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FEATURED Q&A

Does Panama's President Have an Autocratic Governing Style?

Q Earlier this month, Panamanian Vice President Juan Carlos Varela blasted President Ricardo Martinelli following the resignation of Panama City's mayor. Varela, like Mayor Bosco Vallarino a member of the Panameñista Party, accused Martinelli of ousting the mayor in order to replace him with a member of the president's own Democratic Change party. The controversy is the latest one for Martinelli, who has had a series of confrontations with the private sector, political critics and the news media. To what extent are the tensions between Martinelli and various political actors in Panama affecting Martinelli's agenda and governance in the country? Is Martinelli's support eroding? Does Martinelli have an autocratic governing style, as his critics have charged?

A Joaquín Jácome Díez, senior partner at Jácome & Jácome in Panama City and former trade minister of Panama: "Mayor Bosco Vallarino's resignation under suspicious circumstances caused an unprecedented strong reaction by Vice President Juan Carlos Varela. There are all sorts of theories circulating about Vallarino's resignation. However, the former mayor has not given any public statement explaining his unexpected departure, which has helped fuel more speculation. There has been a clash between special interest groups used to imposing their agenda and President Martinelli's government. Usually, past pres-

idents yielded to this pressure in order to avoid confrontation or at least postponed them until the sunset of their administrations. However, Martinelli's administration has decided to tackle them head-on. Most of these groups are linked to or exercise a direct influence on the country's mainstream media. Martinelli's government has a robust agenda on the social and public investment front and the economy is showing great strength, even though certain rating agencies had shown concern over public spending. Martinelli has gained full control of the National Assembly and appoint-

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Venezuela's Prosecutor General Dies of Heart Attack at 57

Carlos Escarrá, who oversaw Venezuela's arbitration disputes with companies as the country's prosecutor general and a close ally of President Hugo Chávez, died Wednesday of a heart attack. See story on page 2.

File Photo: Venezuelan Government.

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ed several justices to the Supreme Court. His influence over the court will be further enhanced with the creation of a new chamber that will require the appointment of three more justices. Martinelli's administration enjoyed a healthy approval rating, which has descended lately, but the amount of investment spent on social programs and infrastructure to those in need helps his popularity. Until now, the crisis between the president and vice president has favored the latter. This situation has created a tense political atmosphere that could derail all the progress made during the last decade. It is of outmost importance that all parties involved try to tone down the situation for the country's benefit."

A Heather Berkman, Latin America analyst at the Eurasia Group: "Lately, Panama has been a country of two stories. On one hand, the country's economic superstardom has made it a regional darling. Growth reached 10.5 percent last year and the Panama Canal expansion, infrastructure projects and a nascent tourism industry all foretell another year of strong growth. With investment grade already under its belt and the U.S.-FTA approval in hand, the Martinelli administration looks likely to continue steering policy on a market-friendly path. However, in the last year, President Martinelli has steadily consolidated his power. His party gained control of the National Assembly last October after engineering enough defections from rival parties to hold a majority. Martinelli recently filled two seats on the Supreme Court with political allies and will soon appoint enough additional justices to solidify his influence over court decisions. Amid his increasing power, in recent months, the president has stepped up attacks on the opposition, the media and even the private sector. Meanwhile, his approval ratings have declined from 73.3 percent in December 2010 to 47.4 percent in December 2011 (according to pollster Dichter & Niera), in large part following the August 2011 rupture of his administration's alliance with the

Panameñista Party. Still, Martinelli's ability to push his agenda forward is less secure than it seems and, because of Panama's tense political climate, even less-contentious reforms may now face headwinds. The coming legislative period is likely to produce further disputes, with policy taking a backseat to politics. Already, Martinelli has been forced to backtrack on a number of controversial proposals. Pending reforms to the mining code reform and the electoral system will probably generate significant opposition and even unrest once again."

A Eric Jackson, editor of The Panama News: "Ricardo Martinelli has effective control over the legislature and the courts, and is in the process of packing the Supreme Court to get an absolute majority of his appointees. The comptroller general is supposed to be a legislative appointee, but Martinelli appointed the in-house accountant for his private companies to that post. The attorney general (procurador general) is supposed to be autonomous, but there is little pretense of that. Later this year, the Panama Canal administrator's term expires and that, too, is constitutionally not a presidential appointment, but it will be. Also this year, the term of one of the three electoral tribunal magistrates expires, and although it's the Supreme Court's prerogative, Martinelli will appoint him or her. There is talk of a contrived 'scandal' to oust a second magistrate to give him absolute control. The electoral code is being revised to Martinelli's specifications. Were elections held now, Martinelli's party would get less than one-quarter of the vote—given an honest count. His party's support has been hovering at a bit more than 20 percent for many months now. The land grabs and corrupt contracts hurt him, but the traffic jams and water outages hurt him worse. 'Autocratic' is not the right word for a government that has shown us a televised extrajudicial execution, headed by a president who compares himself to Jesus Christ and his opponents to Pharisees, who goes into red-faced fits when talking about those his critics. Mr. Martinelli has everything under control except for himself."

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