

EXPEDITIONARY CULTURE **FIELD GUIDE**

Panama



About this Guide

This guide is designed to prepare you to deploy to culturally complex environments and achieve mission objectives. The fundamental information contained within will help you understand the cultural dimension of your assigned location and gain skills necessary for success .

The guide consists of two parts:

Part 1 “Culture General” provides the foundational knowledge you need to operate effectively in any global environment with a focus on Central America.



Part 2 “Culture Specific” describes unique cultural features of Panamanian society. It applies culture-general concepts to help increase your knowledge of your assigned deployment location. This section is designed to complement other pre-deployment training.



For further information, visit the Air Force Culture and Language Center website at <https://www.airuniversity.af.edu/AFCLC/> or contact the AFCLC Region Team at AFCLC.Region@us.af.mil.

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PART 1 – CULTURE GENERAL

What is Culture?

Fundamental to all aspects of human existence, culture shapes the way humans view life and functions as a tool we use to adapt to our social and physical environments. A culture is the sum of all of the beliefs, values, behaviors, and symbols that have meaning for a society. All human beings have culture, and individuals within a culture share a general set of beliefs and values.

Members of a culture also usually assign the same meanings to the symbols in that culture. A symbol is when one thing – an image, word, object, idea, or story – represents another thing.

For example, the American flag is a physical and visual symbol of a core American value—freedom. At the same time, the story of George Washington admitting to having chopped down a cherry tree is also symbolic because it represents the premium Americans place on personal honesty and leadership integrity.



Force Multiplier

The military services have learned through experience the importance of understanding other cultures. Unlike the 20th-century bipolar world order that dominated US strategy for nearly half a century, today the US military is operating in what we classify as asymmetric or irregular conflict zones, where the notion of cross-cultural interactions is on the leading edge of our engagement strategies.

We have come to view the people themselves, rather than the political system or physical environment, as the decisive feature

in conflict areas. Our primary objective hinges on influencing constructive change through peaceful means where possible. We achieve this endeavor by encouraging local nationals to focus on developing stable political, social, and economic institutions that reflect their cultural beliefs and traditions.

Therefore, understanding the basic concepts of culture serves as a force multiplier. Achieving an awareness and respect of a society's values and beliefs enables deploying forces to build relationships with people from other cultures, positively influence their actions, and ultimately achieve mission success.

Cultural Domains

Culture is not just represented by the beliefs we carry internally, but also by our behaviors and by the systems members of a culture create to organize their lives. These systems, such as political or educational institutions, help us to live in a manner that is appropriate to our culture and encourages us to

perpetuate that culture into the future.

We can organize behaviors and systems into categories – what the Air Force refers to as “cultural domains” – in order to better



understand the primary values and characteristics of a society. A cross-culturally competent military member can use these domains –which include kinship, language and communication, and social and political systems and others (see chart on next page) – as tools for understanding and adapting to any culture. For example, by understanding the way a culture defines family and kinship, a US military member operating overseas can more effectively interact with members of that culture.

Social Behaviors across Cultures

While humankind shares basic behaviors, various groups enact or even group those behaviors differently across cultural

boundaries. For example, all societies obtain food for survival, although agrarian societies generally produce their own food for limited consumption using very basic techniques.

Conversely, industrialized nations have more complex market economies, producing foodstuffs for universal consumption. Likewise, all cultures value history and tradition, although they represent these concepts through a variety of unique forms of symbolism. While the dominant world religions share the belief in one God, their worship practices vary with their traditional historical development. Similarly, in many kin-based cultures where familial bonds are foundational to social identity, it is customary for family or friends to serve as godparents, while for other societies this practice is nearly non-existent.

Worldview

One of our most basic human behaviors is the tendency to classify others as similar or different based on our cultural standards. As depicted in the chart below, we can apply the 12 cultural domains to help us compare similarities and differences across cultures. We evaluate others' behavior to determine if they are "people like me" or "people not like me." Usually, we assume that those in the "like me" category share our perspectives and values.

12 Domains of Culture



This collective perspective forms our worldview—how we see the world and understand our place in it. Your worldview functions as a lens through which you see and understand the world. It helps you to interpret your experiences and the values and behaviors of other people that you encounter. Consider your worldview as a way of framing behavior, providing an accountability standard for actions and a logical explanation of why we individually or collectively act in a certain manner.

Cultural Belief System

An important component of a worldview is our belief system. A community's belief system assigns meaning, sets its universal



standards of what is good and bad, defines right and wrong behavior, and assigns a value of meaningful or meaningless. Our beliefs form the fundamental values we hold to be true — regardless of whether

there is evidence to support these ideas. Beliefs are a central aspect of human culture. They are shared views about world order and how the universe was physically and socially constructed.

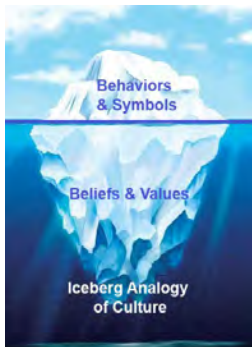
While all people have beliefs, their specific components tend to vary depending upon respective world views. What people

classify as good or bad, right or wrong depends on our deeply-held beliefs we started developing early in life that have helped shape our characters. Likewise, these values are ingrained in our personalities and shape our behavior patterns and our self-identities. Because cultural beliefs are intensely held, they are difficult, though not impossible, to change.



Core Beliefs

Core beliefs shape and influence certain behaviors and also serve to rationalize those behaviors. Therefore, knowledge of individual or group beliefs can be useful in comprehending or making sense of their activities. We will use the iceberg model for classifying culture to illustrate two levels of meaning, as depicted. Beliefs and values, portrayed by the deeper and greater level of the submerged iceberg, are seldom visible, but are indicated / hinted at / referenced by our behaviors and symbols (top level). It is important to recognize, though, that the parts of culture that are not visible (under the waterline) are informing and shaping what is being made visible (above the waterline).



In many cases, different worldviews may present behaviors that are contrary to our own beliefs, particularly in many regions where US forces deploy. Your ability to suspend judgment in order to understand another perspective is essential to establishing relationships with your host-nation counterparts.

The ability to withhold your opinion and strive to understand a culture from a member of that culture's perspective is known as cultural relativism. It often involves taking an alternate perspective when interpreting others' behaviors and is critical to your ability to achieve mission success.

As you travel through CENTAM, you will encounter cultural patterns of meaning that are common across the region. What follows is a general description of 12 cultural domains which are used to frame those commonalities.



CULTURAL DOMAINS

1. History and Myth

History and myth are related concepts. History is a record of the past that is based on verifiable facts and events. Myth can act as a type of historical record, although it is usually a story which members of a culture use to explain community origins or important events that are not verifiable, or which occurred prior to written language.

CENTAM occupies a narrow isthmus that connects the continents of North and South America and comprises 7 countries: Belize, Costa Rica, El Salvador, Guatemala, Honduras, Nicaragua, and Panama. Archaeological finds suggest nomadic hunter-gatherers inhabited the region as early as 9,000 BC.

Eventually, these groups adopted small-scale agriculture, and beginning around 2,500 BC, erected permanent farming settlements.



Around 1,000 BC, the Maya civilization emerged in southern Mexico and Guatemala, flourishing over subsequent centuries as it spread across Mexico's Yucatan Peninsula, Belize, Honduras, El Salvador, and parts of Nicaragua. At their civilization's height from 250-900 AD, the Maya excelled in mathematics, astronomy, agriculture, and art, constructing magnificent cities featuring massive stone pyramids, temples, and palaces. Although Maya society and culture encompassed nearly the entire CENTAM isthmus by the 10th century, the Maya remained politically fragmented. The Maya world was characterized by independent, adversarial city-states competing for power and resources.

In the early 16th century, Spanish explorers arrived on the Panamanian coast, while others entered the CENTAM isthmus

from Mexico. Seeking wealth and enhanced social status, along with an ambition to spread Catholicism, the Spanish swiftly and violently subdued the Maya and other indigenous communities. By 1540, the Spanish had consolidated rule over most of CENTAM as conflict, disease, and famine decimated the region's indigenous population. Uniting all CENTAM territories except Belize and Panama as the Kingdom of Guatemala, the Spanish ruled the region for the next 300 years. Meanwhile, Panama became part of the Spanish-ruled Viceroyalty of Peru, while most Belizean territory came under British control.

In the late 18th century, mounting unrest over colonial tyranny led to nationalist independence movements. All the CENTAM states but Belize and Panama briefly united as the Federal Republic of Central America in 1821. Politically fractured, the union quickly disintegrated, and within 2 decades, most CENTAM territories had become independent nations. Panama was a part of Colombia until it gained independence with the support of the US in 1903. Meanwhile, Belize remained under British control well into the 20th century.



Following independence, the CENTAM nations grappled with decades of political upheaval, poor governance, and poverty. By the 1960s, right-wing military dictators ruled over much of the region.

Years of profound economic disparities and government-sponsored abuse flamed insurgencies in El Salvador, Guatemala, and Nicaragua, eventually flaring into brutal civil wars. As part of its anti-communist agenda, the US was highly influential, even actively involved, in many of these conflicts. By contrast, Costa Rica and Belize experienced relative peace. Costa Rica even abolished its military amid other progressive political, social, and environmental reforms.

By the mid-1990s, civil conflict across the region had significantly reduced. Since then, most CENTAM governments have supported mostly stable democratic systems, expanded

economic opportunities, and invested in infrastructure, education, and healthcare. Despite these improvements, the CENTAM nations remain in various stages of development. Belize, Costa Rica, and Panama have seen the greatest stability and economic growth. By contrast, residents of El Salvador, Guatemala, Honduras, and Nicaragua continue to face high rates of poverty, unemployment, and violence.

2. Political and Social Relations

Political relations are the ways in which members of a community organize leadership, power, and authority. Social relations are all the ways in which individuals are linked to others in their community. All CENTAM states except Belize are presidential republics led by an elected President and legislature. By contrast, Belize is a constitutional monarchy with a democratic parliamentary government led by an elected Prime Minister and legislature. The United Kingdom's hereditary monarch serves as Belize's head-of-state.

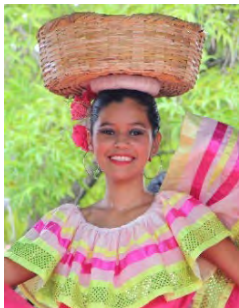


While El Salvador, Guatemala, and Nicaragua emerged from years of repressive dictatorial rule and protracted civil war by the 1990s, they and the other CENTAM states continue to face challenges to

the democratic process. Corruption is widespread, contributing to instability and stifling political and economic progress. In some states, corruption engenders public distrust of democratic institutions and public officials and results in frequent and occasionally violent public protests.

Moreover, El Salvador, Guatemala, and Honduras (collectively known as the “Northern Triangle”) struggle to curb the illicit drug trafficking industry and high rates of gang violence. In stark contrast to the other states’ internal volatility, Belize, Costa Rica, and Panama enjoy minimal violence within stable democracies marked by peaceful and transparent democratic elections.

While some bilateral tensions exist, notably Guatemala's claim to over 1/2 of Belize's territory, most states cooperate in strong regional alliances focused on economic, security, and governance issues. The Northern Triangle nations, for example, work closely to halt the movement of narcotics across borders and diminish the power and influence of organized crime networks. All CENTAM states actively cultivate relations with



the US and rely on substantial US military and financial assistance to address regional security and economic concerns.

CENTAM is ethnically diverse. **Mestizos** (people of mixed European and indigenous ancestry) comprise about 72% of CENTAM's population, some 20% claim European (white) ancestry, and about 8% are Amerindian or members of indigenous communities. The region is also

home to smaller numbers of people of mixed African descent and other minorities. The ethnic makeup of each CENTAM nation varies. For example, a majority of Guatemalans identifies as indigenous, yet few Salvadorans and Costa Ricans do. White and *mestizo* populations hold most of the wealth, political power, and social prestige. By contrast, Amerindians and those of African ancestry generally lack political representation, suffer disproportionately high rates of poverty and disease, and are subject to discrimination and social stigmatization.

3. Religion and Spirituality

Religion is a cultural belief system that provides meaning to members of a community. Religious and spiritual beliefs help preserve the social order by defining proper behavior. They also create social unity by defining shared identity, offer individuals peace of mind, and explain the causes of events in a society. The region's early inhabitants followed a variety of indigenous religious traditions, worshipping spirits and deities who inhabited the natural environment. The Maya enjoyed a particularly rich and complex belief system that included ancestor veneration and the worship of over 250 gods.

The Spanish introduced Christianity to CENTAM in the early 16th century, forcefully converting the indigenous population to Catholicism, while suppressing traditional beliefs and practices. As a result, Catholicism spread quickly, and the Catholic Church became entrenched in daily life, fundamentally influencing education, social services, and colonial policy. After independence, Church power fluctuated as various political factions supported or opposed Catholicism's influence in the social and political spheres. Meanwhile, Protestantism grew in popularity in British-controlled Belize. In the 20th century,



Protestant evangelical movements thrived across the region following the arrival of North American missionaries.

In the latter half of the 20th century, ongoing violence prompted clergy to advocate on

behalf of victimized populations and assume influential roles in the resolution of regional conflicts. Across the region today, some religious organizations remain politically involved while others focus on providing important social services. While the Roman Catholic Church still enjoys a privileged status in most countries, all nations but Costa Rica name no official religion and explicitly separate church and state.

The region's population is overwhelmingly Christian: 55% of CENTAM residents identify as Roman Catholic, while 30% are Protestant. Many CENTAM Christians fuse elements of indigenous beliefs with Christian rites and traditions.

Some 9% of regional residents claim no religious affiliation, while some 6% are adherents of traditional beliefs or followers of other faiths, such as Judaism, Islam, Hinduism, and Baha'i (a belief system that recognizes the essential worth of all religions and the unity and equality of all people).

4. Family and Kinship

The domain of family and kinship refers to groups of people related through blood ties, marriage, or through strong emotional

bonds that influence them to treat each other like family members (often called “fictive kin”).

Family life and relationships are valued greatly within CENTAM. While the traditional family unit consists of a husband, wife, and their children, Central Americans also maintain strong connections with extended family members. Accordingly, extended kin are influential in family matters, typically live nearby, and are important sources of physical, emotional, and financial support. Children often live with their parents until they marry, though some choose to stay longer. In poorer families, children contribute to the family income from an early age by performing tasks like washing cars, shining shoes, or selling food and trinkets. By contrast, children of wealthy families have comparatively fewer responsibilities.



Urbanization has resulted in changes to family life. Urban residents tend to marry later and have fewer children, resulting in more diverse urban family structures. In the Northern Triangle and other areas, widespread poverty and social instability have significantly disrupted traditional family life, forcing some members to migrate within the country or leave CENTAM altogether.

While close kin ties mean family members have some influence over children's choice of spouses, men and women generally choose their own partners. Both Spanish traditions and Roman Catholic teachings strongly emphasize the value of marriage as an institution and discourage divorce. Nevertheless, divorce rates have risen in some areas.

5. Sex and Gender

Sex refers to the biological/reproductive differences between males and females, while gender is a more flexible concept that refers to a culture's categorizing of masculine and feminine behaviors, symbols, and social roles.

CENTAM's traditional Spanish and indigenous cultures privileged men as providers and leaders, while casting women in subordinate roles. **Machismo** (strong masculine behavior and pride) remains an important element of male identity in the region. While today women and men have equal rights before the law, inequalities between the genders remain.



Women often face discrimination in hiring and promotion, and although they face some barriers to their participation in the political sector, the

number of women serving in public office across the region has steadily increased in recent years. Today, women hold a considerable proportion of national and local government positions, and Nicaragua, Panama, and Costa Rica have had female Presidents. Female participation rates in the national legislatures of Costa Rica, El Salvador, Honduras, and Nicaragua are higher than the US.

Gender-based violence is widespread in some areas. Women are often reluctant to leave abusive partners or report incidences of gender-based violence, considering the abuse to be a private matter. Among reported cases, the prosecution of perpetrators is rare. Abortion laws across the region are highly restrictive and in recent years have caused significant public debate. Although homosexuality is legal in every CENTAM nation, homosexuals suffer discrimination, stigmatization, and violence.

6. Language and Communication

Language is a system for sharing information symbolically, whereby words are used to represent ideas. Communication is defined as the cultural practice of sharing meaning in interaction, both verbally and non-verbally.

As a result of centuries of Spanish colonialism throughout the region, Spanish is an official language in every CENTAM country except English-speaking Belize. Despite the prominence of Spanish, the region is linguistically diverse: 26

languages are spoken in Guatemala, 10 in Honduras, 15 in Panama, 14 in Costa Rica, 11 in Nicaragua, 9 in Belize, and 5 in El Salvador. Though most of these languages are indigenous to the region, a few are so-called creole languages combine vocabulary and grammar from indigenous or African languages with English or Spanish. Some of the region's most widely spoken indigenous languages are Mayan, notably K'iche', Q'eqchi', and Kaqchikel. The systematic suppression of indigenous communities during the colonial era contributed to the demise of many of the region's indigenous languages. In some regions, government-sanctioned violence against indigenous residents in the 20th century prompted many native speakers to abandon their heritage, notably also their languages, to avoid persecution. Despite recent revitalization efforts, some of the region's native languages remain nearly extinct. English is taught in schools across CENTAM as a 2nd language and is especially popular among the educated elite and in the business community.

While communication patterns vary among ethnic groups, CENTAM residents generally demonstrate courtesy, respect, honesty, and patience in interpersonal relations. When conversing, Central Americans tend to be warm, friendly, and eager to extend hospitality, particularly when speaking with family and friends. By contrast, some indigenous groups, such as the Maya, are more reserved in their communication styles, especially with strangers.



7. Learning and Knowledge

All cultures require that the older generation transmit important information to the younger generation. This information can be strictly factual (for example, how to fulfill subsistence and health requirements) and culturally traditional (the beliefs, behaviors, and symbols that have meaning to the community). This knowledge transfer may occur through structured, formalized

systems such as schools or through informal learning by watching adults or peers. Education in early CENTAM societies was primarily an informal transfer of skills, values, and beliefs from parents to their children. Scholars believe the Maya employed a more formal education system in which religious leaders taught medicine, history, math, and science to elite children.

During the colonial era, Roman Catholic religious orders became the primary providers of education. While these institutions eventually established schools and universities throughout the region, educational infrastructure remained limited through the 19th century. Moreover, Catholic orders provided only limited instruction to indigenous inhabitants, largely restricting secular education in subjects like math, science, and the humanities to a small population of male Spanish elites.



In the early 19th century, CENTAM states began to expand educational offerings to women and indigenous groups, eventually establishing free and

compulsory public-school networks. Today, enrollment rates in primary education are high across CENTAM. Adult literacy rates have risen in recent decades and range from about 83% in Guatemala to 96% in Panama. Challenges to the education systems include uneven access to secondary and post-secondary education, particularly in rural areas, a lack of government funding, and low teacher salaries. In some areas, gang violence and poverty significantly disrupt children's access to education.

8. Time and Space

In every society, people occupy space and time in ways that are not directly linked to physical survival. In most Western cultures, people tend to be preoccupied with strict time management, devoting less effort to relationship-building. By contrast, in most CENTAM societies, establishing and maintaining relationships

with others often takes precedence over accomplishing a task. Consequently, business tends to move more slowly in CENTAM than in the US. To build relations with business partners, Central Americans often engage in a **sobremesa**, a period of coffee and conversation at the end of a meeting that may include personal questions about family, relationships, or other light topics.

Concepts of personal space in CENTAM also differ from those in the US. Generally, Central Americans stand closer when conversing than Americans. Moreover, while men shake hands in greeting and



parting in a similar style to the US, CENTAM women typically greet both men and women with a kiss on the cheek.

The rhythm of daily life changes during national holidays and local celebrations, when most businesses shorten their operating hours and residents engage in various festivities such as parades, feasts, and religious ceremonies. While the CENTAM states observe a variety of public holidays, popular ones include Christmas, Easter, indigenous celebrations, and independence days.

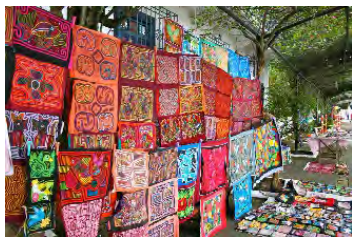
9. Aesthetics and Recreation

Every culture has its own forms of creative expression that are guided by aesthetic principles of imagination, beauty, skill and style. Most of CENTAM's forms of artistic expression – including its art, architecture, dance, music, and theater – reflect a rich combination of Spanish, indigenous, and African influences as well as modern global trends.

Salsa, calypso, and Spanish reggae are prominent musical genres across the region, while jazz is especially popular in Panama. Meanwhile, Afro-Caribbean culture influences music and dance along CENTAM's Caribbean coast. In Belize and Honduras, coastal residents enjoy the rhythmic and drum-based **punta**, a modernized interpretation of the Garifuna ethnic group's songs and dance. By contrast, Panamanians enjoy the

congo, a dance with African roots whereby performers portray a fight with the devil.

Central Americans are skilled in various traditional handicrafts and folk art such as weaving, woodworking, and ceramics, among many others. Maya artisans are famed for their vibrant,



woven textiles, while members of Panama's Guna ethnic group weave

molas, intricately cut and sewn panels

featuring geometric patterns. In

El Salvador, artists mimic indigenous

weaving techniques to create baskets, hats,

and other items from palm leaves. Visual arts traditionally reflected indigenous and Christian motifs but today often incorporate brightly colored rural landscapes.

In the 20th century, poetry became the region's most popular and politically influential literary genre. Today, the work of Rubén Darío, Nicaragua's national poet, is celebrated across Latin America. The region also has produced critically acclaimed novelists, who have chronicled the region's tumultuous history while living in exile abroad. Soccer is by far the most popular sport throughout CENTAM. Residents closely follow local, regional, and international teams, and many enjoy playing in amateur settings in their spare time.

10. Sustenance and Health

Societies have different methods of transforming natural resources into food. These methods can shape residence patterns, family structures, and economics. Theories of disease and healing practices exist in all cultures and serve as adaptive responses to disease and illness.

While CENTAM cuisine reflects the region's ethnic and geographic diversity, most dishes tend to be simple and prepared from fresh, seasonal ingredients. Corn is CENTAM's primary staple and prepared in a variety of ways but most commonly as the **tortilla** (round, flat bread of ground corn). Rice

and black beans are also featured at most meals. Chicken, beef, and pork are prevalent forms of protein in interior regions, while an assortment of seafood is more readily available to residents living along CENTAM's coasts. In addition to native vegetables, the region's residents also enjoy numerous fresh fruits year-round, often juicing or blending them into refreshing drinks.



The overall health of the region's population has improved significantly in recent decades, evidenced by decreased infant and maternal mortality rates and longer life expectancies. Nevertheless, non-communicable "lifestyle" diseases such as diabetes, cancer, and cardiovascular and respiratory diseases are on the rise and today account for most deaths in the region.

Moreover, communicable diseases such as tuberculosis, malaria, and hepatitis are prevalent in some rural regions, particularly in areas where residents have limited access to clean water and modern sanitation.

CENTAM nations face several challenges to providing healthcare to their populations. Significant disparities in access to modern healthcare exist between urban and rural areas, where facilities tend to be understaffed, ill-equipped, and limited to basic health services. In some remote rural regions, residents lack access to modern healthcare and instead rely on traditional medicine to treat diseases and ailments.

11. Economics and Resources

This domain refers to beliefs regarding appropriate ways for a society to produce, distribute, and consume goods and services. Prior to the arrival of Europeans, the region's larger and wealthier communities produced luxury items such as ceramics, art, and woven textiles for local consumption and regional trade, while also practicing subsistence agriculture.

After their 16th century arrival, Spanish colonists developed an agricultural economy centered on the production of various cash crops for export to Europe, primarily on large estates with forced indigenous or African slave labor. The region's first cash crops included cacao and indigo, yet by the 19th century, tobacco, sugar cane, cotton, and bananas dominated exports.

Following independence, conflict and political instability largely hampered economic growth. In the early 20th century, several states came under the economic control of large, multinational corporations that reaped large profits but did little to improve the conditions of the working populations.

By contrast, coffee production in Costa Rica allowed the nation to largely avoid economic downturns, while the 1913 construction of the Panama Canal (a shipping route crossing the CENTAM isthmus) amplified Panama's strategic and economic importance.

Today, several states have diversified their economies across numerous sectors, including manufacturing, food processing, transportation, and agriculture. Belize, Costa Rica, and Guatemala have also developed robust tourism industries.

The economic outlook in CENTAM is varied. While all the states struggle with substantial unemployment and poverty, their economies differ significantly. For example, Panama's GDP per capita is CENTAM's highest and more than 5 times that of CENTAM's lowest, Nicaragua and Honduras. While some 22% of Panamanians



live below the national poverty line, rates in Nicaragua, Costa Rica, and Honduras are 25%, 26%, and 64%, respectively. Nevertheless, wealth is unequally distributed in all the states. Across the region, residents of indigenous or African heritage are much more likely to live in poverty than white or *mestizo* residents.

12. Technology and Material

Societies use technology to transform their physical world, and culture heavily influences the development and use of technology. Since the end of the colonial period, CENTAM states have developed their transportation and communication infrastructure at different rates. As a result, the quality of roads and modern technology varies throughout the region.

Roads form the primary transportation infrastructure across CENTAM, though regularly maintained, paved roadways are generally limited to cities and major highways. Unpaved, poor-quality roads coupled with mountainous terrain and aggressive driving habits make road travel dangerous in some areas. Violent crime and social unrest also threaten some travelers.

While modern information technology is available across CENTAM, Internet usage is highest in Panama, Guatemala, and Costa Rica, where more than 1/2 of the population are regular users. Many CENTAM residents access the Internet primarily through mobile phones.

The region has abundant renewable energy resources. In 2023, renewable sources accounted for almost 98% of electricity production in Costa Rica, 62% in Panama, 74% in Guatemala, and 62% in Honduras compared to just 23% in the US. The US, European Union, and Canada are the region's largest trading partners. Moreover, the US, El Salvador, Guatemala, Honduras, Nicaragua, and Costa Rica belong to the Dominican Republic-Central America-United States Free Trade Agreement (CAFTA-DR), which liberalizes trade among its members.



Now that we have introduced general concepts that characterize CENTAM society at large, we will focus on specific features of society in Panama.

PART 2 – CULTURE SPECIFIC

1. HISTORY AND MYTH

Overview

Located on the narrow Central American (CENTAM) isthmus connecting North and South America, Panama has been greatly involved in world trade since Spanish conquerors made it a transportation hub between the Old and New Worlds in the 16th century. Panama was a province of Colombia for some 80 years during the 19th century, achieving independence in 1903. It became tightly bound to the US, which built its famous canal between 1904-14. Beginning in 1968, Panama endured military dictatorships until a 1989 US invasion returned the country to democratic rule. Recently, a canal expansion project and notable international investment have buoyed economic growth, helping to reduce poverty and ensuring Panama retains its preeminent role in international trade and commerce.

Early History

Scientists believe humans inhabited the region as early as 10,000 years ago. Between 4,000-1,000 BC, hunter-gatherer and fishing communities gradually adopted farming. Panama is home to some of the earliest evidence of pottery-making in the Americas, with finds dating to around 2,130 BC.

Around 1,000 BC, sedentary farming communities began participating in trade networks connecting CENTAM with Mexico, South America, and the Caribbean. After the first century AD, inhabitants began constructing elaborate ceremonial sites, many featuring tombs containing ornate gold jewelry and painted ceramics. Around 600, some residents produced unique life-size stone statues.

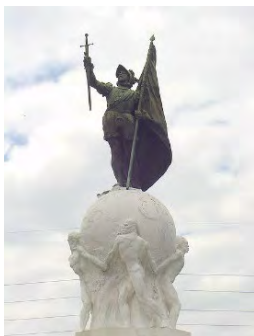


The Spanish Conquest

In 1501, Spanish explorer Rodrigo de Bastidas became the first European to view the isthmus, when he sailed along the Caribbean side of the Darién – a region comprising the easternmost part of Panama and extends into neighboring Colombia. During his fourth and last voyage to the New World in 1502, Christopher Columbus also explored Panama's Caribbean coast. Like Bastidas, Columbus made no settlement but gave his name (Cristóbal Colón in Spanish) to several islands and bodies of water.

In subsequent years, Spain sent various expeditions across the Americas largely staffed by unemployed soldiers, impoverished nobles, and young men seeking their fortune known as **conquistadores**. In 1509, the King of Spain granted 2 *conquistadores* the right to colonize Panama, although these initial expeditions ultimately failed due to disease, shipwreck, and resistance from the indigenous population. In 1510, some expedition survivors united under Vasco Núñez de Balboa and founded a settlement in the Darién in present-day Colombia.

Inspired by stories of both a sea and a gold-rich empire to the South, Balboa crossed the isthmus in 1513 and “discovered” the



Pacific Ocean, promptly claiming for Spain all the lands that it touched. Due to this success, Balboa became the target of jealous rivals, and in 1519, was beheaded by order of the region's Spanish governor, Pedro Arias de Ávila, known as Pedrarias.

Meanwhile, the Spanish settlements on Panama's Caribbean coast were plagued by disease and ongoing indigenous resistance. Despite orders for more humane treatment, Pedrarias countered their defiance by murdering and enslaving the indigenous population. In 1519, Pedrarias abandoned the hot and humid Darién to establish Panama City on the Pacific Coast, making it the region's capital in 1524.

Panama would remain a part of the Spanish Empire until 1821, though Spain restructured its New World colonies several times over the centuries. Beginning in 1564, Spain designated most of present-day Panama and Colombia as the New Kingdom of Granada within the larger Viceroyalty of Peru. In 1719, the Spanish Crown grouped present-day Panama, Colombia, Venezuela, and Ecuador together as the Viceroyalty of New Granada, with its capital at Bogotá (the present-day Colombian capital).



The Spanish Colonial Period

As the first European settlement on the Americas' Pacific coast, Panama City quickly became an important commercial center and base for further exploration of South America, notably also the conquest of the Inca Empire in Peru. To facilitate transport across the isthmus, Pedrarias used slave labor, both indigenous and African, to construct paved roads connecting Panama City to Caribbean ports. Over the next centuries, this **Camino Real** (Royal Road) system became the Americas' most important trade route. The Spanish transported gold and other plundered treasure from South America by ship to Panama City, then off-loaded it for transport by road and canoe across the isthmus, then re-loaded it on the Caribbean side for transport by ship to Europe.

During this period, Panama's indigenous population was decreasing dramatically due to conflict, disease, famine, and their use as slave labor. Nevertheless, some indigenous communities mounted fierce resistance to the Spanish colonizers. For example, **Cacique** (community leader) Urracá (see "Myth" below) led guerrilla raids against the Spanish in Panama's mountainous West. Unable to defeat him, the Spanish invited Urracá for peace talks then seized him and prepared to send him to Spain. Nevertheless, Urracá escaped and continued his resistance until he was killed in battle in 1531. Still honored today, Urracá is featured on Panamanian coins.

Meanwhile, other European countries, notably Great Britain, sought to challenge Spain's primacy in CENTAM and the Caribbean by engaging in smuggling, piracy, and all-out war. Spanish cargo bound for Europe, comprising both booty from the plundered civilizations of the Americas and silks, spices, and other luxury goods from Asia, was especially attractive to pirates. In 1572, English pirate Sir Francis Drake recruited escaped African slaves living in the Panamanian jungle to raid the Spanish on the Caribbean coast, forcing them to retreat and build new fortified ports.



Nevertheless, these new fortifications could not withstand Welsh pirate Sir Henry Morgan in 1671. After overpowering the Spanish on the Caribbean coast, Morgan led 1,200 men

across the isthmus to Panama City. During the subsequent conflict, Panama City caught fire and was completely destroyed. The remains of this settlement, called **Panamá Viejo** (Old Panama) comprise an archaeological site in the suburbs of present-day Panama City. In 1673, the Spanish rebuilt Panama City a few miles to the West. The historic district of Panama City called **Casco Viejo** (Old Town) today dates to this second founding. In subsequent decades, raids and attacks on Spanish ships continued. Consequently, Spain abandoned the route across Panama beginning in 1746, rerouting its fleet around the tip of South America at Cape Horn. With this decrease in commerce, Panama slipped into decline.

Struggle for Independence from Spain

In the early 19th century, unrest spread across Spain's New World colonies. **Criollos** (Spanish people born in the New World) resented the political and economic dominance of the **peninsulares** (people born in Spain) and began to question trade and taxation policies. When French Emperor Napoleon I removed Spanish King Ferdinand VII and appointed his own brother King of Spain in 1808, some colonialists refused to recognize the new monarch and unrest spread.

Colombia was the site of early agitation, with some Bogotá residents even declaring independence in 1811. Spanish forces regained control in 1816 yet violent suppression by the Spanish contributed to the rapid growth of an independence movement led by Simón Bolívar, a Spanish nobleman from Venezuela. In 1819, Bolívar defeated the Spanish troops in a decisive battle and assumed Presidency of the new republic of Colombia, also comprising Ecuador and Venezuela.

By contrast, residents of the Panamanian isthmus largely declined to participate in this insurrection until November 10, 1821, when a small Panamanian town called La Villa de los Santos declared its independence from Spain (this event is recognized as a holiday today – see *Time and Space*). Within weeks, the rest of the isthmus joined the declaration, and Panama immediately united with the new Colombian republic. Nevertheless, the republic's territory soon shrank: in 1830, Ecuador and Venezuela seceded to become independent countries, leaving just Panama and Colombia.



The Republic of Colombia

Initially, Panama enjoyed some autonomy within the Colombian republic, yet it soon became just another province. From the start, the republic was split by political rivalry that soon evolved into outright conflict spawning a series of civil wars and uprisings that lasted for decades. While most conflict centered in Colombia, Panama frequently also felt its effects.

The US Builds a Railroad: To counter a continued British presence on CENTAM's Caribbean coast and gain influence in the region, the US signed a treaty with Colombia in 1846. The agreement permitted the US to build a railroad across the isthmus and the right to protect the line with military force. Following the 1849 discovery of gold in California, travel across the isthmus increased immensely. With no transcontinental

railroad in North America, the quickest way to travel from the US East Coast to California was across Panama. With so many “49-ers” (as the gold miners were nicknamed) crossing Panama, the railroad company was anxious to complete the line. But



construction across swamps and rainforest proved difficult, and thousands of migrant workers, primarily Chinese and West Indian, died from disease and work-related accidents. The railroad was finally completed in 1855, but the project provoked significant tensions between workers and their American

overseers. Following an 1856 anti-US riot, the US dispatched two warships to Panamanian waters, beginning a period of US intervention that lasted until 1999.

The French Try to Build a Canal: Following the completion of Egypt's Suez Canal in 1869, world attention turned to the possibility of building a similar canal across Panama. In 1878, a French company secured a contract with the Colombian government to attempt the task. Yet the French underestimated the challenges of the Panamanian environment and made little progress, while some 22,000 workers died from yellow fever and malaria. By 1889, construction problems and financial mismanagement forced the company to declare bankruptcy.

Meanwhile, civil conflict continued to embroil the region. Particularly traumatic was *The War of a Thousand Days* between 1899-1903, when about 100,000 Colombians and thousands of Panamanians died. Gradually, some Panamanians began demanding independence from Colombia.

The US Expresses Interest in a Canal: Meanwhile, Frenchman Philippe Bunau-Varilla had formed a new canal company. In 1902, the US Congress agreed to purchase his company if Colombia granted the US the right to finish the canal. The next year, Bunau-Varilla successfully negotiated such an agreement that also granted the US control of a 6-mi wide Canal Zone. In

return, the US would pay Colombia \$10 million plus an annual fee of \$250,000. Despite initial willingness, the Colombian Senate ultimately refused to approve the treaty.

Independence

To salvage the sale of his canal company, Bunau-Varilla began negotiating with Panamanian independence supporters and the US, gaining both sides' assurance that the canal agreement would proceed should Panama break from Colombia. Armed with this agreement, Panamanian rebels declared independence on November 3, 1903. Although Colombia tried to send troops to suppress the rebellion, the US effectively blocked their transport by relocating cars on the US-administered railroad and the US Navy preventing their landing by sea.

As the official representative of newly independent Panama, Bunau-Varilla immediately negotiated an agreement similar to the treaty previously rejected by Colombia. However, the new treaty contained some significant changes – it increased the width of the Canal Zone to 10 mi and gave the US the right to use, fortify, and govern it indefinitely. In 1904, the US formally acquired the Canal Zone and canal construction resumed. These events infuriated Colombia, causing it to sever diplomatic ties with both the US and Panama until 1921.



The US Constructs the Canal: US civilian and military engineers devised a risky canal construction plan – a series of locks that would raise ships to an artificial lake formed by damming the Chagres River. Over the next decade, American managers supervised some 56,000 laborers from around the world. Together, these supervisors and workers comprised an enormous migrant workforce that at times outnumbered the Panamanian population. The American employees typically received higher wages and better housing, food, healthcare, and education than the rest of the workforce. Unlike previous projects, relatively few workers died from disease due to

improved sanitation systems. Upon the canal's completion, some workers remained in Panama, transforming the country's ethnic makeup (see *Political and Social Relations*).

The Canal Zone

Beginning in 1903, the US was the sole administrator of the Canal Zone, a strip of land comprising some 553 sq mi that bisected Panama from the Caribbean to the Pacific. Considered an unincorporated territory of the US, the Zone was an English-speaking region with its own police force, courts, shops, schools, hospitals, sports teams, and social clubs. While canal employees received subsidized housing and other benefits, the Zone was segregated well into the 1970s, with white Americans receiving the superior "gold" benefits over the "silver" of the primarily black laborers. Similarly, Panamanians living in the Zone were sometimes denied access to US facilities. The Zone was abolished and returned to Panama in 1979 as mandated by the 1977 Torrijos-Carter treaty.

The Early Years of the Republic of Panama

Panama's new constitution established a centralized government with an elected President, yet it also authorized the US to intervene militarily as needed to maintain order and protect the canal. While an elite group known as the "20 Families" largely dominated the political and economic spheres, the US also wielded significant power, intervening militarily to quash protests and demonstrations three times between 1908-18.

The first President to make a lasting impact was Belisario Porras, who served three terms between 1912-24 and established Panama's transportation infrastructure, a legal system, schools, and hospitals. In 1925, conflict sparked again when the government refused to recognize the relative autonomy of the Guna people (see *Political and Social Relations*), a status granted by the Colombian authorities in

1870. Angered at attempts to seize their resources and suppress their culture, Guna leaders organized an armed revolt known as the Guna Revolution. Using its mandate to maintain order, the US intervened and mediated a peace agreement between the two sides that eventually granted the Guna the semi-autonomous territory they retain today (see *Political and Social Relations*).

World War II (WWII)

In 1936, the US agreed to a treaty revision rescinding its rights to seize lands and use troops outside the Canal Zone. But as WWII began in Europe in 1939, the US sought to reinstate those rights so it could construct airfields, antiaircraft batteries, and other defensive facilities beyond the Zone. Taking office in 1940, Panamanian President Arnulfo Arias Madrid opposed the US plans and exploited a growing resentment of the US presence and burgeoning Panamanian nationalism to promote a fascist, racist political doctrine. His tenure saw some progress such as a social security system, modernized banking, and voting rights for women. Nevertheless, Arias' opposition to the US provoked his 1941 removal from office by the US-backed national police (Panama had no military at the time).

Upon the US' entrance to WWII in December 1941, Arias' successor, Ernesto de la Guardia, immediately reinstated the US' right to occupy land outside the Zone, transferring some 130 defensive sites to the US. At the height of WWII, some 65,000 US soldiers plus tens of thousands of American civilian employees were stationed in Panama. Although it was later revealed that Japan had intended to attack the canal, Panama saw no military action during the war. After the war's end in 1945, the US returned most of the sites to Panama, but its 1947 efforts to extend the lease on some 36 sites provoked widespread protests. The Panamanian government



refused to extend the leases, and by 1948, the US had withdrawn back within the Canal Zone.

Political Instability

Meanwhile, the National Assembly removed President de la Guardia from office in 1945. For the next two decades, Panama experienced political instability as the increasingly militarized police, now known as the National Guard, became progressively more influential. In 1958, the government imposed martial law following anti-US protests and demands to fly the Panamanian flag in the Canal Zone. To reduce tensions, US President Eisenhower ordered the display of both the US and Panamanian flags at designated places within the Zone.

In 1964, anti-US protests flared again when US citizens in the Zone forcibly prevented the display of the Panamanian flag. Protests grew into a riot that left some 25 Panamanians dead and some 500 injured, an event commemorated today as National Martyrs' Day (see *Time and Space*). Panama unsuccessfully attempted to take the dispute with the US to the United Nations (UN). In response, the US agreed to consider a new canal treaty, but when negotiators outlined a new agreement in 1967, the National Assembly refused to ratify it. In 1968, Arnulfo Arias Madrid became President for a third time. However, after just 11 days, the National Guard removed him from office. A military junta then took control, suspended constitutional freedoms, and dissolved the National Assembly.



Dictatorial Rule under Torrijos

Lt Col Omar Torrijos eventually emerged as the junta's leader. In 1972, a new constitution reestablished an elected legislative body that granted Torrijos full executive powers. For the next nine years, Torrijos ruled as a dictator. A charismatic, populist leader, Torrijos was intolerant of opposition, often imprisoning or having critics "disappear." He also plunged Panama into debt to

institute a wide range of reforms, improving education and redistributing land but also revising bank secrecy laws that enabled Panama to emerge as an international financial center.

Torrijos also prioritized a new canal treaty. He achieved a significant milestone in 1974 when the US agreed in principle that its control of the canal would someday end. Progress was slow, but in late summer 1977, Torrijos and US President Carter announced a new agreement.

Ratified by the US Senate in 1978, the new treaty outlined the gradual transfer of canal operations to Panama. Further, the treaty mandated the gradual withdrawal from US military bases and gave Panama jurisdiction over the Canal Zone by degrees, to be completed by 1979. Until control of the canal itself passed to Panama on December 31, 1999, a commission comprising both US and Panamanian citizens would administer it. Significantly, the US retained the right to intervene militarily beyond 1999 if the canal's neutrality were ever threatened.

Concurrently, Torrijos pursued internal political reforms, founding a new political party and supporting a 1978 constitutional amendment providing for the return to democratic government. Unexpectedly, Torrijos' 1981 death in a plane crash ended these democratization trends.



The Noriega Years

A succession of military leaders retained control until fall 1983, when Col (later Gen) Manuel Antonio Noriega Morena assumed leadership of the National Guard, which he reorganized as the Panama Defense Forces (PDF). Although Panama resumed direct presidential elections in 1984, Noriega retained real power and control for the next five years, handpicking candidates, while rigging elections. Noriega also consolidated his dictatorial rule by increasing the size of the PDF, harassing journalists, and intimidating and even killing opponents.

Noriega initially gained strong backing by the US government. As the National Guard's head of intelligence, Noriega had been a trusted partner of the US since the 1950s, supporting US anticommunist and counterinsurgency efforts across CENTAM. Yet by the 1980s, Noriega was involved in extensive illegal activities, notably also with the Colombian cocaine cartels. In early 1988, the US indicted Noriega on drug trafficking and racketeering charges. As Panamanians took to the streets to demand Noriega's resignation, the US instituted economic sanctions, halting canal payments and crippling the economy. When a military coup against Noriega failed in March 1988, paramilitary units punished regime critics with harsh reprisals.

In the mid-1989 presidential elections, Guillermo Endara prevailed over Noriega's candidate, leading Noriega to cancel the election results. Opposition to Noriega grew when the international media reported that paramilitary troops had assaulted Endara and his running mates. Following another failed coup, the National Assembly named Noriega President and declared war against the US on December 15. The next day, PDF forces killed an unarmed US Marine in civilian clothes in Panama City.

Operation Just Cause

US retaliation was swift: on December 20, 1989, US President George H.W. Bush launched Operation Just Cause with the aim of protecting American lives, defending the canal, restoring democracy to Panama, and extraditing Noriega to face charges in the US. Within hours, some 27,000 US troops began an attack that included the destruction of the Panama City neighborhood that housed Noriega's headquarters. The US quickly overran the 4,000 PDF forces, and observers estimate some 200-300 Panamanian combatants and more than 300 Panamanian civilians (though some believe this number is much higher) in addition to 23 US military members were killed. The UN and Organization of American States condemned the invasion as a violation of international law, while many Panamanians



denounced the US for its use of excessive force and its disregard for Panama's sovereignty.

Noriega initially evaded capture but soon surrendered. Tried in Miami, Noriega was sentenced to 40 years, though his sentence was later reduced. While in US custody, Noriega was convicted by Panama of murdering political opponents. In 2010, Noriega was extradited to France where he was convicted of money laundering. In 2011, Noriega was returned to Panama to serve out his sentences and died in Panamanian custody in 2017.

The Transition to Democracy

Immediately, the US installed President Endara, the winner of the 1989 election. With the economy in shambles and unemployment soaring, Endara faced serious challenges. Nevertheless, Endara's tenure saw the replacement of the PDF with the Panamanian Public Forces (PPF – see *Political and Social Relations*) and a constitutional amendment prohibiting the creation of a regular military. In 1994, Ernesto Pérez Balladares of the center-left Democratic Revolutionary Party (PRD, founded by dictator Torrijos – see *Political and Social Relations*) won the presidential election. Pérez prioritized reforming the economy and improving relations with the US. As mandated by treaty, the US began reducing its military presence.

Panama Achieves Full Sovereignty:

Voters in 1998 defeated a referendum that would have allowed Pérez to seek a second term, leading to the 1999 election of Mireya Moscoso



Rodríguez as Panama's first female President. The widow of ex-President Arias and head of the center-right Panameñista Party (PPA – see *Political and Social Relations*), Moscoso oversaw the handover of the canal and other territories from the US to Panama on December 31, 1999 as mandated. The US also completed the withdrawal from its military bases by this date, ending almost 100 years of US military presence. The remainder of Moscoso's tenure saw few accomplishments and several allegations of corruption.

The 21st Century

The center-left PRD regained the Presidency when Martín Torrijos, the son of the former dictator, won the 2004 election. During his tenure, Panama experienced significant economic growth, although public insecurity, corruption, and government inefficiency continued to generate concern both domestically and abroad.

Breaking the decades-long political dominance of the PRD and PPA, Ricardo Martinelli of the small, center-right Democratic Change party (CD – see *Political and Social Relations*) assumed the Presidency in 2009, with Juan Carlos Varela of the PPA taking office as Vice President (VP). Martinelli launched several poverty alleviation initiatives and massive public works projects, initially earning high approval ratings as the economy thrived and Panama experienced record low unemployment.

Nevertheless, some of Martinelli's policy proposals and his increasingly autocratic governing style provoked significant opposition, although Martinelli was able to complete his term in 2014. In early 2015, Panama issued warrants for Martinelli's arrest on charges that he embezzled government funds to finance the illegal surveillance of his political opponents. US officials arrested Martinelli in Florida in 2017 and extradited him

to Panama in 2018. In late 2019, Martinelli was acquitted of corruption and illegal wiretapping.

Meanwhile, former VP Varela prevailed in the 2014 presidential race, returning the PPA to power. In 2016,



President Varela presided over the opening of the expanded canal (see *Technology and Materials*), though the release of the hacked “Panama Papers” the same year provoked significant criticism of Panama's financial and legal systems (see *Economics and Resources*). In the mid-2019 presidential election, PRD candidate Laurentino “Nito” Cortizo won a close 3-way race vowing to end corruption in Panamanian politics.

Myth Overview

In contrast to history, which is supposed to be an objective record of the past based on verifiable facts, myths embody a culture's values and often explain the origins of humans and the natural world. Myths are important because they provide a sense of unique heritage and identity. Some Panamanian myths, legends, and folktales exhibit both indigenous and Christian traditions and beliefs, while others provide examples of good and moral behavior. The following two stories give a flavor of the variety of Panamanian myths.

La India Dormida: This well-known Panamanian myth explains how a mountain got its name. A young woman named Luba was the daughter of Urracá, leader of the indigenous resistance to the Spanish conquerors. Luba also participated in the struggle against the invaders until she unexpectedly fell in love with a Spanish soldier. As luck would have it, one of her father's mightiest warriors also loved her, but Luba did not return his affection. In his despair, the warrior jumped from a mountaintop to his death. Luba then realized that she could never betray her people by loving the Spaniard, so she left her home and wandered the mountains and valleys, weeping all the while. When she reached the Caribbean coast, Luba collapsed in sorrow and died. The land then formed a mountain around her that became known as *La India Dormida*, or the Sleeping Indigenous Woman.



The Agouti Story: Storytelling is an important social event among Panama's Guna people (see *Political and Social Relations*). Animal trickster tales are a common form that often incorporate verbal artistry and humor, with storytellers sometimes adapting narratives to current events. The Agouti Story consists of seven episodes detailing how a clever agouti (a large rodent native to CENTAM rainforests) continuously tricks a bungling jaguar out of eating him. In the tale, the two characters typically act like animals but also speak and behave like humans.

2. POLITICAL AND SOCIAL RELATIONS

Official Name

Republic of Panama

***República de
Panamá***

Political Borders

Costa Rica: 216 mi

Colombia: 211 mi

Coastline: 1547 mi

Capital

Panama City



Demographics

Panama's population of about 4.5 million is growing at an annual rate of 1.48%, the second highest rate in Central America (CENTAM) behind Guatemala and ahead of Belize. Panama is primarily urban: 70% of the population lives in metropolitan areas, mostly in and around the capital of Panama City. Population density is highest in the center of the country, concentrating in urban areas along the Panama Canal. Other populated regions include the far West along the border with

Costa Rica and the southern Azuero Peninsula. By contrast, the eastern 1/3 of Panama remains sparsely populated.



Flag

The Panamanian flag divides into 4 equal quadrants: the top left rectangle is white with

a blue, 5-pointed star centered in the middle; the top right quadrant is red; the bottom right quadrant is white with a red 5-pointed star; and bottom left quadrant is blue. The red and blue colors represent Panama's two dominant political parties at the time of independence from Colombia, while white symbolizes the peace between them. The blue star denotes purity and honesty, while the red star represents authority and law.

Geography

Panama is southernmost nation in CENTAM and borders the Caribbean Sea to the North, Colombia to the East, the Pacific Ocean to the South, and Costa Rica to the West. The southern coastline is notably elongated by numerous bays and headlands and the Azuero Peninsula, which juts out into the Pacific Ocean to separate the western Chiriquí Lagoon from the eastern Gulf of Panama. Panama's total land area, including some 1,600 islands scattered along its two coasts, is about 28,700 sq mi, making it slightly smaller than the state of South Carolina.

Panama's strategic location on the Isthmus of Panama, a narrow bridge of land connecting the North and South American continents, has shaped Panama's history (see *History and Myth*).

Perhaps Panama's most famous feature is the manmade Panama Canal, which extends north to south across central Panama and stretches between Colón in the North and Panama City



in the South. The canal is a strategic waterway and trade route that links the Atlantic Ocean via the Caribbean Sea to the Pacific Ocean, is vital to Panama's economy (see *Economics and Resources*), and heavily influences its global interactions (see "Foreign Relations" below). Densely populated and urbanized areas on either end and along both sides of the canal (part of the former Canal Zone – see *History and Myth*) stand in contrast to all other regions, collectively known as the interior (*el interior*).

Panama's dominant geographic feature is a central spine of mountains, the **Cordillera Central**, that forms the continental divide and partitions the country in two distinct regions: a rugged, and rainy Atlantic side and drier Caribbean side featuring upland plains. The nation's highest peak, the inactive Barú Volcano, rises to 11,401 ft near the border with Costa Rica. Sandy

beaches, strips of coastal plains, and rolling hills line the two long and meandering coastlines. Forests cover about 44% of Panama, while agricultural land, consisting of arable acreage and permanent crops and pastures, extends across an additional 31%. Panama has over 500 rivers, the longest and most economically significant of which are the Chagres, Changuinola, Chucunaque, and Tuira.

Climate

Along its coastlines, Panama experiences a hot and humid tropical climate divided into shorter dry (December-April) and prolonged rainy (April-November) seasons. By contrast, mountainous and upland regions experience a cooler, more temperate climate, with air temperatures varying by elevation. Accordingly, coastal regions experience temperatures of 82-88°F year-round, while highland areas average 66-70°F. Meanwhile, temperatures at the highest elevations drop to freezing. Rainfall varies dramatically across the country but is generally lightest along the southern coastline.

Natural Hazards

Panama suffers relatively few natural hazards. From 2005-14, natural disasters resulted in just seven deaths and less than \$22,000 in economic losses. Panama lies below the hurricane belt and consequently avoids the frequent and destructive hurricanes and tropical storms that strike other CENTAM countries.



Nevertheless, heavy seasonal rains occasionally cause flooding and landslides. Droughts occur during drier months and sometimes cause forest and city fires. Panama is also vulnerable to sporadic but generally mild earthquakes, predominantly in the West. The most devastating earthquake in recent years occurred in 1991, killing some 30 people, injuring 500, and displacing over 7,000 others.

Environmental Issues

National parks, forest reserves, wildlife sanctuaries, and other conservation areas intended to preserve Panama's biodiversity and stimulate eco-tourism cover some 33% of Panamanian territory – the highest ratio in CENTAM. Despite these protections, poaching decreases wildlife populations, while illegal logging leads to deforestation, which in turn causes soil erosion and land degradation. Moreover, pesticides and other agricultural runoff, toxic industrial waste, and untreated sewage increasingly pollute soil and water supplies and endanger terrestrial and marine ecosystems, which are also threatened by overfishing. Water pollution stemming from shipping and cruise traffic is particularly prevalent along the Panama Canal. Air pollution caused by automobile emissions is a concern in Panama City and other urban areas.

Government

Panama is a presidential republic that divides into 10 provinces (**provincias**) administered by elected governors and local councils and four semiautonomous indigenous regions (**comarcas**) governed by tribal leaders (**caciques**). Panama's latest constitution was adopted in 1972 and separates power among the executive, legislative, and judicial branches and outlines the rights and freedoms of the Panamanian people.

Executive Branch

Executive power is vested in the President, who is both chief-of-state and head-of-government. A cabinet and Vice President (VP) support the President. Both the President and VP are elected by popular vote to serve single 5-year terms. The current President, Jose Raul Mulino Quintero, took office in July 01, 2024.



Legislative Branch

Panama's legislature is a 1-chamber **Asamblea Nacional** (National Assembly or NA), composed of 71 members, 45 of whom are directly elected in multi-seat constituencies through proportional representation and 26 are directly elected in single-seat constituencies by a plurality vote. All members serve 5-year

terms. The NA holds most legislative powers, including amending the constitution, appointing positions in government, and approving declarations of war.

Judicial Branch

The judiciary includes a Supreme Court of Justice, Appellate Courts, Labor Supreme Courts, Courts of Audit, circuit courts, municipal courts, and a system of lower courts which oversees minor cases. As the highest court, the Supreme Court is the final court of appeal for both civil and criminal cases and divides into civil, criminal, administrative, and general business chambers. The President appoints the Supreme Court's 18

members, 9 magistrates, and 9 alternates to serve 10-year terms.

Political Climate

After emerging from a military dictatorship in 1989 (see *History and Myth*), Panama

entered an era of peaceful democratic rule characterized by a multi-party system in which political parties or coalitions of parties compete for power. Generally, the parties and coalitions that hold the Presidency and the majority of National Assembly seats also hold the bulk of government leadership positions and consequently retain extensive control over the political arena. Generally, successive administrations, regardless of party, have sought to strengthen rule of law and democratic institutions, reduce poverty and unemployment, increase citizens' access to education, healthcare, and other social services, and grow the Panamanian economy.

Since restoring democracy, Panama has held 6 free and fair elections, selecting Presidents from three political parties, primarily the historically dominant center-right Panameñista Party (PPA) and the powerful center-left Democratic Revolutionary Party (PRD). Founded in 1932, the PPA is Panama's oldest operating party, while the PRD was Panama's first party to register once the government legalized a multiparty



system in 1978 (see *History and Myth*). Founded in 1998, the increasingly influential center-right Democratic Change party (CD) came to power in 2009, when its founder, Ricardo Martinelli, defeated the PRD candidate in a landslide victory. While Martinelli was popular, controversies marred the end of his tenure and resulted in his eventual arrest on corruption charges (see *History and Myth*).

PPA returned to power in 2014, when Juan Carlos Varela, a prominent US-educated business tycoon, who served as VP under Martinelli (see *History and Myth*) won a tight



race. During his term, Varela sought to reduce inequality and poverty, introduce social reforms and improve public safety, and stimulate the economy through investment in large infrastructure and energy projects. While Varela pledged to curb corruption upon assuming office, the practice remained widespread, reaching the highest levels of government. For example, in 2015, investigations revealed extensive corruption in the Supreme Court and the previous administration, culminating in the arrests of several justices and 8 members of Martinelli's cabinet.

In mid-2019, the PRD won a tight election with its candidate, US-educated businessman and veteran politician Laurentino "Nito" Cortizo, prevailing over PPA and CD candidates by just two percentage points, the closest presidential race in decades. During the campaign, Cortizo pledged to combat poverty and end corruption's hold on Panama's political process.

Defense

Having abolished the Panamanian Defense Forces in 1990 (see *History and Myth*), Panama maintains a small security force called the Panamanian Public Forces (PPF). Comprised of a border service, police force, and an air and maritime unit with a

joint strength of 27,700 active duty members, the PPF are tasked primarily with internal security issues. Key priorities include disaster relief, humanitarian assistance, and combating transnational organized crime and narcotics trafficking.



National Police Force: As Panama's largest security branch, the National Police Force addresses the bulk of national security threats and consists of 20,000 active-duty personnel divided into a Special Forces unit

and a presidential maneuver battalion.

National Border Service: The National Border Service is comprised of 4,000 active-duty troops divided into a Special Forces group and 6 maneuver brigades and battalions. The border force is primarily deployed to Panama's eastern border with Colombia and trains with both Colombian and US personnel to strengthen interoperability and counter-gang and counter-narcotics operations (see "Security Issues" below).

National Aeronaval Service:

Panama's Aeronaval Service consists of 3,700 active-duty personnel with 2 transport squadrons and fleets, a training unit, and a transport helicopter squadron. The Aeronaval Service is equipped



with 16 patrol and coastal combatants, an amphibious landing craft, 2 logistics and support vessels, 17 aircraft, and 23 helicopters.

Panamanian Defense Force

Rank Insignia



General



Lieutenant
General



Major
General



Brigadier
General



Colonel



Lieutenant
Colonel



Major



Captain



First
Lieutenant



Second
Lieutenant



Sergeant
First
Class



Sergeant



Corporal



Private
First
Class

Security Issues

Panama's security environment is dominated by its porous border with neighboring Colombia, and to a lesser extent, internal threats related to organized crime networks and a prolific regional illicit drug-trafficking industry.

Panama and Colombia: Insurgency-related activities along the permeable Panama-Colombia border present security challenges and are a source of bilateral tension. Colombia has been plagued by a five decade-long conflict involving anti-government guerilla groups, illegal paramilitaries, and other criminal organizations that engage in violent and destabilizing activities, mostly in rural border regions. While the two countries closely cooperate in border control, bouts of violence associated with Colombian insurgent groups operating from Panama's remote and underdeveloped Darién Province occasionally heighten tensions.



Moreover, Colombia is home to hundreds of criminal organizations that participate in the illegal drug trade and regularly attempt to transport products through the Darién. Finally, the intermittent

influx of Colombian, Cuban, Haitian, and other migrants fleeing internal instability into Panama through the Darién also intermittently strains relations, though friction generally subsides quickly.

Crime and Narcotics Smuggling: Panama has experienced some internal instability from a rise in organized crime in some areas. Poverty and widespread inequality contribute to the growth of crime, with many young and unemployed Panamanians becoming vulnerable to recruitment by various organized criminal organizations. In addition, various large, international drug-trafficking organizations use the CENTAM region as a transshipment point for US-bound narcotics. Over

the last decade, international efforts to curb the drug trade in Colombia, Mexico, and the Caribbean pushed trafficking routes into CENTAM. Consequently, nearly 80% of illegal drugs flowing into the US today pass through CENTAM.

Notably the PPF's small size and weak capacity to engage large threats prompt Panama to partner with US and other international forces in counter-gang and counter-narcotics efforts. Moreover, the government invests in numerous programs to reduce drug consumption and oppose gang recruitment efforts such as engaging out-of-school youth and other vulnerable populations through various social programs. Notably, Panama's homicide rate fell from 15 per 100,000 in 2014 to 13 in 2024 – CENTAM's second lowest rate behind Nicaragua (6), followed by Guatemala (16), and Costa Rica (17), and significantly lower than rates in Honduras (25), and Belize (21).

Foreign Relations

Panama's strategic location along major marine and terrestrial trade routes shapes its foreign relations. Influential and powerful nations like China and the US,



among others, seek to forge close bilateral economic and political ties and solidify access to the Panama Canal – one of the world's most essential inter-oceanic waterways for global trade. Panama notably has expansive bilateral free trade and investment agreements with dozens of nations, notably Canada, Mexico, France, Germany, Italy, Korea, and Qatar, among others. Panama is also active in global institutions such as the United Nations, International Monetary Fund, and World Trade Organization.

Panama is one of CENTAM's more prosperous and stable nations, and as a result, has an expanded role in various regional institutions like the Inter-American Development Bank, Organization of American States, Community of Latin American

and Caribbean States, and Central American Integration System. As major proponents of regional growth and stability, these organizations promote the economic, social, and political integration of member nations.

Relations with China: In 2017, Panama severed its long-standing diplomatic relations with Taiwan to instead establish formal ties with China. Taiwan, a small island territory located off the coast of China, considers itself an independent state and attempts to cultivate diplomatic ties outside of China's influence. China, by contrast, claims sovereignty over Taiwan and seeks to hinder Taiwan's participation in the global arena by economically and politically pressuring its few allies to cut ties with the territory.

While China and Panama already shared robust economic ties (China is the second largest user of the Panama Canal after the US), since establishing formal diplomatic relations, the 2 nations have considerably deepened economic, social, and political cooperation. For example, in late 2018, the two nations signed



28 diplomatic accords and investment agreements in a range of Panamanian industries such as health, education, infrastructure, energy, tourism, and banking, among others. Notably, Panama is also currently in the advanced stages of negotiating a free trade agreement with China, a deal that would significantly expand bilateral trade.

Relations with the US: The US and Panama share a long history of political, economic, and military ties, having formally established diplomatic relations in 1903 following Panama's independence from Colombia (see *History and Myth*). That year, Panama granted the US rights to build the canal and administer the Canal Zone, both of which the US controlled through most of the 20th century (see *History and Myth*).

Over the years, the US presence in the Canal Zone and its involvement in Panamanian affairs occasionally caused tensions and sparked conflicts (see *History and Myth*). Relations

soured significantly in the late-1980s during the dictatorial rule of Manuel Noriega (see *History and Myth*). In 1989, an armed US military intervention removed Noriega from power.



While some

Panamanians condemned the US invasion (see *History and Myth*), the act ushered in a return to peaceful democracy and helped restore US-Panamanian relations. Since then, the US has actively supported the development of Panama's economy, governance structures, civil society, and other stabilizing agencies through a wide range of financial aid.

The US also closely partners with Panama to ensure regional security and limit the activities of criminal organizations and the cross-border movement of narcotics. For example, the US targets the broader causes of transnational crime and irregular migration through its "US Strategy for Central America," which guides US diplomatic efforts for all seven CENTAM countries, and through its Central

America Regional Security Initiative (CARSI). Through these efforts, the US strives to promote regional prosperity and improve Panama's rule of law as well as encourage security cooperation among



Panama and its neighbors. The US also engages in bilateral military training to bolster the PPF's capacity to disrupt crime networks and ensure the safety of Panama's border with Colombia.

Panama and the US share strong economic ties through a 1991 bilateral investment agreement that eases investment policy, expands bilateral trade, and promotes economic growth between the two nations. Moreover, the US and Panama participate in a free trade agreement which further allows goods, services, and capital to move freely between the two nations.

Ethnic Groups

Panama's large-scale railroad and canal projects of the late 19th-early 20th centuries (see *History and Myth*) attracted workers from around the world. Notably, North Americans, Europeans, and Asians but also large numbers of West Indians primarily from Barbados, Jamaica, Trinidad, and Martinique. Upon project end, many workers chose to stay in Panama, contributing to the country's present-day diversity.



Panama's population today divides primarily into four groups:

mestizos (people who have a mixed European and indigenous ancestry), Amerindian or indigenous groups (**indígenas**), Afro-Panamanians, and others (Panamanians of North American, European, Arab, or Asian descent). Due to intermarriage, some Panamanians trace their ancestry to more than one group.

As the largest group, *mestizos* make up about 65- 70% of the population, according to the 2023 census. They tend to speak Spanish as their first language and are predominant in urban areas and the lowlands west of the canal. Afro-Panamanians, people of Afro-Caribbean or mixed Afro-Caribbean and British or indigenous descent, comprise about 32% of the population according to the 2023 census. Some Afro-Panamanians along the Caribbean coast speak English or Panamanian Creole English (see *Language and Communication*) as their first language. Panamanians of North American, European, Arab, or Asian descent make up about 7% of the population.

Indigenous Groups: According to the 2023 census, indigenous Panamanians comprise some 17% of the population. About 1/3 of indigenous Panamanians live in cities, with the rest residing in smaller communities and rural areas. About 1/2 of indigenous Panamanians reside in 1 of 6 **comarcas**, semi-autonomous regions that make up a group's historical territory. The Panamanian government recognizes 7 indigenous groups: the Ngäbe, Buglé, Guna, Emberá, Wounaan, Tjërdi, and Bri-Bri. Each has its own traditions and language (see *Language and Communication*).

Historically identified by the derogatory term Guaymí, the Ngäbe and Buglé are sometimes grouped together as the Ngäbe-Buglé today, though they speak mutually unintelligible languages. Together, they number around 468,776 and historically occupy



a large *comarca* along the Caribbean coast in western Panama.

Known as the Kuna until 2011, the Guna number around 112,319 according to the 2023 census. They occupy a *comarca* called Guna

Yala, a narrow strip of land that stretches from central Panama along the Caribbean coast east to the Colombian border. Guna Yala also includes the San Blas archipelago, a group of some 378 mostly uninhabited islands.

The Emberá and Wounaan together number around 62,291 and historically inhabit the rainforests of the Darién in eastern Panama and neighboring Colombia. Today, many Emberá and Wounaan reside in two *comarcas* in eastern Panama. Numbering around 6,900, the Tjërdi (also known as the Naso or Teribe) and Bri-Bri (or Bribrí) historically reside in the highlands of northwest Panama along the Costa Rican border.

Social Relations

Like other Spanish territories, colonial Panama experienced a strict, race-based class system that continued to influence

society through the 20th century. For example, Afro-Panamanians were typically treated as second-class citizens who labored on Panama's major infrastructure projects (see *History and Myth*). Europeans and *mestizos* comprised the elite

class called the "20 Families" that dominated Panamanian political and economic life (see *History and Myth*).



Today, Panama's society continues to be somewhat stratified, with wealth,

geography, and ethnicity playing a role in political power, economic opportunity, and place in the social hierarchy. For example, Afro-Panamanians continue to experience some discrimination. While Panama enjoys CENTAM's highest per capita income, its wealth is unequally distributed, with 70-90% of indigenous Panamanians living in poverty. Further, the standard of living on the *comarcas* is significantly below that of the rest of the country. Regardless of residence, indigenous Panamanians tend to have higher rates of malnutrition, substandard housing, poor health, inadequate access to education, and a lack of economic opportunity.

The *comarcas* allow traditional indigenous political structures to function alongside those of the Panamanian state and help to preserve indigenous identity and cultures. Yet outside



groups frequently disregard the rights of indigenous groups, especially regarding natural resources. For example, indigenous groups in the Darién have recently faced violence from non-indigenous loggers, ranchers, miners, and others who seek access to their traditional lands.

3. RELIGION A SPIRITUALITY

Overview

Panama's population is predominantly Christian. According to 2023 estimates, about 55% of Panamanians are Evangelical and 33% are Catholic. Other religious traditions include The Church of Jesus Christ of Latter-day Saints, Jehovah's Witnesses, Pentecostal denominations, Hinduism, Buddhism, Islam, Baha'ism, and Judaism, among others.

Panama's 1972 Constitution prohibits religious discrimination, guarantees freedom of religion, and allows all Panamanians to worship and express all faiths freely, provided that practitioners respect "Christian morality and public order." While the law does not explicitly separate church and state, it forbids the formation of political parties based on religion and prevents clergy from holding public office, except in positions related to social welfare or public education.

While the Constitution names no state religion, it recognizes Roman Catholicism as Panama's predominant religion and contains a provision that it be taught in public schools, giving it a



privileged status in society. Panama is generally free of religious violence and interfaith tensions are low. Several organizations, such as the Inter-Religious Institute of Panama, promote mutual respect, tolerance, and cooperation among Panama's diverse religious groups and regularly host events to enrich interfaith understanding.

Early Religions and the Introduction of Christianity

Panama's early inhabitants likely led a rich spiritual life. While scholars know few details of their beliefs and practices, indigenous groups likely recognized several different spirits and gods, who constructed the universe, created the earth and

humans, and influenced daily life. Followers likely consulted spiritual leaders to communicate with the divine entities, who in turn could guide or obstruct human behavior.

Besides seeking wealth and new territories for the Spanish Crown, early 16th-century Spanish explorers and conquerors (see *History and Myth*) also attempted to convert the New World's indigenous population to Catholicism. Reflecting the

religious zeal in Spain at the time, the conquerors viewed traditional indigenous beliefs and practices as manifestations of the devil.

Consequently, the Spanish destroyed temples and other



sacred sites and prohibited rituals and dances. While some remote indigenous populations were able to retain their religious beliefs and traditions, widespread proselytization efforts and the violent subjugation of most indigenous inhabitants had devastated traditional culture and religion by the end of the 16th century.

Religion during the Colonial Period

During the almost three centuries of Spanish colonial rule (see *History and Myth*), the Catholic Church became central to education, politics, economics and most other aspects of life. Meanwhile, missionaries continued to proselytize among indigenous and African slave populations. Over time, Catholic orders founded schools and convents and provided medical care and other social services to improve the welfare of the region's inhabitants, helping Catholicism to flourish through the early 19th century.

Religion and Politics in the 19th Century

Disagreement over the role of the Catholic Church was a significant aspect of the political divisions among regional political factions that formed shortly after Panama's 1821 independence from Spain and subsequent union with

neighboring Colombia (see *History and Myth*). Generally, liberal groups associated the Church with colonial repression and privilege and sought to limit its political influence in areas such as marriage, divorce, and education. Meanwhile, conservatives encouraged the inclusion of the Catholic Church in social and political spheres, viewing it as a unifying, spiritual basis to society and vital to social order.



Over the next decades, the Catholic Church received governmental support when the conservatives were in power. By contrast, liberals undertook various initiatives to weaken the Church such as expelling monks and confiscating Church holdings.

As a result, Church power and political involvement in the region fluctuated with transitions in government. By Panama's 1903 independence from Colombia (see *History and Myth*), the Catholic Church was fractionalized and underfunded. Moreover,

regional conflicts had destroyed many places of worship and significantly reduced the number of clergy.

The Catholic Church in Independent Panama

In its weakened state, the Catholic Church remained largely removed from partisan politics in the early 20th century. Moreover, the foreign priests who came to dominate its ranks had little interest in local political affairs. As politics became increasingly unstable through the mid-20th century (see *History and Myth*), priests and Church leaders began to condemn the progressively authoritative actions of the ruling governments. Conflicts between members of the clergy and the government over social issues continued to escalate through the 1960s, notably intensifying following the 1971 disappearance of a popular and outspoken activist priest, Father Héctor Gallegos.

In the 1970s, Catholic leaders openly supported Panama's claims to sovereignty over the US-administered Canal Zone (see *History and Myth*). In the 1980s, the Church was also critical of military dictator Noriega's repressive tactics (see *History and Myth*) and actively promoted Panama's return to civilian rule, with clergy participating in rallies and demonstrations. As political tensions mounted with the 1989 US invasion (see *History and Myth*), Catholic clergy notably denounced the escalating violence, instead promoting dialogue and reconciliation.

Religion Today

The Catholic Church: Despite some secularization of Panamanian society, the Catholic Church continues to influence many parts of society, particularly public education (see *Learning and Knowledge*). Church attendance remains relatively high, with about 44% of surveyed Catholics reporting at least weekly church attendance in 2014. While church attendance tends to be higher in cities due to a lack of clergy in rural regions, Panamanians across the country celebrate Catholic holy days, such as Easter and Christmas, with elaborate religious processions and festivals (see *Aesthetics and Recreation*). Further, a Catholic mass remains an important feature of prominent life events, such as weddings and funerals (see *Family and Kinship*). Catholic clergy sometimes lead prayers or give blessings at public events.

The Church and several Catholic religious orders continue to provide social services such as operating schools, orphanages, medical clinics, and numerous charitable organizations that aim to alleviate poverty, engage disenfranchised youth, and provide disaster relief. Besides its social influence, the Church also remains involved in the political sphere. For example, Catholic leaders advise various political groups on social, civic, and



ethical issues affecting Panama. Generally, Panamanians tend to believe that the Church plays an important role in maintaining social order and that government policies should promote religious values and beliefs.

Other Christian Churches: Episcopalians, Baptists, Methodists, and Lutherans form the largest Protestant denominations in Panama. Other prominent non-Catholic Christian organizations include Jehovah's Witnesses, Seventh-day Adventists, Pentecostals, and Latter-day Saints.



Generally, non-Catholic Christian churches are found across the country but concentrate in Panama City and other urban areas. Like the

Catholic Church, many congregations have their own schools and offer a range of social services.

Religion and Indigenous Panamanians: Christian evangelization efforts of Panama's indigenous groups continued well into the 20th century. Today, most indigenous Panamanians tend to practice a "folk" form of Catholicism that incorporates elements of indigenous religious traditions. For example, practitioners might petition Catholic saints to protect them from supernatural forces or hold ceremonies during which spiritual leaders communicate with spirits to appease angered ancestors, heal illness, or ward off bad luck. Often, rituals include drumming, singing, dancing, and offerings of food to the spirits. Some indigenous people in remote areas typically follow only traditional beliefs and practice.

Other Religions: Panama is home to CENTAM's largest Jewish community, over 16,000 people centered in Panama City. Some 30,000 Muslims live in Panama, primarily in Panama City, Colón, and Penonome, with smaller numbers present in the Chiriquí and Veraguas provinces. About 850 Rastafarians live in Colón, La Chorrera, and Panama Oeste.

4. FAMILY AND KINSHIP

Overview

The family is the center of Panamanian life and provides an economic, social, and emotional safety net. While Panama's "20 Families" no longer dominate the social and economic spheres as in the past (see *History and Myth*), family connections still influence business and politics.

Residence

Panama experienced rapid urbanization in the 20th century. As of 2023, some 70% of people live in cities, with almost 45% of the population residing in or around Panama City. While almost all residents have access to clean drinking water and electricity, some rural and impoverished urban areas lack basic sanitation.



Urban: Housing conditions in Panama's urban areas vary significantly by income. Upper-class Panamanians tend to live in Spanish-style villas with courtyards and gardens or luxurious, high-rise apartments and condos. Middle income Panamanians generally occupy 2-story concrete block homes having 2-3 bedrooms, sometimes within gated housing developments.

While Panama has recently experienced significant economic development (see *Economics and Resources*), the concurrent real estate boom made housing unaffordable for many in its large low-income population (see *Economics and Resources*). The poorest Panamanians often lack adequate shelter, many congregating in **barriadas**, neighborhoods on urban peripheries. *Barriadas* consist of makeshift 1-room homes constructed of salvaged materials, such as scrap wood, cinderblocks, or sheet metal.

Rural: Typically constructed of mudbricks or cinderblocks, rural homes are often painted in bright colors and have red tile or sheet metal roofs. Some members of Panama's indigenous

groups (see *Political and Social Relations*) live in traditional homes. For example, the Ngäbe-Buglé traditionally build dirt-floor, circular dwellings of wooden frames, utilizing mud-based plaster for walls and thatched palm for roofs. By contrast, Guna homes are traditionally rectangular with walls of **caña blanca**, a type of sugar cane, and roofs made of thatched palms. In wetland regions, houses often sit on stilts to accommodate high rainfall and floodwaters. Many traditional homes feature

hammocks, which are lowered at night and raised during the day.

Family Structure

In most Panamanian families, the father is traditionally the head of the household and family breadwinner.

A notable exception

to this pattern is found among the indigenous Guna (see *Political and Social Relations*). In their traditional society, a new couple joins the bride's family and women receive preference in inheritance. Nevertheless, Guna men hold most leadership positions within the community.

Most Panamanians live as nuclear families (two parents and their children), although some households also include extended relatives. Even if they do not share a dwelling, relatives tend to live in close proximity. Extended families play an important role in daily life, gathering frequently for meals, birthdays, religious ceremonies, and other special occasions. Many Panamanians enjoy special bonds with their **padrinos** (godparents), who provide them emotional, spiritual, and financial support. Adult children, especially daughters, are expected to care for their aging parents within their own household.

Children

Historically, Panamanian couples typically had many children but have far fewer today, particularly urban families, who typically have just 2 or 3. Children tend to live with their parents until marriage, though some move away for education or



employment opportunities. From an early age, girls typically assist their mothers with household chores, while boys tend to have more freedom for sports and other activities. Grandparents sometimes provide childcare support, especially for single-parent households.

In rural areas, both girls and boys traditionally help with agricultural work, while children in urban areas are often expected to help supplement the family's income. For example, boys may sell newspapers or shine shoes, while girls may



work as domestic help. Children living in extreme poverty tend to face many hardships including forced labor, abuse, sexual exploitation, and restricted access to education (see *Learning and Knowledge*).

Birth: Before a child is born, the mother's family and friends typically hold a baby shower, bringing gifts for both the mother and child. Following a birth, some mothers attach a small red object, such as a bracelet, to their baby to protect against the *mal de ojo*, ("evil eye") believed to bring misfortune. Some Panamanians in urban areas hire a *practica* (live-in nurse) to care for the infant as the mother recovers. When the baby is older, the *practica* typically is replaced by a *nana* (nanny), who performs childcare and housework.

Rites of Passage

Because most Panamanians are Christian (see *Religion and Spirituality*), they mark life's milestones with Christian rites of passage. For example, families usually baptize their children within a few weeks of birth and present them to the community at a Sunday mass. Children then celebrate their first communion and confirmation around age 10 and 14-16, respectively. Panamanians also celebrate non-religious milestone events, such as birthdays and graduations, with parties and gifts. Members of Panama's indigenous groups (see *Political and*

Social Relations) typically celebrate their own coming-of-age ceremonies which may include food and drink, music, and ritual baths or cleanses.

Quinceañera: Panamanians typically celebrate their daughters' 15th birthday and entrance into womanhood with a formal party called a **Fiesta de Quince** (Party of 15) or *quinceañera*. A typical *quinceañera* celebration begins with a special Catholic mass in which the honored girl receives blessings from a priest. A party follows during which the young woman, often in a formal gown or traditional clothing (see *Aesthetics and Recreation*), ceremoniously replaces her flat shoes with high heels to enjoy a

first dance with her father. Guests then enjoy music, dancing, and food.



Dating and Courtship:

Boys and girls interact from a young age, getting to know one another through school or social events. Dating often begins around the

age of 14, with friends typically gathering in groups to spend time at malls, parks, or the cinema. When older, Panamanian couples tend to socialize at nightclubs, restaurants, and concerts. In urban areas, casual dating is common. By contrast, some parents in rural areas arrange dating relationships for their children with the expectation that they lead to marriage. When a couple decides to marry, the groom traditionally asks for permission from the bride's father.

Weddings: Marriages are often lavish events and typically include a religious ceremony and a celebratory after-party complete with food, music, and dancing. Besides the couple exchanging rings, the groom traditionally presents the bride with **las arras** (13 gold coins blessed by a priest), symbolizing the groom's commitment to the bride and his ability to financially support the union. This custom is less common today. According to law, all couples must register their marriage with the authorities. Because weddings can be expensive, some couples

forego formal ceremonies and simply register the marriage with the authorities, or they enter into a **unión de hecho** (common law marriage) which the government officially recognizes after five years.

Divorce

Although recent statistics are unavailable, Panama's divorce rate is likely relatively low. The 2023 rate, 1.0 per 1,000 inhabitants, is significantly lower than the US rate of 2.5. Generally, divorce has become more common, and observers estimate that some 1/3 of current marriages will end in divorce.

Death

Following a death, families typically hold a **velorio** (wake) at the deceased's home or in a funeral home that sometimes includes an all-night vigil. Friends and relatives visit to pay their respects and pray for the deceased. The next day, family and friends attend a church service then accompany the coffin in a procession to a cemetery for burial, though some Panamanians prefer cremation due to the high cost of casket burials. After the service, mourners gather at home to share a meal and express condolences.

For the nine days following the funeral, a period known as the **novena**, Catholic families say special prayers at home or attend special church services. Similar remembrances are normally held on the anniversary of the death. On November 2, Panamanians commemorate **Día de los Difuntos** (Day of the Deceased or All Souls Day) by gathering at cemeteries to decorate family graves with flowers and ornaments. Some of Panama's indigenous communities have their own traditions. For example, the Guna (see *Political and Social Relations*) traditionally bury their loved one with a few belongings or items for the deceased to present to passed-on community members in the afterlife.



5. SEX AND GENDER

Overview

Traditionally, Panama has been a male-dominated society where machismo (strong sense of masculine pride) is counterbalanced by female subservience. The Panamanian social system is largely patriarchal, meaning that men hold most power and authority, although some indigenous communities have some matriarchal aspects (see *Family and Kinship*).

Gender Roles and Work

Panamanian men historically serve as the head of the household and primary breadwinner, while women have traditionally overseen household chores and childcare, even if they work outside the home. While men perform the bulk of agricultural work in rural areas, women typically assist with the harvest and tend family gardens in addition to their domestic tasks.

Labor Force: In 2024, about 53% of women worked outside the home, higher than rates in neighboring Costa Rica (44%) and Colombian (52%), but lower than the US (57%) rate. While women still concentrate in jobs traditionally considered “female” – housecleaning, secretarial work, teaching, healthcare, and hospitality – they are well-represented in all sectors and comprise a significant proportion of Panama’s entrepreneurs. Notably, female students make up a majority in higher education programs, and women with advanced degrees are prominent members of the labor force. The government has implemented various initiatives to support women in the workforce such as a 2017 law requiring that women hold at least 30% of seats on boards of directors by 2020. In 2018, Panama became the first Latin American country to join a global initiative to reduce the wage gap between men and women.



Gender and the Law

Panama is a signatory to international gender equality resolutions. Further, laws prohibit discrimination based on

gender and guarantee equal rights between men and women, while mandating equity in familial responsibilities and matters of inheritance. In 2018, Panama strengthened its anti-discrimination laws and designated additional penalties for sexual harassment. Despite these legal protections, harassment and discrimination are still common, especially in rural areas and against women of lower socio-economic status.



Gender and Politics

As of 2024, some 21% of National Assembly members are women, lower than the rate in neighboring Colombia (29%), Costa Rica (49%) and the US (29%). Since electing Mireya Moscoso as its first and only

female President in 1999 (see *History and Myth*), the number of women serving in public office has steadily increased. In 2014, Isabel Saint Malo became Panama's first female Vice President. Further, Panama has instituted policies aimed at encouraging women's participation in politics, such as mandating that candidate lists are at least 50% women. However, the requirement applies only to primaries and other nomination processes.

Gender Based Violence (GBV)

Panama historically has lower rates of GBV than other CENTAM countries. In 2013, it increased penalties for GBV, created a national committee to address the issue, and appointed a special prosecutor for GBV crimes. Nevertheless, many victims remain reluctant to report crimes due to stigma and intimidation by perpetrators and police. Further, victims frequently lack adequate support services and protections. While prostitution is legal and regulated, forced labor and exploitation of sex workers is common. US military personnel are prohibited from patronizing businesses tied to prostitution or human trafficking.

Sex and Procreation

Panamanians traditionally view sexual intimacy as a private matter appropriate only within marriage. According to *machismo* norms, it is socially acceptable for men to boast about their

sexual conquests, while women are expected to remain chaste. At 2.1 births per woman, Panama's fertility rate is higher than regional neighbors Colombia (1.6) and Costa Rica (1.3) and the US (1.6). Abortion is legal only to save the life of the mother or in cases of rape or incest and must be approved by the Ministry of Health. Women who obtain illegal abortions may face prison sentences of up to three years.



Although the legal marriage age is 18, early marriage or partnership is common, especially in rural areas and indigenous communities. As of 2023, an estimated 26% of girls married by age 18. Early marriage, lack of access to

contraception, and sexual abuse of girls contributes to a high adolescent fertility rate of 68 births per 1,000 girls aged 15-19, higher than rates in neighboring Colombia (58) and Costa Rica (36) and significantly higher than the US rate (15).

Homosexuality in Panama

In 2008, Panama became the last country in Latin America to decriminalize homosexual activity. Panamanian law does not prohibit discrimination based on sexual orientation, and homosexual individuals often face stigmatization and harassment for public displays of affection. In 2018, the government indicated its willingness to consider legalizing same-sex marriage. In 2023, Supreme Court ruled against same-sex marriage stating it is not a human right and the country does not have to recognize it.

Panama's Guna indigenous group (see *Political and Social Relations*) recognizes a third gender (**Omeggid**) with both male and female characteristics that holds a prominent role in their collective mythology. Relatedly, Omeggid people are generally accepted within the Guna community.

At this time, the US State Department has a Status of Forces Agreement in place for Panama. Service members will be held accountable to the Uniformed Code of Military Justice.

6. LANGUAGE AND COMMUNICATION

Language Overview

Spanish is Panama's official language and the primary language of business, government, education, and the media. Many Panamanians are bilingual, speaking creole, indigenous, or other languages in addition to Spanish.

Spanish

Spanish explorers and conquerors brought their language to the region beginning in the early 16th century (see *History and Myth*). Today, some 93% of Panamanians speak Spanish as a first or second language. They sometimes refer to their language as **castellano** (Castilian) after a region of Spain or **español** (Spanish), the term used in Mexico and most of CENTAM.

Spanish uses the same alphabet as English with three additional consonants – ch, ll (pronounced like “y” as in yam), and ñ (pronounced like the “ny” in the word canyon). The similar alphabet, consistent spelling patterns, and Latin base make Spanish relatively easy for English speakers to learn.



Panamanian Spanish differs from that spoken in other Latin American countries in its use of certain words and grammatical structures. In informal settings, Panamanians tend to shorten words, most commonly by dropping the final “s” sound where possible. For example, they may pronounce “vamos” (“let’s go”) as “vamo”. Further, Panamanians may swap syllables within a word, such as asking “¿Qué sopá?” instead “¿Qué pasó?” (“What’s up?”). Nevertheless, Panamanian Spanish is mutually intelligible with other Spanish dialects from around the world. Some Spanish-speakers mix in English words and phrases in their speech, especially urban residents.

Indigenous Languages

The members of Panama's seven officially-recognized indigenous groups (see *Political and Social Relations*) speak a variety of languages and dialects belonging to the Chibchan and Chocoan language families. The most widely-spoken languages



include Ngäbere (169,000 speakers in 2000), Kuna (57,100 in 2000), Emberá (22,540 in 2012), Buglere (18,000 in 2012), Woun Meu (6,800 in 2007), Teribe (3,300 in 2007), and Bribri. In 2010, the government officially recognized these languages,

approving their use in official communications and mandating bilingual instruction in all indigenous community schools, though implementation has been slow (see *Learning and Knowledge*).

Other Languages

Beginning in the mid-19th century, thousands of workers arrived from around the world to support Panama's large infrastructure projects (see *History and Myth*). Many of those workers stayed, contributing to Panama's present-day linguistic diversity. Today, some 63,000 Panamanians speak a Chinese variety, notably Hakka (29,000) and Yue (34,000), while some 25,000 Panamanians speak Arabic. Smaller numbers of Panamanians speak Hebrew, Yiddish, Korean, and Japanese.

Panamanian Creole English: As of 2000, some 268,000 residents, primarily Panamanians of West Indian descent living along the northern coast, speak Panamanian Creole English, also known as Guari Guari. Creole languages typically develop in environments where several languages are spoken. Panamanian Creole English is based on English, yet has its own grammatical structure and vocabulary borrowed from several African and Caribbean languages, as well as Spanish.

English: An increasingly important language of global commerce, English is a common second language in Panama.

Although public school students receive English instruction, many Panamanians do not learn to speak English proficiently. Most fluent English speakers live in urban areas.

Communication Overview

Communicating competently in Panama requires not only knowledge of Spanish but also the ability to interact effectively using language. This broad notion of competence includes paralanguage (rate of speech, volume, intonation), nonverbal communication (personal space, touch, gestures), and interaction management (conversation initiation, turn-taking, and termination). When used properly, these forms of communication help to ensure that statements are interpreted as the speaker intends.

Communication Style

Communication patterns reflect the value Panamanians place on personal relationships, honesty, loyalty, and respect. Panamanians are especially courteous and deferential towards elders and persons of high social standing. In informal settings, they tend to speak more directly, and among friends, good-natured teasing is common and a sign of camaraderie. As is common throughout Latin America, ***machismo*** attitudes (see *Sex and Gender*) are widespread, with men sometimes making derogatory and suggestive comments about women to their male friends or directly to women. Foreign nationals should avoid participating in such discussions.



Greetings

In formal settings, Panamanians typically shake hands when greeting, although some work colleagues may prefer a firm grip over a shake. Some Panamanian women exchange cheek kisses with friends and professional colleagues of both genders. Men may hug and give back slaps to close associates and friends they have not seen in a long time.

Panamanians also use a variety of verbal greetings, most of which refer to the time of day. **Buenos días** (“good morning”), **buenas tardes** (“good afternoon”), and **buenas noches** (“good evening/night”) are the most common. Panamanians often extend such greetings to all present upon entering a room, shop, elevator, or similar public space.

Forms of Address

Panamanians’ forms of address depend on age, social status, and relationship but are generally highly formal and courteous. In all but the most informal situations, Panamanians use titles of respect such as **señor** (“Mr.”), **señora** (“Mrs.”), and **señorita** (for young/unmarried women). To demonstrate special deference to elders or those of a higher social class, Panamanians use the honorifics **Don** (for males) or **Doña** (for females). Professional titles such as **doctor/a** (doctor), **profesor/a** (teacher), **ingeniero/a** (engineer) are typically used alone, with the last

name(s), or with the full name. Similarly, Panamanians refer to those who have completed a university degree as **licenciado/a**.

Spanish has different “you” pronouns and verb conjugations depending on the level of formality and



respect required. Panamanians tend to use the formal “you” or **usted** in all formal and business transactions. By contrast, they reserve the informal **tú** for family, friends, and younger people. Foreign nationals should always use *usted* with all conversation partners unless directed otherwise.

Names: A Panamanian name typically comprises 1-2 first names and two last names. For example, a man with the first names Jesús María may be known by both names or simply Jesús. Panamanians often use nicknames that reference a person’s personal characteristics, such as ethnicity, height, and weight.

A Panamanian's two last names indicate his family heritage. For example, in the name of former President Juan Carlos Varela Rodríguez, Varela is his father's family name and Rodríguez his mother's. Panamanians often shorten the full name by omitting the maternal family name. Upon marriage, a woman may replace her maternal family name with her husband's paternal name, while adding "**de**" ("from"), as in the name of Panama's former first lady, Lorena Castillo García de Varela.

Conversational Topics

After initial polite greetings, Panamanians typically engage in light conversation about work and family. They particularly enjoy discussing their country's rich history and culture. Sports is another popular topic of conversation.

Discussing positive observations about Panama and its food, literature, or art can help establish rapport with Panamanians.



To avoid offense, foreign nationals should avoid discussing Panama's past or present relationship with the US, current politics, and the Panama Canal.

Gestures

Many Panamanians use gestures to accentuate or replace spoken words, though their use varies. As in the US, a wag of the index finger means "no." To point, Panamanians purse their lips in the indicated direction.

Language and Training Sources

Please view the Air Force Culture and Language Center website at <http://www.airuniversity.af.edu/AFCLC/> and click on "Resources" for access to language training and other resources.

Useful Words and Phrases

English	Spanish
Hello	Hola
How are you?	¿Cómo está usted?
I am well	Estoy bien
Yes	Sí
No	No
Please	Por favor
Thank you	Gracias
You are welcome	De nada
I'm sorry	Lo siento
I don't understand	No entiendo
What is your name?	¿Cuál es su nombre? / ¿Cómo se llama?
My name is ____	Me llamo ____
Where are you from?	¿De donde es usted?
I am from the US	Yo soy de los Estados Unidos
Goodbye	Adiós
Good morning/night	Buenos días / tardes
What does ____ mean?	¿Qué significa ____?
What is this?	¿Qué es esto?
I would like a ____	Quisiera un/a ____
How do you say ____?	¿Cómo se dice ____?
...in English?	...en inglés?
...in Spanish?	...en español?
What do you want?	¿Qué quiere usted?
What time is it?	¿Qué hora es?
Where is the doctor?	¿Dónde está el médico?
Who?	¿Quién?
When?	¿Cuándo?
Where?	¿Dónde?
Which?	¿Cuál?
Why?	¿Por qué?

7. LEARNING AND KNOWLEDGE

Literacy

- Total population over age 15 who can read and write: 98.9%
- Male: 98.9%
- Female: 98.9% (2019 estimate)

Early Education

Before the arrival of the Spanish conquerors (see *History and Myth*), most regional inhabitants informally transmitted values, skills, beliefs, historical knowledge, and a sense of community to younger generations.

Formal Education in Colonial Panama

Following Spain's conquest and colonization of the area of modern-day Panama, most colonial education efforts were associated with attempts to convert the indigenous inhabitants to Christianity (see *Religion and Spirituality*). Throughout the 16th-17th centuries, various Roman Catholic orders – notably the Jesuits, Dominicans, and Franciscans – established missions to instruct indigenous peoples in the Catholic faith.

Over the centuries, the Spanish viewed the indigenous population largely as a labor pool and consequently saw little reason to expand educational offerings to them. By contrast, Roman Catholic orders opened some schools and institutions for the Spanish elites, such as the Jesuit Colegio San Javier in 1749. Nevertheless, educational offerings remained limited, and residents interested in higher education had to seek it abroad.



Education under Colombian Rule

Following the region's independence from Spain in 1821, Panama became a province of Colombia (see *History and Myth*).

Revolutionary leader Simón Bolívar blamed widespread illiteracy on Spanish colonialists' indifference to the population. Accordingly, he sought to reform the educational system, although change proved controversial. While some political leaders sought to eliminate Catholic Church influence and provide secular, free, and compulsory education, others fought to preserve the Church's role in schools and prevent universal, compulsory education.



Despite this political infighting, educational offerings improved. By the 1840s, some 25 all-male public schools, 27 all-male private schools, and 45 all-female private schools were operating in Panama. Around the same time, Colombia passed legislation establishing a teacher training school in every province in the republic

of Colombia (see *History and Myth*). In the 1870s, significant educational reform made primary education free and compulsory, while largely removing Church influence. However, as civil conflict embroiled the region at the turn of



the 20th century (see *History and Myth*), most schools were forced to close.

Education in the 20th Century

Following its 1903 independence from Colombia (see *History and Myth*), Panama sought to rebuild and expand its educational system. The 1904 constitution called for mandatory and free primary education, and new laws defined primary, secondary, vocational, and professional offerings. By 1908, some 400 teachers in 222 primary schools instructed over 12,000 students, and by 1914, these numbers had more than doubled.

In subsequent decades, Panama's educational system continuously improved. By the 1930s, 1/4 of the national budget was devoted to education. Concurrently, the government began to focus on higher education, notably opening the public University of Panama in 1935. The 1941 creation of the Ministry of Education ushered in an era of centralized government control over education. These efforts were effective – between 1920-34, primary education enrollment doubled and by the 1950s, adult illiteracy rates had dropped from 70% to 28%.



Educational opportunities continued to expand in the latter half of the 20th century. Between the 1950s-80s, enrollment rates in higher education multiplied by 30 and the number of primary schools nearly tripled. This growth was due in part to reforms that restructured the national educational system, expanding

school facilities and improving teacher training. In the last years of the century, the government significantly increased educational funding, growing the educational budget from \$185 million to \$403 million between 1990-2001.

Modern Education System

Today, Panama's educational system consists of pre-primary, primary, secondary, and post-secondary programs. The obligatory and free **Educación General Básica** (general basic education) curriculum lasts 11 years and comprises preschool, primary school, and lower secondary school. Government spending on education as a percentage of GDP was 3.9% in 2022, lower than most other regional countries such as neighboring Costa Rica (6.3%) and Colombia (3.9%). The constitution requires that public school students receive Roman Catholic religious instruction, though parents are permitted to exempt their children from such lessons. A range of private schools, some offering specialty programs such as bilingual English-Spanish curricula, also offer all levels of instruction, though their cost and quality vary.

Panama's educational system has its obstacles. Most notably, access to education is highly unequal, with both urban poor neighborhoods and rural areas often lacking quality schools. Even where schools do exist, the infrastructure is generally inadequate and classrooms frequently overcrowded. While education is free, the costs of school supplies, uniforms, shoes, and transportation prevent many families from sending their children to school. Others drop out to join the workforce (in 2018, almost 23,000 children between the ages of 5-14 were working) or for personal reasons such as pregnancy (see *Sex and Gender*). Between 2008-17, the number of students not attending school increased more than 5 times to 176,478.

Further, the quality of instruction is sometimes lacking. Some students must repeat grades due to poor instruction or lack of attendance. In a



2009 assessment of 65 countries, Panamanian students ranked 62nd. In response, the government has pursued several initiatives, most recently focusing on developing infrastructure, reforming curricula, and promoting English proficiency.

Educational disparities are particularly pronounced among the indigenous population, with some communities lacking even basic educational opportunities. Generally, indigenous Panamanians have significantly lower literacy rates than non-indigenous citizens. In the Darién and other provinces where the indigenous predominate, some 20% of the population is illiterate. Meanwhile, the illiteracy rate of Panama's urban indigenous population is 4 times that of non-indigenous city inhabitants.

Recently, the government has made efforts to improve indigenous education programs. For example, some 74,000 primarily indigenous adults learned to read and write through the **Yo Sí Puedo** (Yes I Can) program between 2007-18, allowing Panama to halve its illiteracy rate. In 2010, the government introduced the **Educación Intercultural Bilingüe** (Bilingual

Intercultural Education) program which mandated the instruction of indigenous languages alongside Spanish in indigenous communities. While implementation of the program was initially slow, the government aimed to introduce the bilingual curriculum in 450 indigenous community schools in 2019.

Pre-Primary: Panamanian children aged 4-5 may attend free public or tuition-based private pre-primary programs. In 2023, 20% of students of the appropriate age were enrolled, down from 61% in 2019 pre-pandemic.

Primary Education: Comprising 6 grades starting at age 6, compulsory primary education consists of languages (Spanish, English, and sometimes an indigenous language – see p. 2 of *Language and Communication*), mathematics, natural sciences, social sciences, art, technology, and a course combining Catholic religion, morals, and values. In 2023, about 91% of students of the appropriate age were enrolled in primary education, down from about 96% in 2010.



Secondary Education: Secondary education divides into 2 levels: **educación premedia** (lower secondary) and **educación media** (upper secondary). In 2017, 72% of students of the appropriate age were enrolled in secondary school, lower than rates in neighboring Colombia (89%) and Costa Rica (83%).

Lower secondary school is compulsory and free for students aged 12-15 and adds history, geography, and civics courses to the primary school curriculum. Students may also attend classes on vocational and professional specialties. Free, non-compulsory upper secondary school lasts 3 years between ages 15-18 and includes 3 tracks. General secondary education, **enseñanza general**, offers specialized instruction in preparation for university studies, while **enseñanza pedagógica** (pedagogical) focuses on teacher training and **enseñanza profesional y técnica** (professional and technical) offers technical/vocational training.

Post-Secondary: Some 44% of secondary school graduates continue onto post-secondary programs at the public University of Panama, several private universities, or technical-vocational or teacher training institutes. In 2021, over 153,202 students were enrolled in post-secondary programs of study, up from 139,116 in 2010. This increase is due in part to the growth of private institutions, which saw their enrollment expand from 40,000 students to over 67,000 between 2007-19.

As Panama's oldest and largest university, the public University of Panama today enrolls some 93,628 students in undergraduate and graduate programs in business, education, the arts and humanities, medicine, law, and other disciplines. While the opening of private universities has expanded opportunities for higher education, access remains largely restricted to middle- and upper-class urban residents. In 2012, only 5% of low-income secondary school graduates continued on to higher education, compared to 64% of middle and upper-class secondary school graduates. Further, few rural residents pursue post-secondary studies: in 2013, some 90% of post-secondary students were from urban areas. Generally, graduation rates are low, especially for males. In 2018, twice as many females as males enrolled and earned a university degree.



Institutions award several degrees, such as **técnico** (technician) after 2 years of study and **tecnólogo** (technologist) after 3 years. Teacher training institutes award the title of **profesorado** after 1.5 years of study, while 4-5 years of university study leads to several degrees, such as the **licenciado** (equivalent to a US Bachelor's degree) or **ingeniero** (engineer). After another 2 years of study, students may receive their Master's degrees, while Panama's limited doctoral programs typically require 4-5 years additional years.

8. TIME AND SPACE

Overview

Panamanians tend to view close interpersonal connections and friendships as vital to successful business. A casual attitude towards punctuality prevails alongside a strong work ethic.

Time and Work

Panama's work week typically runs Monday-Friday from 9am-5pm, with an hour break for lunch. While most workplaces follow this schedule, many government offices open earlier, typically from 7:30am-3:30pm. While hours vary, many shops are open Monday-Saturday from 8am-5pm, with some stores breaking for lunch. Banks are typically open Monday-Friday from 8am-3pm (some until 6pm) and on Saturday from 9am-12pm. Post office hours are Monday-Friday from 8am-4pm. Some businesses close on Sundays and for the duration of public holidays.

Working Environment:

Panamanian law establishes a maximum workday of 8 hours for daytime employees and 7 hours for night shifts. It also limits the workweek to 48 and 42 hours for day and night employees respectively. The law also requires additional pay for overtime and holiday work and stipulates that employees receive a bonus month's pay, known as "13th month pay," typically distributed in 3 equal installments over the year.



The government generally enforces these and other worker rights and protections in the formal sector. However, some 48% of the working population labor in the informal sector, where workers typically earn well below the government-mandated minimum wage, and violations such as workplace discrimination, deficient workplace safety standards, and child labor can occur.

Time Zone: Panama adheres to Eastern Standard Time (EST), which is 5 hours behind Greenwich Mean Time (GMT). Panama does not observe daylight savings time.

Date Notation: Like the US, Panama uses the Western (Gregorian) calendar. Unlike in the US, Panamanians usually write the day first, followed by the month and year.

National Holidays

- January 1: New Year's Day
- January 9: National Martyrs' Day
- February/March: Carnival (dates vary)
- March/April: Good Friday (dates vary)
- May 1: Labor Day
- July 1: Presidential Inauguration (every 5 years)
- November 3: Separation Day (from Colombia)
- November 5: Colón Day
- November 10: First Call for Independence/Los Santos Uprising Day
- November 28: Independence Day (from Spain)
- December 8: Mother's Day
- December 25: Christmas Day

Time and Business

Panamanian businesses tend to be hierarchical in structure, with final decisions typically requiring top level approval. As a result, business dealings may unfold at an unhurried pace.

Further, the maintenance of interpersonal relationships and networks, both professional and familial, are typically an integral part of business, since Panamanians tend to view business dealings as a social activity dependent on personal connections. As a result, rapport building activities such as business lunches, dinner parties, and other social gatherings are common.

Generally, Panamanians tend to have a relaxed attitude toward time and punctuality and prefer indirect communication over frank confrontation. Consequently, meetings sometimes start late or go over their allotted time, with significant periods devoted to informal interaction. If adherence to a specific meeting time is desired, Panamanians typically formulate the invitation as **en punto** or "on the dot."

Personal Space

As in most societies, personal space in Panama depends on the nature of the relationship. Distance between conversational partners tends to diminish with familiarity. Panamanians maintain some space when meeting strangers, yet friends typically stand much closer when conversing.

Touch: Unlike many other regional inhabitants, Panamanians tend to avoid conversational touching beyond initial greetings (see *Language and Communication*) as a sign of respect and formality.

Eye Contact: Panamanians tend to maintain direct eye contact during conversations, considering it evidence of interest and confidence. Some indigenous Panamanians may avoid prolonged eye contact as a sign of respect.

Photographs

Foreign nationals should always acquire a Panamanian's permission before taking his photo. Some Panamanians may expect compensation in return, while some indigenous people or rural residents may prefer not to be photographed at all. Churches, museums, secured areas, and similar places may prohibit photography.

Driving

Driving conditions in Panama vary depending on the region. Within metropolitan areas, roads are generally well maintained,



although some drivers ignore traffic laws and heavy traffic can make driving challenging. In rural areas, roads often lack adequate illumination and signage. During the rainy season, rural

roads are prone to flooding, often making them impassable. In 2021, Panama's rate of 7.3 traffic-related deaths per 100,000 people was lower than in neighboring Colombia (16), Costa Rica (16), and the US rate (14).

9. AESTHETICS AND RECREATION

Overview

Panama's dress, recreation, music, and arts reflect the country's ethnic diversity, flora and fauna, colonial history, and religious traditions.

Dress and Appearance

Panamanians generally favor a neat appearance, and many urban residents follow the latest US or European fashion trends. In the workplace, Panamanians tend to dress conservatively. Men typically wear dark suits or slacks with a collared shirt and tie or a **guayabera**, a dress shirt with rows of vertical pleats worn untucked. Women favor pantsuits, dresses, or skirts and blouses.

Traditional: The most well-known piece of traditional women's attire is the **pollera**, a cotton or wool blouse and wide, gathered skirt. Based on Spanish colonial designs, the traditionally white **pollera** typically features colorful, intricate embroidery and lace embellishments. Women often finish the look with ornate jewelry, **peinetas**, a tortoise-shell comb, or a **tembleque**, an elaborate headdress of pearls or beads, and **babuchas**, satin slippers. The traditional men's outfit includes the **montuno** (a long-sleeved, white shirt, black trousers) a **sombrero pintado** ("painted hat" – see "Arts and Crafts" below) featuring linear designs, **chinelas** (leather sandals), and a bag called a **chácara**. Panamanians typically wear these styles only for special celebrations and performances.



While many indigenous Panamanians (see *Political and Social Relations*) regularly wear Western styles, some indigenous groups prefer their own traditional clothing. For example, the traditional dress of Guna women includes a wrapped skirt and headscarf paired with a blouse featuring a colorful **mola**, a textile made by layering pieces of brightly colored fabric to make

geometric designs (see “Arts and Crafts” below). By contrast, Ngäbe women (see *Political and Social Relations*) traditionally wear the **nagua** (a full-length, short-sleeved dress). The monochrome dress is usually adorned with multicolor geometric patterns on the sleeves, neckline, waist, and hemline representing mountains, animal teeth, or water. Other groups have their own traditional styles.

Recreation

Panamanians typically spend their leisure time with family and friends, especially on Sundays, often hosting them at home and



sharing a meal, drink, or conversation. Other common recreational activities include shopping, visiting the beach, dancing, listening to music, and going to bars, restaurants, or nightclubs and casinos.

Festivals and Holidays:

Panamanians participate in a variety of festivals and community celebrations, many reflecting the country's Catholic roots (see *Religion and Spirituality*). For example,

the Easter season traditionally begins weeks prior to the official holiday, when Panamanians celebrate 4 days of Carnival with parties, fireworks, concerts, and games.

The largest festivities occur in Panama City and Los Santos province, where **reinas del carnaval** (carnival queens) host parades with elaborate floats and dancers and musicians in colorful costumes. Carnival typically ends with **el Entierro de la Sardina** (“The Burial of the Sardine”), a ceremony in which celebrants figuratively bury a fish at the beach. This act represents their abandonment of sins and the start of Lent, 40 days of solemn reflection and temperance. Next comes the Easter holiday itself, which is celebrated over several days called **Semana Santa** (“Holy Week”, consisting of Palm Sunday, Maundy Thursday, Good Friday, Holy Saturday, and Easter Sunday). The highlight of the festivities is Good Friday, when

communities host religious processions and biblical reenactments.

Los Santos province is also the site of the late spring Catholic celebration of Corpus Christi. Festivities typically include religiously-inspired parades and dances, such as **diablicos sucios** (“dirty devils”), which depicts the struggle for salvation between elaborately-costumed angels and devils. Other festivals reflect the country’s ethnic diversity and turbulent history. For example, during **El Festival de Diablos y Congos** residents of the Caribbean coastal province of Colón don elaborate costumes and mask to represent *diablos* (devils – the Spanish colonizers) and *congos* (runaway slaves) and reenact their conflict and struggle. The street performances, music, and dance show influences from both Roman Catholicism and Afro-Caribbean cultures and traditions.



Sports: **Béisbol** (baseball) is Panama’s most popular sport, with youth enjoying both pick-up games and school and amateur leagues. Fans follow both Panama’s professional league (**Probeis**) and US Major League Baseball, where Panamanian players are historically well represented. While its popularity has lagged recently, boxing is historically a source of national pride, with Panama producing some 30 world champions over the years. Though soccer is not as popular as in most other Latin American countries, many Panamanians enjoy playing and following the sport.

In 2018, Panama’s men’s national soccer team participated in the World Cup for the first time but was eliminated in the group stage. Other common sports include basketball, volleyball, tennis, cycling, and running. As Panama’s tourism industry has grown, sports such as swimming, snorkeling, scuba diving, surfing, hiking, and golf are becoming increasingly popular.

Music and Dance

Panama’s rich musical and dance traditions reflect influences from Central and South America, the Caribbean, Africa, and

Europe. Panamanian folk music typically features European, indigenous, and African-influenced instruments such as accordions, guitars, **mejoranas** (small, stringed instruments similar to ukuleles), hand drums, **güiros** (gourd percussion instruments), a variety of drums, and the **pito** (a high-pitched flute traditionally made from cane). Other regional music genres, such as salsa, Afro-Caribbean calypso, Cuban **son**, and Colombian **cumbia** are also popular. American jazz has experienced increased popularity in recent years due primarily

to renowned Panamanian pianist Danilo Pérez, who started the well-known *Panama Jazz Festival*.

Music and dance play an important role in many religious and community celebrations, as noted above.

Panama's national dance, **el tamborito** ("the little

drum"), is a courtship dance that has both Spanish and African elements. In it, a couple in traditional Panamanian attire performs shuffling steps before a circle of spectators. The accompanying music features 3 types of drums and is sung by a female lead backed by a chorus. By contrast, **el punto panameño** (Panamanian punto) is of Spanish origin. This elegant couples' dance features delicate and precise movements of the arms and feet.

Performance Theater

Some indigenous traditions, such as Guna storytelling (see *History and Myth*), involve significant theatricals. During the colonial period, Spanish missionaries sometimes used biblical reenactments to communicate religious doctrine and aid proselytization (see *Religion and Spirituality*). In the late 19th-early 20th centuries, traveling European and American professional drama companies brought new theatrical forms. Today, the 1908-founded **Teatro Nacional de Panamá** continues to host an array of performances. Meanwhile, theatrical reenactments and performances remain a staple of many religious celebrations and festivals.



Literature

During Panama's conquest and subsequent colonial period (see *History and Myth*), Spanish explorers, missionaries, and administrators produced letters, journals, and other texts. Beginning in the 19th century, literature often focused on historical and political themes, such as Gil Colunje's poem *28 de Noviembre* (28th of November), a celebration of independence from Spain. Still others focused on romantic themes of nature, the passage of time, and love. In the early 20th century, Amelia Denis de Icaza, Panama's first published female poet, criticized US control of the Canal Zone (see *History and Myth*). Subsequently, many writers focused on contemporary political and social realities.

For example, Ricardo Miró, considered Panama's greatest poet, displayed his love of country in his poem *La Patria* (Homeland). Other writers have explored the experiences of Afro-Panamanians and indigenous Panamanians. Recently, the 1989 US invasion (see *History and Myth*) has been a source of inspiration for both poets and novelists. One of Panama's most acclaimed novelists today is Gloria Guardia, whose *Maramargo* trilogy depicts Panama's late-20th century political turmoil (see *History and Myth*).

Arts and Crafts

Panama's rich arts and crafts traditions vary by region and indigenous group (see *Political and Social Relations*). For example, the Emberá people are known for animal carvings made from wood and **tagua** (palm nut kernel). They also produce colorful woven baskets featuring geometric designs or jungle animals. Ngäbe-Buglé women traditionally make elaborate necklaces of beads, shells, and bones. Panama's most well-known traditional handicraft is the Guna people's **mola**, a textile form with designs inspired by animals, birds, flowers, and even daily life (see *Family and Kinship*). Other folk arts include ceramics, leatherwork, masks, and the *sombrero pintado*, a hat woven from natural fibers, though the world-famous "Panama hat" actually comes from Ecuador.



10. SUSTENANCE AND HEALTH

Sustenance Overview

Panamanians enjoy socializing with friends and family, gathering frequently for lengthy, informal meals in the home or in urban cafés and restaurants. While dishes vary by region, they tend to be mildly seasoned and prepared from fresh, local ingredients.

Dining Customs

Panamanians typically supplement three daily meals with light mid-morning and mid-afternoon snacks. While the mid-day meal is typically the largest in rural areas, dinner can also be substantial in urban settings. Guests often drop by unannounced, and friends and family may visit each other daily, particularly in rural areas. When invited to a Panamanian home for dinner, guests are expected to arrive a few minutes late. Hosts usually serve their guests first, often reserving the best seat and morsels of food for them. After guests finish their portions, hosts typically offer additional servings, which guests must decline several times if they do not want more food.

Diet

Panama's fertile soils and unique geography yield



a rich assortment of fruits, vegetables, seafood, and meat which collectively provide for a varied and extensive cuisine. Rice is Panama's main staple and features in most meals. While prepared in many ways, boiled or steamed **arroz blanco** (white rice) accompanies most meat, fish, and vegetable dishes. Corn is another important component of the Panamanian diet. Common preparations include **tortillas de maíz** (round flatbread made from finely ground corn flour) and **chicha de maíz** or **chicheme** (a corn drink).

Popular sources of protein across the country include chicken, beef, and pork. Coastal communities have access to a wide

range of seafood such as sea bass (also known as **corvina**), red snapper, octopus, shrimp, and crab. Generally, Panamanian dishes are simply seasoned and rarely spicy. Instead, diners tend to accentuate dishes according to individual taste with a variety of fiery homemade or store-bought **salsas picantes** (hot sauces), particularly on the Caribbean coast.

Panamanians consume a variety of vegetables such as broccoli, carrots, beets, squash, onions, avocados, and potatoes. Available year-round, popular fruits include **mamoncillo** (a small, green fruit with a tangy, yellow interior), soursop or



guanábana (a large, spiky green fruit with sweet flesh of custard consistency), lemons, limes, bananas, mangos, papayas, pineapples, strawberries, and coconuts, among many others.

Some members of indigenous groups (see *Political and Social Relations*) in remote locations consume little store-bought food, subsisting largely on small wild game, foraged fruits and vegetables, and crops grown on small community farms. Consequently, fish, bananas, beans, corn, plantains (a

type of banana), and papaya comprise large portions of their diets. By contrast, cuisine in urban areas along the Panama Canal is particularly diverse and exhibits influences from Europe, Asia, and the Caribbean due to the influx of foreign workers into Panama that started in the 19th century (see *History and Myth*).

Popular Dishes and Meals

While breakfast foods vary by region, they often include coffee paired with a combination of bread, oatmeal, eggs, **hojaldras** (discs of fried, leavened bread) and **empanadas** (fried turnovers filled with meat, potatoes, or vegetables). In rural areas, breakfast may simply consist of *tortillas* topped with white cheese and stewed beans.

Lunch often begins with soup followed by meat served with rice or **yuca** (cassava – a tuberous starchy root), beans, **patacones**

(fried green plantains) or **tajadas** (fried ripe plantains), and cabbage salad. Another common side dish is **plátanos tentación** (ripe plantains sautéed in butter, sugar, and cinnamon). Alternatively, a smaller lunch consists of an **emparedado** or **derretido** (toasted sandwich). Along the coasts, **ceviche** [chopped raw sea bass or shellfish marinated in lemon juice and tossed with onions and **aji chombo** (hot peppers)] and **sopa de mariscos** (a hearty seafood soup) are popular lunch items. Dinner is typically a lighter meal that incorporates smaller portions of lunch fare. For dessert, Panamanians enjoy flan (custard), **raspado** (crushed ice topped with condensed or malted milk), and **arroz con leche** (rice pudding).

Other popular dishes include **arroz con pollo** (chicken with rice); **sancocho** (a thick, peppery soup with many variations but typically including chicken and root vegetables brightly seasoned with cilantro, onions, and oregano); **tamales** (cornmeal dough stuffed with cheese or meat and steamed in a banana leaf or corn husk); **bollo** (boiled corn paste); and **guisado** (meat stewed in tomatoes and various spices).

Eating Out

Panamanians living in urban areas eat out regularly. Families often celebrate special occasions at restaurants, while friends meet to socialize at cafés and bars in the evenings



and on the weekends. Serving a variety of cuisines, restaurants range from upscale establishments to small casual eateries specializing in **comida corriente**, an inexpensive and hearty “meal of the day.” Varying by region, the *comida* typically consists of a choice of protein, such as chicken, beef, fish, pork, or goat served with rice, fried plantains, and beans. While street vendors are less common in Panama than elsewhere in Latin America, small shops and urban vendors offer a variety of light snacks such as fresh fruits, **empanadas**, **chicharrones** (crispy pork skin), and **bolitas de pescado** (breaded and fried fish

balls). Most restaurants automatically add a small surcharge to the bill, and servers generally do not expect an additional tip.

Beverages

Panama produces award-winning coffee which residents enjoy throughout the day, typically served black or with milk. Freshly squeezed juices from papaya, pineapple, passion fruit, and strawberry, among many other fruits, are abundant. Vendors also blend fruit juices with ice and water to make **chichas** or with milk for **batidos**. Popular alcoholic beverages include **Seco Herrerano** (Panama's national drink – a clear sugar cane liquor that is also served mixed with milk), rum, and beer, including craft and local brews such as Soberana, Panama, Balboa, and Atlas. **Vino de palma** (palm wine made from fermented sap) is popular in rural areas. Some urban Panamanians also have access to imported whiskey and wine.

Health Overview

Panama's healthcare system has improved over the past three decades, increasing the population's overall wellbeing.



Between 1989-2023, life expectancy at birth steadily increased from approximately 73 to 80 years. Meanwhile, infant mortality (the proportion of infants who die before age 1), decreased significantly from 26 to 11 deaths per 1,000 live births.

Despite these positive trends, inadequate rural maternal care and a high rate of illegal abortions (see *Sex and Gender*) elevate Panama's maternal mortality rate. At 37 per 100,000 live births, this rate is substantially lower than the Latin American average of 77 and

that of Colombia (59), but higher than Costa Rica (24). Moreover, quality of healthcare generally varies greatly among private and public facilities and deteriorates substantially in rural areas, contributing to significant health disparities between urban and rural dwellers.

Traditional Medicine

Traditional medicine consists of the knowledge, practices, and skills that are derived from a native population's beliefs, experiences, and theories. Traditional Panamanian medicine centers on the use of herbal remedies rather than surgical methods to identify and treat the basic causes of illness.

Traditional medicine is especially popular among Panamanians who lack access to modern medical procedures. These include members of isolated rural communities, who often rely entirely on medicinal plants to treat an array of diseases and ailments. These disorders range from minor issues like toothaches and skin infections to serious illnesses like diabetes and HIV/AIDS. In some indigenous communities, Panamanians consult traditional healers, who administer medicinal remedies or petition deceased ancestors and other spirits to rid patients of illness and restore physical and mental wellbeing.

Modern Healthcare System

Panama's Ministry of Health (MoH) oversees the national healthcare system, regulates industry-wide standards and requirements, and operates several large urban hospitals which provide free or low-cost healthcare to all Panamanians. Meanwhile, the Social Security Fund (SSF), a compulsory national health insurance scheme, insures some 89% of the population and guarantees free access to a broad range of medical services in its network of SSF-run health facilities. Together, the MoH and SSF provide care to Panamanians in 902 public facilities, including 63 hospitals. Four private urban hospitals and several small private clinics staffed with highly-qualified doctors offer exceptional care to Panama's wealthiest residents.

In recent years, the government has sought to expand health infrastructure, improve the efficiency of public hospitals and clinics, and address shortages in healthcare personnel,



particularly in rural areas. Notably, many initiatives focus specifically on improving the reach and quality of healthcare services to poor, rural, and indigenous populations.

Healthcare System Challenges: Due to a lack of funding, public urban hospitals are generally ill-equipped and poorly maintained. Moreover,



Panama lacks adequate medical professionals, particularly physicians, nurses, pharmacists, and technicians. In 2021 Panama had about 17 physicians per 10,000 people, significantly lower than

the regional average of 24 and the World Health Organization's recommendation of 23. Short staffed and unable to address rising demand, urban facilities tend to be overcrowded, forcing patients to wait long periods for surgery and specialized care in fields such as cardiology, gynecology, and neurology.

Outside of urban areas, the only healthcare options tend to be small, severely understaffed clinics offering only basic medical procedures. As a result,

rural dwellers and residents of the semi-autonomous indigenous territories

(*comarcas* – see *Political and Social Relations*) disproportionately lack access to



modern healthcare. Further, some 27% of rural dwellers and over 40% of *comarca* residents live in extreme poverty. Consequently, these areas exhibit notably higher rates of poverty, malnutrition, infant mortality, and disease than urban areas.

Moreover, a lack of prenatal and maternal care significantly elevates maternal mortality rates in remote provinces and

comarcas, with some of the highest instances of maternal deaths occurring in the rural Darién province (206 deaths per 100,000) and the *comarcas* of Guna Yala (340) and Ngäbe Buglé (163). By stark contrast, central and urbanized provinces

record much lower rates, such as Colón (18) and Panama (19). Further, indigenous Panamanians in some regions have life expectancies 10 years shorter than the national average of 78.

Health Challenges

Like many countries with an aging population, chronic and non-communicable diseases such as heart disease, cancer, and diabetes accounted for the overwhelming majority (64%) of all deaths in 2021. Preventable “external causes,” such as accidents and suicides, caused about 6% of all deaths. Communicable diseases such as tuberculosis, yellow fever, malaria, and dengue fever contributed to 24% of deaths. At 5 deaths per 100,000, Panama’s tuberculosis mortality rate is almost twice the CENTAM average. The prevalence of communicable diseases is highest in rural areas and *comarcas*, where residents often lack access to clean water and sanitation facilities, putting them at risk of infection from parasites and bacteria. Finally, Panama has the highest HIV/AIDs infections in CENTAM primarily affecting rural women, sex workers, and members of the homosexual community (see *Sex and Gender*).



11. ECONOMICS AND RESOURCES

Overview

Following their 16th-century colonization of the region, Spanish authorities oversaw the development of an economy centered on trade and transit, shipping plundered treasure from South America to Spain via Panama (see *History and Myth*). Panama remained a primary crossroads for world trade until recurring pirate attacks forced the Spanish to abandon the route in the mid-18th century (see *History and Myth*).

By the mid-19th century, international investors sought to profit from Panama's geographic location, building first a railroad across the isthmus from the Caribbean to the Pacific then unsuccessfully attempting to construct a canal (see *History and Myth*). In the early 20th century, the US acquired the rights to complete the unfinished canal (see *History and Myth*). After helping Panama achieve independence, the US then spent a decade constructing one of the world's engineering marvels (see *History and Myth*) and beginning almost a century of deep involvement in the country's politics, society, and economy.

Besides attracting workers from around the world, canal construction significantly expanded Panama's services sector. Meanwhile, industry and agriculture remained underdeveloped. After its 1914



inauguration, toll revenues from the canal became increasingly important to the Panamanian economy, with traffic growing by some 15% per year in its first 15 years of operation. Although canal traffic slowed during World War II, by the 1950s, some 40% of Panama's urban work force was employed in the Canal Zone (see *History and Myth*).

With canal improvements and increased tourism, Panama remained focused on its services-oriented economy in the

1950s. Concurrently, the economy also began to diversify somewhat, with a growing industrial sector and increase in the production and export of agricultural products.

Dictatorial control beginning in the early 1970s (see *History and Myth*) ushered in an era of unprecedented government intervention in the economy. For example, the government implemented a new labor code and a land redistribution program, while implementing job creation schemes and improving the transportation and communication infrastructures. Besides creating a construction boom, these government expenditures alleviated poverty somewhat.

Nevertheless, the measures also plunged Panama into debt. To attract foreign capital, the government began to promote offshore banking by liberalizing banking laws, notably including guaranteeing financial secrecy. By the early 1980s, Panama was Latin America's largest financial center, with total deposits in offshore banks reaching US \$47 billion in 1982. However, facing money-laundering charges and pressure from the US,

Panama was forced to tighten its banking laws in the mid-1980s, though they still allowed banking confidentiality.

Panama confronted several economic challenges in the



1980s-90s. The 1982 Latin American recession significantly slowed GDP growth, while unemployment grew, reaching almost 12% by 1986. Reflecting a lack of confidence in the economy, foreign investment decreased from 17% of GDP in 1986 to 6% in 1988. The same year, the US indicted Panamanian dictator Noriega (see *History and Myth*) then imposed economic sanctions and halted canal payments, further crippling the economy.

Following Operation Just Cause (see *History and Myth*) and the return of democratic governance, the economy stabilized somewhat but remained fragile. With US forces stationed in Panama supporting 5% of GDP, the country was profoundly

affected by the loss of income and employment generated by the 1999 withdrawal of US forces and transfer of canal operations to Panama (see *History and Myth*).

In the early 21st century, Panama rebounded, with growth averaging 7.2% annually between 2001-13, more than double the regional average and making it 1 of the world's fastest growing economies. From 2013-21, growth averaged 3.6% annually; 2020 being the worst individual year with annual growth of -17.9% due to COVID. Since 2021, Panama has CENTAM's highest GDP per capita and as of 2024 is the region's second largest economy behind Guatemala.

The development of Special Economic Zones (SEZs) and large infrastructure projects, notably the \$5.3 billion canal expansion from 2007-16, have contributed to growth. The construction of a metro system in Panama City and the Cobre Panamá mining project also uplifted the economy. Panama's 2015-19 Strategic Development Plan focused on enhancing productivity and diversifying growth, enhancing quality of life, strengthening human capital, and improving infrastructure and environmental sustainability. The canal currently generates 4% of GDP.

Nevertheless, recent improvements to standards of living have been imbalanced. Although the country experienced a decrease in general poverty to 12% by 2019, this reduction has been unequally distributed. Generally, rural dwellers and indigenous Panamanians (whether in rural or urban areas – see *Political and Social Relations*) have seen few improvements. As of 2023, rural areas are disproportionately poor, with a rate of extreme poverty six times higher than in urban areas. Meanwhile, poverty rates in the indigenous *comarcas* remain high.



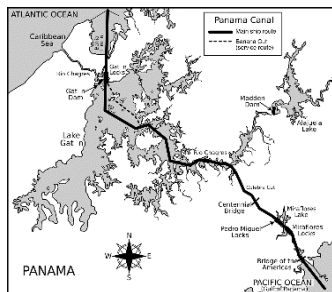
Panama continues to be confronted with economic challenges. Panama's financial services industry has experienced intense scrutiny. In 2016, some 11 million leaked documents, dubbed

the “Panama Papers,” revealed how politicians, public figures, and celebrities from around the world had used offshore corporations based in Panama to hide their wealth and avoid taxation. While many of the offshore companies were operating legally, some were used for illicit activities. The trial of those connected to the money laundering has started in April 2024.

Observers continue to criticize Panama for its failure to fight tax evasion, money laundering, and other illicit cash flows. Upon taking office in mid-2019, Panama’s then President Cortizo announced that combatting poverty and inequality would be the focus of his administration.

Services

Accounting for about 67% of GDP and 68% of employment, services comprise the economy’s largest and fastest-growing sector. Important sub-sectors include canal operations, tourism, transportation, SEZs, telecommunications, financial services, and wholesale and retail sales.



The Panama Canal:

Following the canal’s 2007-16 expansion, the waterway annually registers nearly 14,000 transits, a value equal to 6% of global trade.

Tourism: This sub-sector promotes over 16% of employment. The number of international arrivals in Panama was more than 1,8 million in 2022, after falling to less than 700,000 as a result of COVID-19’s impact on tourism. Besides the canal, popular attractions include Panama City’s **Casco Viejo** (see *History and Myth*), beaches on both the Caribbean and Pacific coasts, and tropical rain and cloud forests.

Financial Services: With its low taxes and tight confidentiality laws, Panama remains an international offshore financial center, hosting some 150 banks with assets of \$150 billion in 2022.

SEZs: Panama is home to the second-largest international distribution and trade centre (free trade zone) in the world next to Hong Kong. The Colon Free Zone has over 2,000 international import/export businesses operating within it, receives more than 250,000 visitors yearly, and generates exports and re-exports valued at more than \$11 billion annually.



Industry

As the second largest sector of the economy, industry accounts for some 28% of GDP and 18% of employment.

Construction: Construction is a key sub-sector, comprising some 15% of GDP in 2022. Government investment in infrastructure projects, such as the canal expansion and metro line construction (see *Technology and Material*), combined with an increase in residential construction, contributed to an average annual growth rate of 6.2% from 2001-18. Today, the sub-sector is sustained by both public and private investment.

Manufacturing: Manufacturing has experienced a steady decline since the early 1970s, when it represented some 20% of GDP. Today, manufacturing comprises about 5% of GDP and focuses on construction materials, food processing, beverages, oil-refining, and textiles.

Mining: Panama's GDP has rebounded from the COVID-19 crisis with 2021 growth at 15.3%, driven by copper mining from Panama Cobre, construction, manufacturing, and commerce. The mining sector accounts for 5.3% of GDP in 2022, up from 3.8% in 2020.

Agriculture

The agricultural sector consists of farming, livestock, fishing, and forestry and accounted for just 3% of GDP and 15% of the labor force in 2023.

Farming: As of 2018, about 2.5% of Panamanian land is dedicated to permanent cultivation while 7.3% is used for temporary crops and about 21% as pasture for livestock. Main crops include rice and beans for domestic consumption and bananas, plantains (a type of banana), shrimp, sugar, pineapples, watermelons, and coffee for export (4% of total exports in 2022).



Fishing: Shrimp and lobsters are among Panama's most important exports, with fish products representing some 8% of total Panamanian exports in 2021.

Currency

Since 1904, the US dollar has been legal tender in Panama and remains its only paper currency. Nevertheless, Panama's national currency is the **balboa** (B/.) (see *History and Myth*) which divides into 100 **centésimos** (cents) and is issued only in coins (B/. 0.01, B/. 0.05, B/. 0.10, B/. 0.25, B/. 0.50, B/. 1). The balboa and the US dollar have a fixed exchange rate with \$1 equal to B/.1.

Foreign Trade

Panama's exports, totaling \$897.9 million in 2023, primarily consisted of petroleum, copper ore, bananas, ships, and coal tar oil to China (39%), Japan (13%), South Korea (9%), Spain (6%), US (6%), Thailand (5%), and India (5%). In the same year, Panama imported some \$42.1 billion in ships, fuel, and pharmaceuticals from the US (19%), China (12%), Mexico (4%), Costa Rica (3%) and Colombia (3%). Additionally, Panama has free trade agreements with dozens of nations (see *Political and Social Relations*).

Foreign Aid

The US is one of Panama's largest donors, providing an average of \$22 million in 2022 through the Central America Regional Security Initiative and other regional economic development programs. Although the European Union contributes aid to Panama through regional programs, it no longer offers bilateral assistance due to Panama's strong economic performance.

12. TECHNOLOGY AND MATERIAL

Overview

Panamanians have access to an extensive physical infrastructure and modern telecommunications. While free speech is constitutionally protected, the government occasionally infringes on that right.

Transportation

Few Panamanians have a privately-owned vehicle, instead relying on public transportation, such as buses, the metro, and taxis. Buses provide transport between major urban areas, with most routes passing through Panama City.

Services range from repurposed American school buses nicknamed **diablos rojos** (“red devils”) to luxurious air-conditioned coaches. Recent efforts to modernize transportation have included the gradual replacement of the *diablos rojos* with the MetroBus system and CENTAM’s first urban metro line in Panama City. Averaging over 7.8 million users per month in 2023, the metro added a second line in 2019 and plans to add a third by mid-2025 with a total of eight lines by 2035.



Roadways

Of Panama’s 9,400 mi of roads, some 42% are paved. The **Carretera Panamericana** (Pan-American Highway), a major CENTAM transportation artery, passes through Panama City and other provincial cities. The highway halts at the impenetrable Darién Gap before starting again in Colombia and continuing through South America. Another major roadway, the Trans-Isthmian Highway, connects Panama City and Colón.

Railways

Panama has just 48 mi of railway (not including new metro line) originally built in the 19th century to transport miners to

California during the gold rush (see *History and Myth*). Today, the Panama Canal Railway Company offers passenger and freight service between Panama City and Colón.

Ports and Waterways

Panama has about 1,547 mi of coastline on the Caribbean and Pacific and 500 mi of navigable waterways, the canal included. Panama's largest ports are located on either end of the canal: Colón on the Caribbean side and Balboa near Panama City on the Pacific side. In 2023, they handled the first and fourth highest cargo volumes, respectively, of all Latin American and Caribbean ports.



The Panama

Canal: Built by the US and in operation since 1914, the 48 mi canal is a major international trade and shipping hub, linking the Pacific and Atlantic oceans. A \$5.3 billion expansion

completed in 2016 added a second, larger lane for ship traffic, doubling the canal's capacity and allowing the passage of significantly larger vessels. The US is the world's most active user of the canal.

Airways

Of Panama's 77 airports, 57 have paved runways. The largest, Tocumen International Airport, is CENTAM's busiest and served 17.8 million passengers in 2023, though a recent renovation will allow it serve up to 25 million passengers. Some 50 airlines operate at Tocumen, notably also Panama's national carrier, COPA.

Energy

In 2023, Panama generated about 60% its electricity from hydroelectric plants, about 38% from fossil fuels, and 3% from renewable sources other than hydropower. Since 2010, Panama has generated a power surplus, allowing it to export electricity to other countries. The government aims to increase renewable

energy production, primarily through wind and solar, to 70% of its electricity needs by 2050.

Media

While Panama's constitution protects freedoms of speech and press, in practice journalists experience some restrictions. For example, journalists are subject to laws that prohibit publishing certain government information and criticizing public officials. Further, governmental pressure and the threat of reprisal causes some journalists to self-censor.

Print Media: The Panamanian press consists of local and national periodicals printed primarily in Spanish. The largest daily newspapers are *La Prensa*, *El Panamá América*, *La Estrella*, and *El Siglo*.



Radio and TV: The state-owned *Sistema Estatal de Radio y Televisión* (SerTV) operates 3 radio stations (Crisol FM, Nacional FM, and Radio Nacional AM) and one television

network. Private broadcasters have extensive reach and offer some 100 radio stations and several television networks.

Telecommunications

Panama has a modern telecommunications infrastructure, although penetration rates are lower in rural areas. In 2023, Panama recorded 18 landline telephones and 156 mobile cellular subscriptions per 100 people.

Internet: Some 74% of Panamanians regularly used the Internet in 2023. Increasing numbers of users access the Internet through mobile devices: in 2022, Panama counted 97 mobile broadband subscriptions per 100 people. The government currently has initiatives to expand and improve connectivity such as providing free, wireless Internet access in public spaces that reaches some 85% of the population. Generally, government authorities do not restrict Internet access nor block or censor content.



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