delegation considered a bilateral act?	Yes	No
93.	Is there correspondence between the authority delegated and the responsibility in the compliance with duties?	Yes	No
94.	Is there always a demand for compliance with the responsibility?	Yes	No
95.	Is responsibility considered indivisible and proportional to the authority received?	Yes	No
96.	Is there a good organization system to establish formal authority?	Yes	No

97.	Is there a satisfactory criteria on the moral obligation of not accepting delegation of authority under determined conditions?	Yes	No
98.	Is there respect and compliance on the coordinating decisions of the central formal authority?	Yes	No
99.	Do there normally exist good relationships among the persons with authority within the organization?	Yes	No
100.	Is authority normally exercised on trust within the organization?	Yes	No
101.	Is there an adequate division of work?	Yes	No
102.	Before dividing the work, are studies conducted to determine in advance its convenience?	Yes	No
103.	Does the division of work arise from the formal planning of the organization?	Yes	No
104.	Is the division of work carried to such extremes that the assignment ends up being less than what one man can perform working continuously?	Yes	No
105.	Is the division of work carried to such extremes that the assignments are so routine that they hold little interest?	Yes	No
106.	Is there an integrating process of coordination parallel with the division of work?	Yes	No
107.	Have the principal activities of the institution been studied and determined?	Yes	No
108.	Are the principal activities performed by the executives?	Yes	No
109.	Are the principal activities performed by the subordinates?	Yes	No
110.	Has a study been made through a good administrative analysis to determine if there is duplication of work or functions?	Yes	No
111.	Do the employees report to more than one superior?	Yes	No
112.	Does the personnel perform many operations or functions which have no relationship?	Yes	No

113.	Are the operations or activities excessively farmed out?	Yes	No
114.	Does each member of the institution have enough time to meet his daily quota of work?	Yes	No
115.	Are extra hours worked usually to keep work up to date?	Yes	No
116.	Have studies been made to determine the time required to perform each activity, assignment and operation normally?	Yes	No
117.	Does the division of work make an adequate specialization easier?	Yes	No
118.	Are specialists given the opportunity to apply their technical knowledge?	Yes	No
119.	Are the knowledge and capabilities of administrative generalists utilized satisfactorily?	Yes	No
120.	Is the echelon set up of the organization satisfactory?	Yes	No
121.	Are the levels of authority and separation of functions well established?	Yes	No
122.	Is the passageway used adequately to make the formal functions more dynamic?	Yes	No
123.	Is the degree of centralization of authority that exists adequate?	Yes	No
124.	Is there a coordinated decentralization of duties?	Yes	No
125.	Is there a good geographic organization system when the institution has peripheric units?	Yes	No
126.	If there is geographical decentralization, is there good coordination between the central and peripheral units?	Yes	No
127.	Is there a good distinction of functions among the different types of duties?	Yes	No
128.	Is determinative functionalism exercised independently from applicative functionalism?	Yes	No
129.	Is there a board of directors for the case of institutions decentralized by function?	Yes	No

130.	Are persons of well known capabilities in the field of activities of the institution named to the board of directors?	Yes	No
131.	Is there a special corps to handle interpretative functions?	Yes	No
132.	Are the correct general determinations taken in a level of critique?	Yes	No
133.	Are the duties of the governing authority correct?	Yes	No
134.	Is the work performed in the coordinating level between the determinative and operative activities satisfactory?	Yes	No
135.	Are the normative delineations in the performance level of authority followed correctly?	Yes	No
136.	Are the intermediate supervisory levels for supervision organized correctly?	Yes	No
137.	Are the relationships between the intermediate supervisory level and the operative level adequate?	Yes	No
138.	Is there a jurisdictional level?	Yes	No
139.	Is command rather than direction used?	Yes	No
140.	Is there unity of command in all the levels of authority and operation?	Yes	No
141.	Is there unity of direction in all the levels of authority?	Yes	No
142.	Is the institution organized by the unitary method?	Yes	No
143.	Is the institution organized by the series method?	Yes	No
144.	Is the institution organized by the parallel method?	Yes	No
145.	Is the institution organized by the specialized command method?	Yes	No
146.	Is the institution organized by the vertical or purpose method?	Yes	No

147.	Is the institution organized by the horizontal or procedure method?	Yes	No
148.	Is the institution organized by the method of persons or things?	Yes	No
149.	Is the institution organized by the geographic or localities method?	Yes	No
150.	Are the existing lineal relationships satisfactory?	Yes	No
151.	Are the existing collateral relationships satisfactory?	Yes	No
152.	Are the existing specialized command relationships satisfactory?	Yes	No
153.	Are the personal representation relationships satisfactory?	Yes	No
154.	Are the existing counselling relationships satisfactory?	Yes	No
155.	Are there staff organs?	Yes	No
156.	Do the staff organs exercise lineal authority?	Yes	No
157.	Do the staff organs exercise technical authority?	Yes	No
158.	Do the staff organs fulfill adequate counselling functions?	Yes	No
159.	Do the staff organs fulfill adequate informative functions?	Yes	No
160.	Do the staff organs adequately fulfill supervision functions by assignment?	Yes	No
161.	Do the staff organs carry out infiltration of knowledge in the organization?	Yes	No
162.	Are there auxilliary central organs?	Yes	No
163.	Do the auxilliary organs serve the other units adequately?	Yes	No
164.	Is there a centralization of all the auxilliary duties?	Yes	No
165.	Are the physical installations of the institution adequate?	Yes	No

166.	Are the equipment and furniture adequate?	Yes	No
167.	Does the physical installation offer satisfactory working conditions for the personnel for the performance of their duties?	Yes	No
168.	Is there a good physical relationship among the units that work closely together?	Yes	No
169.	Is the natural or artificial lighting satisfactory?	Yes	No
170.	Have studies been made to determine if lighting is adequate for the needs?	Yes	No
171.	Have studies been made to ascertain if the distribution of space is the most adequate for the functions performed?	Yes	No
172.	If there is machinery in operation, are they placed in such a manner that the noise does not interfere with other duties?	Yes	No

ORGANIZATION FROM THE HUMAN POINT OF VIEW

173.	Is the organization fundamentally thought of as a group of human beings?	Yes	No
174.	Is personnel considered the principal element of all the organization?	Yes	No
175.	Is there a good knowledge of the personality of the members of the institution?	Yes	No
176.	Are the positive factors of the personality of the members of the institution known and utilized?	Yes	No
177.	Are the members of the institution allowed to use all their human potential?	Yes	No
178.	Is the organization of work greater than the sum of individual efforts?	Yes	No
179.	Is there an adequate conception of the importance of good human relationships within the institution?	Yes	No
180.	Are the principles for good human relations applied?	Yes	No

181.	Are there conflicts between the formal, and the informal organization?	Yes	No
182.	Is importance given the informal organization?	Yes	No
183.	Is there a good "esprit de corps" in the organization?	Yes	No
184.	Is there discipline to subordinate private interests to the collective interests of the institution?	Yes	No
185.	Is loyalty considered one of the most important aspects?	Yes	No
186.	Is there a high morale and sense of justice for and among the members of the organization?	Yes	No
187.	Does the personnel feel that the institution takes an interest in their affairs?	Yes	No
188.	Is there a true participation of all the members of the institution to reach the objectives?	Yes	No
189.	Have studies been made on the areas of participation of the different hierarchical levels?	Yes	No
190.	Is there initiative among the personnel?	Yes	No
191.	Does the personnel present the initiatives through suggestions?	Yes	No
192.	Is there a proper suggestion system?	Yes	No
193.	Is there stability in the personnel?	Yes	No
194.	Have studies been made to know the personnel turnover indexes?	Yes	No
195.	Have studies been made to know the causes of personnel instability?	Yes	No
196.	Have measures been taken to avoid personnel instability?	Yes	No

COORDINATION

197.	Is sufficient importance given to the coordination of duties?	Yes	No
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198.	Is there a formal standards and procedures system for coordination?	Yes	No
199.	Is the administrative structure satisfactory for coordination?	Yes	No
200.	Is vertical coordination used for the activities?	Yes	No
201.	Is horizontal coordination used for the activities?	Yes	No
202.	Is there a clear understanding of the coordinating ends and means on the part of the personnel?	Yes	No
203.	Is conviction used in coordinating?	Yes	No
204.	Is there a good communications system?	Yes	No
205.	Are there formal communications systems?	Yes	No
206.	Are there frequent misinterpretations due to the lack of communications?	Yes	No
207.	Are the principal elements of a communications system properly utilized?	Yes	No
208.	Are internal public relations utilized for the infiltration of coordinating purposes?	Yes	No
209.	Are there internal publications addressed to the personnel?	Yes	No
210.	Are periodical formal meetings held to discuss duties?	Yes	No
211.	Are there committees to study coordination problems?	Yes	No
212.	Do these committees have executive responsibilities?	Yes	No
213.	Is there a secretary to prepare and inform on the activities of the committee?	Yes	No

MANAGEMENT

214.	Is management considered a central aspect of maximum authority?	Yes	No
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215.	Is management considered necessary in all levels of hierarchy?	Yes	No
216.	Are managerial duties clearly defined for each level?	Yes	No
217.	Do the managers or directors of intermediate levels have sufficient independence for action?	Yes	No
218.	Do the managers or directors of intermediate levels have to submit all matters to higher authority?	Yes	No
219.	Do the managers or directors of intermediate levels collaborate in the formulation of applicative policies of the institution?	Yes	No
220.	Can the managers or directors of intermediate levels make important decisions?	Yes	No
221.	Can managers or directors of intermediate levels fully direct their labor group?	Yes	No
222.	Can the managers or directors of intermediate levels establish objectives in their particular field of work?	Yes	No
223.	Is the institution managed on the basis of orders?	Yes	No
224.	Is the institution managed by conducting the work?	Yes	No
225.	Is the institution managed by motivating initiative and higher performance goals?	Yes	No
226.	Do the directors exercise leadership over their subordinates?	Yes	No
227.	Do the subordinates recognize the ability of their directors?	Yes	No
228.	Are directors respected as individuals?	Yes	No
229.	Are there personal relationships of friendship between superiors and subordinates after working hours?	Yes	No
230.	Are there training and habilitation programs to prepare future managers?	Yes	No
231.	Have limits been established on the maximum		

	number of individuals or units that can be supervised?	Yes	No
232.	Has the limitation of the scope of control been established by the application of the Hamilton principles?	Yes	No
233.	Has the limitation of the scope of control been established by the application of the Graicunas theory?	Yes	No
234.	Has the limitation been established by ascertaining through analysis the ability of the coordinators or managers?	Yes	No
235.	Is the Gulick POSDCORB included in the duties of higher management?	Yes	No

PERSONNEL

236.	Is equal opportunity of employment available for joining the institution and achieving promotions including aspiring to higher management positions?	Yes	No
237.	Is there a true merit system within the institution?	Yes	No
238.	Are there good methodological standards for personnel administration?	Yes	No
239.	Are the personnel recruiting and selection systems satisfactory?	Yes	No
240.	Are special methods utilized to ascertain the vocational ability and aptitude of applicants?	Yes	No
241.	Are the tests given as a means of selection sufficiently balanced for their purpose?	Yes	No
242.	Are there work manuals to orient a new employee on his duties?	Yes	No
243.	Are duties carefully assigned on the basis of ability and aptitude of personnel?	Yes	No
244.	Is there a trial period for new employees?	Yes	No
245.	Upon the termination of the trial period, are the results obtained by the new employee carefully evaluated?	Yes	No

246.	Is there a good classification of jobs?	Yes	No
247.	Is the job classification used to establish salaries?	Yes	No
248.	Is the establishment of salaries made in an objective manner?	Yes	No
249.	Is there equal pay for equal work?	Yes	No
250.	Is there an objective salary system?	Yes	No
251.	Is there a scale system?	Yes	No
252.	Are periodic adjustments made on the basis of variations in retail prices (cost of living)?	Yes	No
253.	Are increases in salaries made on the basis of years of service?	Yes	No
254.	Are suggestions adopted taken into account to make readjustments in salaries?	Yes	No
255.	Are years of service fundamentally taken into account to make readjustments in salaries?	Yes	No
256.	Is there a good penalty and reward system?	Yes	No
257.	Are the names of individuals deserving of rewards made known to the personnel?	Yes	No
258.	Are penalties to personnel applied in a public manner?	Yes	No
259.	Is there a unit within the institution before which the penalties imposed can be appealed?	Yes	No
260.	Are promotions made through a system?	Yes	No
261.	Are promotions made based only on higher management criteria?	Yes	No
262.	Is an evaluation of personnel duties made periodically or at least once a year?	Yes	No
263.	Are promotions made on the basis of longevity?	Yes	No
264.	Are promotions made on the basis of competition?	Yes	No
265.	Is there a step by step system of vacations in proportion to time worked?	Yes	No

266.	Is there a particular regulation of the institution on sick leave?	Yes	No
267.	Is the personnel retirement system satisfactory?	Yes	No
268.	Are in-service training courses given frequently?	Yes	No
269.	Does the institution give enough importance to higher training for its personnel?	Yes	No
270.	Does it make higher studies available to its personnel?	Yes	No
271.	Is the personnel granted training obliged to make up for the study time involved?	Yes	No
272.	Is personnel termination frequent?	Yes	No
273.	Have studies been made to determine the cause for frequent terminations?	Yes	No
274.	Do these terminations occur due to failings on the part of the personnel?	Yes	No
275.	Do these terminations occur due to failings on the part of management?	Yes	No
276.	Do these terminations occur due to failings in the administrative system?	Yes	No
277.	Is there impartial treatment in the solution of personnel problems?	Yes	No

CONTROL

278.	Is there a good work control system?	Yes	No
279.	Is that system based on the psychological fear of control?	Yes	No
280.	Is that system based on self-control standards of action?	Yes	No
281.	Is a previous control of the activities carried out?	Yes	No
282.	Is a parallel control with the performance of activities carried out?	Yes	No
283.	Is a control after the performance of activities carried out?	Yes	No

284.	Do the controls allow the establishment of uniform procedures?	Yes	No
285.	Do the controls allow the standardization of certain activities?	Yes	No
286.	Are there good control techniques?	Yes	No
287.	Is there a satisfactory interrelation between the control and coordination of work?	Yes	No
288.	Is order considered important for control?	Yes	No
289.	Is there material order in the work?	Yes	No
290.	Is there social order in the work?	Yes	No
291.	Are graphic controls of the work carried out?	Yes	No
292.	Is there a good purchase and supplies control system?	Yes	No
293.	Are the invoices relative to goods acquired certified by a responsible person in the institution before payment is made?	Yes	No
294.	Are invoices relative to services rendered to the institution certified by a responsible person before payment is made?	Yes	No
295.	Is there a good system for the utilization of capital goods?	Yes	No
296.	Are the employees who utilize them responsible for unforeseen damages they may cause?	Yes	No
297.	Is there a good system for the utilization of consumer goods?	Yes	No
298.	Are the employees who utilize them obligated to give a receipt of the consumer goods which are delivered to them for their use?	Yes	No
299.	Are there statistical controls of the normal expenses of consumer goods?	Yes	No

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Correspondence

Correspondence File composed of letters exchanged with the Municipal Council, IFAM, University of Costa Rica, Department of Political Science, and Mr. Miguel Umaña Aglietti of San José, Costa Rica through which the documents and information required for this study were obtained. Correspondence was initiated during the month of November, 1971 and has continued up to and including the month of March, 1974.

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Herbert Hernando Ortega was born in Bogotá, Colombia on March 18, 1936. He attended Tulsa Central High School in Tulsa, Oklahoma, graduating in 1953. From 1953 to 1957 he attended the University of Tulsa. From 1957 to 1960 he was Sales Manager for Central America for Champion Paper Export Corporation in New York City, New York. From 1960 to 1969 he was Executive Vice-President of the Latin American Paper Corporation of Panama City, Republic of Panama. He received his B.A. degree from Florida State University, Tallahassee, Florida in 1968. From 1969 to 1973 he was Management Specialist with the University of Oklahoma. He received his M.A. degree in Economics from the University of Oklahoma in 1971; an M.A.P.A. degree from the University of Oklahoma in 1972; an M.A. degree in Political Science from the University of Oklahoma in 1973. Presently, he is the General Manager of the Manpower Development Division of the U.S. Postal Service Southern Region in Memphis, Tennessee.