

NEWS

No Rest for the Weary, Bus Drivers Keep Rolling

San José bus drivers say they pull shifts of up to 18 hours, causing safety concerns for passengers, pedestrians and other motorists.

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BUSINESS

Can the Economic Crisis Really Be Bottoming Out?

Economists warn that one still can't take it to the bank, so to speak, but signs are that the rate of economic contraction in Costa Rica is slowing.

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WEEKEND

Humpbacks Headline Uvita Festival

The irresistible call of the humpback drew thousands last weekend to the first Whale and Dolphin Festival at Ballena National Marine Park, on the southern Pacific coast.

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A Sip in Time

Photo by Keely Kernan | Tico Times



Hard-drinking prankster Sir Toby Belch, played by Joseph Loveday, defends his habits as Lady Olivia's patient maid Maria, played by Stacy Chamblin, cajoles him in William Shakespeare's "Twelfth Night." The play, staged by the Little Theatre Group, will run through Sept. 27 at the Laurence Olivier Theater in San José. See review on Page 8 of Weekend.

Lines in the Sand

By Mike McDonald

Tico Times Staff

PLAYA GRANDE – The four kilometer stretch of beach along the Pacific shore here is nearly empty most hours of the day. On a sunny Sunday afternoon, a few dozen beachgoers show up to jump in the quiet waves, soak in rays from a cloudless sky or climb a giant rock that marks Playa Grande's northern border.

Just over 50 meters inland from where the tide meets the sand is a small embankment on top of which sits a thick line of bushes that slants gently toward the land and

reaches a height of about 10 feet.

This hedge – or green wall, as most have come to call it – bands the entire crescent-shaped beach from north to south. Behind it is vacant land, with some exceptions, shaded by 20-foot-tall trees and covered with soil and weeds.

It is this undisturbed area, at the heels of the green buffer zone and inland, that has been the battleground of a raging debate among environmentalists, residents and developers for nearly 20 years. Most recently, this plot of land has forced the discussion in the Legislative Assembly of a proposed bill that would attempt to both clarify and

expand the types of activities that should be permitted here.

Playa Grande is home to Costa Rica's Las Baulas National Marine Park, arguably the most important nesting beach for leatherback turtles in the eastern Pacific. National parks are strictly protected and, by law, no development – proposed or already built – can exist within their limits.

Along all of Costa Rica's coasts, the first 50-meters of land from where the average high tide breaks is considered public property and also is protected from development under the Maritime Zone Law.

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CENTRAL AMERICA

General's Orders

Former Sandinista military leader Gen. Humberto Ortega gives an exclusive interview to The Nica Times.



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Weekend

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INCAE's Success Is Rooted in Its History

By Adam Williams

Tico Times Staff

After winding through a quiet neighborhood of student homes, a narrow road arrives at the heart of the Central American Institute of Business Administration (INCAE) in La Garita, Alajuela, northwest of San José. At the center of the campus, a tall and well-kept yellow building is home to the INCAE library. There, one can find the prestigious

history of the 45-year-old institute and the reasons INCAE is considered the best business school in Latin America.

JFK and Harvard Roots

On March 18, 1963, then-United States President John F. Kennedy arrived in San José to meet with presidents of the Central American nations. In his speech to open the conference at the Teatro Nacional in San

José, Kennedy applauded the region's efforts toward progress.

On the second day of the conference, the Declaration of Central America was signed. It included a statement of the presidents' interest in strengthening the region's educational institutions. And included in the discussions was the desire for the U.S. to help establish a top-notch business school in the region to help boost economic development.

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Business Real Estate

In 1980s, C.R. Welcomed Business School

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In the following month, Kennedy wrote a letter to George Baker, then dean of the Harvard Business School in the U.S. state of Massachusetts, urging him to establish a business administration program in Central America. On June 15, the Harvard Business School and the United States Agency for International Development (USAID) combined efforts to create INCAE, which would become a permanent graduate school of business administration in the region.

Nicaragua Bound

In 1964, Baker gave the inaugural address at INCAE's first public event, the Advanced Management Program, in Antigua, Guatemala. Two years later, in October of 1966, INCAE officially established its first campus in Managua, Nicaragua. Construction of the building and residencies began in April of 1967 and, on Aug. 28 of that year, 459 books were chosen by the Harvard Business School to create the first INCAE library.

INCAE flourished throughout the 1970s in Managua. More areas of study were added and more renowned faculty members with prestigious backgrounds were hired

The Costa Rica Alternative

However, with the coming to power of the

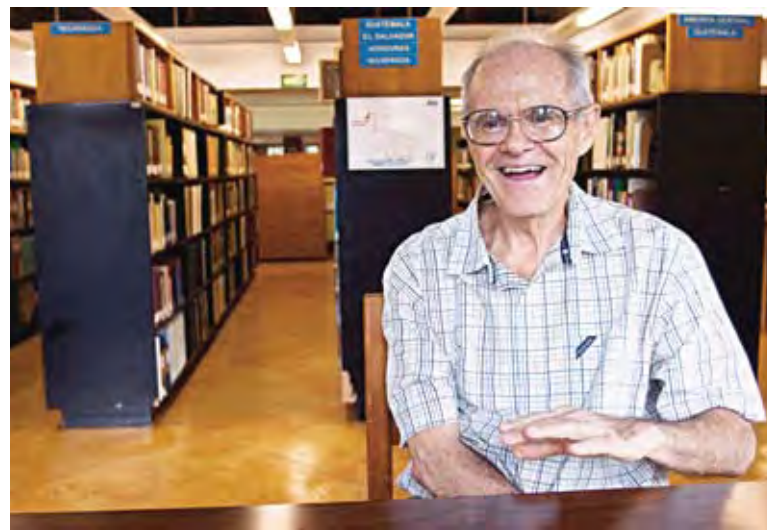
Sandinista regime in Nicaragua, with its anti-capitalist outlook, administrators at INCAE began to consider relocating the school.

"The Sandinistas took over in 1979 and, by 1981 it was very hard," said INCAE librarian Thomas Bloch, who worked at the campus in Nicaragua from 1971 to 1983. "INCAE had a real problem in recruiting students and faculty. Nicaragua had a bad reputation, although if you were in the country, it was very calm. But, INCAE authorities felt they needed to open up a second campus in order for the institution to survive because they were so unsure about what was going to happen in Nicaragua."

In 1983, a new site was selected for INCAE in Costa Rica and, in 1984, INCAE opened its campus in La Garita. The campus has a history of its own.

"This used to be a country club called the Racquet Country Club, as in tennis racket," Bloch said. "In Alajuela, it was called 'Gringo gulch'. But it went broke and Banco Nacional took it over. Then, when Costa Rica offered the country club to INCAE, USAID injected a lot of funds, and, along with that, they built the classrooms and administrative buildings."

In 1987, Costa Rican President Oscar Arias met with other Central American presidents at INCAE to discuss initiatives for the cessation of the fighting within the region. INCAE's campus offered a refuge from the public eye and a secluded area for the presidential meetings. It is believed



Ronald Reyes | Tico Times

Institutional Memory:
Long-time INCAE librarian Thomas Bloch shares a story. The business school's alumni include Panamanian President Ricardo Martinelli and C.R. Central Bank President Francisco de Paula Gutiérrez.

that the terms of the Esquipulas Peace Agreement were decided at a table located on the INCAE campus. That agreement brought the war between the Nicaraguan Sandinistas and the Contras to an end.

"The table is still here," said Lawrence Pratt, director of the Latin American Center for Competitiveness in Sustainable Development. "It's just a normal, older table. It's not marked or anything, but it's known as the table where the peace agreement originated."

Continued Success

With continued support from the Harvard

Business School, INCAE programs in Managua and Alajuela have thrived over the past two decades.

This year, *América Economía*, a publication that ranks Latin American MBA programs, ranked INCAE as the number one MBA program in all of Latin America. This marks the fifth time this decade the publication has ranked INCAE as the top business school in Latin America. The Wall Street Journal also has acknowledged INCAE, ranking it the 10th best international MBA program in 2005 and 2006.

The success of INCAE is rooted in the

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Economic Indicators

September 3 - September 10 | Current Values and Percentage Changes

U.S. DOLLAR EXCHANGE RATE*

BUY: ₡581.94
SELL: ₡591.06

*Wednesday's Central Bank reference rate.

See www.ticotimes.net for daily updates.

INFLATION

	CHANGE OVER		
AUGUST	LAST 12 MONTHS	ACCRUED '09	
0.65%	5.71%	2.81%	

MOST ACTIVE STOCKS

Stock	Volume	Last Price	Change
Florida Ice & Farm (FIFCO)	\$379,468.51	\$749.97	+0.6%

AVERAGE LOAN INTEREST RATE

COLONES 21.65%
DOLLARS 10.58%

SOURCES: Central Bank (www.bccr.fi.cr) & Bolsa Nacional de Valores (www.bolsacr.com)

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School Thrives

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design of the school's instruction model. INCAE, which offers MBA and executive MBA degrees in English and Spanish, uses a case management method of instruction, developed at Harvard. In this system, students are given a business scenario and, as a group, they design a business model that they feel best meets the needs of the situation.

"The case method is the tool for learning here," said Arturo Condo, rector at INCAE. "We present them (students) with a situation, which is usually cases, and they are supposed to go into the situation and take a position on what they would do individually. They then share their positions with a team of six to 10 members and discuss and decide what they would do in that situation. This type of collaboration can be applied to every facet of a business culture, and it is a long, long shot from lecturing."

Aside from the model of instruction, the diversity of students at INCAE is also a defining characteristic of the institution.

INCAE, an entirely residential business school, provides on-campus homes for all students. Though most students are from Central America, students at INCAE hail from all over the world. INCAE actually aims to cap enrollment of Costa Rican students at 20 percent, meaning that the remaining 80 percent come from other nations.

"INCAE is very unique in that it is a regional business school," said Bloch. "That means that, by its own rules, it has to get a percentage of students from different countries. As far as I know, it is the only regional business school in the world."

When the students arrive for the two-year MBA program, they are assigned to study groups. The study groups are intentionally designed to combine students from different countries and backgrounds, with the inclusion of at least one Costa Rican student, who helps orient the foreign students to their new home. There are currently 110 students in the first year of the MBA program at the Alajuela campus, and 67 in the program at the Nicaragua campus.

"Our first class in 1967 was made up of a group of students from different Latin American countries, so it is in our DNA to have very diverse classes," Condo said. "Our goal is to have 10 percent non-Latin American students. We believe our students gain a lot from being familiar with and interacting with other students from different backgrounds." ■

Is Carbon Neutrality Feasible?

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looks like, is going to have to be more dependent on short-term, stop-gap measures, and more dependent on oil and fossil fuels, to get through a fairly long stretch, which is going to cause the cost of energy to increase, which is going to cause the emissions of carbon dioxide to increase, which is going to go completely counter to the government's stated policy of carbon neutrality in 2021. And, in spite of all that, we have an extremely fossil-fuel dependent transportation sector. Right now there isn't a coherent energy plan, so we're hoping the political candidates will consider that one of their top issues.

The other issue is water availability. It is a very rainy country, but if we have so much water, why do we have critical shortages for our hydroelectric plants about every third or fourth year and why, in the dry season, do we have huge percentages of the metropolitan area of San José without water? Does that have to do with water management, how water is managed, how water sheds are protected or not protected? The sad truth is that, for pretty much every country in Central America, when foreign investors come to the region and ask, "Can you guarantee quality of water, quantity of water and seasonality of water for my operations?", the answer is "no." The investment promotion agencies can't guarantee that, even for the next five to 10 years.

Is carbon neutrality in 2021 a realistic goal? If so, how will it be accomplished?

Costa Rica has been an international leader in climate change issues, using very

innovative programs and using forestry and keeping forests safe and recovering. Costa Rica, I believe, is the only developing country in the world that has reversed the net deforestation rate and turned it into net positive reforestation. That is done using a very interesting and innovate public policy, using mechanisms and structural changes to the economy, but they have worked.

Costa Rica has an extremely renewable energy grid. So, as a vision to where the country should go forward, President Oscar Arias came up with an interesting proposal, which intends to build a last step and set an example for small developing countries.

The goal is that these countries don't contribute to global carbon problems and that it is possible for a small developing country to have no net contribution to global climate change. And that's what is driving the vision.

The practicality of reaching the goal is difficult. Nobody really knows how Costa Rica is going to be able to reduce its carbon dioxide emissions to a level where this is matched by its internal abilities to compensate. But I think politicians should be setting goals we don't necessarily know how to achieve.

It's going to be a challenge, but it's an interesting challenge and, without a doubt, is the direction a country like Costa Rica should go in. We don't have fossil fuel resources, we have to utilize the local capacity to the extent that is possible, and each year we need to produce more income and economic growth with less and less energy. So, carbon neutrality, as a long-term vision, really sets a very interesting path to making businesses more energy-efficient, to switching out of fossil

fuels to native-produced fuels, public transportation, etc. We are extremely supportive here at INCAE of that initiative, as it is an intellectual challenge of how you get there. It's fascinating and exciting as a public policy to support that direction. ■

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