

MESOAMERICA

Volume 26, Number 11, November 2007



PANAMA

Trade Agreement Ruffled by Murder Case

US President George W. Bush discussed pending free-trade agreements with Peru, Panama and Colombia in a Miami press-conference on 12 Oct.

Currently, the majority of goods sent from Peru, Panama and Colombia to the US have duty-free access. President Bush expressed concern that most US products sent to the three countries are significantly taxed.

According to Bush's statement, free-trade agreements would alleviate these barriers. In effect they would "level the playing fields for businesses, workers and farmers here in the US." Bush noted other advantages, such as poverty mitigation, an offset to "the false populism promoted by some nations in the hemisphere," and an increase of freedom and democracy in the Americas.

Considering the uphill battle that the Bush administration faces in getting these free-trade agreements passed by the US Congress, it is not surprising that some of these promises seem too good to be true. Stacked against Bush are negatives including five successive years of record trade deficits that are correlated to massive job-loss in the US manufacturing sector. US Secretary of State Condoleezza Rice also noted on 9 Oct that recent polls demonstrate waning US support for new free-trade agreements.

Current controversy affecting the pending free-trade agreement with Panama also does not help the record. Until recently, this agreement, which took almost four years of negotiations to develop, seemed ready for passage. Then trade talks between the two countries took a drastic turn when it was announced this past Sep that Pedro Miguel González-Pinzon had become president of the Panamanian National Assembly.

Based on US State Department reports, González was previously charged in the US in connection with the killing of US Army Sgt. Zak Hernández-Laporte, a Puerto Rican, and the attempted murder of US Army Sgt. Ronald T. Marshall in Panama in '92. The assaults occurred just days prior to President George H.W. Bush's visit to Panama, nearly three years following the US invasion of Panama to overthrow the regime of Gen. Manuel Noriega. Some findings have led US officials to

believe that the motive for the murders of Hernández and Marshall may have been an “extreme form of protest” in response to the US invasion.

Although charges against González were dropped in a '97 trial in Panama, later FBI and Scotland Yard ballistics tests identified the murder weapon as an AK-47 assault rifle that was buried by González' sister near a lake. However, the case was never reopened.

At a Washington press conference on 9 Oct, Condoleezza Rice expressed her displeasure concerning Gonzalez' election by saying: “It's deeply troubling, and we have communicated that to the Panamanian government.” The Puerto Rican Senate also passed a resolution emphasizing its “profound concern” about González' election and his evasion of the US justice system. A political consultant from Panama City considers González' new position a “terrible mistake” that no one wants to reveal to the government.

Acknowledging Panama's fast-growing economy, President Bush, in a 12 Oct press conference, acknowledged that the free-trade agreement would eliminate 88% of tariffs on US industrial and consumer goods exported to Panama. The agreement also would improve international access to Panama's service sector and increase opportunities for US business participation in the Panama Canal expansion project.

However, with González occupying the role of National Assembly president, observers see little hope in the proposed advantages becoming a reality. In a statement by US Senator Max Baucus, he upheld that González' election was “a serious impediment to the US Congress' consideration of the US-Panama Free Trade Agreement.” Panamanian President Martin Torrijos also acknowledged the potential effects of González' election on the free-trade agreement and has visited Washington twice in order to address the situation.

While some minds in the US Congress are already made up against the free-trade deal with Panama, the resignation of González is top on the list of fast-action plans aimed to salvage any remaining support.

As of 9 Oct, Rice refused to acknowledge a deadline for the US Congress to finalize a decision on the trade agreement with Panama. An inquiry into whether the end of this year would provide an appropriate timeframe was thrown-out due to a conflict with the '08 US presidential campaign season.

World Food Day in Panama

Since '79, World Food Day has been celebrated annually on 16 Oct. According to a statement on the United Nation's website, the purpose of the event is to increase awareness of the world food problem and to “strengthen solidarity in the struggle against hunger, malnutrition and poverty.”

The theme for World Food Day '07 was “the right to food.” In Panama, the theme was fully embraced as a number of protests and demonstrations occurred because of rising costs of living that are not sufficiently covered by current labor wages.

Most of the protests and demonstrations that took place were led by members of the *Asociación de Empleados* de la Universidad de Panamá (ASEUPA) and the *Partido Panameñista* (PP). One particularly creative demonstration involved the preparation of 37 packets of “sopa china” or

Chinese-soup, of which the only ingredients were salt and water because, according to Secretary General of ASEUPA Damian Espino, “there is nothing else to make it with.”

The UN Food and Agriculture Organization (FAO) estimates that 25% of the Panamanian population is undernourished. Panama’s micro-version of the FAO, known as the *Secretaria Nacional para el Plan Alimentario de Nutrición*, cites statistics revealing that 20.6% of children under five years old are considered undernourished and 1.3% suffer acute malnourishment.

For a country that prides itself in having one of the fastest growing economies in Latin America, most agree that these percentages are unacceptable. According to a press statement made by Espino, the food situation in Panama is disgraceful considering that 40% of the three-million population is poor and cannot readily afford sufficient nutrition. He claims that the government should provide food that is accessible to all socio-economic levels and is equally healthy.

Feb ’06 marked the most recent effort by Panama’s Ministry of Labor to address the food and labor situation. The 8% minimum-wage increase reportedly cost the government \$16 million per year. For the workers, this equaled a monthly increase from \$263 to \$285. In a press-article written just days after the wage-hike, labor leader Genaro López explained that \$285 is still not enough for most workers. One source breaks it down like this: the average Panamanian works 45 hours a week or 180 hours a month. Factoring in the current minimum-wage, this averages to approximately \$1.58 an hour. According to López, an investigator in the Institute of National Studies (IDEN), Horacio Rivera, claims that the minimum amount of money needed by workers to “satisfy their basic necessities” in ’07 is \$400 a month.

Before focusing on causes of hunger in Panama like an inadequate minimum-wage, the government answered the cries of World Food Day protesters by creating a “High-Level Committee” to investigate the problem.

According to the Panamanian Ombudsman, Julio Vargas, one of the first measures is to ensure that the committee has adopted the necessary guidelines to efficiently tackle the hunger problem in Panama, while both increasing awareness and education to prevent malnutrition.

Although the World Food Day protests and demonstrations have yet to penetrate the root of Panama’s hunger problem, the creation of a government committee is a success in itself and a starting-point for future resolutions.

Hydroelectric Dams vs. Nature & Tradition

Negotiations continue regarding Panama’s decision to join the existing Central American electrical grid and to build a natural gas pipeline from Colombia to oil-dependent Panama. On a more definitive note, talks recently finalized on the subject of proposed domestic energy projects.

While grid negotiations could lead to electricity imports/exports as needed and pipe-line negotiations promise the availability of more natural gas, efforts to reduce Panama’s two-third dependence on foreign oil are taking precedence in the form of 90 proposed hydroelectric projects.

Today, nearly 75% of Panama’s electricity is produced with hydroelectric generation. According to The Pacific Institute, an environmental think-tank in California, there are now six hydroelectric dams in Panama.

Whereas Panama's growing economy warrants an increase in electrical production, it is unlikely that all 90 recommended hydroelectric projects will break ground. The fate of the dams already under construction is also unknown because many projects face increasing controversy and criticism.

The Changuinola project in the province of Bocas del Toro is bearing the brunt of some of the most significant attacks from conservationist and human rights groups.

In an effort to quell any notions that the environmental effects of the hydroelectric projects are being overlooked, the director of climate change for Panama's National Environmental Agency, Darysbeth Martínez, acknowledged the dependent role of sustainable development and tourism on the environment. She also emphasized that the hydroelectric companies have recently been provided with the "newest, cleanest technology" and are required to abide by environmental laws.

In effect, the Changuinola project will create a 4,000-acre lake skirting the edge of what is known to be Central America's largest remaining expanse of untouched rain forest. Other dams awaiting construction on the Changuinola River brush against La Amistad International Peace Park, a designated World Heritage site that extends into Costa Rica.

Despite Martínez' attempts to assuage environmental concerns, it was not long before conservationists in both Panama and the US began zeroing in on possible devastating effects on these resources.

In reference to the hydroelectric dams that are only a short distance from La Amistad International Peace Park, a biology professor at the University of Panama, Ariel Rodríguez, had this to say: "The hydroelectric projects will be the beginning of the end for the park." In the US, the Center for Biological Diversity (CBD) has gone so far as to petition that the World Heritage Committee denote the park as "in danger." Along the same lines as Rodríguez, an article in the 2 Oct '07 edition of the *Miami Herald* reported that the CBD's attorneys predict harmful reverberations up the food chain.

Professor Rodríguez urges the public to consider not only the environmental effects, but also "the morality of occupying this pristine zone and how it will impact the Indigenous people living there."

So far, relations between the Indigenous people and AES, the Virginia-based power-plant responsible for hydroelectric projects like the Changuinola, have been strife with contradiction and deceit.

According to Isabel Becker, a middle-aged Ngöbe Buglé Indian who, like other Indigenous farmers, has lived in a small shack near the Changuinola River for the entirety of her life, the Changuinola hydroelectric project will likely displace thousands of villagers. In stark contrast, AES claims that a mere 140 families will need to be relocated.

Contradiction also tainted a visit to Becker's home earlier this year by an AES subsidiary. Instead of compensating her for damage that workers reportedly caused to a fruit-tree grove, the employees confined her to a meeting room for 12 hours. Once her thumb-print was affixed to the documents signifying the relinquishing of her property rights, Becker was told that she would receive \$9,500 and a \$100 monthly payment until she is relocated.

However, for Becker, there is no prospect of a new life apart from the river. The AES property transfer documents shown to her were written in Spanish, but since she speaks only Ngöbe and cannot read or write in any language, she understood nothing from the meeting. Ultimately, Becker

affirms that affixing her thumbprint to the document was a mistake that she will not repeat, and she claims that “I will not go ... If the company wants to send police to kill me, go ahead.”

As for Professor Rodríguez’s push for morality, it may soon manifest itself as a begrudged afterthought for AES.

—*Mireille Gold*