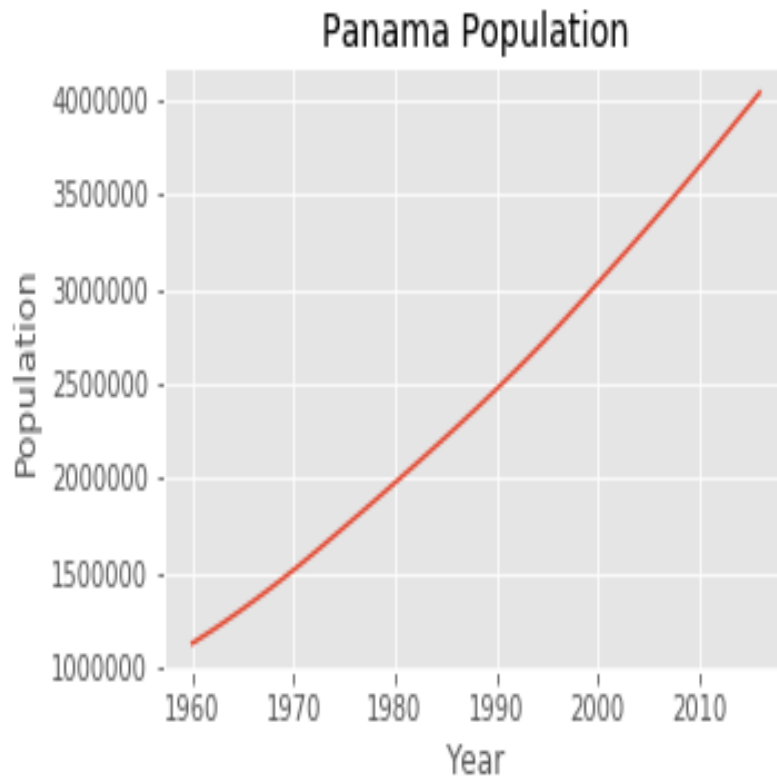


# Panama



Panama (  listen) PAN-█-mah; Spanish: Panamá [pana█ma]), officially called the Republic of Panama (Spanish: República de Panamá), is a country in Central America. It is bordered by Costa Rica to the west, Colombia (in South America) to the southeast, the Caribbean Sea to the north and the Pacific Ocean to the south. The capital and largest city is Panama City, whose metropolitan area is home to nearly half of the country's 4 million people. Panama was inhabited by several indigenous tribes prior to settlement by the Spanish in the 16th century. Panama broke away from Spain in 1821 and joined a union of Nueva Granada, Ecuador, and Venezuela named the Republic of Gran Colombia. When Gran Colombia dissolved in 1831, Panama and Nueva Granada remained joined, eventually becoming the Republic of Colombia. With the backing of the United States, Panama seceded from Colombia in 1903, allowing the construction of the Panama Canal to be completed by the U.S. Army Corps of Engineers between 1904 and 1914. In 1977 an agreement was signed for the transfer of the Canal from the United States to Panama by the end of the 20th century, which culminated on December 31, 1999. Revenue from canal tolls continues to represent a significant portion of Panama's GDP, although commerce, banking, and tourism are major and growing sectors. In 2015 Panama ranked 60th in the world in terms of the Human Development Index. Since 2010, Panama has been the second-most competitive economy in Latin America, according to the World Economic Forum's Global Competitiveness Index. Covering around 40% of its land area, Panama's jungles are home to an abundance of tropical plants and animals – some of them found nowhere else on the planet. Panama is a founding member of the United Nations and other international organizations such as OAS, LAIA, G77, WHO and NAM. == Etymology == There are several theories about the origin of the name "Panama". Some believe that the country was named after a commonly found species of tree (*Sterculia apetala*, the Panama tree). Others believe that the first settlers arrived in Panama in August, when butterflies abound, and that the name means "many butterflies" in an indigenous language. The best-known version is that a fishing village and its nearby beach bore the name "Panamá", which meant "an abundance of fish". Captain Antonio Tello de Guzmán, while exploring the Pacific side in

1515, stopped in the small indigenous fishing town. In 1517 Don Gaspar de Espinosa, a Spanish lieutenant, decided to settle a post there. In 1519 Pedrarias Dávila decided to establish the Empire's Pacific city at the site. The new settlement replaced Santa María La Antigua del Darién, which had lost its function within the Crown's global plan after the Spanish exploitation of the riches in the Pacific began. Blending all of the above together, Panamanians believe in general that the word Panama means "abundance of fish, trees and butterflies". This is the official definition given in social studies textbooks approved by the Ministry of Education in Panama. However, others believe the word Panama comes from the Kuna word "bannaba" which means "distant" or "far away".

== History ==

At the time of the arrival of the Spanish in the 16th century, the known inhabitants of Panama included the Cuevas and the Coclé tribes. These people have nearly disappeared, as they had no immunity from European infectious diseases.

=== Pre-Columbian period ===

The Isthmus of Panama was formed about three million years ago when the land bridge between North and South America finally became complete, and plants and animals gradually crossed it in both directions. The existence of the isthmus affected the dispersal of people, agriculture and technology throughout the American continent from the appearance of the first hunters and collectors to the era of villages and cities. The earliest discovered artifacts of indigenous peoples in Panama include Paleo-Indian projectile points. Later central Panama was home to some of the first pottery-making in the Americas, for example the cultures at Monagrillo, which date back to 2500–1700 BC. These evolved into significant populations best known through their spectacular burials (dating to c. 500–900 AD) at the Monagrillo archaeological site, and their beautiful Gran Coclé style polychrome pottery. The monumental monolithic sculptures at the Barriles (Chiriquí) site are also important traces of these ancient isthmian cultures. Before Europeans arrived Panama was widely settled by Chibchan, Chocoan, and Cueva peoples. The largest group were the Cueva (whose specific language affiliation is poorly documented). The size of the indigenous population of the isthmus at the time of European colonization is uncertain. Estimates range as high as two million people, but more recent studies place that number closer to 200,000. Archaeological finds and testimonials by early European explorers describe diverse native isthmian groups exhibiting cultural variety and suggesting people developed by regular regional routes of commerce. When Panama was colonized, the indigenous peoples fled into the forest and nearby islands. Scholars believe that infectious disease was the primary cause of the population decline of American natives. The indigenous peoples had no acquired immunity to diseases which had been chronic in Eurasian populations for centuries.

=== Conquest to 1799 ===

Rodrigo de Bastidas sailed westward from Venezuela in 1501 in search of gold, and became the first European to explore the isthmus of Panama. A year later, Christopher Columbus visited the isthmus, and established a short-lived settlement in the Darién. Vasco Núñez de Balboa's tortuous trek from the Atlantic to the Pacific in 1513 demonstrated that the isthmus was indeed the path between the seas, and Panama quickly became the crossroads and marketplace of Spain's empire in the New World. Gold and silver were brought by ship from South America, hauled across the isthmus, and loaded aboard ships for Spain. The route became known as the Camino Real, or Royal Road, although it was more commonly known as Camino de Cruces (Road of Crosses) because of the number of gravesites along the way. Panama was under Spanish rule for almost 300 years (1538–1821), and became part of the Viceroyalty of Peru, along with all other Spanish possessions in South America. From the outset, Panamanian identity was based on a sense of "geographic destiny", and Panamanian fortunes fluctuated with the geopolitical importance of the isthmus. The colonial experience spawned Panamanian nationalism and a racially complex and highly stratified society, the source of internal conflicts that ran counter to the unifying force of nationalism. In 1538 the Real Audiencia of Panama was established, initially with jurisdiction from Nicaragua to Cape Horn, until the conquest of Peru. A Real Audiencia was a judicial district that functioned as an appeals court. Each audiencia had an oidor (Spanish: hearer, a judge). Spanish authorities had little control over much of the territory of Panama. Large sections managed to resist conquest and missionization until very late in the colonial era. Because of this, indigenous people of the area were often referred to as "indios de guerra" (war Indians) who resisted Spanish attempts to conquer them or missionize them. However, Panama was enormously important to Spain strategically because it was the easiest way to transship silver mined in Peru to Europe. Silver cargoes were landed at Panama and then taken overland to Portobello or Nombre de Dios on the Caribbean side of the isthmus for further shipment. Because of incomplete Spanish control, the Panama route was vulnerable to attack from pirates (mostly Dutch and English), and from 'new world' Africans called cimarrons who had freed themselves from enslavement and lived in communes or palenques around the Camino Real in Panama's Interior, and on some of the islands off Panama's Pacific coast. One such famous community amounted to a

small kingdom under Bayano, which emerged in the 1552 to 1558. Sir Francis Drake's famous raids on Panama in 1572–73 and John Oxenham's crossing to the Pacific Ocean were aided by Panama cimarrons, and Spanish authorities were only able to bring them under control by making an alliance with them that guaranteed their freedom in exchange for military support in 1582. The prosperity enjoyed during the first two centuries (1540–1740) while contributing to colonial growth; the placing of extensive regional judicial authority (Real Audiencia) as part of its jurisdiction; and the pivotal role it played at the height of the Spanish Empire – the first modern global empire – helped define a distinctive sense of autonomy and of regional or national identity within Panama well before the rest of the colonies. The end of the encomienda system in Azuero, however, sparked the conquest of Veraguas in that same year. Under the leadership of Francisco Vázquez, the region of Veraguas passed into Castilian rule in 1558. In the newly conquered region, the old system of encomienda was imposed. On the other hand, the Panamanian movement for independence can be indirectly attributed to the abolition of the encomienda system in the Azuero Peninsula, set forth by the Spanish Crown, in 1558 because of repeated protests by locals against the mistreatment of the native population. In its stead, a system of medium and smaller-sized landownership was promoted, thus taking away the power from the large landowners and into the hands of medium and small-sized proprietors. Panama was the site of the ill-fated Darien scheme, which set up a Scottish colony in the region in 1698. This failed for a number of reasons, and the ensuing debt contributed to the union of England and Scotland in 1707. In 1671, the privateer Henry Morgan, licensed by the English government, sacked and burned the city of Panama – the second most important city in the Spanish New World at the time. In 1717 the viceroyalty of New Granada (northern South America) was created in response to other Europeans trying to take Spanish territory in the Caribbean region. The Isthmus of Panama was placed under its jurisdiction. However, the remoteness of New Granada's capital, Santa Fe de Bogotá (the modern capital of Colombia) proved a greater obstacle than the Spanish crown anticipated as the authority of New Granada was contested by the seniority, closer proximity, and previous ties to the viceroyalty of Lima and even by Panama's own initiative. This uneasy relationship between Panama and Bogotá would persist for centuries. In 1744 Bishop Francisco Javier de Luna Victoria DeCastro established the College of San Ignacio de Loyola and on June 3, 1749, founded La Real y Pontificia Universidad de San Javier. By this time, however, Panama's importance and influence had become insignificant as Spain's power dwindled in Europe and advances in navigation technique increasingly permitted ships to round Cape Horn in order to reach the Pacific. While the Panama route was short it was also labor-intensive and expensive because of the loading and unloading and laden-down trek required to get from the one coast to the other. ===== 1800s ===== As the Spanish American wars of independence were heating up all across Latin America, Panama City was preparing for independence; however, their plans were accelerated by the unilateral Grito de La Villa de Los Santos (Cry From the Town of Saints), issued on November 10, 1821, by the residents of Azuero without backing from Panama City to declare their separation from the Spanish Empire. In both Veraguas and the capital this act was met with disdain, although on differing levels. To Veraguas, it was the ultimate act of treason, while to the capital, it was seen as inefficient and irregular, and furthermore forced them to accelerate their plans. Nevertheless, the Grito was an event that shook the isthmus to its very core. It was a sign, on the part of the residents of Azuero, of their antagonism toward the independence movement in the capital. Those in the capital region in turn regarded the Azueran movement with contempt, since the separatists in Panama City believed that their counterparts in Azuero were fighting not only for independence from Spain, but also for their right to self-rule apart from Panama City once the Spaniards were gone. It was an incredibly brave move on the part of Azuero, which lived in fear of Colonel José Pedro Antonio de Fábrega y de las Cuevas (1774–1841), and with good reason. The Colonel was a staunch loyalist and had all of the isthmus' military supplies in his hands. They feared quick retaliation and swift retribution against the separatists. What they had counted on, however, was the influence of the separatists in the capital. Ever since October 1821, when the former Governor General, Juan de la Cruz Murgeón, left the isthmus on a campaign in Quito and left a colonel in charge, the separatists had been slowly converting y Fábrega to the separatist side. So, by November 10, Fábrega was now a supporter of the independence movement. Soon after the separatist declaration of Los Santos, Fábrega convened every organization in the capital with separatist interests and formally declared the city's support for independence. No military repercussions occurred because of skillful bribing of royalist troops. === Post-colonial Panama === In the first 80 years following independence from Spain, Panama was a department of Colombia, after voluntarily joining at the end of 1821. The people of the isthmus made several attempts to secede and came close to success in 1831, then again

during the Thousand Days' War of 1899–1902, understood among indigenous Panamanians as a struggle for land rights under the leadership of Victoriano Lorenzo. The US intent to influence the area, especially the Panama Canal's construction and control, led to the separation of Panama from Colombia in 1903 and its establishment as a nation. When the Senate of Colombia rejected the Hay–Herrán Treaty on January 22, 1903, the United States decided to support and encourage the Panamanian separatist movement. In November 1903 Panama proclaimed its independence and concluded the Hay–Bunau-Varilla Treaty with the United States. The treaty granted rights to the United States "as if it were sovereign" in a zone roughly 16 km (10 mi) wide and 80 km (50 mi) long. In that zone, the U.S. would build a canal, then administer, fortify, and defend it "in perpetuity". In 1914 the United States completed the existing 83-kilometre-long (52-mile) canal. From 1903 to 1968, Panama was a constitutional democracy dominated by a commercially oriented oligarchy. During the 1950s, the Panamanian military began to challenge the oligarchy's political hegemony. The early 1960s saw also the beginning of sustained pressure in Panama for the renegotiation of the Hay–Bunau-Varilla Treaty. Amid negotiations for the Robles–Johnson treaty, Panama held elections in 1968. The candidates were Dr. Arnulfo Arias Madrid, Unión Nacional ("National Union") Antonio González Revilla, Democracia Cristiana ("Christian Democrats") engineer David Samudio, Alianza del Pueblo ("People's Alliance") who had the government's support. Arias Madrid was declared the winner of elections that were marked by violence and accusations of fraud against Alianza del Pueblo. On October 1, 1968, Arias Madrid took office as president of Panama, promising to lead a government of "national union" that would end the reigning corruption and pave the way for a new Panama. A week and a half later, on October 11, 1968, the National Guard (Guardia Nacional) ousted Arias and initiated the downward spiral that would culminate with the United States' invasion in 1989. Arias, who had promised to respect the hierarchy of the National Guard, broke the pact and started a large restructuring of the Guard. To preserve the Guard's interests, Lieutenant Colonel Omar Torrijos Herrera and Major Boris Martínez commanded the first military coup against a civilian government in Panamanian republican history. The military justified itself by declaring that Arias Madrid was trying to install a dictatorship, and promised a return to constitutional rule. In the meantime, the Guard began a series of populist measures that would gain support for the coup. Among them were: Price freezing on food, medicine and other goods until January 31, 1969 rent level freeze legalization of the permanence of squatting families in boroughs surrounding the historic site of Panama Viejo Parallel to this, the military began a policy of repression against the opposition, who were labeled communists. The military appointed a Provisional Government Junta that was to arrange new elections. However, the National Guard would prove to be very reluctant to abandon power and soon began calling itself El Gobierno Revolucionario ("The Revolutionary Government").

==== Post-1970 ==== Under Omar Torrijos's control, the military transformed the political and economic structure of the country, initiating massive coverage of social security services and expanding public education. The constitution was changed in 1972. For the reform to the constitution the military created a new organization, the Assembly of Corregimiento Representatives, which replaced the National Assembly. The new assembly, also known as the Poder Popular ("Power of the People"), was composed of 505 members selected by the military with no participation from political parties, which the military had eliminated. The new constitution proclaimed Omar Torrijos the "Maximum Leader of the Panamanian Revolution", and conceded him unlimited power for six years, although, to keep a façade of constitutionality, Demetrio B. Lakas was appointed president for the same period (Pizzurno Gelós and Araúz, Estudios sobre el Panamá republicano 541). In 1981 Torrijos died in a mysterious plane crash. Torrijos' death altered the tone of Panama's political evolution. Despite the 1983 constitutional amendments which proscribed a political role for the military, the Panama Defense Force (PDF), as they were then known, continued to dominate Panamanian political life. By this time, General Manuel Antonio Noriega was firmly in control of both the PDF and the civilian government. In the 1984 elections, the candidates were Nicolás Ardito Barletta Vallarino, supported by the military in a union called UNADE Dr. Arnulfo Arias Madrid, for the opposition union ADO ex-General Rubén Darío Paredes, who had been forced to an early retirement by Noriega, running for Partido Nacionalista Popular PNP ("Popular Nationalist Party") Carlos Iván Zúñiga, running for Partido Acción Popular (PAPO) meaning "Popular Action Party" Barletta was declared the winner of elections that had been clearly won by Madrid. Ardito Barletta inherited a country in economic ruin and hugely indebted to the International Monetary Fund and the World Bank. Amid the economic crisis and Barletta's efforts to calm the country's creditors, street protests arose, and so did military repression. Meanwhile, Noriega's regime had fostered a well-hidden criminal economy that operated as a parallel source of income for the military and their allies, providing revenues from drugs and money laundering.

Toward the end of the military dictatorship, a new wave of Chinese migrants arrived on the isthmus in the hope of migrating to the United States. The smuggling of Chinese became an enormous business, with revenues of up to 200 million dollars for Noriega's regime (see Mon 167). The military dictatorship, at that time supported by the United States, perpetrated the assassination and torture of more than one hundred Panamanians and forced at least a hundred more dissidents into exile. (see Zárate 15). Noriega also began playing a double role in Central America under the supervision of the CIA. While the Contadora group conducted diplomatic efforts to achieve peace in the region, Noriega supplied Nicaraguan Contras and other guerrillas in the region with weapons and ammunition. On June 6, 1987, the recently retired Colonel Roberto Díaz Herrera, resentful that Noriega had broken the agreed-upon "Torrijos Plan" of succession that would have made him the chief of the military after Noriega, decided to denounce the regime. He revealed details of electoral fraud, accused Noriega of planning Torrijos's death and declared that Torrijos had received 12 million dollars from the Shah of Iran for giving the exiled Iranian leader asylum. He also accused Noriega of the assassination by decapitation of then-opposition leader, Dr. Hugo Spadafora. On the night of June 9, 1987, the Cruzada Civilista ("Civic Crusade") was created and began organizing actions of civil disobedience. The Crusade called for a general strike. In response, the military suspended constitutional rights and declared a state of emergency in the country. On July 10, the Civic Crusade called for a massive demonstration that was violently repressed by the "Dobermans", the military's special riot control unit. That day, later known as El Viernes Negro ("Black Friday"), left six hundred people injured and another six hundred detained, many of whom were later tortured and raped. United States President Ronald Reagan began a series of sanctions against the military regime. The United States froze economic and military assistance to Panama in the middle of 1987 in response to the domestic political crisis in Panama and an attack on the U.S. Embassy. These sanctions did little to overthrow Noriega, but severely damaged Panama's economy. The sanctions hit the Panamanian population hard and caused the Gross Domestic Product (GDP) to decline almost 25% between 1987–1989 (see Acosta n.p.). On February 5, 1988, General Manuel Antonio Noriega was accused of drug trafficking by federal juries in Tampa and Miami. In April 1988, U.S. President Ronald Reagan invoked the International Emergency Economic Powers Act, freezing Panamanian government assets in all U.S. organizations. In May 1989 Panamanians voted overwhelmingly for the anti-Noriega candidates. The Noriega regime promptly annulled the election and embarked on a new round of repression. ===== U.S. invasion (1989) ===== The United States government said Operation Just Cause, which began on December 20, 1989, was "necessary to safeguard the lives of U.S. citizens in Panama, defend democracy and human rights, combat drug trafficking, and secure the neutrality of the Panama Canal as required by the Torrijos–Carter Treaties" (New York Times, A Transcript of President Bush's Address n.p.). Human Rights Watch wrote in its 1989 report: "Washington turned a blind eye to abuses in Panama for many years until concern over drug trafficking prompted indictments of the general [Noriega] by two grand juries in Florida in February 1988". The U.S. reported 23 servicemen killed and 324 wounded, with Panamanian casualties estimated around 450. Described as a surgical maneuver, the action led to estimates of civilian death from 200 to 4,000 during the two weeks of armed activities. The United Nations put the Panamanian civilian death toll at 500, the United States gave a figure of 202 civilians killed and former US attorney general Ramsey Clark estimated 4,000 deaths. It represented the largest United States military operation since the end of the Vietnam War (Cajar Páez 22) The number of U.S. civilians (and their dependents), who had worked for the Panama Canal Commission and the U.S. military, and were killed by the Panamanian Defense Forces, has never been fully disclosed. On December 29, the United Nations General Assembly approved a resolution calling the intervention in Panama a "flagrant violation of international law and of the independence, sovereignty and territorial integrity of the States". A similar resolution was vetoed in the Security Council by the United States, the United Kingdom, and France. The urban population, many living below the poverty level, was greatly affected by the 1989 intervention. As pointed out in 1995 by a UN Technical Assistance Mission to Panama, the bombardments during the invasion displaced 20,000 people. The most heavily affected district was impoverished El Chorrillo, where several blocks of apartments were completely destroyed. El Chorrillo had been built in days of Canal construction, a series of wooden barracks which easily caught fire under the United States attack. The economic damage caused by the intervention has been estimated between 1.5 and 2 billion dollars. n.p. Most Panamanians supported the intervention. === Post-intervention era === Panama's Electoral Tribunal moved quickly to restore civilian constitutional government, reinstated the results of the May 1989 election on December 27, 1989, and confirmed the victory of President Guillermo Endara and Vice Presidents Guillermo Ford and Ricardo Arias Calderon.

During its five-year term, the often-fractious government struggled to meet the public's high expectations. Its new police force was a major improvement over its predecessor but was not fully able to deter crime. Ernesto Pérez Balladares was sworn in as President on September 1, 1994, after an internationally monitored election campaign. Perez Balladares ran as the candidate for a three-party coalition dominated by the Democratic Revolutionary Party (PRD), the erstwhile political arm of military dictatorships. Perez Balladares worked skillfully during the campaign to rehabilitate the PRD's image, emphasizing the party's populist Torrijos roots rather than its association with Noriega. He won the election with only 33% of the vote when the major non-PRD forces splintered into competing factions. His administration carried out economic reforms and often worked closely with the U.S. on implementation of the Canal treaties. On September 1, 1999, Mireya Moscoso, the widow of former President Arnulfo Arias Madrid, took office after defeating PRD candidate Martin Torrijos, son of Omar Torrijos, in a free and fair election. During her administration, Moscoso attempted to strengthen social programs, especially for child and youth development, protection, and general welfare. Moscoso's administration successfully handled the Panama Canal transfer and was effective in the administration of the Canal. The PRD's Martin Torrijos won the presidency and a legislative majority in the National Assembly in 2004. Torrijos ran his campaign on a platform of, among other pledges, a "zero tolerance" for corruption, a problem endemic to the Moscoso and Perez Balladares administrations. After taking office, Torrijos passed a number of laws which made the government more transparent. He formed a National Anti-Corruption Council whose members represented the highest levels of government and civil society, labor organizations, and religious leadership. In addition, many of his closest Cabinet ministers were non-political technocrats known for their support for the Torrijos government's anti-corruption aims. Despite the Torrijos administration's public stance on corruption, many high-profile cases, particularly involving political or business elites, were never acted upon. Conservative supermarket magnate Ricardo Martinelli was elected to succeed Martin Torrijos with a landslide victory in the May 2009 presidential election. Mr. Martinelli's business credentials drew voters worried by slowing growth due to the world financial crisis. Standing for the four-party opposition Alliance for Change, Mr. Martinelli gained 60% of the vote, against 37% for the candidate of the governing left-wing Democratic Revolutionary Party. On May 4, 2014, Juan Carlos Varela won the 2014 presidential election with over 39% of the votes, against the party of his former political partner Ricardo Martinelli, Cambio Democrático, and their candidate José Domingo Arias. He was sworn in on July 1, 2014.

== Geography == Panama is located in Central America, bordering both the Caribbean Sea and the Pacific Ocean, between Colombia and Costa Rica. It mostly lies between latitudes 7° and 10°N, and longitudes 77° and 83°W (a small area lies west of 83°). Its location on the Isthmus of Panama is strategic. By 2000, Panama controlled the Panama Canal which connects the Atlantic Ocean and the Caribbean Sea to the North of the Pacific Ocean. Panama's total area is 74,177.3 km<sup>2</sup>. The dominant feature of Panama's geography is the central spine of mountains and hills that forms the continental divide. The divide does not form part of the great mountain chains of North America, and only near the Colombian border are there highlands related to the Andean system of South America. The spine that forms the divide is the highly eroded arch of an uplift from the sea bottom, in which peaks were formed by volcanic intrusions. The mountain range of the divide is called the Cordillera de Talamanca near the Costa Rican border. Farther east it becomes the Serranía de Tabasará, and the portion of it closer to the lower saddle of the isthmus, where the Panama Canal is located, is often called the Sierra de Veraguas. As a whole, the range between Costa Rica and the canal is generally referred to by geographers as the Cordillera Central. The highest point in the country is the Volcán Barú, which rises to 3,475 metres (11,401 feet). A nearly impenetrable jungle forms the Darién Gap between Panama and Colombia where Colombian guerrillas and drug dealers operate and sometimes take hostages. This and unrest, and forest protection movements, create a break in the Pan-American Highway, which otherwise forms a complete road from Alaska to Patagonia. Panama's wildlife is the most diverse in Central America. It is home to many South American species as well as to North American wildlife. === Waterways === Nearly 500 rivers lace Panama's rugged landscape. Mostly unnavigable, many originate as swift highland streams, meander in valleys, and form coastal deltas. However, the Río Chagres (Chagres River), located in central Panama, is one of the few wide rivers and a source of enormous hydroelectric power. The central part of the river is dammed by the Gatun Dam and forms Gatun Lake, an artificial lake that constitutes part of the Panama Canal. The lake was created by the construction of the Gatun Dam across the Río Chagres between 1907 and 1913. Once created, Gatun Lake was the largest man-made lake in the world, and the dam was the largest earth dam. The river drains northwest into the Caribbean. The Kambia and Madden Lakes (also filled from the Río Chagres)

provide hydroelectricity for the area of the former Canal Zone. The Río Chepo, another source of hydroelectric power, is one of the more than 300 rivers emptying into the Pacific. These Pacific-oriented rivers are longer and slower-running than those on the Caribbean side. Their basins are also more extensive. One of the longest is the Río Tuira, which flows into the Golfo de San Miguel and is the nation's only river that is navigable by larger vessels. === Harbors === The Caribbean coastline is marked by several good natural harbors. However, Cristóbal, at the Caribbean terminus of the canal, had the only important port facilities in the late 1980s. The numerous islands of the Archipiélago de Bocas del Toro, near the Beaches of Costa Rica, provide an extensive natural roadstead and shield the banana port of Almirante. The more than 350 San Blas Islands near Colombia, are strung out over more than 160 kilometres (99 miles) along the sheltered Caribbean coastline. The terminal ports located at each end of the Panama Canal, namely the Port of Cristóbal and the Port of Balboa, are ranked second and third respectively in Latin America in terms of numbers of containers units (TEU) handled. The Port of Balboa covers 182 hectares and contains four berths for containers and two multi-purpose berths. In total, the berths are over 2,400 metres (7,900 feet) long with alongside depth of 15 metres (49 feet). The Port of Balboa has 18 super post-Panamax and Panamax quay cranes and 44 gantry cranes. The Port of Balboa also contains 2,100 square metres (23,000 square feet) of warehouse space. The Ports of Cristobal (encompassing the container terminals of Panama Ports Cristobal, Manzanillo International Terminal and Colon Container Terminal) handled 2,210,720 TEU in 2009, second only to the Port of Santos, Brazil, in Latin America. Excellent deep water ports capable of accommodating large VLCC (Very Large Crude Oil Carriers) are located at Charco Azul, Chiriquí (Pacific) and Chiriquí Grande, Bocas del Toro (Atlantic) near Panama's western border with Costa Rica. The Trans-Panama pipeline, running 131 kilometres (81 miles) across the isthmus, has operated between Charco Azul and Chiriquí Grande since 1979. === Climate === Panama has a tropical climate. Temperatures are uniformly high—as is the relative humidity—and there is little seasonal variation. Diurnal ranges are low; on a typical dry-season day in the capital city, the early morning minimum may be 24 °C (75.2 °F) and the afternoon maximum 30 °C (86.0 °F). The temperature seldom exceeds 32 °C (89.6 °F) for more than a short time. Temperatures on the Pacific side of the isthmus are somewhat lower than on the Caribbean, and breezes tend to rise after dusk in most parts of the country. Temperatures are markedly cooler in the higher parts of the mountain ranges, and frosts occur in the Cordillera de Talamanca in western Panama. Climatic regions are determined less on the basis of temperature than on rainfall, which varies regionally from less than 1,300 millimeters (51.2 in) to more than 3,000 millimeters (118.1 in) per year. Almost all of the rain falls during the rainy season, which is usually from April to December, but varies in length from seven to nine months. In general, rainfall is much heavier on the Caribbean than on the Pacific side of the continental divide. The annual average in Panama City is little more than half of that in Colón. Although rainy-season thunderstorms are common, the country is outside the hurricane belt. Panama's tropical environment supports an abundance of plants. Forests dominate, interrupted in places by grasslands, scrub, and crops. Although nearly 40% of Panama is still wooded, deforestation is a continuing threat to the rain-drenched woodlands. Tree cover has been reduced by more than 50% since the 1940s. Subsistence farming, widely practiced from the northeastern jungles to the southwestern grasslands, consists largely of corn, bean, and tuber plots. Mangrove swamps occur along parts of both coasts, with banana plantations occupying deltas near Costa Rica. In many places, a multi-canopied rain forest abuts the swamp on one side of the country and extends to the lower reaches of slopes on the other. == Politics == Panama's politics take place in a framework of a presidential representative democratic republic, whereby the President of Panama is both head of state and head of government, and of a multi-party system. Executive power is exercised by the government. Legislative power is vested in both the government and the National Assembly. The judiciary is independent of the executive and the legislature. National elections are universal and mandatory for all citizens 18 years and older. National elections for the executive and legislative branches take place every five years. Members of the judicial branch (justices) are appointed by the head of state. Panama's National Assembly is elected by proportional representation in fixed electoral districts, so many smaller parties are represented. Presidential elections requires a simple majority; out of the five last presidents only ex-president Ricardo Martinelli has managed to be elected with over 50% of the popular vote. === Political culture === Since the end of Manuel Noriega's military dictatorship in 1989, Panama has successfully completed five peaceful transfers of power to opposing political factions. The political landscape is dominated by two major parties and many smaller parties, many of which are driven by individual leaders more than ideologies. Former President Martin Torrijos is the son of general Omar Torrijos. He

succeeded Mireya Moscoso, the widow of Arnulfo Arias. Panama's most recent national elections occurred on May 4, 2014 with incumbent vice-President Juan Carlos Varela declared the victor. === Foreign relations === The United States cooperates with the Panamanian government in promoting economic, political, security, and social development through U.S. and international agencies. Cultural ties between the two countries are strong, and many Panamanians come to the United States for higher education and advanced training. === Military === The Panamanian Public Forces are the national security forces of Panama. Panama is the second country in Latin America (the other being Costa Rica) to permanently abolish its standing army. Panama maintains armed police and security forces, and small air and maritime forces. They are tasked with law enforcement and can perform limited military actions. === Administrative divisions === Panama is divided into ten provinces with their respective local authorities (governors). Each is divided into districts and corregimientos (townships). Also, there are five Comarcas (literally: "Shires") populated by a variety of indigenous groups. Provinces Regions Emberá Guna Yala Ngöbe-Buglé Comarca Kuna de Madugandí Kuna de Wargandí == Economy == According to the CIA World Factbook, as of 2012 Panama had an unemployment rate of 2.7%. A food surplus was registered in August 2008. On the Human Development Index, Panama ranked 60th in 2015. In recent years, Panama's economy has experienced a boom, with growth in real gross domestic product (GDP) averaging over 10.4% in 2006–2008. Panama's economy has been among the fastest growing and best managed in Latin America. The Latin Business Chronicle predicted that Panama would be the fastest growing economy in Latin America during the five-year period from 2010–14, matching Brazil's 10% rate. The expansion project on the Panama Canal and the free trade agreement with the United States are expected to boost and extend economic expansion for some time. Despite Panama's upper-middle per capita GDP, it remains a country of stark contrasts perpetuated by dramatic educational disparities. Over 25% of Panama's population lived in poverty in 2013 and 3% of the population lives in extreme poverty, according to reports by the World Bank. === Economic sectors === Panama's economy, because of its key geographic location, is mainly based on a well-developed service sector, especially commerce, tourism, and trading. The handover of the Canal and military installations by the United States has given rise to large construction projects. A project to build a third set of locks for the Panama Canal A was overwhelmingly approved in a referendum (with low voter turnout, however) on October 22, 2006. The official estimated cost of the project is US\$5.25 billion, but the canal is of major economic importance because it provides millions of dollars of toll revenue to the national economy and provides massive employment. Transfer of control of the Canal to the Panamanian government completed in 1999, after 85 years of US control. Copper and gold deposits are being developed by foreign investors, to the dismay of some environmental groups, as all of the projects are located within protected areas. === Panama as an IFC === Since the early 20th century, Panama has with the revenues from the canal built the largest Regional Financial Center (IFC) in Central America, with consolidated assets more than three times Panama's GDP. The banking sector employs more than 24,000 people directly. Financial intermediation contributed 9.3% of GDP. Stability has been a key strength of Panama's financial sector, which has benefited from the country's favorable economic and business climate. Banking institutions report sound growth and solid financial earnings. The banking supervisory regime is largely compliant with the Basel Core Principles for Effective Banking Supervision. As a regional financial center, Panama exports some banking services, mainly to Central and Latin America, and plays an important role in the country's economy. However, Panama still cannot compare to the position held by Hong Kong or Singapore as financial centers in Asia. Panama still has a reputation worldwide for being a tax haven but has agreed to enhanced transparency, especially since the release in 2016 of the Panama Papers. Significant progress has been made to improve full compliance with anti-money laundering recommendations. Panama was removed from the FATF GAFI gray list in February 2016. However efforts remain to be made, and the IMF repeatedly mentions the need to strengthen financial transparency and fiscal structure. === Transportation === Panama is home to Tocumen International Airport, Central America's largest airport. Additionally there are more than 20 smaller airfields in the country. (See list of airports in Panama). Panama's roads, traffic and transportation systems are generally safe, though night driving is difficult and in many cases, restricted by local authorities. This usually occurs in informal settlements. Traffic in Panama moves on the right, and Panamanian law requires that drivers and passengers wear seat belts. Highways are generally well-developed for a Latin American country. Currently, Panama City has modern buses known as Metrobuses, along with a Metro line. Formerly, the system was dominated by colorfully painted diablos rojos; a few remain. A diablo rojo is usually customized or painted with bright colors, usually depicting famous actors, politicians or singers. Panama City's streets



experience frequent traffic jams due to poor planning for now-extensive private vehicle ownership. ===

**Tourism ===** Tourism in Panama is rapidly growing. It has maintained its growth over the past five years due to government tax and price discounts to foreign guests and retirees. These economic incentives have caused Panama to be regarded as a relatively good place to retire. Real estate developers in Panama have increased the number of tourism destinations in the past five years because of interest in these visitor incentives. The number of tourists from Europe grew by 23.1% during the first nine months of 2008. According to the Tourism Authority of Panama (ATP), from January to September, 71,154 tourists from Europe entered Panama, 13,373 more than in same period the previous year. Most of the European tourists were Spaniards (14,820), followed by Italians (13,216), French (10,174) and British (8,833). There were 6997 from Germany, the most populous country in the European Union. Europe has become one of the key markets to promote Panama as a tourist destination. In 2012, 4.345.5 million entered into the Panamanian economy as a result of tourism. This accounted for 9.5% of the gross domestic product of the country, surpassing other productive sectors. The number of tourists who arrived that year was 2.2 million. Panama enacted Law No. 80 in 2012 to promote foreign investment in tourism. Law 80 replaced an older Law 8 of 1994. Law 80 provides 100% exemption from income tax and real estate taxes for 15 years, duty-free imports for construction materials and equipment for five years, and a capital gains tax exemption for five years.

**=== Currency ===** The Panamanian currency is officially the balboa, fixed at a rate of 1:1 with the United States dollar since Panamanian independence in 1903. In practice, Panama is dollarized: US dollars are legal tender and used for all paper currency, while Panama has its own coinage. Because of the tie to US dollars, Panama has traditionally had low inflation. According to the Economic Commission for Latin America and the Caribbean, Panama's inflation in 2006 was 2.0% as measured by a weighted Consumer Price Index (CPI). The balboa replaced the Colombian peso in 1904 after Panama's independence. Balboa banknotes were printed in 1941 by President Arnulfo Arias. They were recalled several days later, giving them the name "The Seven Day Dollar". The notes were burned by the new government, but occasionally balboa notes can be found in collections. These were the only banknotes ever issued by Panama and U.S. notes have circulated both before and since. ===

**International trade ===** The high levels of Panamanian trade are in large part from the Colón Free Trade Zone, the largest free trade zone in the Western Hemisphere. Last year the zone accounted for 92% of Panama's exports and 64% of its imports, according to an analysis of figures from the Colon zone management and estimates of Panama's trade by the United Nations Economic Commission for Latin America and the Caribbean. Panama's economy is also very much supported by the trade and export of coffee and other agricultural products. The Bilateral Investment Treaty (BIT) between the governments of the United States and Panama was signed on October 27, 1982. The treaty protects US investment and assists Panama in its efforts to develop its economy by creating conditions more favorable for US private investment and thereby strengthening the development of its private sector. The BIT was the first such treaty signed by the US in the Western Hemisphere. A Panama - United States Trade Promotion Agreement (TPA) was signed in 2007, approved by Panama on July 11, 2007 and by US President Obama on October 21, 2011, and the agreement entered into force on October 31, 2012. ==

**Society == === Demographics ===** Panama had an estimated population of 4,034,119 in 2016. The proportion of the population aged less than 15 in 2010 was 29%. 64.5% of the population was between 15 and 65, with 6.6% of the population 65 years or older. More than half the population lives in the Panama City-Colón metropolitan corridor, which spans several cities. Panama's urban population exceeds 75%, making Panama's population the most urbanized in Central America. ===

**Ethnic groups ===** These are the 10 largest Panamanian cities and towns. Most of Panama's largest cities are part of the Panama City Metropolitan Area. In 2010 the population was 65% Mestizo (mixed white, Native American), 12.3% Native American, 9.2% Black or African descent, 6.8% mulatto, and 6.7% White. Ethnic groups in Panama include Mestizo people, who have a mix of European and native ancestry. Black Afro-Panamanians account for 15–20% of the population. Most Afro-Panamanians live on the Panama-Colón metropolitan area, the Darien Province, La Palma, and Bocas Del Toro. Neighborhoods in Panama City that have large black populations include: Curundu, El Chorrillo, Rio Abajo, San Joaquín, El Marañón, San Miguelito, and Santa Ana. Black Panamanians are descendants of African slaves brought to the Americas in the Atlantic Slave Trade. The second wave of black people brought to Panama came from the Caribbean during the construction of the Panama Canal. Panama also has a considerable Chinese and Indian (India) population brought to work on the canal during its construction. Most Chinese-Panamanians reside in the province of Chiriquí. Europeans and white-Panamanians are a minority in Panama. Panama is also home to a small Arab community that

has mosques, practices Islam, as well as a Jewish community and many synagogues. The Amerindian population includes seven ethnic groups: the Ngäbe, Kuna (Guna), Emberá, Buglé, Wounaan, Naso Tjerdi (Teribe), and Bri Bri. === Languages === Spanish is the official and dominant language. The Spanish spoken in Panama is known as Panamanian Spanish. About 93% of the population speak Spanish as their first language. Many citizens who hold jobs at international levels, or at business corporations, speak both English and Spanish. Native languages, such as Ngäbere, are spoken throughout the country, mostly in their native territories. Over 400,000 Panamanians keep their native languages and customs. Some new statistics show that as second language, English is spoken by 10%, French by 4% and Arabic by 1%. === Largest cities === === Religion === The government of Panama does not collect statistics on the religious affiliation of citizens, but various sources estimate that 75% to 85% of the population identifies itself as Roman Catholic and 15%–25% as Protestant. The Bahá'í Faith community of Panama is estimated at 2.00% of the national population, or about 60,000 including about 10% of the Guaymí population. The Church of Jesus Christ of Latter-day Saints (LDS Church) claims more than 40,000 members. Smaller religious groups include Seventh-day Adventists, Jehovah's Witnesses, Episcopalians with between 7,000 and 10,000 members, Jewish and Muslim communities with approximately 10,000 members each, Hindus, Buddhists, and other Christians. Indigenous religions include Ibeorgun (among Kuna) and Mamatata (among Ngobe). There are also a small number of Rastafarians. === Education === During the 16th century, education in Panama was provided by Jesuits. Public education began as a national and governmental institution in 1903. The principle underlying the early education system was that children should receive different types of education in accordance with their social class and therefore the position they were expected to occupy in society. Public education began in Panama soon after it seceded from Colombia in 1903. The first efforts were guided by an extremely paternalistic view of the goals of education, as evidenced in comments made in a 1913 meeting of the First Panamanian Educational Assembly, "The cultural heritage given to the child should be determined by the social position he will or should occupy. For this reason education should be different in accordance with the social class to which the student should be related." This elitist focus changed rapidly under US influence. In 2010, it was estimated that 94.1% of the population was literate (94.7% of males and 93.5% of females). Education in Panama is compulsory for the children between 6 and 18. In recent decades, school enrollment at all levels, but especially at upper levels, has increased significantly. Panama used to participate in the PISA exams but due to debts and unsatisfactory exam results is postponing participation until 2018. == Culture == The culture of Panama derives from European music, art and traditions brought by the Spanish to Panama. Hegemonic forces have created hybrid forms blending African and Native American culture with European culture. For example, the tamborito is a Spanish dance with African rhythms, themes and dance moves. Dance is typical of the diverse cultures in Panama. The local folklore can be experienced at a multitude of festivals, through dances and traditions handed down from generation to generation. Local cities host live reggae en español, reggaeton, haitiano (compas), jazz, blues, salsa, reggae, and rock music performances. === Handicraft === Outside Panama City, regional festivals take place throughout the year featuring local musicians and dancers. Panama's blended culture is reflected in traditional products, such as woodcarvings, ceremonial masks and pottery, as well as in Panama's architecture, cuisine and festivals. In earlier times, baskets were woven for utilitarian uses, but now many villages rely almost exclusively on income from the baskets they produce for tourists. An example of undisturbed, unique culture in Panama is that of the Guna who are known for molas. Mola is the Guna word for blouse, but the term mola has come to mean the elaborate embroidered panels made by Guna women, that make up the front and back of a Guna woman's blouse. They are several layers of cloth, varying in color, that are loosely stitched together, made using a reverse appliqué process. === Holidays and festivities === The Christmas parade, known as El desfile de Navidad, is celebrated in the capital, Panama City. This holiday is celebrated on December 25. The floats in the parade are decorated in the Panamanian colors, and women wear dresses called pollera and men dress in traditional montuno. In addition, the marching band in the parade, consisting of drummers, keeps crowds entertained. In the city, a big Christmas tree is lit with Christmas lights, and everybody surrounds the tree and sings Christmas carols. === Traditional cuisine === Panamanian cuisine is a mix of African, Spanish, and Native American techniques, dishes, and ingredients, reflecting its diverse population. Since Panama is a land bridge between two continents, it has a large variety of tropical fruits, vegetables and herbs that are used in native cooking. Typical Panamanian foods are mild-flavored, without the pungency of some of Panama's Latin American and Caribbean neighbors. Common ingredients are maize, rice, wheat flour, plantains, yuca (cassava), beef, chicken, pork and

seafood. === Traditional clothing === Panamanian men's traditional clothing, called montuno, consists of white cotton shirts, trousers and woven straw hats. The traditional women's clothing is the pollera. It originated in Spain in the 16th century, and by the early 1800s it was typical in Panama, worn by female servants, especially wet nurses (De Zarate 5). Later, it was adopted by upper-class women. A pollera is made of "cambric" or "fine linen" (Baker 177). It is white, and is usually about 13 yards of material. The original pollera consists of a ruffled blouse worn off the shoulders and a skirt with gold buttons. The skirt is also ruffled, so that when it is lifted up, it looks like a peacock's tail or a mantilla fan. The designs on the skirt and blouse are usually flowers or birds. Two large matching pom poms (mota) are on the front and back, four ribbons hang from the front and back from the waist, five gold chains (caberstrillos) hang from the neck to the waist, a gold cross or medallion on a black ribbon is worn as a choker, and a silk purse is worn at the waistline. Earrings (zaricillos) are usually gold or coral. Slippers usually match the color of the pollera. Hair is usually worn in a bun, held by three large gold combs that have pearls (tembleques) worn like a crown. Quality pollera can cost up to \$10,000, and may take a year to complete. Today, there are different types of polleras; the pollera de gala consists of a short-sleeved ruffle skirt blouse, two full-length skirts and a petticoat. Girls wear tembleques in their hair. Gold coins and jewelry are added to the outfit. The pollera montuna is a daily dress, with a blouse, a skirt with a solid color, a single gold chain, and pendant earrings and a natural flower in the hair. Instead of an off-the-shoulder blouse it is worn with a fitted white jacket that has shoulder pleats and a flared hem. Traditional clothing in Panama can be worn in parades, where the females and males do a traditional dance. Females gently sway and twirl their skirts, while men hold their hats in their hands and dance behind the females. === Literature === According to Professor Rodrigo Miró, the first story about Panama was written by Gonzalo Fernández de Oviedo y Valdés and published as part of the *Historia General y Natural de Las Indias* in 1535. Some poets and novelists born in Panamá are: === Sports === The U.S. influence in Panama can be seen in the country's sports. Baseball is Panama's national sport and the country has regional teams and a national team that represents it in international events. At least 140 Panamanian players have played professional baseball in the United States, more than any other Central American country. Notable players include Bruce Chen, Rod Carew, Mariano Rivera, Carlos Lee, Manny Sanguillén, and Carlos Ruiz. In boxing, four Panamanians are in the International Boxing Hall of Fame: Roberto Durán, Eusebio Pedroza, Ismael Laguna and Panama Al Brown. In August 2016 Panama had two reigning world boxing champions: Guillermo Jones and Anselmo Moreno. Since the end of the 20th century, association football has become a popular sport for Panamanians, the national league and the national team has featured a good progress, their legendary players are such as Luis Ernesto Tapia, Rommel Fernández, the Dely Valdes Brothers: Armando, Julio and Jorge; and recent players as Jaime Penedo, Felipe Baloy, Luis Tejada, Blas Perez, Roman Torres and Harold Cummings. Panama qualified for their first World Cup in 2018. Basketball is also popular in Panama. There are regional teams as well as a squad that competes internationally. Two of Panama's prominent basketball players are Rolando Blackman, a four-time NBA All-Star, and Kevin Daley, a 10-year captain and showman of the Harlem Globetrotters. Other remarkable players who represented Panama internationally are Mario Butler, and Rolando Frazer. Other popular sports include volleyball, taekwondo, golf, and tennis. A long-distance hiking trail called the TransPanama Trail is being built from Colombia to Costa Rica. Other non-traditional sports in the country have had great importance such as the triathlon that has captured the attention of many athletes nationwide and the country has hosted international competitions. Flag football has also been growing in popularity in both men and women and with international participation in world of this discipline being among the best teams in the world, the sport was introduced by Americans residing in the Canal Zone for veterans and retirees who even had a festival called the Turkey Ball. Other popular sports are American football, rugby, hockey, softball and other amateur sports including skateboarding, BMX and surfing, because the many beaches of Panama such as Santa Catalina and Venao that have hosted events the likes of ISA World Surfing Games. Long jumper Irving Saladino became the first Panamanian Olympic gold medalist in 2008. In 2012 eight different athletes represented Panama in the London 2012 Olympics: Irving Saladino in the long jump, Alonso Edward and Andrea Ferris in track and field, Diego Castillo in swimming, and the youngest on the team, Carolena Carstens who was 16 competing in taekwondo. She was the first representative to compete for Panama in that sport. == See also == Index of Panama-related articles Outline of Panama Water supply and sanitation in Panama == References == == Further reading == Buckley, Kevin, Panama, Touchstone, 1992. ISBN 0-671-77876-5 Diaz Espino, Ovidio, How Wall Street Created a Nation, Four Walls Eight Windows, 2001. 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