

Panama

Country:

[Panama](#)

Year:

2016

Freedom Status:

Free

Political Rights:

2

Civil Liberties:

2

Aggregate Score:

83

Freedom Rating:

2.0

Overview:

Panama continued to struggle with corruption and insecurity in 2015. However, authorities opened a series of corruption investigations against former president Ricardo Martinelli and his associates, leading to the arrest of numerous former government officials. While perceived insecurity remains high, the homicide rate declined by more than 20 percent during the first nine months of the year, compared to the same time period in 2014.

Political Rights and Civil Liberties:

Political Rights: 35 / 40 [Key]

A. Electoral Process: 12 / 12

The president and deputies of the 71-seat unicameral National Assembly are elected by popular vote for five-year terms. In 2014, amid an electoral turnout of 75 percent, Juan Carlos Varela of the Panameñista Party (PP) won the presidency with 39 percent of the national vote; former housing minister José Domingo Arias of Democratic Change (CD) won 31 percent, and former Panama City mayor Juan Carlos Navarro of the Democratic Revolutionary Party (PRD) won 28 percent, with four other candidates splitting the remaining votes. In concurrent National Assembly elections, the United for More Change alliance—formed by the CD and the Nationalist Republican Liberal Movement (MOLIRENA)—won 32 seats, the PRD took 25, the PP won 10, and the Popular Party took 3; one independent candidate also won representation. Both elections were considered free and fair by international observers. However, the Organization of American States (OAS) and the International Republican Institute (IRI) criticized the interference of the executive branch in the electoral process, including through the misuse of public resources. Both the OAS and IRI also

noted that campaign financing is poorly regulated, with no limits on campaigns donations or expenses.

B. Political Pluralism and Participation: 15 / 16

High rates of voter participation and electoral competition between political parties characterize Panamanian politics. Turnover between government and opposition parties has been the norm since the return to democracy in 1989. People's political choices are free from domination by organized domestic and international groups.

There are no legal barriers to the political participation of indigenous groups, but their interests remain underrepresented.

C. Functioning of Government: 8 / 12

Corruption is widespread. However, authorities in 2015 moved forward with investigations into alleged corruption by former president Martinelli and his associates, prompting a flurry of arrests. Martinelli, who served as president from 2009 to 2014, has been implicated in corruption schemes related to the ballooning costs of infrastructure, security, and other projects undertaken during his term; he also stands accused of illegally wiretapping the communications of his political opponents. In January, Martinelli fled the country days before the Supreme Court voted to open a wide-ranging corruption investigation into his activities, and was thought to be in Florida at the year's end. The electoral tribunal lifted Martinelli's immunity from prosecution in April, and in December, the Supreme Court ordered his detention for failing to attend his trial on spying charges.

Over the course of 2015, a number of Martinelli's associates were arrested in connection with various investigations, including his former social development and finance ministers, as well as two former directors of the National Security Council. In August, the Supreme Court cancelled a \$120 million radar system contract Martinelli had signed with an Italian company, due to concerns that the deal had involved bribes and kickbacks. Former minister of public safety José Mulino was arrested in October for his involvement in the radar scandal. In September, Ignacio Fábrega, the former director of the country's securities regulatory agency, was sentenced to five years in prison after pleading guilty to corruption charges; Fábrega told the court he had illegally shared information from his office's investigation of the brokerage firm Financial Pacific with Martinelli, and had then dismissed the probe. Separately, former vice president Felipe Virzi, who served from 1994 to 1999 and is considered an ally of Martinelli, was arrested on money laundering charges in June; he was under house arrest at the year's end. Martinelli's nephew was arrested in late December in Colombia, on an Interpol notice, in connection with millions of dollars' worth of inconsistencies in public works contracts.

After having been appointed to a ten-year term by Martinelli in 2009, Supreme Court justice Alejandro Moncada Luna was suspended in 2014 after allegations surfaced that he had paid some \$1.7 million in cash for several apartments, without being able to explain the funds' source. Moncada Luna pleaded guilty to charges of illicit enrichment and falsifying documents, and was sentenced to five years in prison in March 2015. Supreme Court justice Victor Benavides resigned in June following allegations of engaging in sexual misconduct with minors and of receiving illegal payoffs, among other claims.

Panama is thought to be among the top money-laundering hubs in Latin America. While authorities have designed an action plan to deal with the problem, the Financial Action Task Force, an

intergovernmental body that promotes policies to deter money laundering, has placed Panama on its “gray list” of countries that are failing to effectively combat the problem.

Panama was ranked 72 out of 168 countries and territories surveyed in Transparency International’s 2015 Corruption Perceptions Index.

Civil Liberties: 48 / 60 (+1)

D. Freedom of Expression and Belief: 15 / 16

Panama’s constitution protects freedoms of speech and of the press, though these rights are not consistently upheld in practice. Libel is a criminal offense. Independent or critical journalists and outlets face pressure from the government. Panamanian journalists had expressed concern about a draft law that would have tightened accreditation procedures, but it was withdrawn from consideration in October 2015. Martinelli is being investigated for the purchase of surveillance equipment that his Security Office of the Presidency allegedly used to spy on political opponents, public figures, diplomats, businessmen, and the media.

The country’s media outlets are privately owned, with the exceptions of the state-owned television network and a network operated by the Roman Catholic Church. Martinelli has holdings in the print, radio, and television markets. Internet access is unrestricted.

Freedom of religion is respected, and academic freedom is generally honored by the government. Private discussion is free and vibrant.

E. Associational and Organizational Rights: 11 / 12

Freedom of assembly is generally respected in Panama. However, altercations between government forces and protesters take place occasionally. In July 2015, police clashed with indigenous protesters opposed to a hydroelectric dam project backed by Varela’s administration. NGOs are free to operate.

Although only about 10 percent of the labor force is organized, unions are cohesive and powerful. In 2014, the International Transport Workers’ Federation and four Panamanian unions accused the Panama Canal Authority of failing to provide decent pay and working conditions for workers in the canal zone. Workers continued to voice such allegations in 2015, and at least one major strike was held.

F. Rule of Law: 10 / 16 (+1)

The judicial system remains overburdened, inefficient, politicized, and prone to corruption. The prison system is marked by violent disturbances in decrepit, overcrowded facilities. In July 2015, Panamanian ombudsman Lilia Herrera criticized the operations of the Punta Coco maximum security prison and recommended its closure, citing “inhumane and degrading” conditions. The United Nations followed suit in August.

The police and other security forces are poorly disciplined and corrupt. The government’s militarization of the Panamanian Public Forces has prompted concern from human rights advocates. Many allegations of criminal activity committed by police officers go uninvestigated.

While perceptions of insecurity have increased, the murder rate decreased by more than 20 percent in the first nine months of 2015, compared to the same time period in 2014; officials attributed the decline in part to the success of a program offering gang members amnesty in exchange for attending a resocialization program that includes vocational training. However, the country's growing importance as a regional transport center makes it appealing to drug traffickers and money launderers. Intelligence sources have claimed that Mexico-based narcotics organizations the Sinaloa Cartel, the Juarez Cartel, the Zetas, and the Beltran Leyva Organization all operate in Panama. Although not to the extent of some of its Central American neighbors, Panama struggles with criminal street gangs.

Refugees from Colombia have faced difficulty obtaining work permits and other forms of legal recognition. Since 2010, Panama's "Melting Pot" policy has offered legal residency to more than 48,000 foreigners; the policy has been criticized by labor unions who fear that legalizing their status hurts job security for Panamanian workers.

Discrimination against darker-skinned Panamanians is common, and the country's Asian, Middle Eastern, and indigenous populations are similarly singled out. While no laws prohibit same-sex sexual relationships, LGBT (lesbian, gay, bisexual, and transgender) individuals face societal discrimination and harassment. Additions to the Code of Private International Law prohibiting same-sex marriage and any recognition of such marriages performed in other countries took effect in 2014. Congress received a draft law in August 2015 that prescribed up to a year in jail and a fine of between \$500 and \$5,000 for perpetrators of hate crimes against LGBT individuals. The legislation's status was unclear at the year's end.

G. Personal Autonomy and Individual Rights: 12 / 16

The government generally respects freedom of internal movement and foreign travel. Indigenous communities enjoy a degree of autonomy and self-government, but a significant portion of Panama's indigenous population lives in poverty. Since 1993, indigenous groups have protested the encroachment of illegal settlers on their lands and government delays in formal land demarcations. According to a 2014 report produced by the UN Special Rapporteur on the Rights of Indigenous Peoples, Panama has an "advanced legal framework" in place to protect the rights of the indigenous. However, laws face implementation challenges, especially in resource-rich regions where companies seek to launch large-scale investment projects.

Violence against women, including domestic violence, is widespread and common. A 2013 law punishes femicide with up to 30 years in prison.

Panama is a source, destination, and transit country for human trafficking. The government has worked with the International Labor Organization on information campaigns addressing the issue and has created a special unit to investigate cases of trafficking for the purpose of prostitution. However, law enforcement is weak, the penal code does not prohibit trafficking for forced labor, and the government provides inadequate assistance to victims.

Scoring Key: X / Y (Z)

X = Score Received

Y = Best Possible Score

Z = Change from Previous Year

Full Methodology

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