

PANAMA HAS VOTED: AFTER TORRIJOS COMES MARTINELLI

Karl-Dieter Hoffmann

On May 3 of this year, the Panamanians elected their next president, their next parliament, the members of the *corregimientos* – the lowest tier in the country's administrative hierarchy – and Panama's representatives in the Central American Parliament. At nearly 60 percent of the vote, the outstanding winner of the presidential election was Ricardo Martinelli of the Cambio Democrático (CD). By contrast, the candidate of the still-ruling Partido Revolucionario Democrático (PRD), Balbina Herrera, received no more than 37.7 percent, and the third contestant, ex-president Guillermo Endara, was unable to convince more than 2.3 percent of the electorate.

Five years earlier, Mr Martinelli entered the contest at the head of the CD which he had founded but was unable to sway more than 5.3 percent of the voters. However, the entrepreneur who, unlike his predecessors Mireya Moscoso (1999–2004) and Martín Torrijos (2004–2009) does not belong to one of the legendary political families, had better luck this time around. This may appear surprising in view of the fact that his predecessor, Mr Torrijos, was quite successful especially in economic matters, and that the house he will be handing over is well-ordered. Moreover, Mr Torrijos' defeat is shared by the PRD which suffered great losses in the parliamentary elections and even had to stomach the loss of the mayoralty of the capital.

The March elections were fought by eight organizations, three of which had only been established a short while before. Although the latter has been weakened lately by internal quarrels, the PRD and the Partido Panameñista (PP) may be regarded as stable elements in Panama's volatile party structure. Thus, for example, Mr Vallarino, a prominent PP dissident, refused to bow to Mr Moscoso's claim to leadership and joined the contest at the head of a party alliance of his own in 1999. Ex-president Guillermo Endara similarly created his own party called Partido Solidaridad because he disagreed with Arnulfo Arias' widow and because he wanted to stand again.

According to the reformed electoral code, the parties had to choose their candidates in internal primaries in 2008. Whereas the PRD favoured Mrs Herrera, the housing minister, and Mr Navarro, the mayor of the capital, the most promising contestants of the PP were the head of the party, Mr Varela, and Mr Vallarino, the opponent of Moscoso. As late as January this year, Mrs Herrera was first among the country's most popular politicians. When she announced her candidacy in mid-March, however, she had already been outstripped by Mr Martinelli. The first party to hold its primaries was the PP in July 2008, when it had 2,173 *precandidatos* to choose from. Among the

seven candidates for the top position, Mr Varela came in first, followed by Vallarino. When the PRD followed suit in September, Mrs Herrera won before Mr Navarro.

The number of potential alliance partners available to the PRD was limited. It renewed its alliance with the small Christian-Democratic Partido Popular, and the Partido Liberal, which had been founded in 2005, was taken on board as another partner. The trio campaigned under the motto *Un país para todos*. On the side of the opposition, the PP and the rightwing-liberal Movimiento Liberal Republicano Nacionalista (MOLIRENA) as well as the CD and the Unión Patriótica renewed their respective arrangements. However, when the MOLIRENA left the coalition with the PP to support Martinelli, Mr Varela had to give up all hope of attaining the presidency. The toing and froing finally became farcical early in 2009 when the PP joined Mr Martinelli's Alianza Por El Cambio and a PRD victory became improbable.

Observers state that the campaign language was aggressive, and that the campaign had 'heated up' especially in its last few weeks. Further points of criticism included defects in transparency and campaign-funding control. Only the country's electoral authority was given a clean slate by the OAS observers for its professional organisation of the poll.

Mr Martinelli's resplendent victory in the elections, which were attended by 73.69 percent of the electorate, was reflected in the country's nine provinces that were all comfortably won by the local CD candidates, the only exceptions being Darién and Colón, where the margin was slim. By contrast, Mr Martinelli won 451,827 votes in the province of Panama where Mrs Herrera received no more than 264,887 votes and Mr Torrijos had netted 342,210 votes in 2004.

Presumably, the winner entered into an alliance with the PP not only to improve his own chances of victory but also with an eye on the balance of power in the future Panamanian parliament. And yet – of all political parties, it was that of the winner which was placed at the greatest disadvantage by the seat allocation procedure applied: having netted 23.4 percent of the parliamentary vote, the CD was given no more than 13 of 71 seats or 18.3 percent. This contrasts starkly with the PP which, having won only 22.2 percent of the vote, received 22 mandates or 31 percent. The PRD with its share of 35.7 percent was allocated 26 seats or 36.6 percent.

In contrast to the race for the presidency, the PRD candidate 'Bobby' Velasquez was long tipped as the most promising candidate for the post of mayor of Panama City. In early March, he led the opinion polls at 56 percent, while the PP's candidate, Bosco Vallarino, obtained no more than 36 percent. However, when a Colombian businessman arrested for money-laundering al-

leged that he had supported the campaigns of Mrs Herrera and Mr Velasquez with three million US Dollars each, the PRD candidate was thrown out of the running. Predictably, the race was won by Mr Vallarino at 45.6 percent of the vote.

There are many reasons for the PRD's decline: for one thing, there is the allegation made by the imprisoned Colombian, Mr Murcia. For another, it was rumoured that Mrs Herrera had received money from the state in compensation for the annulment of a business concession of her former husband, whose company had been found guilty of illegal transactions. Differences of opinion among the PRD leaders did their bit, as did the revelation that Mrs Herrera herself was supposed to have been an active member of the gangs of hitmen employed by the regime in the Noriega era.

However, the record of the Torrijos government itself was a factor in the defeat of the former ruling party. Of course, the macro-economic data of 2004 to 2006 document that the chosen path was positive, but to a large extent they are the result of an economic boom caused by external factors. To be sure, unemployment declined, and new jobs were created in the building industry. On the other hand, the lower classes remained greatly dissatisfied with their living conditions, complaints about the increasing cost of life grew louder, and inflation speeded up. There were nationwide protests against increasing prices, and in 2008 there was even a general strike. The government stepped up its subsidies for energy products and increased the pay of the lower ranks of civil servants. However, this did not improve its image. Its endeavours to suppress corruption were similarly unsuccessful, all the more so as the head of state himself had trouble disproving corruption charges that were levelled against him. Finally, the government completely failed in the fields of domestic security and crime suppression. Opinion polls document that the problem of deteriorating public safety has been the main concern of Panamanians since the end of 2007.

The issues with which Mr Martinelli scored arose from the multitude of economic and social problems prevailing in Panama. Moreover, he did not have a stain on his character, so that people tended to trust him more than his competitors whose election platforms were essentially the same as his own. Furthermore, Mr Martinelli had professional help in planning his campaign, the strategist Papadimitriou not least among them. On the one hand, Mr Martinelli was anxious to present himself as a realistic alternative to the traditional parties. On the other, his public face was that of a man who is close to the people, who is familiar with the distress of simple folk and tries to help. On television, he was seen working as a bricklayer, a roofer, a street sweeper, and a baker. Mr Martinelli skilfully combined his closeness to the people as demonstrated on TV, which was laughed to scorn by the opposition, with his

competence as a successful entrepreneur, thus gathering a host of sympathizers which his opponents could only wish for.

As the incoming president, Ricardo Martinelli is expected to make good on the promises he has given. A certain loss of popularity will be unavoidable, at least as soon as the growth of the economy begins to flag, making it difficult to put his vows into practice.

In economic terms, the country's new strong man will probably be assisted by the enlargement of the Panama Canal for which thousands of workers will have to be recruited soon. On the other hand, the canal's freight volume has been declining since 2008 because many shipping lines are currently looking for less expensive routes, thus forcing the canal authority to reduce its transit fees. In foreign policy, Mr Martinelli will probably tone down the country's relations with Cuba and intensify those with China. Moreover, he will withdraw from the Central American Parliament which he regards as a futile institution. In the field of domestic policy, Mr Martinelli will have some trouble maintaining his current majority in parliament. It is true that the *panameñistas* gave him access to power, but there are certain risks involved in cooperating with them: if Mr Martinelli's actions in office should prove problematic, the PP will endeavour to establish its own profile in public, and it will be more inclined to abandon the alliance with the CD. If, on the other hand, the president should be successful, this might also motivate the PP to go its own way so as not to endanger its chances of winning the elections in four years' time. After all, the PP was caught out in the recent elections, despite its good record in government. Why, therefore, should it lose feathers which it could save by absconding in good time if Mr Martinelli's CD should meet with a similar fate in the future?

IN: Auslandsinformationen 5-6/2009, ISSN 0177-7521, Konrad-Adenauer-Stiftung e.V., Berlin, p.160-165