

The Challenge of Inequality

A Photoessay **BY LORNE MATALON**

SOUTHERN DARIÉN PROVINCE, AN EMERALD maze of rainforest and a crucible of indigenous life, personifies inequality in wealth in modern Panamá. “We’re alone here,” says Grimaldo Contrera, a 40-year-old cacique with jet-black hair and weathered hands that testify to life in rugged Darién.

“The state pledged to help us rebuild our schoolhouse. Nothing has come here

but words,” he says showing a visitor his correspondence with authorities. The school has only one shabby room for fifteen children. In 2008, one student in the village was awarded a university scholarship. Contrera says Panamá has money to spend. He says he knows so from listening to the drumbeat of upbeat business stories on radio stations broadcasting from the capital.



Yet, Panama's education system is ranked 62nd out of 65 countries by the Organisation for Economic Cooperation and Development (OECD), an inter-governmental agency. In villages like Contrera's, in the urban slums and the coastal islands, the potential for upward mobility is frozen without a decent school. The United Nations says 32 percent of the country's 3.6 million people live in poverty.

The question isn't always one of resources. The country is indeed growing by leaps and bounds—an average of nine percent annually for the last six years. Yet, President Ricardo Martinelli continues to face withering accusations of corruption. Low-income Panamanians widely believe funds that could be earmarked for education and social programs are going elsewhere.

The government instituted \$100 monthly payments to citizens over the age of 70 who don't receive a pension. The government says 85,000 people are enrolled in the program. In Panamá, one hundred dollars is equal to about 25 percent of the country's minimum wage, or 14 percent of its per capita GDP. Critics say that's a meager payout given Panamá's wealth.

From the perspective of Panama City, the country's potential to provide for all its citizens would seem limitless. Nests of construction cranes tower over creeping urban sprawl, and the canal is going through a major expansion.

"We're blessed," says Captain Felipe Joseph, a lanky 54-year-old tugboat pilot on the Panama Canal. A lawyer and un-

Far left (top): Contrera family children swimming; their family wants to educate them in a better schoolhouse; Far left (middle): Armed Border Police cross tributary of Río Pirre on patrol looking for Colombian insurgents in Darién Province. Panamá has spent a lot of money on these patrols and the border with Colombia is far more secure than it was in 2009 when Martinelli took office; Far left (bottom): Rundown school house, El Real, Darién; Left: The Wilcox building, once a symbol of wealth in Colón, is now condemned. About 100 squatters live here.

Counter-clockwise from top left: Captain Felipe Joseph, Panama Canal tugboat pilot, at Miraflores locks; modern skyline contrasts with working-class apartment blocks; electrician Miguel Marandola in the tunnel for the new Panama City Metro; the first man-made islands in Latin America will boast 138 luxurious properties.



ion leader, he represented canal workers as a member of the transition team that negotiated with the United States on the canal handover.

Speaking of the canal's new locks set to open in 2015 he says, "New locks will mean more money for Panamá and from there the idea is to make sure that profits go to improve the country."

Add to that economic palette the Zona Libre in Colón, the largest free zone in the Americas, an official currency of the U.S. dollar, an ambitious infrastructure expansion and the benefit of a strategic location at the intersection of two oceans and two continents.

Crewman Gabriel Simons asks "With everything this country has, with so few people, how on earth are there poor people here?"

Manuel Avila, a grizzled 60-year-old taxista in Colón asks the same question.

To make a living, he painted his car yellow and bought a removable rooftop taxi light.

"They (the politicians) have no idea what daily life is really like if you don't have money," he says. "This country has what it needs to fix things but not the will."

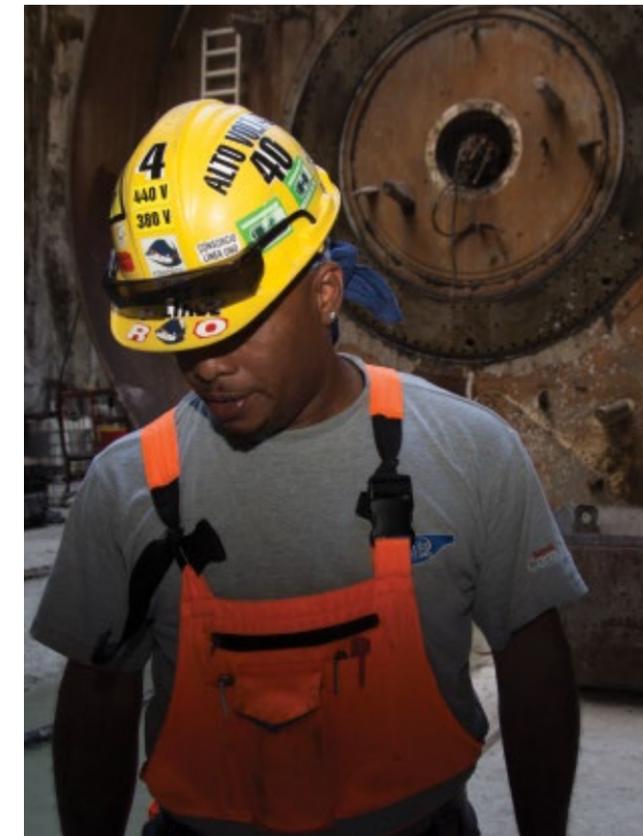
Roberto Brenes, head of the Panama Stock Exchange, says members of the business community, factions of organized labor and activists for the poor share a measure of disdain for the current administration.

The business sector is increasingly agitated over allegations of corruption. The poor point to the allegations as examples of money diverted to entrenched special interests at the expense of social improvement.

"We have a First World business sector with good workers who make us competitive," he says. "But we have a Third World political class. They have historically protected their own interests without really thinking of society in general."

"As we get closer to the end of his term (in 2014)" says Brenes of Martinelli's administration, "you'll see criticism mount."

At a high society wedding, one guest who did not want his name used, said, "Every president does something to get





richer. But at least this president is doing something that will last," referring to infrastructure improvement. "I am certain if you ask everyone here about Martinelli and the economy of Panamá, you'll find most people back him."

A family friend said the wedding cost upwards of US \$200,000. The men and women serving the food on this night said they made four dollars an hour.

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Clockwise from top left: The Panama Canal looking toward the Pacific near the site of the new locks; bride at high-society wedding, Panama City; a welder ekes out a living in the informal economy; foreign money has triggered a real estate boom. Shown is the facade of a building in downtown Casco Viejo, increasingly gentrified at expense of longtime, poorer residents.

