

Panama: The Ugly Side of Development

Raise your voice against the system, and Ricardo Martinelli will silence it

Posted: Thursday, February 09, 2012

In recent years, Panama has become an economic powerhouse in the region – its capital, Panama City, is one of the fastest-developing cities in Latin America. Every year, the Panama Canal generates \$5 billion for the Panamanian economy. The country leads its neighbors in the construction sector, with everything from high-rise, high-priced condominiums to mega-shopping malls that would make U.S. cities blush.

Panama City has Latin America's tallest building, and will soon host Central America's first subway system. And the country recently penned a free trade agreement with the United States that will help bolster its economy. In the wake of a continuing global economic crisis, the country enjoyed 7.5 percent growth in 2010, far outpacing its Central American neighbors. Like economic powerhouse Brazil, Panama plans to invest some \$20 billion in public projects over the next few years.

Foreign investment also is steadily streaming into the Panamanian economy, and investors are drawn by the relative ease of doing business there.

Modern skyscrapers dot the Panama City skyline, and President Ricardo Martinelli is transforming his country's capital into a mini-Miami.

Panama is also rich in natural resources, including gold, copper and plenty of water. Taking a page out of Chile's development model, based largely on exploiting copper and other mineral reserves, Panama is a country to bet on in terms of long-term growth projections.

But there is a problem – Panama has a history of human rights violations against indigenous groups, and an oligarchical structure that allows a few wealthy families to decide who gets rich and who does not.

Supermarket mogul Martinelli is the public face behind Panama's power structure. He has helped usher in unprecedented prosperity, while ignoring troublesome poverty and misery. Raise your voice against the system, and Martinelli will silence it.

Martinelli's use of anti-riot police to forcibly end an eight-day protest that began last week near the Panama-Costa Rica border ended with the death of at least one – likely three – people. The president has used similar force in the past when dealing with indigenous groups enveloped in conflict over land and resources. Last May, anti-riot police forcibly removed

Ngöbe families from Bocas del Toro province in northwestern Panama in order to flood the area for a hydroelectric dam project. A U.N. Special Rapporteur on Indigenous Peoples found that members of the indigenous community were not properly consulted before the government relocated them. The pattern of forcibly removing indigenous people from their ancestral lands has been repeated across the region, Amnesty International noted.

Police also violently attacked thousands of protesters who rallied against a proposed mining and natural resources bill that would jeopardize indigenous land rights. Two people were killed and hundreds were injured. Unfortunately, only after violent reaction by government forces does the Martinelli administration reluctantly agree to negotiate land rights with Panamanian citizens.

In a Wednesday column in the daily *La Nación*, Juan Carlos Hidalgo noted that Martinelli is maneuvering to change constitutional limits on presidential terms, much like Nicaraguan President Daniel Ortega. Also, Hidalgo pointed out, serious questions have been raised about the use of public funds by the Martinelli administration, smacking of nepotism.

If countries like the U.S. intend to do business with the likes of Martinelli and his cadre of rich elite, they would be wise to exert pressure on Panama to respect human rights and enact more programs for the poor. Accumulation of wealth without promoting democratic values is a dangerous path to follow for a region that needs to move forward peacefully.