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Obama's Visit to Costa Rica: Lessons for an Improved Partnership

BY MARIANO BATALLA | MAY 6, 2013



President Obama's recent visit to Costa Rica focused on enhancing competitiveness and deepening economic ties with the **Central American Integration System (SICA)** through a U.S.-SICA partnership based on human and economic development. The visit also served as a pressing reminder of the need to

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The region had already been experiencing stagnant growth, rising inequality and a new anti-democratic

improve integration efforts within the region.

For this partnership to succeed, the countries involved should recognize that most regional challenges arise in part because of poverty. Young men and women don't see a brighter future ahead and institutions are not working for their people.

President Obama's trip provided a renewed perspective on the relationship between the U.S. and Central America—especially for a region more used to talking about its problems than coming up with solutions and more used to asking for assistance than offering mutual cooperation. In that spirit, here are the three main themes that Central American leaders must follow up on after this visit. **Mutual Collaboration For Sustainable Economic Growth:**

The Dominican Republic-Central America Free Trade Agreement (**CAFTA-DR**) has had a fundamental role in the economic development of the region. Under CAFTA-DR, U.S. trade with Central America has doubled in many countries, resulting in more jobs for people in the region.

President Obama recognized that the United States' internal struggles with economic growth and job creation also depend on selling more goods

wave. Now is the time for bold – even radical – thinking.

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and services made in the U.S. to its neighbors in the south. Given that 40 percent of the United States' exports go to the Americas, it is no surprise that President Obama renewed his country's desire to expand trade and investment through improved competitiveness and partnerships in regional business development.

A specific area of mutual investment interest that was reiterated by President Obama throughout his visit is clean energy. The U.S. and Central America must not only collaborate on research and development but push forward initiatives where parties work together to connect public and private efforts through joint ventures and foreign investment in a regional market.

Human Development, Early Childhood Education and Gender Equality are Keys to Prosperity:

Perhaps the most refreshing aspect of President Obama's visit was the emphasis on early-childhood education and its lifelong impact on physical and mental health, violence prevention and competitiveness.

High-quality early childhood education pays higher dividends than almost any investment in human development. As President Obama stated, investing in children is not

about baby-sitting, but investing in institutions and human capacity that are able to stimulate them to unlock their greatest potential.

For the region to remain competitive, it must tackle the problem head-on by improving its human capital. This should be done starting with girls and women, a clearly disadvantaged population. By focusing on gender empowerment and equality since birth, Central America can ultimately crack down on the sources of many of its economic, social and violence-related issues. Gender equity in education and access to political and social involvement—as well as economic empowerment of women through entrepreneurship education—must be prioritized to allow women and girls to live in dignity and have equal opportunities to become successful.

Integration Through Regulatory Coordination and Joint Infrastructure Investment:

During the **Central American Forum on Sustainable Economic Development** hosted by **INCAE Business School**, President Obama urged business leaders, civil society and government officials to continue to find ways to upgrade the region's integration “software” and

“hardware,” especially when it comes to speeding up the movement of people, goods and services.

To facilitate trade and foreign investment, the right regulations and infrastructure must be in place so that the region can compete more effectively. By working together to improve public institutions, accountability, transparency, and effective governance, the region stands to benefit from more trade, more growth and more jobs.

President Obama’s 22-hour trip provided many optimistic leaders, both young and experienced, with refreshing perspectives on the importance of opportunity for success and prosperity. His visit served as a catalyst for a discussion of Central American competitiveness and integration through economic cooperation in clean energy, improvements in early childhood education and appropriate regulations and infrastructure.

Our leaders must now follow up, act as the partners that President Obama is looking for and seize the opportunity to come up with a concrete plan to do so.

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