

## COSTA RICA

### 1. Socio-economic and perceived impacts of the coronavirus (COVID-19) pandemic

Despite strong efforts to mitigate the impact of COVID-19, Costa Rica has been hard hit by the pandemic, particularly the tourism sector. The crisis is expected to reverse some of the country's previous socio-economic achievements. In 2020, the poverty rate increased by more than two percentage points compared to 2019 and extreme poverty by one percentage point, based on the latest international comparable estimations. The total population in informal households among the lowest quintile of income was 75.6%, slightly lower than in LAC (78.0%). Between March 2020 and May 2021, schools were fully closed for 39 weeks, compared to 26 weeks in LAC and 15 weeks across the Organisation for Economic Co-operation and Development (OECD). Moreover, effective online learning was present in only 20.0% of schools.

Costa Rica entered the pandemic with relatively higher public expenditures on health care (7.5% of GDP) compared to LAC (6.8%). According to Gallup data, 64.8% of people were satisfied with the public provision of health care in 2020, eight percentage points less than in 2009. This figure is higher than in LAC (48.2%) but lower than in the OECD (70.7%). Perceptions of a corrupt government increased by more than six percentage points in the last decade, reaching 85.1% in 2020. This result is higher than in LAC (72.4%) and the OECD (58.8%).

### 2. National and international co-operation initiatives aimed to build forward better

Costa Rica has made significant efforts to address the COVID-19 crisis and to help protect the most vulnerable households, workers and enterprises. Concerning households, food and home care were provided to aid the most vulnerable, including the most affected families and senior citizens. Concerning workers, Costa Rica implemented the direct cash transfer programme (*Bono Proteger*) to provide temporary economic relief to both formal and informal workers who saw their income affected by the crisis. Last, to help mitigate the impact of the crisis on firms, the government implemented a short-term job-retention scheme for companies that reported annualised income losses and extended tax moratoriums for enterprises, particularly in the tourism sector.

Going forward, Costa Rica's medium- and long-term goals are to boost economic growth and improve income distribution while maintaining its net-zero emissions by 2050 plan. With international support, Costa Rica launched a productive territorial strategy that outlines the path to have a decentralised, digitalised and decarbonised economy by 2050. This strategy includes key actions to accelerate the country's development pathway, create jobs and close existing social equality gaps.

Costa Rica's international co-operation projects *within* and *beyond* the region give priority to financial co-operation to address the pandemic's impact while advancing its long-term route for development. *Within* LAC, during the pandemic, Costa Rica engaged in co-operation schemes for financial assistance to respond to the crisis. Additionally, Costa Rica participates in Inter-American Development Bank platforms that aim for the transparency and accountability of public expenditures associated with the COVID-19 policy measures (*Rendir Cuentas/Mapa Inversiones + COVID-19*). The goal is for citizens to be able to access the details of public institutions' investments and efforts to respond to the pandemic. *Beyond* LAC, Costa Rica takes part in funds to lessen the impact of the crisis and finance the recovery. In particular, Costa Rica is one of the sponsor of the Fund to Alleviate COVID-19 Economics initiative, which on a solidarity basis, aims to provide funds from developed countries to finance the recovery in emerging and developing countries. Other initiatives aim to implement the country's long-term productive strategies and to achieve its goals (e.g. a fund created by the European Union and the IV phase of triangular co-operation with Spain). These co-operation initiatives are intended to keep Costa Rica accountable for the long-term recovery plan, besides promoting the implementation of projects to achieve the United Nations Sustainable Development Goals.

	Key indicators – Costa Rica <sup>1</sup>					
	Costa Rica		LAC <sup>2</sup>		OECD <sup>3</sup>	
	2019	2020	2019	2020	2019	2020
<b>Socio-environmental</b>						
Extreme poverty <sup>4</sup>	3.4	4.4	8.1	10.0	N/A	N/A
Poverty <sup>5</sup>	2019	2020	2019	2020	2019	2020
	16.5	18.9	26.8	30.9	N/A	N/A
Gini index <sup>6</sup>	2009	2019	2009	2019	2009	2018
	0.51	0.49	0.50	0.46	0.31	0.31
Total population in informal households by quintile , 2018 <sup>7</sup>	Bottom 20%	Top 20%	Bottom 20%	Top 20%	Bottom 20%	Top 20%
	75.6	6.1	78.0	19.1	N/A	N/A
Health expenditures <sup>8</sup>	2010	2017	2010	2017	2010	2017
	8.1	7.5	6.5	6.8	8.1	8.8
Out-of-pocket health expenditures <sup>9</sup>	2010	2017	2010	2017	2010	2017
	25.4	22.0	35.6	34.1	20.2	20.6
Weeks of full school closure <sup>10</sup>	03/2020-05/2021					
	39		26		15	
Effective online learning <sup>11</sup>	20.0		32.5		54.1	
Effective online learning in disadvantaged schools <sup>11</sup>	12.6		21.5		48.8	
Share of Internet users <sup>12</sup>	2009	2019	2009	2019	2009	2019
	34.3	81.2	29.3	67.8	68.3	85.8
Number of students per computer <sup>13</sup>	2015	2018	2015	2018	2015	2018
	2.8	1.3	2.4	1.6	1.8	1.1
Exposure to PM 2.5 <sup>14</sup>	2010	2019	2010	2019	2010	2019
	18.2	17.4	18.1	18.0	15.7	13.9
% change in intact forest landscape <sup>15</sup>	2000-16					
	-3.1		-8.8		-6.3	
<b>Competitiveness and innovation</b>						
Labour productivity <sup>16</sup>	2009	2019	2009	2019	2009	2019
	38.7	48.3	29.3	26.7	72.2	70.7
High-tech exports <sup>17</sup>	2009	2019	2009	2019	2009	2019
	44.3	17.6	8.7	8.3	19.5	17.9
R&D expenditures <sup>18</sup>	2009	2017	2009	2017	2009	2017
	0.5	0.4	0.4	0.4	2.4	2.5
ICT patents <sup>19</sup>	2009	2017	2009	2017	2009	2017
	3	3	726	521	173 440	141 358
<b>Citizens' perceptions and institutions</b>						
Citizens' perceptions of corruption in government <sup>20</sup>	2009	2020	2009	2020	2009	2020
	78.9	85.1	72.0	72.4	67.5	58.8
Citizens' perceptions of country governed in the interests of few <sup>21</sup>	2009	2018	2009	2018	2009	2008
	62.4	83.4	64.8	82.0	N/A	N/A
Satisfaction with health care <sup>22</sup>	2009	2020	2009	2020	2009	2020
	72.9	64.8	56.9	48.2	69.2	70.7
Satisfaction with water quality <sup>23</sup>	2009	2020	2009	2020	2009	2020
	84.5	84.2	74.8	76.0	77.9	79.4
% of people victim of criminality <sup>24</sup>	2010	2016	2010	2016	2010	2016
	19.0	22.1	19.6	23.8	N/A	N/A
Rank in the Press Freedom Index <sup>25</sup>	2021					
	5		82		36	
Change in political polarisation <sup>26</sup>	2009-18					
	5.7		9.6		N/A	
SIGI index <sup>27</sup>	2019					
	27.9		25.6		16.3	
<b>Fiscal position</b>						
Total tax revenues <sup>28</sup>	2009	2019	2009	2019	2009	2019
	22.1	23.6	20.6	22.9	31.6	33.8
Share of VAT in total revenues <sup>29</sup>	2009	2019	2009	2019	2009	2019
	21.3	18.5	25.3	27.7	19.8	20.7
Social expenditures <sup>30</sup>	2009	2018	2009	2018	2009	2018
	12.1	12.2	11.3	11.4	21.0	19.7

Sources, footnotes and technical details can be found at the end of the country notes.

## Technical notes

1. As best as possible, the table follows the key areas identified in *Latin American Economic Outlook 2021*: i) socio-environmental aspects; ii) economic competitiveness and innovation; iii) citizens' perceptions and institutions; and iv) fiscal position.
2. Latin America and the Caribbean (LAC) average is a simple average of the largest set of LAC countries for which data are available in the latest year.
3. Organisation for Economic Co-operation and Development (OECD) average is a simple average that includes all OECD member countries as of May 2021.
4. Data refer to the definition of extreme poverty as specified by the United Nations Economic Commission for Latin America and the Caribbean (ECLAC, 2021<sup>[1]</sup>), *Social Panorama of Latin America 2020*. [www.cepal.org/sites/default/files/publication/files/46688/S2100149\\_en.pdf](http://www.cepal.org/sites/default/files/publication/files/46688/S2100149_en.pdf). Data for 2020 refer to an estimate based on 2019 data, as specified in Annex I.A2 of (ECLAC, 2021). Projections are based on 2017 data for Chile, 2014 for Guatemala and 2018 for Mexico. Applying the same criteria as in previous LEO editions, data selection prioritizes comparability across LAC countries and shows the latest comparable data available at the report's publication date.
5. Data refer to the definition of poverty as specified by (ECLAC, 2021<sup>[1]</sup>), *Social Panorama of Latin America 2020*, [www.cepal.org/sites/default/files/publication/files/46688/S2100149\\_en.pdf](http://www.cepal.org/sites/default/files/publication/files/46688/S2100149_en.pdf). Data for 2020 refer to an estimate based on 2019 data, as specified in Annex I.A2 of ECLAC (2021). Projections are based on 2017 data for Chile, 2014 for Guatemala and 2018 for Mexico. Applying the same criteria as in previous LEO editions, data selection prioritizes comparability across LAC countries and shows the latest comparable data available at the report's publication date.
6. Data for LAC from ECLAC, CEPALSTAT | Databases and Statistical Publications, <https://cepalstat-prod.cepal.org/cepalstat/tabulador/ConsultaIntegrada.asp?idIndicador=3289&idioma=i>. Data for Chile refer to 2017, instead of 2019, data for Guatemala refers to 2014.
7. Data for the OECD from OECD Income Distribution Database, [www.oecd.org/social/income-distribution-database.htm](http://www.oecd.org/social/income-distribution-database.htm).
8. Indicator provides the distribution of the total population living in informal households by quintile. An informal household has all of its workers in informal work. Quintiles are based on monthly total household consumption or income. The source of this indicator is the OECD Key Indicators of Informality based on Individuals and their Households database, [https://stats.oecd.org/Index.aspx?DataSetCode=KIIBIH\\_B5](https://stats.oecd.org/Index.aspx?DataSetCode=KIIBIH_B5).
9. Health expenditures as % of gross domestic product (GDP). Data from OECD (2020), *Health at a Glance: Latin America and the Caribbean*. Share of current expenditure on health. Data are from OECD (2020), *Health at a Glance: Latin America and the Caribbean*.
10. Data from UNESCO, <https://en.unesco.org/covid19/educationresponse#schoolclosures>.
11. Data from OECD et al. (2020), *Latin American Economic Outlook 2020*, [www.oecd.org/publications/latin-american-economic-outlook-20725140.htm](http://www.oecd.org/publications/latin-american-economic-outlook-20725140.htm).
12. Data from International Telecommunication Union (2020), [www.itu.int/en/ITU-D/Statistics/Pages/stat/default.aspx](http://www.itu.int/en/ITU-D/Statistics/Pages/stat/default.aspx).
13. Data from OECD et al. (2020), *Latin American Economic Outlook 2020*, [www.oecd.org/publications/latin-american-economic-outlook-20725140.htm](http://www.oecd.org/publications/latin-american-economic-outlook-20725140.htm).
14.  $\mu\text{g}/\text{m}^3$ . Data refer to population exposure to more than 10 micrograms/ $\text{m}^3$  and are expressed as annual averages. Data from OECD, <https://data.oecd.org/air/air-pollution-exposure.htm>.
15. Data from OECD, [https://stats.oecd.org/Index.aspx?DataSetCode=INTACT\\_FOREST\\_LANDSCAPES](https://stats.oecd.org/Index.aspx?DataSetCode=INTACT_FOREST_LANDSCAPES).
16. Output per employed person as % of United States 2019 output per person employed. Data from the Conference Board, <https://conference-board.org/data/economydatabase/total-economy-database-productivity>
17. High-technology exports as % of manufactured exports. Data from The World Bank, <https://data.worldbank.org/indicator/TX.VAL.TECH.MF.ZS>.
18. Research and development expenditure as % of GDP. Data from The World Bank, <https://data.worldbank.org/indicator/GB.XPD.RSDV.GD.ZS>.
19. IP5 Patent families. Data from OECD, [https://stats.oecd.org/Index.aspx?DataSetCode=PATS\\_IPC](https://stats.oecd.org/Index.aspx?DataSetCode=PATS_IPC).
20. Percentage of people who think that the government is corrupt. "Is corruption widespread throughout the government in (this country), or not?" Data from Gallup 2021.
21. Percentage of people who think that the country is governed in the interests of few. "En términos generales ¿diría usted que (país) está gobernado por unos cuantos grupos poderosos en su propio beneficio, o que está gobernado para el bien de todo el pueblo?" Data from Latinobarómetro, 2020.
22. Percentage of people who think that the health care is of good quality. "In your city of area where you live, are you satisfied or dissatisfied with the availability of quality health care?" Data from Gallup 2021.

23. Percentage of people who think that the water is of good quality. “In your city or area where you live, are you satisfied or dissatisfied with the quality of water?” Data from Gallup 2021.
24. Percentage of people who are victim of criminality, “have you been a victim of any type of crime in the past 12 months?” Data from Latin American Public Opinion Project, [www.vanderbilt.edu/lapop/data-access.php](http://www.vanderbilt.edu/lapop/data-access.php).
25. Data from RFS, Reporters without Borders, [https://rsf.org/en/ranking\\_table](https://rsf.org/en/ranking_table).
26. Percentage of people who declare being left or right on a 1-10 scale (1=left, 10 = right). “In politics, it is normal to refer to left and right. On a scale where 0 is the left and 10 is the right, where would you place yourself?” Data from Latinobarómetro, 2020.
27. Data from OECD, [www.genderindex.org/ranking/](http://www.genderindex.org/ranking/).
28. Revenues as % of GDP. Data from OECD et al. (2021), *Revenue Statistics in Latin America and the Caribbean (2021)*.
29. Value added taxes as % of total revenues. Data from OECD et al. (2021), *Revenue Statistics in Latin America and the Caribbean (2021)*.
30. Social protection expenditures as % of GDP. Data from OECD and ECLAC.

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