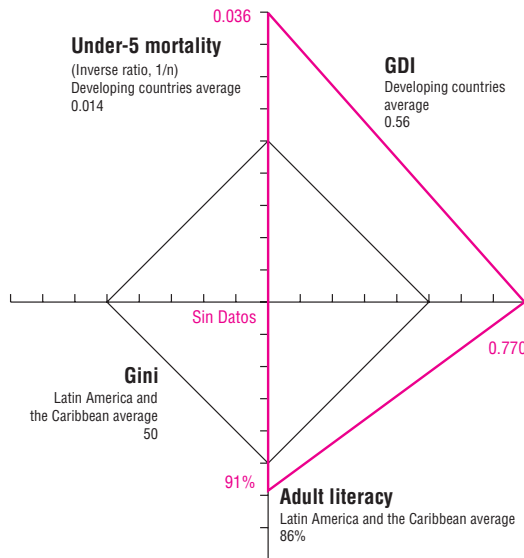


• SILVIO HERNÁNDEZ



The Equity Diamond: National values in terracotta compared to regional ones in blue.

A report drawn up by the United Nations Children's Fund (UNICEF) and the Panamanian Ministry of Economic Planning and Policy shows that the poverty rate was down only three per cent this year compared to 1990 when it affected 50% of the population. Poverty in Panama is becoming an endemic disease. Meanwhile, civil society says the government lacks political will to reduce it.

The same document reveals that sizeable differences remain between urban and rural areas. While 29% of urban families live in absolute poverty, that figure climbs to 64% in rural areas and indigenous reservations.

FROM WORD TO DEED

A main cause of rural poverty is unequal distribution of land, the report points out. 47% of farms are less than one hectare in size and occupy a combined total of only 0.5% of all farm land.

The technical secretary of the Social Cabinet, Guillermo Castro, said the high poverty rate was a consequence of the exhaustion of the protectionist development model implemented in the 1950s, and «the accentuated inequality of income distribution». **Panama ranks second-to-last in Latin America in unequal distribution of wealth.**

Castro explained that the sudden increase in poverty –from 40% to 50%– at the start of the decade was due to «a combination of the consequences of structural adjustment and (foreign) economic and military aggression against a backdrop of serious political chaos». In 1988, the United States government imposed economic sanctions against Panama, which triggered a 16.1% fall in Gross Domestic Product (GDP). On 20 December 1989, the United States army invaded the country, overthrowing General Noriega.

Castro said that the worst of the crisis was over. However, this was due more to a return to normality –«in a situation of transition in the framework of the structural adjustment process»– than to the government's success in fighting poverty. He predicted that if the country functions normally, without crisis, «and inserts itself into the global economy as designed by the government's current programme, we will stabilise poverty at 30% in just a few years».

Three years ago, the government began to implement a programme «to mitigate poverty» through self-help projects conducted by the Social Emergency Fund and the Social Cabinet, which is comprised of seven ministries and several autonomous and semi-independent state entities, Castro underlined. Around 45% of public spending has gone into that programme, equivalent to 27% of GDP, or some \$7.5 billion a year. The government has also «actively promoted coordination with forces representing civil society» in the search for mechanisms to boost the integration of society, he added.

Through the recently created Ministry of Youth, Women and the Family, «the government will reinforce the fight against disintegration and the loss of relationships with solidarity, which the country needs to overcome the existing social inequalities», Castro maintained. But he added that political problems

generated by poverty, like the marginalisation of production, lack of citizen participation and engagement in political life *«are not being fully confronted in Latin America.»* ***«The only thing we have done is invent a discourse on governability, but we resist focusing on the question of citizenship, which is key to resolving the problem of poverty.»***

Spokespersons for non-governmental organisations consulted by IPS did not differ with the government's statistics on poverty. However, they did disagree with Castro's predictions on future trends in poverty and on the government's supposed dialogue with civil society.

The president of the Social Training Centre, Celia Sanjur, said the measures that the government has promised to mitigate the impact of adjustment programmes *«have yet to be seen»*, and pointed to a lack of political will to eradicate poverty. Sanjur said workers' wages had remained stagnant while the cost of the basic consumer basket of necessities had risen more than ten per cent this year from 1996. With the adjustment programme implemented since 1994, *«we have submitted ourselves to the power of the transnational economy and the neoliberal model»*, said Sanjur. She warned that *«things could get worse when the privatisation of essential public services is completed»*. She added that although the government has promised to maintain an on-going dialogue with civil society, there is no permanent policy for dialogue with non-governmental organisations. When such interchange does take place, *«the government does not assume commitments»*.

Alibel Pizarro, in charge of gender affairs at the non-governmental Centre of Social Studies and Training (Ceaspa), agreed with Sanjur, saying the results in terms of poverty reduction *«do not square with the economic efforts»* put out, especially by women, children and the elderly. Pizarro pointed to the continued economic discrimination against women. **While the average monthly salary of women – \$197, compared with the overall average monthly salary of \$245. A full one-quarter of Panama's nearly 500,000 households are headed by women, she added.**

Pizarro said she doubted that the new Ministry of Youth, Women and the Family would provide the results predicted by Castro, because *«the ministry was created without any consultations with civil society, and without a programme shared by all»*.

The head of Ceaspa, Jesus Alemanca, stated that there was a big difference between Panama and other countries in the region that had suffered major social upheavals and undergone structural adjustment. *«We arrived at the adjustments late due to our internal situation»*, he said. Alemanca said the lack of political interest in working with civil society on anti-poverty plans had led to *«a situation of mistrust on the part of civil society towards the government and politicians»*.

- IPS Special report for Social Watch