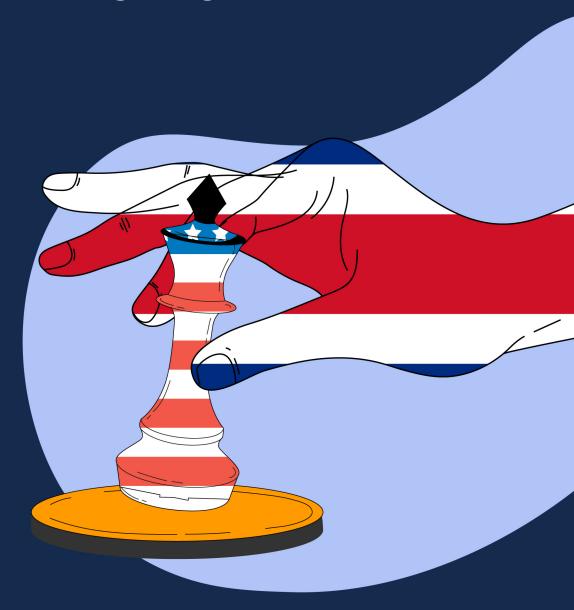


Costa Rica:

Strategic Fragility in a Key U.S. Partner





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In July 2025, the author traveled to San Jose, Costa Rica to give a keynote address to <u>an event</u> hosted by the Latin America and Caribbean Presidential Mission, <u>bringing together former Presidents</u> and other senior figures to discuss the future of the region. While there, he spoke to a number of Costa Rican leaders and experts about the political, economic and security dynamics of the country, and the activities of the People's Republic of China (PRC) there.

Costa Rica is currently one of the U.S. most important strategic partners in the region. The solidly pro-U.S. government of Rodrigo Chaves has strengthened the country's fiscal and financial position, with its economy growing at approximately 5% per year during his administration, and his government receiving a very positive annual evaluation from the International Monetary Fund. Costa Rica has a deeply entrenched tradition of democracy and strong institutions and has historically enjoyed high levels of prosperity and security relative to many of its neighbors. President Chaves' administration has also called out and fought against significant PRC influence activities in the country, including attempts by Huawei to lobby Costa Rican legislators, government bureaucrats and union officials to secure access to the nation's 5G telecommunications infrastructure.



Behind that positive veneer, however, Costa Rica faces growing security and political challenges, as well as broad and significant lobbying efforts by the PRC as the country moves toward a critical national election in <u>February 2026</u>. In those elections, a significant negative shift in the country's circumstances and political orientation could have adverse consequences for the security dynamics of Central America, and for the U.S. whose southern border is just 2,000 miles north of the country.

In security affairs, homicides and violent crime have increased significantly in Costa Rica in recent years. The murder rate increased from an already high 11.5/100,000 in 2021, just prior to the Chaves administration, to 17.2/100,000 in 2023 before falling slightly to 16.7/100,000 in 2024. Colombian drug trafficking groups and Mexican intermediaries from the Sinaloa and to a lesser extent Jalisco Nueva Generacion (CJNG) cartel are increasingly using the country to move cocaine, primarily to Europe through the Atlantic port of Moin. The Sicilian and Albanian mafias have personnel in the country. As the cartels have worked with local gangs to move drugs, and paid in cocaine rather than cash, those gangs have become more powerful, and more violent, competing with each other for local routes and markets. It has also fueled a drug addition problem in the country.



The cocaine flows through the country, and other illicit activities engaged in by the groups involved, have <u>fueled corruption</u> in Costa Rica's traditionally strong institutions. The <u>June 2025 arrest</u> and <u>US extradition request</u> for former Costa Rican National Security Minister Celso Gamboa on narcotrafficking charges highlights how corruption in the country has reached the highest levels, and has put into question virtually all of the operations and other key people Gamboa worked with during his long career in Costa Rican law enforcement.

Immigration through Costa Rica, including Colombians, Cubans, and Venezuelans who have increasingly stayed in the country, have also put a stress on its relatively small population, although the country generally remains welcoming to immigrants. The Venezuelan gang Tren de Aragua, has a minor presence in the country, highlighted by authorities dismantling a human trafficking and prostitution group in July 2025.

Criminal activities in Costa Rica also include Chinese mafia groups, which sometimes also collaborate with narcotraffickers in money laundering and other activities. <u>Alvaro Zheng</u>, alleged to be tied to former San Jose mayor <u>Jhonny Araya</u>, is believed to be a key figure in money laundering through the well-known <u>10th Avenue Supermarket</u>, among other businesses.



With respect to China, both the PRC government and the telecom giant Huawei have been engaged in extensive influence activities targeting Costa Rican legislators, government officials and others. 87 persons, representing 10% of the entire Costa Rican parliament and its staff, were brought to China as guests of the PRC government during the two-year period 2022-2023. Huawei was exposed for throwing a lavish party for Costa Rican legislators in 2024 in the Sabana Hilton, a preferred meeting spot for Chinese government and business executives. The U.S. has revoked visas from Costa Rican legislators, Johanna Obando and Cynthia Córdoba, as well as Costa Rican judges and three current and former officials of the Costa Rican telecommunications agency ICE for improper relationships with the PRC. In April 2025, the U.S. also canceled the visa of former Costa Rican President Oscar Arias, who had abruptly switched relations from Tawan to China in 2007.

Following the visa revocations, the former President's brother Rodrigo Arias, as head of the National legislature, convoked a session of the body with Qiu Xiaoqi, PRC Foreign Ministry head for all of Latin America, in order to express their concern and solidarity with the PRC. Arias subsequently invited the Chinese ambassador Wang Xiaoyou and several Costa Rican opposition legislators to his ranch in Guanacaste, Taboga, in a visit that was seen by some politicians as an improper private meeting between the Costa Rican opposition National Liberation Party and the Chinese government.

The multiple visa revocations, for which the U.S. has not given explicit reasons, has contributed to a combination of resentment and intimidation among high-level Costa Ricans with whom the author spoke, particularly since many have business and family ties in the United States that would be put at risk by the loss of their visas.



Complicating the Costa Rican government's navigation of these dynamics, President Chaves faces a mounting array of political and legal challenges. The political party that "borrowed" to become President, the Social Democrat Progress Party (PPSD), only has 10 seats in Costa Rica's 57 seat national legislature, forcing him to govern primarily through administrative action rather than legislation. Chaves' populist, often contentious style has led him into numerous conflicts including with opposition politicians, judges and prosecutors to the press. Related to his polemical style and accumulation of political enemies, the Costa Rican prosecutor's office reports receiving 60 accusations against Chaves, some more serious than others. As of July 2025, following a decision by Costa Rica's Supreme Court, the legislature was considering a vote to lift his presidential immunity so that he could be investigated on charges of diverting public funds for personal gain.

Adding to Chaves' challenges, because Costa Rican law forbids running for elected office while serving in government, several of his key ministers may resign at the end of July, the deadline for <u>launching</u> a <u>campaign for Congress</u> in the current electoral cycle. Indeed, President Chaves has <u>considered resigning</u> the Presidency to run for Congress before the August 1 deadline, since he cannot be re-elected to a second term.



In Costa Rica's February 2026 national elections, virtually any outcome is possible. President Chaves cannot run for a second consecutive term. The polls currently show Laura Fernandez of Chaves' PPSD as the frontrunner with 13% of the vote, followed by Fabricio Alvarado, of the conservative New Republic (NR) party with 10%. In third place is Alvaro Ramos of the opposition National Liberation Party (PLN) with 8%. Costa Rican experts consulted for this article, however, suggest that Fernandez is principally buoyed by association with Chaves and could weaken if his fortunes fall. Alvarado, for his part, is not seen as having strong appeal in pluralistic Costa Rica beyond his evangelical Christian base, while Ramos is regarded as not a particularly strong candidate. Meanwhile, the formerly governing PAC has not been able to put forth a strong contender, with its candidate Claudia Doubles currently polling less than 4%.

When U.S. Secretary of State Marco Rubio visited Costa Rica <u>in</u> <u>February 2025</u>, he celebrated the nation's close partnership with the U.S. and <u>resistance to PRC lobbying</u> and attempts to deepen its foothold in the nation's telecommunications infrastructure. Costa Rica indeed has a strong affinity for U.S. democratic values and the American people.



Nonetheless, the author's interactions in Costa Rica suggest real risks for the future of the country if organized crime continues to undermine Costa Rican institutions, violent crime discourages investment and the tourism on which the economy depends, and China strengthens its influence over Costa Rican political and business leaders. Given that President Chaves has already accumulated numerous political adversaries due to his perceived authoritarian, combative style, if one or more of the serious charges against him gains legal and political traction, voters in February 2026 could turn to much less U.S.-friendly options, who are already deeply involved economically and politically with the Chinese.

Costa Rica has long been a friend of the U.S. and an example to the region of the value of democracy and strong institutions. Its close cooperation with the U.S. on drugs, immigration, and cybersecurity have also made important contributions to regional, and North American security. It is not inherent that a change in Costa Rica's political leadership would lead to a government more favorable to China, and it important to recognize that there is a favorable disposition to the United States and to working with it across most of Costa Rica's political spectrum. Nonetheless, it is in the strategic interest of the U.S. and the region not to take Costa Rica's institutional health and positive posture for granted.



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