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Panama's PRD Candidate Juan Carlos Navarro Leads in Polls

by Louisa Reynolds
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While Panama is in the midst of an unprecedented economic boom, the country’s political parties have already started to prepare for the May 2014 elections and are in the process of choosing the candidates who will compete in the general elections to succeed President Ricardo Martinelli.

The center-left Partido Revolucionario Democrático (PRD), the country’s largest opposition party, was the first to hold its primary elections, choosing environmental activist Juan Carlos Navarro as its presidential candidate.

The rightist Partido Panameñista (PPA), a former ally of Martinelli’s Cambio Democrático (CD), chose former foreign minister and Vice President Juan Carlos Varela.

With Martinelli’s slogan of maintaining "change," the CD held its primary elections in May, choosing Housing Minister José Domingo Arias as its candidate.

The Movimiento Liberal Republicano Nacionalista (MOLIRENA), an ally of the ruling CD party, and the Christian Democrat Partido Popular (PP) still have to hold their primaries, although MOLIRENA's alliance with the CD will likely continue.

Ten months before the general elections, PRD candidate Juan Carlos Navarro is leading the polls. The PRD has been in power twice, under the administrations of former Presidents Ernesto Pérez Balladares (1994-1999) and Martín Torrijos (2004-2009).

Former Panama City mayor Navarro led one of the latest polls, carried out between March 16 and March 20 by Ipsos TMG, with 39%, followed by Varela, with 22%. This poll showed that Martinelli’s popularity had increased, as 35% of respondents expressed a favorable opinion of his time in office as opposed to 25% in March 2012. Five percent of respondents even said that, if elections were held that day, they would vote for Martinelli.

Given that the polls predict an unfavorable result for the CD candidate and despite Martinelli’s having vowed not to seek re-election (he even signed a pledge witnessed by 13 notaries stating that he would not run for president in 2014), political analysts have warned that he could seek to interpret the Constitution in such a manner that would make it possible for him to seek re-election.

"He [Martinelli] will do anything he can to misinterpret the Constitution and perpetuate himself in power," says university lecturer Miguel Antonio Bernal.

Martinelli’s legacy
This year, prior to the general elections, Panama is in a frenzy of activity with a number of large-scale public infrastructure projects underway such as the construction of the first subway in Central America (NotiCen, Dec. 3, 2009).
Minister of Commerce and Industry Ricardo Quijano says this boom of public spending has been made possible thanks to the revenue generated by the fiscal reform, which increased the value-added tax (impuesto al valor agregado, IVA) from 5.0% to 7.0% and also increased the taxation on ports, casinos, and banks, among other sectors.

During his time in office, supermarket tycoon Martinelli, who describes himself as a nontraditional politician, strengthened the conditioned cash-transfer program Oportunidades, which focuses on the indigenous and rural population, and also created new programs such as 100 a los 70, which gives a US$100 monthly benefit to people over 70 years old who have no other source of income, and Beca Universal, which gives public school students US$20 a month.

Quijano says that a combination of steady economic growth and social programs has helped to reduce poverty in Panama, although inequality and uneven income distribution persist (NotiCen, Sept. 20, 2012). "We can definitely say that, whereas 34% of the population lived below the poverty line in 2009 when we came to power, today this figure has been reduced to 25%," said Quijano.

Official figures also show that unemployment has decreased from 6.0% to 4.5%, which has bolstered Martinelli’s claim that there is full employment in the country, although recruitment agencies such as Manpower have highlighted that there is a shortage of qualified staff to fill certain positions.

Quijano says the middle class has experienced a period of growth as a result of the country’s economic boom. "The middle class had sunk, but now people have studies and better opportunities," he said.

In contrast, the high cost of living in the country remains Panamanians’ greatest concern, with a 5.7% rise in inflation in 2012, which is unusual for a country that had been used to an inflation rate of less than 1.0% before 2000.

Economist Felipe Chapman said it would be unfair to blame the government for rising inflation rates, although he points out that the government could implement measures to alleviate its impact on the population, such as stimulating competition and increasing food production to ease the pressure on prices.

**Martinelli accused of interference**

Former attorney general Ana Matilde Gómez, who was removed from office in 2010, supposedly as a result of pressure from the executive, warned that Martinelli’s interference in other state powers has weakened the country’s institutions.

The Cuarto Informe Estado de la Región (a report on social, political, and economic development in Central America carried out by a number of think tanks and academic institutions throughout the isthmus) says, "Panama’s current government has managed to impose its will during the election of the new Corte Suprema de Justicia (CSJ)."

"Many institutions have been violated, and that lack of respect for the country’s institutions could turn out to be the dark side of the current bonanza because there is a high level of investment but there is a lack of clear rules," said Gómez.
"The traditional parties had always respected the threshold of democracy, certain lines had never been crossed, but now they have been," added Gómez, regarding the control that Martinelli purportedly exerts over the attorney general's office and the CSJ, where directors close to President Martinelli have been appointed.

"Panama’s institutions have been greatly damaged, and power has been increasingly concentrated in the hands of the executive," said Bernal.

Quijano, on the other hand, argues that Martinelli has merely followed the law. "He has done what the law allows him to do: make a number of appointments within the country’s institutions, such as the members of the CSJ," he said.

It would appear that the general elections will not usher in a new political model. Bernal says that, regardless of which party wins the 2014 elections, economic policy will not change and neither will economic disparities. "The country needs an extra dose of constitutionalism, of citizen control mechanisms to rationalize political power," he said.

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