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## **Panamanian President Ricardo Martinelli Backs Down on Sale of State-owned Assets**

*by Louisa Reynolds*

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Panamanian President Ricardo Martinelli was forced to withdraw two controversial bills from the unicameral Asamblea Nacional (AN): one that would have sold off state assets in mixed public utility companies, and another that would have granted him full control of the Corte Suprema de Justicia (CSJ), following widespread protests throughout the country and a fistfight between lawmakers in the AN.

"Obeying my obligation to maintain public order and social tranquility, I've decided to halt special sessions in the Asamblea Nacional and to immediately suspend discussion of the bills in those sessions," said Martinelli on June 21.

One bill called for the sale of 49% of government shares in telecommunications company Cable & Wireless Panama and six electricity distribution companies to obtain a total of US\$1 billion for a purported emergency fund. The opposition claimed this was a blatant attempt to secure funding for a 2014 re-election bid.

Although the Panamanian Constitution forbids presidents from seeking re-election, another controversial bill would have allowed Martinelli to name three judges who would comprise a new "court of constitutional guarantees." This would have allowed him to overturn the constitutional impediment by appointing court judges loyal to his cause.

"To foster a broad debate and achieve consensus on these issues, we're withdrawing these bills from the Asamblea Nacional and putting them to public consultation, via a group whose members will come from diverse sectors and who will engage in a dialogue on controversial bills," said Martinelli, who was forced to make a U-turn after thousands of people took to the streets on June 18, chanting anti-government slogans ([NotiCen, June 14, 2012](#)). Simultaneous protests were held in Panama City and in the provinces of Chiriquí and Bocas del Toro, where the construction of large-scale hydroelectric dams has met with fierce opposition from indigenous groups.

Opposition leaders from the Partido Popular (PP), Partido Panameñista (PP), and Partido Revolucionario Democrático (PRD), former presidents, labor unionists, and members of the legislature marched shoulder to shoulder in a demonstration called by the recently created Frente por la Democracia, a coalition of opposition parties that seeks to prevent Martinelli's re-election.

The march had remained peaceful and no disturbances were reported until protestors reached the Asamblea Nacional and clashed with police guarding the building, who used tear gas and riot gear to disperse the crowd. Forty-seven people, including 21 underage protestors, were arrested for breaching the peace, and four police were reportedly injured.

"Ricardo Martinelli, the Panamanian people didn't hand you a blank check ([NotiCen, May 6, 2010](#)). The Panamanian people have clearly told you—don't sell the nation's heritage," said Mariano Mena, spokesman for the Frente por la Democracia, after the march.

Martinelli "hears us but doesn't listen," said Vice President and opposition leader Juan Carlos Varela. "That's why we need to remain vigilant and continue to fight for democracy, so that he doesn't sell the Panamanian people's heritage."

"Martinelli needs to rethink his actions and listen to the people. He can't continue to rule this country in this manner," added Mitchel Doens, secretary-general of the PRD.

While protestors clashed with police, a fistfight broke out in the AN after opposition Deputy Raúl Pineda slapped Marcos González, president of the AN. Pineda and other opposition lawmakers were infuriated that the police had showered them with pepper spray as they entered the building. The chaotic scenes were broadcast on national television.

### *Martinelli's U-turn*

Although Martinelli backed down on the controversial bills, he defiantly called for a pro-government counterdemonstration on July 1 in the same Plaza 5 de Mayo where the protests were held.

Martinelli celebrated his third year in office and the inauguration of the new president of the AN. Grassroots leaders from Martinelli's Cambio Democrático (CD), as well as official party mayors and members of the AN were all required to attend the carefully orchestrated show of support for the government.

Regarding the two bills that sparked off so much anger from civil society and opposition leaders alike, Martinelli announced that a Mesa de Concertación Nacional would be set up to discuss the sale of state-owned assets in hydroelectric dams and telephone companies and reach a consensus.

However, the sale of state assets in electricity distribution companies, which had met with particularly fierce opposition, would not go ahead. Martinelli asked Bishop José Domingo Ulloa to act as a mediator in the negotiations.

Following the demonstrations, Bishop Ulloa called for peace and unity and invited all Panamanians to respect state institutions and act in the interests of political stability.

The second contentious issue was the Sala V de Asuntos Constitucionales (court of constitutional guarantees). This was created in 1999 under the administration of former President Ernesto Pérez Balladares (1994-1999), but it had never come into effect since naming the three judges that would comprise it remained pending.

Martinelli had tried to revive this legal instrument in the hope that the AN, where his Cambio Democrático holds most of the seats, would approve his choice of judges, paving the way for him to annul the constitutional prohibition that prevents a president from seeking re-election.

The president was forced to withdraw the petition he had made to the AN to ratify his choice of judges and said that he had never intended to seek re-election in 2014. He added that he hoped that this announcement would lay the issue to rest and that the opposition would no longer bring it up.

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