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Louisa Reynolds

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Panamanian President Ricardo Martinelli's Alianza por el Cambio Falls Apart

by Louisa Reynolds

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In May, José Muñoz, president of the Asamblea Nacional (AN) and a prominent member of President Ricardo Martinelli's Cambio Democrático (CD), caused an uproar when he announced that the party would run its own candidate for the position that he presently holds. It had been expected that the CD bloc in the legislature would support the candidacy of Deputy Alcibiades Vásquez of the Partido Panameñista (PP), and the announcement gave rise to rumors about an imminent rupture at the heart of the ruling CD-PP coalition.

Seven years ago, supermarket tycoon Ricardo Martinelli and his CD were practically unheard of, and in 2004 he obtained barely 4% of the votes and 3 of the 78 seats in the unicameral AN. However, with the center-left Partido Revolucionario Democrático (PRD) and the center-right PP engulfed in corruption scandals, the CD's prospects began to brighten in 2009.

As the CD was too weak to run on its own, Martinelli saw the need for a marriage of convenience with the PP, which is how the Alianza por el Cambio was forged. As a result, Martinelli was elected with 60% of the votes, with PP leader Juan Carlos Varela as his running mate ([NotiCen, July 8, 2010](#)).

Following the coalition's victory, Varela was appointed foreign minister and told that he would be chosen as the Alianza's presidential candidate for 2014. However, on Aug. 30, three months after it became clear that the CD and PP factions in the legislature had drifted apart, Martinelli fired Varela and announced that the CD would run on its own in 2014.

The official excuse given in a presidential press release was that Varela had bitten off more than he could chew: "Varela neglected his duties as foreign minister because, as well as occupying that position, he serves as vice president, he is a party leader, and he is a candidate [for the 2014 elections]."

Varela said that the president never notified him of his dismissal and that he found out through the media. He added that, nevertheless, Martinelli had the right to do what he saw fit.

Balbina Herrera, leader of the PRD, criticized the move and said that it was "irresponsible" to use the media to fire a foreign minister. "These things happen when you run the country as if it were your private farm or your supermarket," Herrera told the Panamanian press.

The following day, Maruja Herrera, director of the Instituto Nacional de Cultura (INAC) and leader of the PP's Women's Front, was also removed and replaced by Frank Levy, a member of the CD. But after Herrera asked President Martinelli to reconsider his decision, a government spokesperson announced on Oct. 6 that the executive had done an about-face.

"The executive's decision followed Herrera's timely request for the government to reconsider, based on the fact that important cultural organizations in the country had expressed their concern and praised her work," read the statement.

Something that the official statement did not mention, though, was that, after Herrera was dismissed, her father, PP Deputy José María Herrera, defected to the CD, something which undoubtedly influenced Martinelli's sudden realization that Herrera was a valuable asset to the world of art and culture.

Varela accused the president of "using public funds to buy members of the legislature from the opposition."

Two weeks later, the Panamanian press announced that PP Deputy Manuel Grimaldo had been removed as vice chair of the Colón Free Zone (CFZ). However, Leopoldo Benedetti, chair of the CFZ, quickly denied this.

Martinelli ousts the PP

Soon after Martinelli came to power, he did his utmost to strengthen the CD and guarantee its independence as a political force. He used a carrot-and-stick approach to his predecessor's party, the PRD, prosecuting former government ministers accused of corruption and at the same time attempting to woo PRD deputies. Nine of 26 PRD deputies decided to switch allegiances, thus giving the CD a majority in the AN.

At this point, Martinelli decided to free himself of the fetters imposed by the alliance with the PP and proposed changes to Panama's election system that would introduce a second round if no party managed to win an absolute majority. This would effectively isolate the PP, allow the CD to run without its support, and create strong incentives for parties to form coalitions. Varela strongly opposed the proposal, which led to his removal.

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Although no PP deputies have officially switched parties, many have disobeyed the party line and voted in favor of Martinelli's electoral-reform proposal. Some have claimed that Martinelli forced them to comply by threatening to publish details of their alleged mismanagement of public funds.

Martinelli's decision to break away from the PP has come at a cost. Finance Minister Alberto Vallarino, who managed to improve Panama's credit rating, resigned in protest, calling Martinelli's electoral-reform proposal "a threat to democracy."

As a result of the political instability generated by Martinelli's rupture with the PP, the country's credit rating dropped by 20%, and the increasingly unpopular president was forced to appease his critics by announcing that the electoral reform would be subject to a referendum, something that Varela had demanded in the first place.

To make matters worse, in the latest polls, Martinelli's popularity has dropped from 90% to 47%.

The opposition, which accuses Martinelli of authoritarianism, claims that his ultimate goal is a constitutional reform that would allow his re-election, which he has strongly denied. But, after his

chain of broken promises and his betrayal of former allies, many have been left wondering to what extent he can be trusted.

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