Countries of Central America (pages 238–239)

Belize, Guatemala, El Salvador, Honduras, Nicaragua, Costa Rica, and Panama make up Central America. Most people in these countries farm. Bananas, sugarcane, and coffee are exported. Political and ethnic conflicts have weakened some economies in this region.

Guatemala

Half the people in Guatemala are descended from the ancient Maya. Many are of mixed Maya and Spanish heritage. Both languages are spoken in the country. A small but wealthy and powerful group owns most of the land in Guatemala. In the late 1990s, conflict erupted as rebel groups fought for control of the land. More than 200,000 people were killed or missing after the conflict ended.

Guatemala’s economy has recently undergone some changes. Farmers are beginning to grow more valuable cash crops, such as fruits, flowers, and spices. In the early 2000s, Guatemala joined other Central American countries in a free trade agreement with the United States. This should allow the people to sell more goods to the United States.

Write down two economic changes in Guatemala in recent years.

1. __________________________________________
2. __________________________________________
Costa Rica

Costa Rica has a stable democratic government. It has fought no wars since the 1800s. A police force—but no army—keeps law and order in the country. Costa Rica has fewer poor people than other countries in Central America. Costa Ricans have a high literacy rate, which is the percentage of people who can read and write. Literate workers generally earn higher wages because they are more productive.

Panama

Panama is located on the narrowest part of the isthmus of Central America. The United States built the Panama Canal there, which provides a shorter and faster route between the Atlantic and Pacific Oceans. The United States gave control of the canal to Panama in 1999. Panama earns money from the fees it charges shipping companies to use the canal. The canal area also attracts buyers and sellers. As a result, Panama has become a banking center.

Cuba

Cuba lies 90 miles south of Florida. It has a command economy—the communist government determines how resources are used and what goods and services are produced. The economy has not been successful, however, and most Cubans are poor. For many years, Cuba’s economy relied on the sale of a single crop—sugar. The government is now trying to develop tourism and other industries to end the dependence on sugar.

Cuba’s longtime dictator, Fidel Castro, controls society. People who criticize the government are often jailed. The United States condemns Cuba for these actions.

Haiti

Haiti is located on the western side of the island of Hispaniola. It has a troubled history. The government is unstable because of ongoing conflicts between political groups. Most Haitians live in poverty. A vital source of income is remittances, or money sent back home by Haitians who work in other countries.
Countries of the Caribbean (continued)

Puerto Rico

Since 1952, Puerto Rico has been a commonwealth, or a self-governing territory of the United States. The people are American citizens who can travel freely between Puerto Rico and the United States.

Puerto Rico has a higher standard of living than other countries in the Caribbean. Factories produce medicines, machinery, and clothing. Farmers grow sugarcane and coffee. The tourism industry also thrives in Puerto Rico.

Section Wrap-Up

Answer these questions to check your understanding of the entire section.

1. Analyzing What is the significance of the high literacy rate in Costa Rica?

2. Explaining Why is the Panama Canal important to the economy of Panama?

Expository Writing

In the space provided, write a paragraph explaining how Cuba’s communist government has affected the Cuban economy and society.