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Black Panama and Globalization in the Neoliberal Era, 1990-2012

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## Abstract

### Black Panama and Globalization in the Neoliberal Era, 1990-2012

By Kali-Ahset Amen Strayhorn

Traditional theories of urbanization and economic development in Latin American cities do not adequately explain the challenging state of urban livability in Colón City, Panama. The main argument of this dissertation is that processes of racialization influence and are influenced by development strategies in Colón. I employ racial analysis in this place-based study to show how knowledge-producing and space-producing practices signifying Colón as a ‘black’ city have helped to justify state neglect of local priorities. Building on extant accounts of racialized urban planning during the colonial and neocolonial eras of Panama’s development, this study inserts new findings about the racial correlates and effects of planning in the current era of neoliberal globalization. I contend that in the case of Colón, local, national, *and* transnational phenomena of race and racial formation are important material and ideological processes shaping development at the local level. In turn, local instantiations of racial formation imbricate with capital circulations and political processes at other scales (national, supranational) of social change as well.

Additionally, I explore how planning outcomes affect social rights for racially minoritized groups in the city. My findings implicate state strategies of ‘neoliberalization’ in the monitoring and management of racialized labor and underclass mobility, generating new social and spatial configurations that correlate with the attenuation of social citizenship. I find two specific aspects of racialization at work: (a) the disappearance of the black worker as the primary labor subject of development, and (b) the displacement of the racialized poor through ex-urbanization and other means. Both processes are shaped by the stealth persistence of ideological *mestizaje*, with its representational power to absorb and obscure black racial difference; and by neoliberalism’s deracinating logics of land and labor utility.

While history reveals that Afro-Panamanians have always experienced marginalization in Panamanian society, few studies have addressed the dynamics of black inclusion and exclusion *since* the end of U.S. occupation. By focusing on the urban black condition in the economic transformations that have since emerged, this project fills an important gap in contemporary Afro-Latin studies, and in the study of race, urbanization, and neoliberal globalization.

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## ABBREVIATIONS

CEASPA	Panamanian Center for Research and Social Action
CONEP	National Council of Private Enterprise
CFZ	Colon Free Zone
IADB	Inter-American Development Bank
IDAAN	Institute of Aqueducts and Sewers
IFI	International Financial Institution
IGO	Inter-Governmental Organization
IMF	International Monetary Fund
INGO	International Non-Governmental Organization
INAC	National Institute of Culture
MIDES	Ministry of Social Development
MIPPE	Ministry of Planning and Political Economy
MIVI	Ministry of Housing
MIVIOT	Ministry of Housing and Land Management
OPIP	Office of Promotion of Private Investment
PRD	Democratic Revolutionary Party
PRONAT	National Program of Land Administration
UNDP	United Nations Development Program
UNESCO	United Nations Economic Social and Cultural Organization
UNFPA	United Nations Population Fund
UNHCHR	United Nations High Commission on Human Rights
WTO	World Trade Organization

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## CHAPTER 1

### Introduction: Questions, Concepts, and Methods

#### Overview

Traditional theories of urbanization and economic development in Latin American cities do not adequately explain the challenging state of urban livability in Colon City, Panama. The main argument of this dissertation is that processes of racialization influence and are influenced by development strategies in Colon. I employ racial analysis in this place-based study to show how knowledge-producing and space-producing practices signifying Colon as a black city - and emblem of “Black Panama” - have helped to justify state neglect of local priorities. Building on extant accounts of racialized urban planning in the city during the colonial and neocolonial eras of Panama’s development, this study inserts new findings about the racial correlates and effects of planning in the current era of neoliberal globalization and development. Finally, I explore how planning outcomes affect social rights for racially minoritized groups. My findings implicate state strategies of ‘neoliberalization’ in both the attenuation of social citizenship and the racial reconfiguration of ‘the urban’. In order to address these issues, I lay out in the present chapter key concepts used throughout the dissertation for analyzing racialization and urban development along three dimensions: racialization of bodies and identities, of space, and of citizenship.

#### Context

The U.S. economic sanctions of 1987-1988, which were tragically succeeded by the U.S. invasion of Panama on December 20, 1989, had a devastating impact on Panama’s national economy, causing massive cutbacks in public spending and huge spikes in

(largely urban) unemployment. Perhaps the most critical consequence of U.S. intervention was that it rammed the final stake in Panama's dwindling statist project of social and economic redistribution, already seriously compromised by Manuel Noriega's narco-dictatorial rule. From then onward,

The sectors most severely affected by U.S.-imposed sanctions were those connected to productive activities. On the other hand, the least affected were involved in export-oriented activities—the Panama Canal, U.S. military bases, banana companies, the Colon Free Zone, and the petroleum refinery and oleoduct—associated with U.S. capital (Priestly 1997: 92 in Greene 2009).

With only export-oriented activities intact and neoliberal market reforms quickly replacing the country's redistributive policies, the basis of Panama's economy and labor needs shifted vigorously toward global services (in transit, finance, tourism, and trade), privatization and a labor code based on streamlined flexibilization (Beluche 2009). While unemployment continued to rise through the 1990s, globally-oriented service sectors continued to grow at an unprecedented pace. In the historically black urban enclave of Colón, Panama's second largest city, the unemployment and housing crisis rose to an unbearable level.

The City of Colón on the Atlantic coast of Panama has now become a laboratory for an assortment of development schemes. Home to the Panama Canal's most efficient high-traffic ports and container shipping facilities, the second largest duty-free trade zone in the world, and a booming international banking sector, Colón has become a paragon of international 'duty-free' trade in manufactured goods<sup>1</sup> from abroad and global services

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<sup>1</sup> The kinds of goods entering and exiting through Colón's global trading portal range from electronics and machinery to apparel and textiles.

<sup>2</sup> Key 'global' services are provided, for example, in transoceanic shipping, finance, and

supplied domestically.<sup>2</sup> Under a succession of pro-market political administrations<sup>3</sup>, foreign enterprise in shipping and tourism (no longer exclusively U.S.-sourced) has come to dominate the landscape and transform the sociospatial dynamics of economic development, with unsettling consequences for local populations in terms of housing, hiring, public safety, and other civic entitlements.

While capital-intensive, outward-oriented ‘growth schemes’ have successfully gained traction, ‘urban development’ projects for the working poor either do not get far enough off the ground to meet the needs of everyday citizens or their actual benefits are uneven, short-lived, or ambiguous. Some scholars have applied the term ‘globalizing marginality’ (Ghadge 2010) to describe this contradictory process of growth in which economic strategies that exclusively benefit globalizing sectors and elites, tend to marginalize the rest of the population. The state is a central player in this process – on the one hand, expediting external global economic processes by deregulating commercial activities, clearing slums, liberalizing finance; on the other hand, reorganizing the internal economy by regulating local mobility and access to urban spaces. Manuel Castells (1983) argues that these ‘urban contradictions’ also lead to political contests among local and global actors and the state.

Against the backdrop of a reconstructed social history of the country’s ascension as a global trading hub, I thus map the tensions between Panama’s global ambitions and the ongoing crisis of local underdevelopment in Colón. With a focus upon racialization, I

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<sup>2</sup> Key ‘global’ services are provided, for example, in transoceanic shipping, finance, and import/export logistics.

<sup>3</sup> Beginning with the ‘democratic’ election of Guillermo Endara in 1991, followed by Pérez Balladares (1994), Mireya Moscoso (1999), Martín Torrijos (2004), and most recently Ricardo Martinelli (2009).

am concerned with the effects of state-mediated urban development, and transnational economic and racial cultures on the welfare of Afro-Panamanians in the roughly 20-year period (1990-2012) from the terminal years of the US-dominated ‘Canal Zone’ era to the upsurge of neoliberal globalism in what I here call the ‘Neoliberal’ era.

### **Questions**

The present study poses the following general questions: (1) From the decline of neocolonial U.S.-Panama relations through the rise of neoliberal globalization, what emergent processes of racialization<sup>4</sup> are discernable and with what effects for the social positioning of Black Panamanians? (2) What is the relationship between the racialization of Colón (and its denizens), national elites’ globalizing ambitions, and urban inequalities? (3) Assuming racial positioning maps forms of ‘racialized citizenship’, what new configurations of rights are emerging for racialized Others in Colón in the neoliberal era?

### **The Need for a Development Theory Intervention: Making a Case for Racialization**

I define development in relatively conventional terms as a measure of political freedom/participation (eg: Sen 1999); sustained economic growth and wealth accumulation; and level of social welfare or poverty reduction (eg: World Bank 2012) on a national or subnational scale. These indicators of development can also be construed as qualities of citizenship (political, economic, and social rights), thus directly correlating the two phenomena. The development-citizenship nexus in Colón is a bifurcated reality, however, with parallel and opposing standards of development-citizenship on either side of the boundary between the spaces of municipal development in ‘the city’, and the enclave spaces of globally-oriented production and consumption that constitute a ‘city within the city’. Modernization and neoclassical theorists anticipated the ‘trickle down’

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<sup>4</sup> ‘Racialization’ is defined and discussed in detail elsewhere in this chapter.

of wealth/democracy from high-productivity engines of growth to low-productivity localities. What the linear propositions of modernization did not predict well were the patterns of cyclical expansion and contraction of Colón's changing fortunes. Theorists of underdevelopment, meanwhile, predicted the disappointing social consequences of the city's dual political-economic structure, but explain its correction in the promotion of domestic industry and the ejection of foreign capital (eg: Cardoso and Faletto 1979; Gunder Frank 1967; Furtado 1970; Baran 1973). Against the expectations of underdevelopment theorists, Colón has greatly and successfully flourished - in certain historical periods – even despite deep foreign penetration. Some globalization theorists were prone to these views as well. Stressing the relationship of uneven development in 'peripheral' nations to the expansion of the capitalist world-economy, Chase-Dunn (1989) and Wallerstein (1974) assigned minimal causality to subnational politics or population factors in shaping national development outcomes, neglecting a critical piece of the puzzle.

By the 1990s, neoliberal adjustment became the hegemonic approach to development in Panama.<sup>5</sup> Early globalization theorists taking a macrosociological approach accurately hypothesized the global diffusion of institutional forms and practices of economic governance (eg: Meyer and Hannan 1979) that would inform Latin American development policies of the last quarter of the 20<sup>th</sup> century. Such explanations, however, were relatively undecided about the social effects of this 'new era' of capitalism and were completely oblivious to its consequences for minoritized populations. This is a problematic stance in light of Colón's large black population amidst a predominantly

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<sup>5</sup> Elsewhere in Latin America, neoliberalism had taken extensive effect by the end of the 1980s. However, in Panama, Manuel Noriega's dictatorship, and the U.S. economic embargo and invasion of the late 1980s delayed neoliberal 'structural adjustment'.

‘mestizo nation’. Despite popular claims to the ‘melting pot’ (*crisol de razas*) quality of the national identity, racial exclusions have been regular and politicized features of local and national life.

Latin American urbanists remind us that the results of development “will depend on the internal characteristics of the state and its external relationship with the class structure of civil society” (Portes 1997: 240). Much of this empirical literature has focused, however, on effects of neoliberal restructuring on urban labor absorption, rising delinquency, the decline of older primate cities and the emergence of mega-cities (eg: Gilbert 1996; Portes et al. 1997; Portes and Roberts 2005). Where the period of import substitution industrialization (1940s – 1960s) had ushered rapid industrialization, informal urban settlement, and the rise of a large industrial working class in most Latin American cities, the subsequent era of neoliberalization brought urban insecurity and exacerbated poverty. Other urbanists have called attention to the variety of “spatialized urban effects” of neoliberalism (Jaffe and Aguiar 2012: 154), noting new patterns of urban fragmentation and isolation associated with the privatization of urban space, such as forms of community gating (see Dinzey-Flores 2012 on Ponce, Puerto Rico; Ploger 2006 on Lima, Perú), of state and private surveillance, and even militarization, of ‘fortified enclaves’ (Caldeira 2000) that have emerged in highly unequal Latin American cities. While these scholars emphasized the relationship between neoliberal globalization and rising inequality, attention to gender and class structures have by and large drowned out the discussion of race.

In contrast with macrosociology, macroanthropology demanded the examination of globality together with locality to interrogate how processes of globalization and

development reproduce and/or produce new forms of dispossession and social polarization alongside ‘growth’ in particular contexts. While early globalization research in cultural studies and anthropology assumed a universalist and triumphal thrust, emphasizing the opportunities for mobility and cultural synthesis globalization avails to all (Hannerz 1991; Albrow 1996; Appadurai 1996), other scholars (Ong 1999; Ferguson 2002; Glick Schiller and Fouron 2001) began pointing toward fissures in the global project, analyzing spaces where inequalities are intensifying and communities are more disconnected. Methodologically, they have argued for the appropriateness of local studies of globalization processes, which should aim to establish a connection between local and global phenomena in order to understand the local details of global transformations. In this vein, Connell (2006) argues that the local be understood as “an ethnographic moment” that is embedded in and provides an entry into webs of ongoing and complex relations that extend into global processes.

I contend that in the case of Panama, local, national, *and* transnational phenomena of race and racial formation are important material and ideological processes shaping development at the local level. In turn, local instantiations of racial formation imbricate with capital circulations and political processes at other scales (national, supranational) of social change as well. Dissatisfied with macrosociological theories of development and inspired by anthropological interrogations of ‘fissure’ in trajectories of development-citizenship within nation-states, this study undertakes “a critical, historical, and place-specific approach to globalization” (Thomas and Clarke 2006: 14) in order to foreground an analysis of Colón’s story of race, development, and citizenship at particular times and in particular relations of political and economic power.

## Significance

For more than two centuries the creative ingenuities, bodily labors, and political resistances of African-descent peoples (*Afrodescendientes*) have left their imprimatur on Panama's cultural, economic, and physical landscapes. While scholarship on blacks in Panama has generally served to enrich the historical portraiture of 'Afro-Latin American' (Andrews 2004) experience in the 19th- and 20th-centuries, this research project attends to the much understudied recent chapter of the Black Panamanian condition in the contemporary era of capitalist globalization.<sup>6</sup> While history reveals that Afro-Panamanians have always experienced social marginalization in Panamanian society, few studies have addressed the shifting dynamics of black inclusion and exclusion *since* the end of U.S. occupation in the present globalization era. Therefore, focusing on the scope and form of urban black integration in the economic transformations that have since emerged, this project fills an important gap in contemporary Afro-Latin studies, Central American urban politics, and the growing social history of black Panama.

Given the centrality of black labor and the metalanguage of race (Higginbotham 1992) in the historical expansion of global capitalism, research that analyzes present-day operations of race in the service of global market competition is greatly needed. Indeed, the relative paucity of studies on globalization and race within the sociological literature (Balibar and Wallerstein 1991; Clarke and Thomas 2006) accentuates a need for greater theorizing about how the global circulation of ideas, culture, capital and people continues to shape the character of institutionalized racisms in national and transnational contexts.

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<sup>6</sup> 20<sup>th</sup> century social histories of Black Panamanian life are well-covered in the following important works: Alexander Craft 2008; O'Reggio 2006; Burnett 2013; Newton 1984; Maloney 1980; Priestley 2004; Conniff 1995; Hooker; Ratcliff 2008; Opie 2008; Zien 2009; Watson 2009; Nwankwo 2009; Frederick 2005; Wilson 1982; Greene 2009.

By examining the relationship between global restructuring, race, and the reproduction of differentiated citizenships in the local contexts where international exchange actually happens, this study advances understanding of the mechanisms through which local and global dimensions of racial inequalities and racial formation interpenetrate one another.

### **Racialization Framework for the Study**

I base my analysis of racial phenomena in the present study on the following premises: First, the idea of race comes out of the European colonial encounter in Africa and the Americas (Hopkins and Wallerstein 1996; Quijano 2000; Balibar and Wallerstein 1991), and while not biologically real, race is socially real (Hanchard 1994). Its effects are systemic within society (Bonilla-Silva 1997, 1999) observable, for example, in the crystallization of racial stereotypes and the reproduction of social inequalities.

Second, racism is not a purely ideological or psychological reality (for assertions that it *is* mainly a type of dogma, see Benedict [1945] and van den Berghe [1967]). Race and racism are structural and relatively autonomous phenomena, even in Latin American contexts, where race plays a small publicly acknowledged role (see for example, Moore 1995 on Cuba; Kinsbrunner 1996 on Puerto Rico; Skidmore 1994 and Hanselbag 1985 on Brazil). By extension, race is not epiphenomenal to class (Marx 1998[1867]; Cox 1948; Miles 1989; Solomos 1986), but raced subjects *are* simultaneously classed and gendered. That is, race is embedded within other structurations – such as class and gender – in a social system (Balibar and Wallerstein 1991) that affects the way that different social actors experience ‘race’.<sup>7</sup>

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<sup>7</sup> Bonilla-Silva defines racialized social systems as “societies in which economic, political, social, and ideological levels are partially structured by the placement of actors in racial categories or races” (1997: 469). In such systems, which constitute the “racial structure of a society” (Ibid: 470), racial processes (co-constituted by class and gender) produce definite social relations and

Third, while some scholars insist that blurring and overlap can occur between race and ethnicity, I take the position that ethnicity and race denote different structural positions in racialized social systems. Ethnicity is a more recent phenomenon than race (Anderson 1983). It is often associated with processes of inclusion and cultural recognition, while race is linked to exclusion and phenotype (as summarized by Banton 1983). In the case of Panama, the language of ‘ethnicity’, ‘ethnic groups’, and ‘skin shade’ is frequently selected over race in everyday ‘talk’ about minority status. ‘Folk’ terminologies aside, I maintain that Panama is indeed a society structured on racial caste despite the absence of racial categories, partly because of the presence and apparent permanence of ideological *mestizaje*.<sup>8</sup>

Fourth, and perhaps most importantly, racial practices change and the character of a racial structure may transform over time. In order to create the ‘nation’ as an imagined community, nationalization or nation-building has involved processes of racial domination, including the politicization of ideological projects formulated to homogenize erstwhile heterogeneous populations. However, nation-building has also, as a by-product, created mechanisms (constitutions, rights discourses, citizenship regimes) that enable racial boundary contestation and shifting, even while encompassing racial structures remain in tact.

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practices, such as relative labor market positions, systematic rewards or social esteem ascribed by race (Blumer 1955), or experiences of social citizenship.

<sup>8</sup> The valorization of whiteness *through* the working of *mestizaje* (a Latin American ideology of racial and cultural mixing) accords benefits and privileges to the status of being white and rewards proximity to whiteness (in cultural and biological terms) that are often publicly unacknowledged, even while outcries against it resound from all sides of the ‘black community’. Following Francis Ansley (1988), relations of dominance and subordination born in historical forms of white domination reproduce black subordination, and are reenacted in an array of social and institutional settings.

Having outlined the premises above, I employ the following analytical strategies: First, throughout this study, I focus on processes of “boundary-shifting” (Loveman and Muniz 2007; Zolberg and Woon 1999), essentially exploring how social definitions of race and citizenship have contracted in some contexts (and time periods) and broadened in others. The boundary metaphor refers both to sources of racial re-classification (eg: widening blackness to include more individuals within it) and causes of racial re-spatialization (eg: rearranging blackness through public and private space).

Second, I draw from the racial formation theoretical perspective toward a sustained focus on the workings of “racial projects”. Racial formation is “the sociohistorical process by which racial categories are created, inhabited, transformed, and destroyed” (Omi and Winant 1994: 55). Omi and Winant (Ibid.: 56) argue that the state is inherently racial and they view state racial projects as “simultaneously an interpretation, representation, or explanation of racial dynamics, and an effort to reorganize and redistribute resources along particular racial lines”. To wit, state actions in the past and present have treated people in very different ways according to their racial status. Further, this suggests that different experiences of citizenship obtain within the nation-state across racial groups. Because race is embedded in and articulates with other hierarchical structures, the contents and lived experience of citizenship also vary within racial groups. For this study, therefore I focus on state activity and policy as a means of interpreting how the social structuring of race affects citizenship as a raced experience.

*Space and Race*

The case studies examined here focus on Colón's history of urban development and contemporary planning practices. In doing so, I am concerned with the role of space in the making of marginalized and racialized subjects. The social scientific study of connections between race and place is not new. At least since Foucault and Lefebvre's influential works theorizing space, several scholars have attended to questions about how practices of racialization are enacted through the production and control of space. In one of Foucault's treatises on power, he writes about the notion of 'social space', suggesting that:

A whole 'history of spaces' could be written that would be at the same time a 'history of powers,' from the great strategies of geopolitics to the little tactics of housing, institutional architecture, from the classroom to the hospital organization, by way of all the political and economic implantations...Spatial arrangements are also political and economic forms to be studied in detail (Foucault 1980: 228).

Building on such insights, scholars of racial dynamics have argued that race and place become entwined through the workings of racism. Mendieta (2004: 46) asserts that "racism is a form of spatial regimentation" that can circumscribe the rules by which raced subjects inhabit space and define themselves in relation to it. Thus, racism undergirds and constructs social geographies. Sundstrom (2003: 90) put it this way, "Race is place, and racial places become encrusted with racial representations that become all too often materialized due to racist action and neglect." Whoever and however a person occupies space is a function of privilege and exclusion. How powerful state agents preserve and render those exclusions through control over space is a crucial dimension of the present inquiry.

To investigate race-making and place-making in ‘neoliberal’ Panama (1990-present), I begin with the previous period and the indelible influence of the U.S. Canal Zone. The Isthmian Canal Convention of 1903 laid the foundation for the establishment of the Canal Zone in 1904 – a 553 square-mile territory of American sovereignty, inclusive of the Panama Canal, which transected the Panamanian interior right down the middle. The Canal Zone was dismantled 96 years later, when ownership of the territory and the Canal was turned over to the Panamanian national government in 1999.

I view the U.S. Canal Zone as a racializing topography, rooted in and organized by the ‘peculiar institution’ of Jim Crow for much of the 20<sup>th</sup> century. But *post*-U.S. occupation neoliberal landscapes of urban development are also emergent racial topographies. In both periods, the linkages between race, place and labor are complex; I take the view that the positionality of raced labor is key in defining the politics of black inclusion/exclusion through the production of space.

As early as the colonial era (1508-1821), an unfree workforce from Africa was forcibly imported to work in the – then – transit zone of the upper coast of Colón province, and became a self-reproducing community and racial caste in those regions. The Canal construction era (1904-1914) marks the importation of free black labor from the West Indies to the urban transit zone in and around Colón and Panama City. (Likewise for the banana producing enclave of Bocas del Toro in the western region of the country). A portion of this labor pool was relatively territorially fixed for bounded durations by virtue of labor contracts working in the segmented, service-based economy of the Canal Zone. Another portion of the West Indian workforce was unfettered from labor contracts and thereby relatively mobile, but remained tied to urban ‘place’ through

social networks and external conditions. The rise and subsequent fall of Colón's fortunes led to a ghettoization of the city as abundant, surplus black labor was consigned to a precarious position of "structural economic marginality" (Wacquant 2002: 48). Thus racial marginality in the city is linked also to class position (Goldberg 1993). Although racial closure has not been maintained in the city, due to internal and international migrations and general tendencies toward cultural assimilation, the city's popular representation as a space of blackness and its official representation as a space of disorder reinforce the relation of race to place, as we shall soon see.

The next section of this introductory chapter engages the essential task of providing a conceptual framework for a central concern of this dissertation: the interplay of race and citizenship in Panama. While the concluding chapter of this dissertation details contemporary theories and debates on citizenship, the following discussion outlines in schematic terms the approach used for interrogating citizenship throughout this study.

### **Citizenship Framework for this Study**

Conventionally, citizenship denotes a complex differentiation of rights – some more secure and others less so – within a nation-state. Political rights in a democracy<sup>9</sup> establish the formal rules by which citizens can participate in the political process and are mainly procedural. However, unlike political rights, which are a direct form of political power, or civil rights, which are individual liberties accorded by legal right (Janoski 1998: 42-45), social rights are claims for collective entitlements that may or may not be

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<sup>9</sup> Since 1821, Panama has been a democracy, in *formal* terms at least, except during the 'special period' (1968-1981) of military rule. In any case, the concept of 'democracy' is not central to my analysis of citizenship; for, needless to say, democracy provides no guarantees that the outcomes of democratic processes will be either inclusionary or egalitarian (Wright 2011: 413).

granted (Hohfeld 1978).<sup>10</sup> Formal legal citizenship applies to all persons born and naturalized in Panama, but as Vandegrift (2007: 122) notes, “citizenship involves a contested racial project” when entitlements and rights are distributed unequally on the grounds of phenotype or cultural attributes. Because black collectivities historically occupy spaces of difference within the national community, such differences have translated into particular substantive (de facto) experiences of citizenship. Indeed, my field investigation points to the tenuousness of social inclusion and basic livability for the urban poor and other excluded subjects in Panama today.

In this study, I interrogate citizenship on the basis of substantive social outcomes for urban citizens, not on the basis of formal legal ‘rights’ to equality or unmet ‘claims’. Ultimately, the looseness and variety of rights confounds rather than illuminates the central questions of this study which, in the main, are about the shifting terrains of inclusion and exclusion for black Panamanians as evidenced by social conditions of housing, labor, and effective participation in decisionmaking about urban change. Broadly, the concept of ‘substantive citizenship’ speaks to these contents by addressing how the experience of being a citizen is actually lived. On the one hand, I am concerned with social conditions in Colón and the racial dimensions thereof. I interpret *quality-of-life*, therefore, as an indicator of the *quality-of-citizenship* within the social context of Colón. On the other hand, I investigate citizenship as a status of inclusion in the social

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<sup>10</sup> The concept of ‘social citizenship’ is a specific historical reference to the extension of ‘social rights’ to citizens by Western democratic welfare states (Marshall 1963; Korpi 1989). The social rights in question are often conceived of in the ‘welfare state’ literature as public expenditures on social insurance programs (sickness insurance, old-age pensions, unemployment insurance, and work-accident insurance). There is an extensive literature on social citizenship and welfare state development in advanced industrial national contexts (for example, Quadagno 1988; Skocpol and Amenta 1986; Rimlinger 1971).

and political life of society. Viewed within this frame, quality-of-citizenship denotes stratified social positionings that correspond to degrees of inclusion or exclusion.

Panama's functional character as a global hub of international and transnational movement, and its lengthy neocolonial relationship with the U.S., has indelibly shaped the meanings, inscriptions, trials, and experiences of national belonging as well. It may be said that the injustice of the 1903 Canal Treaty and the limited redress afforded by later treaties (ie: Treaties of 1936, 1942, and 1955) undercut Panama's economic benefit from the Canal, and fostered a disparity in living conditions between residents of the Canal Zone and Panama's terminal cities (Conniff 2001: 96-97). The particular circumstances of U.S. military occupation did not bode well either. As empirical research in political science suggests, U.S. hegemonic influence "did not assist and often militated against democratic development" in Central America and the Caribbean basin (Sánchez 2007: 205). Both factors – economic and military – shaped the context of substantive citizenship for *all* Panamanians.

For race analytical purposes, however, the presence of the Canal Zone has a special bearing on citizenship as a mechanism of inclusion/exclusion. While both countries' histories of racial and class inequalities have generated their own particularities and tensions at the seams of citizenship, it is the contiguity of the two regimes over the course of the 20<sup>th</sup> century that has had particularly racializing effects on citizenship. In the U.S., tiers of first- and second-class citizenship on the basis of race have explicitly differentiated social citizenship. The transnational exportation of black-white racial binarism to the Canal Zone transferred and institutionalized this model of

black second-class citizenship.<sup>11</sup> Thus the Canal Zone not only drew a thick red line between spaces of national sovereignty; it also engendered social structures with the power to shape life chances and living conditions on both sides of the ‘border’.

Considering Panama’s ongoing strategic role in world capitalism, teasing out the connections between transnational processes and situated national identities – historically and presently – is essential for making sense of the contemporary contours of citizenship.

The local-level shifts in livability at the heart of this study are informed by broader sweeps of change in the discourse and practice of development across the two eras. In this dissertation I relate substantive citizenship during the Canal Zone era (1903 to roughly 1989<sup>12</sup>) to contemporary circumstances in the era of neoliberalism. As many scholars have observed, the rise of neoliberalism as the predominant ideology of capitalism has introduced new terms of citizen inclusion and exclusion, even as it has restructured the tangible material conditions of most people’s lives. Plant (1999) has termed neoliberalism’s recasting of the social subject as “supply-side citizenship” – a

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<sup>11</sup> As Canal Zone (CZ) employees, Afro-Panamanians were able to receive employer-based benefits linked to US federal employment. Some of these benefits included social protections such as pensions and disability insurance. Others were not formally welfare state-type entitlements, but provided other social subsidies (until 1955), such as free or discount housing, low-cost food in commissaries, and free public education in the CZ. Federal minimum wage standards applied throughout the CZ period, and CZ employees and their families also enjoyed special immigration status to the US, especially after the 1977 Treaties. In these ways, CZ workers benefited from the U.S. social state, even while they were formally Panamanian citizens. On the other hand, life and work in the Canal Zone subjected Afro-Panamanians to forms of racial discrimination. Gold (U.S.-rate) and Silver (local-rate) roll wages (ie: white and black wages) were grossly unequal. School curricula aimed largely at training black students for blue collar vocations in the CZ, and other than the Teachers’ Union, black worker unions in the CZ (such as Local 713 and Local 900, both affiliated with the CIO – Congress of Industrial Organizations) were short-lived and weak because of obstruction by CZ authorities and powerful interests in US-based unions that were hostile toward black unionization.

<sup>12</sup> The Canal Zone expired officially by treaty in 1979, resulting in the turnover of 60 percent of the Zone; however, the remaining territories were not completely returned to Panama until 1999. I mark the 1989 invasion as a pivotal midpoint in this 20-year process of CZ ‘reversion’.

reference to the idea that under neoliberalism, the traditional benefits of citizenship<sup>13</sup> are not granted, but earned.<sup>14</sup> Entrepreneurship and other forms of market participation have become “the normal way to qualify as a citizen” (Amable 2011: 24; also see Streeck 2009). For neoliberals, economic participation is *the* means to social inclusion. By implication, the spoils of citizenship (social and political inclusion) can be purchased – even by non-citizens. (In turn, performances of citizenship become acts of *purchasing*, ie: ‘consumer-citizenship’.)

The ubiquity of ‘flexible’ capital in the neoliberal era has produced forms of ‘flexible’ citizenship as a result. For Aihwa Ong (1999), such de-linking of citizen entitlements from nation-state membership ultimately produces differentiated citizenships linked to globalizing development. Thus, as a final dimension of my citizenship framework, I test the limits of ‘ideal’ neoliberal citizenship as a viable referent of citizen agency and wellbeing in Black Panama. In Colón, urban inhabitation has been racially marked as a ‘black’ social reality, corresponding to racialized citizenship in the city center. As upcoming chapters indicate, privatized neoliberal zones within the cityscape impose a range of ‘boundaries’ between urban inhabitants and the workers, managers, entrepreneurs, and tourists who occupy local sites of ‘global’ production/consumption. In the process, I argue, raced spaces of differentiated citizenship, previously structured by Canal Zone logics, are being (re-)produced through urban neoliberal restructuring. It is in interrogating where the varieties of citizenship/s, development strategies, and spatial

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<sup>13</sup> By ‘benefits of citizenship’ I mean specifically social and political inclusion. And, though less relevant for Latin America, social safety nets for the aged, poor, sick, and unemployed.

<sup>14</sup> Similarly, in her influential book *Genealogies of Citizenship* (2008), Margaret Somers refers to a new “contractualization” of citizenship relations between states, citizens, and market, such that citizenship is no longer granted as a right but as a privilege, contingent upon market-driven “quid pro quo” obligations between states and citizens.

forms collide that my analysis adds a contribution to the study of race and globalization in Central American cities.

### **Chapter Summary, Cases, and Basic Arguments**

In Chapter Two, I attempt to define ‘Black Panama’ – the social ‘subject’ of this study – as an historical, cultural, and spatial social formation. In Chapter Three, I examine pre-neoliberal 19<sup>th</sup> and 20<sup>th</sup> century state racial projects, highlighting their spatial dimensions to interrogate the historical articulation of race, place, and citizenship in previous eras. I examine how nation-making and differentiated citizenship co-evolve through political, economic, and spatial transformation, and argue that race has been the central organizing principle of urban development in Colón. Chapter Four makes use of primary documents to describe the evolution of Panama’s neoliberal regulatory regime, and places it in regional and transhistorical context. I interrogate the implications of neoliberalization for urban citizenship, presenting findings of my ethnographic inquiry into the impact of the Colon Free Zone’s spatial and regulatory evolution on local social rights – defined here as access to livelihoods, public space, and meaningful participation in decisionmaking about development. I conclude that the project of neoliberal planning in Panama has altered state practices of economic, spatial, and racial governance compared to the era of U.S. Canal Zone dominance. As the basis of the national political-economy has shifted from bilateralism to globalism, and from a weak form of corporatism to neoliberalism, previous relationships between business, the state, international actors, and (black) workers (in particular) have been reconfigured in ways that carry negative consequences for such social entitlements as jobs and access to public space in the Colón inner city.

In Chapter Five, I examine the neoliberalization of urban housing policy and the racial politics of urban sprawl. I suggest there that neoliberal spatial rationalities are reorganizing the racial topography of Greater Colón. As the state abandonment of the ‘black’ city of Colón and the regulation of suburban development hasten population displacement and ex-urban settlement, I view the dialectic of urban abandonment and population management as evidence of a racialized neoliberal strategy of urban spatial maximization. Social service agents involved in the resettlement of housing squatters in Colón help to enact the state’s neoliberal project at the ‘street-level’ in their efforts to turn squatters into calculative neoliberal citizens ‘freely’ exercising a ‘choice’ to leave the city for the suburbs. As a conclusion, Chapter Six offers a synthesis of the preceding chapters’ arguments and proposes a way forward for future research on blackness and citizenship in 21<sup>st</sup>-century Panama.

### **Limitations**

This study has several limitations. One major limitation is that by focusing unilaterally on racial practices, I have implicitly diminished the interplay of race with other structures of inequality, namely gender. Of course, both racial and gendered ideologies are part of the complex layering of power and discourse affecting urban development and social exclusion in Colón. As such, attending to the politics of race in a comprehensive manner would necessarily involve analyzing the politics of gender and sexuality. Since, as Michelle Wright (2004: 315) astutely points out, “[b]lackness as a concept cannot be...produced in isolation from gender and sexuality”, questions of globalization, ethnicity and gender must be considered intersectionally. Indeed, the powerful forces that produce structural conditions of stratification at various scales (local,

regional, national, global) do so through a “complex pattern that integrates class exploitation and capital accumulation with ethno-racial, cultural-epistemic, and gender-sexual domination” (Lao-Montes 2007: 316). Future iterations of this research will therefore require a more systematic treatment of gender in analyzing patterns of power and social conditions.

### **Research Notes**

Primary and secondary data sources are used in this study to assess the relationship between neoliberalization, race, and development. At the same time that historical, cultural, and international forces affect the broader context in which urban development and racialization processes play out, the groups affected by and/or influencing these processes included in this study are government officials, low-income residents of Colón (the unemployed, the working poor and itinerant workers), and local community advocates. Through the use of public documents, archival materials, and key informant interviews, I identify and highlight key development plans, policy interventions, and community-level resistance that have been instrumental in the transformation of Colón’s local economy, and attendant labor and housing opportunities. I use news articles, census data, observation, and informal interviews with city residents to further examine demographic and livability changes in Greater Colón. The multiple data sources used include:

- Urban planning documents, public records concerned with land use, redevelopment and housing policy;
- Local newspapers, in particular *La Prensa*, *La Estrella*, the *Panama News*, *Crítica*, *Panamá America*, and *Día a Día*;
- Interviews with key informants: housing and planning officials; local government officials; academic researchers; housing, labor, and community advocates, and

others;

- Materials from local advocacy and community groups;
- Archival materials from the National Library and National Archives of Panama

I conducted 10 months of full time field research in Panama from July 2011 to April 2012. Prior to this extended fieldwork, I made four preliminary research trips to Panama between 2008 and 2011. On each trip, I visited various sites in Colón Province; took photographic surveys; generated personal contacts in academic, artistic, activist, and press circles; conducted unstructured interviews; and made efforts to participate in social and cultural life. On my 2011-2012 research trip, I established residence for myself in Panama City. I used personal savings to purchase a car, and braved the harrowing experience of teaching myself to drive a manual transmission vehicle on Panama's cut-throat roadways. For the first half of the fieldwork period (July-November 2011), I lived in a one-bedroom, street level apartment in the Casco Viejo (the "Old Quarter") neighborhood of Panama City with my infant son and nanny. From December 2011-April 2012, I rented a two-bedroom apartment in the Ancon Hill neighborhood of Panama City, a former Canal Zone residential district built for Canal Authority management.

I frequently traveled back and forth to Colón for interviews, events, and meetings. I lived in and observed what was happening in my research setting, and created ongoing relationships. Participant observation included daily living, attendance at and participation in rallies, career fairs, cultural festivals, religious services, weekly discussions in Colón, meetings, performances, parades, museum exhibits, social events, campus protests, and academic seminars. Interview participants were chosen through direct calls and in-person inquiries at government bureaus and non-profit organizations, network-based "snowball" sampling procedures, and casual engagement in public spaces.

I asked all informants whether they wished to remain anonymous or whether they would give permission to use their real names. Almost all participants were comfortable with using their names except for some government officials who expressly stated a desire to speak anonymously. Also, in circumstances where I gained topical information (unrecorded) through conversation at public events or public meetings, I have not used those participants' real names because formal consent was never obtained.<sup>15</sup> My research assistants worked together with me to translate all Spanish communications into English as necessary.

### **A Final Guidance for the Reader**

As all scholarship is, ultimately, incomplete knowledge, my best hope for the present work is that it perhaps untangles a few knots and brings a compelling angle to the stupefying reality of urban neglect in Colón. It is my intent that this small contribution to what Karl Marx once called “immanent critique” – a praxis-shaping explication of capitalist contradictions – may be useful toward emancipatory ends for the generous, capable, and spirited people of Colón.

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<sup>15</sup> This study was approved for IRB exemption.

## CHAPTER 2

### Defining Black Panama: Frameworks for Analysis

Racial discrimination is the key element that feeds the exclusion of the people of Colón. But there are two discourses of race in Colón. The *quotidian* discourse is non-racial. That is the tendency of people to say “somos Colonenses” – we are all Colonenses and there are no distinctions between us. And then there is a *political* discourse of racial discrimination. But most people are afraid to broach the issue of “race” – it’s too radical. So, for example, you have “morenos”, people of color, even having dark skin, who do not claim “blackness”. But they will participate in “Día de la Etnia Negra” and dress in African costumes for the parade. But it is because they want to participate in an event; an expression of multiculturalism in Panama. It is not a cultural expression with a political base. We can speak of multiculturalism and intercultural dynamics but the majority of Colón is black. And the reality is that the black majority is poor.

- Interview with a social researcher at CEASPA (who did not want to be identified by name)

### Prólogo

In a 2010 press conference organized by the Comptroller General's Office, which houses Panama’s National Institute of Statistics and Census, leaders of African descent, many of them linked to the Council of Black Ethnicity, warned of several anomalies reported in relation to questions about African descent on the recent census. According to concerned activists, the anomalies resulted from the limited training census enumerators had received and other implementation problems. Just four days after the census, some communities who claimed to identify largely as African descended reported on the news that they had not been surveyed. However, of greatest concern to the post-census working group – composed of Afro-descendant opinion leaders, representatives from the President’s office, and functionaries of the United Nations Population Fund (UNFPA) – was the lack of investment in training and polling on the subject of self-identity. Ethnic self-identification for the purpose of official population counting is a new experience for

both state and society, the Working Group argued. The post-census report (2010) of the Working Group concluded that sensitization about black identities “is especially important because we live in racist and discriminatory societies that reproduce ethnic and racial prejudices in daily life that can only be combated with education and *sensibilización*” (no page number). Further, the report states that despite the systematic efforts of the Council of Black Ethnicity, the public communication campaign that actually took place was insufficient because the agency was not given the resources and support needed to have a significant impact on conscientizing the entire population and the black population in particular. Representatives of the Council on Black Ethnicity saw the main goal of the census as an opportunity to shed light on

the status of each person living in the country, and for the state to fulfill its constitutional mandate to guarantee rights through both public policies and the redistribution of wealth and welfare. We also understand the census to be a tool to identify and recognize the ethnic and racial diversity that makes up the country, in order to build a new national identity in the context of an inclusive democracy.

Finally, the report authors insist that:

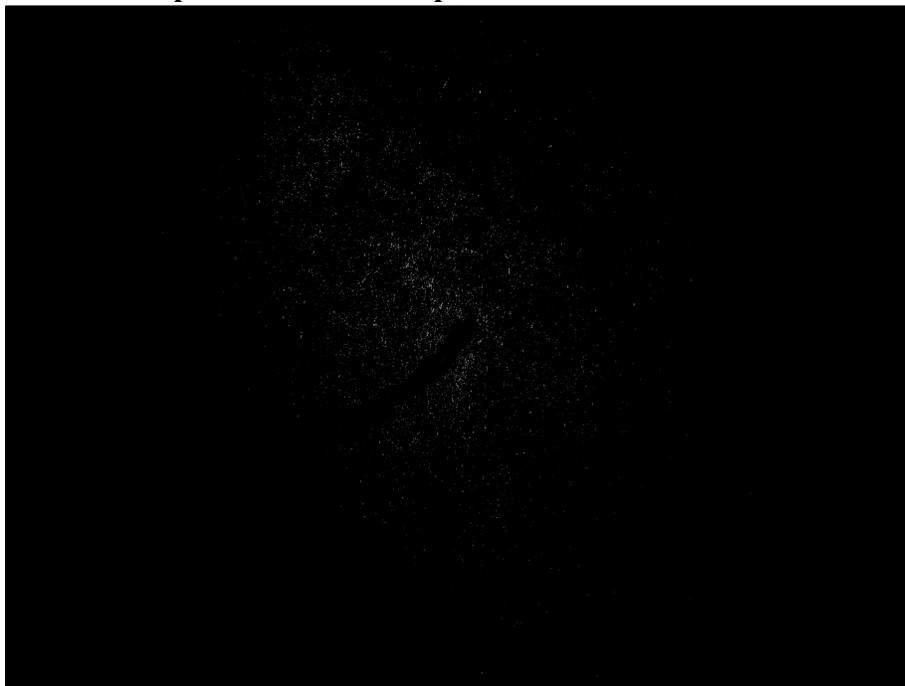
A very positive feature of the first week after census is that there is no longer an apparent resistance to the issue of recognizing people of African descent... [and] this is perhaps a very important moment ....to incorporate ethnic and racial variables in all surveys and national statistics. Doing so will provide concrete information that will uncover gaps that the state must act upon.

The frustration of the post-census working group reveals a longstanding tension in the identity politics of Panamanian society – who’s really black? And who speaks for the ‘black community’? I introduce these questions to set the stage for this dissertation’s interrogation of how *some* black Panamanians experience citizenship and inclusion more broadly.

## Introduction

The census of 1940 was the last census of the 20<sup>th</sup> century to classify Panamanian citizens and foreign residents by race. Seventy years later, the 2010 census would reintroduce categories aimed at counting Panama's black population. The census designers sought to give visibility to blackness through surveys and counting, and in so doing to help define the conceptual borders of black 'ethnicity' in Panama (See Appendix for category definitions). Prior to the formulation of the 2010 census, blackness had been articulated by the state more or less informally through techniques of 'mapping' (see map 2.1 below).

**Map 2.1: 'Ethnic' composition of Colón Province**



*This map depicts 'Black Antilleans' in Colón City and 'Black Colonials' along the Caribbean Sea coast.  
(Map redacted due to copyright restriction.)*

However, such articulations of blackness belie longstanding ambiguities about who is black and what constitutes blackness in the Panamanian nation-state. The country's 'transitist' character as a locus of movement, transport, and circulation of people, goods,

and money, has ushered distinct ‘waves’ of black migrants and at various times has made possible the importation of particular discourses of blackness and race relations.

Discourses of ethnicity, race, and nation thus figure centrally in the articulation or erasure of blackness in the Panamanian context, as elsewhere.

Spanish and Colombian rule of the Panamanian territory, from 1500s – 1821 and 1821-1903 respectively, shaped particular meanings of blackness in the social and political imagination. The 96-year US occupation of the isthmus, from 1903-1999, added another layering of racial ideology, structure, and governance. How these distinctive racial modalities shaped each other and what effects they rendered upon racialized populations is at the heart of the present investigation. This chapter asks, “what concepts, and political-economic and social phenomena inform the construction of blackness in Panama?” I first explore the conceptual origins of ethnicity and race. Next, I briefly explore some historical and empirical contours of ethnic and racial classification in Latin America within processes of national identity formation. Finally, I propose an analytic definition of blackness in Panama and introduce the conceptual framework I employ in subsequent chapters to analyze discrete ‘cases’ of racialization. While any human collectivity can be racialized, I focus here and throughout the dissertation on persons and spaces racialized as ‘black’.

### **The Origins of Ethnicity and Race**

Nations are modern constructions of community borne of the revolutionary-democratic events and sweeping industrial-technological changes of 18<sup>th</sup>-century Europe (Gellner 1983). With the formation of modern states, especially after the 1789 French Revolution, the concept of ‘nation’ emerged to signify the ‘people’ of a national

community sharing a common culture. The term 'race' had a variety of meanings in the West by this time. Generally, before the Enlightenment, race referred to noble lineage, subsequently as a class of people belonging to a certain land, and by the late 18<sup>th</sup> century, as a great divide among human types. As modern states took the form of sovereign political territories, the term 'nation' was extended to include the citizens of a nation-state (Hobsbawm 1990). Hobsbawm informs us that nations are the *result* of deliberate nationalist ('nation-making') projects aimed at the consolidation of diverse peoples, customs, territories, and lineages. Central to these political projects, ideas of nationalism project symbols of the internal unity of a society "based on concepts of 'racial classification'" (Torres and Whitten 1998: 7) that epitomize the 'racial' identity of the nation. According to Gabbert (2006: 86) "[d]uring the 18<sup>th</sup> and 19<sup>th</sup> centuries, however, the ideas of people, race, nation, and class, were still merged and the terms were frequently used interchangeably".

The terms ethnicity and ethnic derive from the Greek 'ethnos' to denote non-Hellenic, alien groups with distinct languages and cultures. However, concepts of 'ethnic' differentiation would only emerge in modern discourse in the early 20<sup>th</sup> century. Ethnic groups came to refer to "those people who were not politically dominant in a nation-state and who still had significant cultural markers of difference and sufficient social cleavages from the dominant political majority" (Nash 1989: 2). Still, the meaning of ethnicity remains a matter of scholarly debate (Safran 1995; Comaroff 1987).

Classical sociologist Max Weber was one of the earliest social theorists on ethnicity, ethnic groups, and modern concepts of race. Ethnic and racial affiliation are addressed directly by Weber in his seminal work *Economy and Society* in two short

essays on the formation of status groups and the racialized distribution of power in society. I use his writings as a departure to discuss more recent treatments of race, ethnicity, and nation.

*Classical Sociological Theories on Race and Ethnicity:  
Group formation and the distribution of social power*

In *Economy and Society* Weber explores “race” and “ethnic groups” in parallel.

At the outset of his essay “Ethnic Groups”, Weber invokes a (then) conventional description of “race” as a human characteristic rooted in common descent and like phenotype. Early 19<sup>th</sup> century scholars attributed to race “common inherited and inheritable traits that actually derive from common descent” (Weber 1968: 385).

According to this view, individuals perceive themselves to be members of a racial group through identification with the ‘common trait’ and through awareness of a racial ‘other’. However, “traits” suggests the presence of objective qualities – a selection of biological or social givens. Weber debunks these assumptions, offering instead a more critical conceptualization. He acknowledges the connection of groups through common ancestry, proximity and even custom. Yet, insofar as ‘pure anthropological types’ are discernable, he argues that pure race is not an observable fact. Rather, race only exists in the ideotypical abstract. Racial distinctions become reified through relations of power, cultural forces and subjective attachments.

Status group closure is a crucial mechanism through which, according to Weber, racial ‘types’ become reproduced biologically and socially. His concept of monopolistic status group closure refers to practices of exclusive association and endogamous procreation within groups bound through a shared belief in common descent. When a dominant racial group monopolizes status and power in a society, marriage and breeding

strictly within the race become social imperatives. At root, group formation stems from the aspiration to monopolize power and status – to secure economic and social privilege. Thus racial affiliation is not *only* a function of physical characteristics and common descent beliefs; it is also connected to the causes and consequences of status differences. It follows that as status monopoly gives way to greater inclusion, group boundaries might also enlarge.

Weber's theory of group attachment grants considerable weight to the notion of race as an *idea* and of racial affiliation as a machination of the social imagination. Racial group affiliation, therefore, has as much to do with externally ascribed definitions linked to structures of power within and between racial groups, as to internal perceptions linked to the subjective assimilation of codified practices. On the basis of this latter mechanism, individuals *believe* themselves to be part of the social collective, and they affirm their place through the power of sentiment, memory and imagination. Once belief is firmly rooted, the precursory trappings of tradition and environment (ie: the "objective foundations") may change or fall away, but the imagined self remains yoked to a collective sensibility that provides a sense of belonging, origin, rootedness, being. To the extent that race is socially constructed and institutionally reinforced, it has an objective quality; and it has a subjective quality, insofar as it is constituted through individual and group consciousness. He sees these aspects as intertwined and fundamental to the operation of power in the social ordering of group status. In the final analysis, for Weber, racial groups are not natural phenomena but arise as a consequence of social and political practices of status group closure tied through descent, status considerations, and solidaristic *beliefs*.

Like race, ethnicity is associated with similarities in everyday conduct and a shared sense of ethnic (status) honor. Ethnic honor refers to a sense of cultural uniqueness and status privilege. Interestingly, Weber observes that expressions of ethnic honor are more typical of lower class actors and pariah groups; in the absence of the social privileges associated with elevated economic position, ethnicity often represents the main source of status honor for these groups. Ethnic distinction is achieved through “conventionalization”: the objectification of behavior such that conduct becomes associated with the essential qualities of an ethnic group and defines a set of ascribed traits. Hence, Weber defines ‘ethnic groups’ as:

those human groups that entertain a subjective belief in their common descent because of similarities of physical type or of customs or both, or because of memories of colonization and migration; this belief must be important for the propagation of group formation; conversely it does not matter whether or not an objective blood relationship exists (Ibid.: 389).

Against this assessment, Weber contends that an ethnic group is not in fact a *group* at all. As an assumed identity grounded in a consciousness of kind<sup>16</sup>, ethnicity is an ideational force that urges community formation under particular circumstances related most often to political action. However, the psychological or political constituents of a given expression of ethnic group formation are not uniform and cannot be precisely pinned down. The elusive characteristic of ethnic group definition is expressly related to its artificiality, and in order to understand ethnicity we can at best

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<sup>16</sup> On group formation, Weber declares that as people accommodate themselves to their ‘conditions of existence’ (1968: 388), they cultivate practices that over time become customs. The assimilation of customary practices by members of a group reinforces distinction from other groups, and distinct lifestyles emerge (exemplified by dress and everyday conduct) that further effect internal closure of group boundaries. Weber posits that a ‘consciousness of kind’ (Ibid.: 387) results, as groups define themselves by custom and shared meanings attached to those customs. Hence, through acculturation (the transmission and assimilation of customs) in addition to perceived similarities in physical type, humans claim racial affinities.

“limit ourselves to showing briefly the diverse factors that are hidden behind this seemingly uniform phenomenon” (Ibid.: 395).

“The political community inspires the belief in common ethnicity” (Ibid.: 389) by imputing a strong sense of identity through the collective embrace of blood relationship and according political currency to it (Ibid.: 393). The myth of common origin, in other words, has the power to overcome societal cleavages and compel ‘unified’ political action. Ethnic belonging thus presupposes an indivisible group with a shared stake in the future and a mutual, albeit often fictitious, past. Linguistic similarity, also assigned to ethnic groups, is the most prominent inducement and binding ingredient of group mobilization in a national context.<sup>17</sup>

Unfortunately, Weber’s analysis lacks clarity on the conceptual boundaries between nation, race and ethnicity. His explanation suggests at least two implications about the association between race and ethnicity as group categories. First, race is a macrolevel category constituted through power on the basis of skin color distinctions. At the mesolevel is ethnicity, associated with phenotypical characteristics but not defined by them, correlated with social status/power but distinguished primarily through culture and collective action. Races are, in effect, composed of ethnic groups. In one illustration, Weber notes that Scythians and Greeks are ethnically distinct insofar as their language or symbolic traits are variously expressed, but they are not racially diverse (Ibid.: 392). Second, the intersection of ethnicity and race suggests that ethnicity is a more fluid

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<sup>17</sup> Here Weber’s reference to language connotes not only speech, but also the stylized idioms and interactional patterns that allow group members to speak to each other and to be profoundly heard and felt. A community of language thus adds further complement to a common origin story, and can in fact prevail over certain fictions of common descent in the construction of ethnic group identity. Language is particularly decisive since the “intelligibility of the behavior of others is the most fundamental presupposition of group formation” (1968: 390).

identity than race as far as group boundaries are concerned, but Weber offers little elaboration on this point. Ethnic groups, like races, are constituted through power; yet, ethnicity is often a proxy for culture and race for phenotype.

Many of Weber's concepts are still discernable in contemporary theorizing on race and ethnicity. While academics still disagree on distinctions between 'race' and 'ethnicity' (see for example, Wade 1997; Smith 1986; Benton 1983; Jenkins 1997), both concepts are grounded in ideas about descent, and "phenotypic markers can play a role in both racial as well as ethnic ideologies" (Gabbert 2006: 87).<sup>18</sup> However, where Weber strongly emphasized the role of belief, consciousness, and custom as central criteria demarcating ethnic and racial 'groups', later scholars have highlighted instead the social and political *circumstances* that motivate claims of ethnic belonging, and the social *structures* that assemble, organize, and reproduce ethnic and racial boundaries. I turn now to more recent elaboration and debate on these phenomena.

### **Recent literature on Ethnicity**

Recent academic discourse deploys the term 'ethnic' in various ways. Most scholars use ethnicity to account for the cultural differentiation within national communities. For some, ethnic groups may or may not refer to political minorities only, but to any group distinguished by cultural criteria (Tambiah 1989; Oomen 1994).<sup>19</sup> There is general agreement across disciplines and approaches, nonetheless, that ethnic difference is constructed through traceable historical processes. Roediger (2005) charts,

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<sup>18</sup> Moreover, "The importance of origin or descent helps to distinguish ethnicity from class" (Gabbert 2006: 88), which emphasizes group social cohesion as an economic position.

<sup>19</sup> Tambiah (1989), for example, sees ethnic groups as intermediate collectivities, larger than groups integrated through kin relationships, but smaller than national collectivities because these groups cohere beyond solidarities established through "face-to-face" relationships.

for example, the salience of ‘ethnicity’ in the U.S. as it emerged during the 1880s-1920s period of high immigration of Southern and Eastern Europeans. The arrival of European foreigners with ‘strange’ customs and, in some instances, ‘swarthy’ skin-shades relative to normative Anglo-American whiteness generated alarming uncertainty around whether non-Anglos (and non-Nordics) were actually of the white race (in a dual sense of ‘fitness’ for the nation and in terms of genetic stock). By the 1930s, however, Europeans of all backgrounds were regarded as ‘white’ (at least by immigration authorities and census takers, if not in popular terms), and new uses of ethnicity were becoming codified. ‘Ethnicity’ emerged as a term that could help to locate “new immigrant communities and communities of color” in different positions “in a changing social structure” (2005: 25). White ‘ethnics’ were presumed to be assimilable, while non-whites were not. As a result, race was reserved for non-whites.

As Roediger’s socio-historical study indicates, the making of ethnicities is a process; ethnic classifications and the formation of ethnic groups are not ‘given’ facts. Along these lines, analysts tend to view ethnicities as relational (Eriksen 2002) and situational (Cohen 1978). For Ronald Cohen, ethnicity is ‘situational’ in the sense that changes in the structural circumstances of an ethnic group are cause for expansion or contraction of the boundaries of the group or the sets of cultural criteria that define an ethnic boundary. I agree with Eriksen’s (2002: 34) contention, moreover, that “ethnicity is an aspect of a relationship, not a cultural property of a group”. In a case from Mexico, for example, Nanengast and Kearney (1990) observe that Mixtec ethnic consciousness in the Oaxaca region has only recently begun to emerge among various peoples – Zapotecs, Tzotzil, and Nahua. Historically, these speakers of different Mixtec dialects primarily

identified themselves in terms of their respective village backgrounds and religious festivals, thereby distinguishing themselves from neighboring communities in the region. Yet, due to increases in labor migration to the U.S., where they share experiences of labor discrimination, they formed cooperative associations based on a collective Mixtec identity as a means of survival. This ethnic consciousness in turn gained currency in Oaxaca, influenced by return migration flows. This example illustrates Anderson's (1983) suggestion that ethnic groups, like nations, are imagined communities. It also points to the transnational dimension of ethnic formation.

Williams (1989) cautions, however, that focusing too emphatically on the *fluidities* of ethnic identity formation can divert attention from power relations that operate in determining how ethnic boundaries are formed, as well as determining who or what is *ethnic* and who and what is not. Thus, while ethnic groups are internally diverse and stratified, how individuals and groups identify themselves and relate to each other within and across ethnic differentiations is a product of power relations within the nation-state. Social cleavages in society that form along ethnic lines are delineated in accordance with the distribution of privilege and power, rights and obligations, material and symbolic rewards, to ethnically-differentiated groups. Moreover, the 'ethnicity' of dominant cultural groups within a multinational, multicultural state is not generally visible as such. Ethnicity is in fact made visible as a function of one's cultural and phenotypical alterity in relation to the 'mass' cultural forms institutionalized as the cultural 'mainstream' of a nation-state. Recalling Roediger's circuitous history of immigrant journeys into whiteness, 'ethnicity' ultimately lost its association with color, and came to refer only to

cultural particularities *within* the dominant group.<sup>20</sup> However, only toward the end of WWII, and not fully until the 1960s, did European ‘nationalities’ (Roediger 2005: 27) cease being descriptors for racial classification. Williams states furthermore, “all cultural forms made visible by their ethnic ‘marking’ are [understood as] alternate forms of lower-class culture” (Williams 1989: 412). In agreement, Gupta and Ferguson (1997: 17) stress that cultural difference and ethnic consciousness “are produced and maintained in a field of power relations.” In a similar vein, ‘race’ is structured through power and organized hierarchically within racialized social systems operating at multiple scales.

### **Rethinking Race**

Racial categorization has more significant purchase in some societies than others. In South Africa or the United States, for example, race has been at the center of the national political terrain since the nation’s inception. Social inequities have been traditionally and explicitly racialized. The explicitly racist logic of the apartheid or Jim Crow societies, for instance, assigned race as an overdetermining factor in social life.<sup>21</sup> In his provocative work *Against Race* (2000), Paul Gilroy emphasizes, however, that race is neither a secure political category nor is it reliably marked somatically or physically. The

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<sup>20</sup> A closer reading of Roediger suggests that ethnicity is not merely a neutral, ‘cultural’ category. In fact, both ‘races’ and ‘ethnic groups’ are conceived in order to generate and legitimate structures of racial domination that position the category of ‘whites’ at the top of the social hierarchy. In this arrangement, ethnicity is subsumed under race because it is deployed to explain the internal diversity within races. Thus racial and ethnic identities work in complex ways to define people and their place within a social structure.

As I shall explore in a later section, the progressive formulation of the signifier ‘Afro-Panamanian’ represents a striving to overturn negative representations of blackness within Panama’s own white-supremacist racial hierarchy, even while the move toward ‘Afro-Panameñidad’ essentializes and combines people of different customs, traditions, and subjectivities into a basically undifferentiated racial group.

<sup>21</sup> In the post-apartheid context, South Africa’s race project has focused on “de-racing”, that is, on constructing a postracial national identity forged through the merging of all the colors of the ‘racial’ spectrum toward a single colorless society and by working toward the institutional erasure of past racial fault lines (Fareed 2006: 231, 245).

instability or uncertainty of race has emerged as an important racial discourse inviting ongoing interrogations about what race has become or is becoming; interrogations of how race functions (Fareed 2006).

Analysts have begun to focus on racialization in recent decades as an outgrowth of scholars' dismissal by the 1970s of 'race' as an "empty signifier" (Rustin 1991). For race theorists, 'race' was once considered an essentializing factor in group formation, as biology was thought to determine human differences. With the realization that 'race' has no basis in scientific fact, scholars turned by the 1980s to the deconstruction of racist ideologies (eg: Miles 1989). Since the 1990s, scholars recognized that race, while fictitious, does shape lived experience and has social consequences for individuals and groups. On one hand, race, ethnicity, and nationality are cognitive frames for making sense of the world – of identifying oneself and other people, and interpreting their actions. These frames, through which humans construe sameness and difference, are reproduced in the mundane interactions that make up everyday social activities.<sup>22</sup> On the other hand, more than a frame for viewing the world, race also has systematic effects on people's lives by structuring 'life chances' differently between racialized groups.

Racialization has thus been proposed as a crucial lens through which such consequences can be evaluated. For Winant (1994), racialization is the process by which racial concepts and meanings are constructed. Small (1994) calls for a shift from race 'relations' to analysis of relations that have been racialized. Anthias, Yuval-Davis, and Cain (1993) underscore the importance of examining how class, gender, and ethnicity intersect in racial boundarymaking. Goldberg (1993) suggests a focus on racialized

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<sup>22</sup> Such 'cognitive approaches' view race, ethnicity, and nation as "perspectives on the world", instead of "things in the world" (Brubaker 2009: 32).

discourses, emphasizing the nexus of power and knowledge in the structural and psychological subjection of racialized bodies. For postcolonial scholar Frantz Fanon, who introduced the term in 1952 and 1967, racialization is a racist violation visited upon bodies and psyches that also can be resisted through the rejection (using counterviolence if necessary) of racialized oppressions.

*Racialism, or 'Race-thinking', in Post-Colonial Latin America*

Most contemporary scholars agree that the idea of race emerged out of processes of exclusion birthed in the European colonial encounter.<sup>23</sup> Slavery and *mestizaje*, or racial-mixing, were facts of early colonial life in Latin America that eventually shaped the meaning of race and the structure of racialized social order in postcolonial societies. Examining race relations in colonial Latin America, historians have gained novel insights into the early looseness of 17<sup>th</sup> and 18<sup>th</sup> century racial categories and the complex emergence of 'whiteness' as a dominant racial category. Sinclair Thomson (2011) demonstrates, for example, that prior to the Andean war of 1780s Peru, the divides between Peninsular Spaniards, American-born Creoles, and Indigenous peoples were not very strict. Spaniards lived in towns predominated by Indians; mestizos and *cholos* were, as products of racial intermixing, distinguishable from Indians even while they remained tied to Indian towns through kinship networks and land ownership; and some Indians adopted Spanish dress and other markers of Spanish identity. Spanish identity was thus somewhat malleable and could include people of multiple territorial origins and lineages.

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<sup>23</sup> Michael Banton, first (after Frantz Fanon) to coin the term "racialization", attributes the concept of race as having developed in Europe among Europeans, constituting the racialization first of the West. In the context of early racialization in Europe, race was really a proxy for nation; at that time race referred to ancestry not biology. With later contact with the rest of the world, Europeans racialized other groups. On first contact, Europeans regarded African people not in racial terms but in religious terms, ie: as heathens and barbarians.

During the Indian insurrection of 1780-81, those perceived as Spanish were targeted as oppressors, and the separation between Indians and “Spaniards” became more fixed through the usage of a language of color among the Indian, cholo, and mestizo leaders of anticolonial insurgency that marked a ‘true’ Spaniard as a *blanco* (white man) or a *Blanca cara* (pale face). Thomson points out that these terms emerged as neologisms in late-colonial Andes; he argues that the language of whiteness presented itself in this time of crisis.

While for Thompson, crisis serves as the crucial prompt for racial boundarymaking in colonial Latin America, Poole and others observe of *postcolonial* Latin America that race-thinking became especially integral to the political project of national building. In the postcolonial context, Poole (2011: 182) comments that the racial ideology of *mestizaje* “provided the language through which elites of the 19<sup>th</sup> and 20<sup>th</sup> centuries sought to construct a unified national identity by eradicating, denying or devaluing the cultures and histories of the various indigenous, African, Asian, and Middle eastern groups” in Latin American societies (more on this later). Taracena Arriola (2011) explains that in the mid- to late-19<sup>th</sup> century, postcolonial statemakers in Guatemala sought to fix racial categories as a means toward political consolidation. There, the state institutionalized Indian subordination through practices of forced labor, differentiated education, and compulsory agricultural specialization. Creole and Ladino (non-Indian) elites espoused a discourse of Indian assimilation, but the imposition of “civilizing requirements” – using Spanish/Western clothing, speaking Spanish, acquiring literacy and numeracy, producing cash crops, and pursuing private land ownership – kept Indians from attaining full citizenship in the emerging nation. Able to meet many of these

civilizing requirements, Ladinos were allowed citizenship, while discriminatory practices racializing Indians as a separate group excluded them from citizenship. In this way, Spanish Creoles (read, whites), who dominated the political sphere, promoted an “ethnically differentiated citizenship” (Taracena Arriola 2011: 98). Taracena Arriola argues that keeping Indians on the edges of citizenship, living segregated lives producing cash crops in rural areas, left them “marginal to a Guatemalan national identity” (101) and secured white and ladino control of the state.

As a final example, Rosanna Barragán’s (2011) historical case study of late 19<sup>th</sup> century Bolivia explores how the Bolivian state’s construction of census categories imposed ‘race’ on individuals and groups. In the Bolivian censuses of 1846 and 1854, whites and mestizos were counted together as a racial group, recognizing a sort of kinship between them. But by the turn of the 20<sup>th</sup> century the two categories were separated. Barragán argues that the political climate turned in two senses: first, a political polarization had taken effect between the aristocratic class (chiefly ‘whites’) and the middle class (‘mestizos’). The changes of census categorization reflected the logic and salience of this social distinction. Additionally the invention of the ‘mestizo race’ began to take on an ideological and political significance, refashioning the social order. Let Rahier’s (2004: 283) comment serve as a summation: “Indeed, to secure unity and to make their own history, the dominating powers have always worked best with practices that differentiate and classify. Their ability to select or construct differences that serve their purposes has depended upon the possibilities for exploitation that emerge in the dangers contained in situations of ambiguity”.

## **Mestizaje and National Identity**

The formation of a nation...requires convincing a society made up of millions of people divided into different classes and ethnicities to accept an idea of an imagined community that is constructed to a great extent by the state and the elites (Taracena Arriola 2011: 111).

‘National culture’ helps to resolve differences within the nation by constructing a homogenizing ‘national identity’ (Anderson 1991[1983]). A contingent phenomenon, however, is the invention of various Others “within and without the limits of the ‘national space’” (Rahier 2004: 283). Racialization is at work in these dual processes, and the role of the state is central.

### *Constructing Mestizaje*

Following Martínez-Echazabal (1998), I use *mestizaje* as the basic unit of analysis for racial and cultural identity discourse in Latin America. To grasp the concept, let us start with José Vasconcelos’ *La Raza Cósmica*, a template of official *mestizaje* discourse in 20<sup>th</sup> century nation-building. In 1925 Vasconcelos, a Mexican educator and statesman, wrote *La Raza Cósmica*, a seminal treatise of *mestizaje* ideology, which argued that the ‘mestizo’ embodies a racial and cultural synthesis that is a virtue and pillar of Mexican national identity. For, the “mestizo would be the ‘cosmic race’” (Vasconcelos 1925 in Hernández Cuevas 2004: 2). Racial and cultural mixing (“*mestizaje*”) would not only lead to national homogenization in the direction of Hispanicization, Vasconcelos argued, it was a “necessary condition for the configuration of a modern nation” (Bartolome 1997 in Hernández Cuevas 2004: 2).

The ideology of *mestizaje* emerged during a formative period of Latin American state-making in the middle to late 1800s. Prior to the early 19-century wars of independence throughout New Spain, or colonial Latin America, mestizos had been

classified by Spanish authorities and the Catholic Church along a range of racialized categories called *castas*. *Castas* referred to persons of racially mixed descent (Indigenous and European) with some measure of ‘African blood’. The 19<sup>th</sup> century discourse of *mestizaje* began to shape discussions of postcolonial identity as a response to forms of political and cultural Eurocentrism (rooted in eugenicism) that viewed the miscegenated peoples of the New World as genetically compromised and culturally degenerated. Postcolonial Latin American leaders also sought to bring an end to in-fighting and uprisings within their emerging nations divided by class, ethnic, and ideological tensions. Vasconcelos’ program was embraced as a pathway to uniting Mexico through the creation of a distinctly Latin America identity that embraced the best that ‘mixing’ had to offer. He gestured toward the recognition of a fifth race, “superior to all known races” (1925: 13-14). This idea of a uniquely Latin American “raza” would serve as the model for the formation of national identity in country upon country in the region.

The Mexican statesman was one of several prominent eugenicists with influential ideas in late 19<sup>th</sup> and early 20<sup>th</sup> century Latin America (Stepan 1991). Widespread concern about preserving “racial hygiene” in the face of what appeared to be degeneration through hybridization, inspired extensive scholarship linking Darwinist notions of biological evolution and survival of the fittest to the potential dangers of miscegenation for the superior blood of white races. Interracial mixing, it was claimed, would produce “a degenerated breed of man” (Diaz-Sánchez 1938: 32). And yet, interesting variants run counter to this sort of racialist/racist thinking. For example, Argentine Carlos Bunge was convinced that African blood could add strength and a congenial disposition to the Spanish American’s psychology and physical stock. Black

blood could be regenerative for the nation because it “blends admirably with the Spanish, at least with southern Spaniards” (Bunge 1918 [1903]: 156). Those early texts on *mestizaje*, inspired by evolutionism and Spencerian positivism, espoused white supremacy despite their apparent promotion of “harmonious heterogeneity” (Quijada 2000).

Vasconcelos’ vision of cultural homogenization did not situate all of the New World’s cultures – imported or aboriginal – as inherently equal in valor. To the contrary, his agenda aimed at ‘civilizing’ Mexico’s indigenous and African cultural influences. His racial agenda further envisioned *mestizaje* as a process of restoring whiteness through the absorption and eventual disappearance of African and Indian genetic traits. What would ideally result is a light brown blur of ethnic complexities. Importantly, Mexican official ideology would emphasize the integration and blending of indigenous and European influences, while the African “third root” was to be erased from visibility and collective memory altogether (Martínez Montiel 1999). Vasconcelos was very much aware of the extensive miscegenation already occurring, and hoped that such tendencies of racial intercourse might be rationally directed by an enterprise of racial improvement (ie: whitening), or what he called “constructive miscegenation”. Blackness was deemed “unworthy of reproduction” (Vasconcelos 1925: 30-31), and as a solution, his model of interracial mixing would bring out qualities that ought to predominate in the mestizo race, while phasing out others. Vasconcelos’ ideas were not confined to the realms of theory and text; rather, social policies of the 1920-1940s are evidence of programmatic interventions directed toward the erasure of Afro-Mexicans and the “cleansing of Africanness” from national identity discourse “by an all-out government campaign of

mass persuasion through public education and the arts” (Hernández Cuevas 2004: 32). In short, Vasconcelos’ influential doctrine on *mestizaje* intended to mask cultural and racial heterogeneity as a critical project of nation-state formation.<sup>24</sup>

While Vasconcelos’ ideas were extremely influential in the region, *mestizaje* as a national ideology varies in different national contexts. For example, Brazilian Gilberto Freyre argued in 1933 that racial blending among his country’s population would produce a meta-race of mixed people and thereby a “racial democracy” among Brazilians of all colors. Racial democracy through *mesticagem* would ensure Brazil’s place as a modern nation (Telles 2013: 1564; Freyre 1986[1933]). As another example, *mulataje* is the Cuban variant of *mestizaje*. *Mulataje* is the foundation of *cubanidad* (Cubanness) and serves as the prototypical identity of the nation. Afro-Cuban writer Nancy Morejón (1982: 31 in Martínez Echabazal 1998) articulates the widely held sentiment that Cuban national identity “presupposes a variety of races and one mixed culture...[N]ot a multiplicity of races and of cultures, as in countries with a diverse culture”. Here Morejón, envisions a homogenized national culture, while racial heterogeneity is retained.

However, Cuban sociologist de la Fuente (2001: 335-336) asserts that *mulataje* actually reproduces racial inequality. As the official discourse on race, *mulataje* at once relegates blackness to an element of Cuba’s distant past while also reproducing racist understandings of blackness. His extensive study of the influence of *mulataje* on

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<sup>24</sup> By the 20<sup>th</sup> century, the promise of the mestizo race was accompanied by a push to recognize the respectability of the original, indigenous civilizations of the Americas. This new elaboration on *mestizaje* discourse was called Indigenism. Torres and Whitten (1998) describe indigenism as having two opposing dimensions: “[O]n the one hand, a search for the creative dimensions of nationalism through the symbolism of an indigenous past and, on the other hand, [it is] a social-political-literary symbol that conveys the mood of remorse over the living conditions of contemporary ‘acculturated Indians. . . . Indeed, *indigenismo* may be thought of as a key support for the exclusion of contemporary native peoples from nation-state affairs.”

government policies from 1902 to 1999 reveals that in pre-revolution Cuba, policies inspired by *mulataje* sought to make the population's African roots invisible; after the 1959 revolution, public discussion on race was silenced altogether, and Afro-Cuban cultural traditions were reconstituted as a backward cultural vestige. The relationship between *mulataje* and black culture here is an important one. Whereas the 20<sup>th</sup> century racial project of *mestizaje* resulted in most countries in forms of indigenous assimilation and black erasure, in countries where black cultural contributions have been recognized, as in Cuba and in Brazil, black culture is often appropriated by the state, to be represented in museums, textbooks, and cultural festivals as 'nostalgic' folk traditions. Yet, depicting black cultural forms as racialized 'survivals' implicitly invokes once again the ideology of whitening (*blanqueamiento*) via racial and cultural miscegenation (Godreau 2002).

Critics of state- and elite-endorsed ideologies of *mestizaje* suggest that *mestizaje* preserves an ethnic status hierarchy in Latin America that advantages whites and mestizos (Holt 2003). In this way, borrowing a term from Omi and Winant (1994), *mestizaje* constitutes a powerful "racial project". The main critiques of *mestizaje* as a racializing discourse point to its role in: encouraging mixture to further whitening (*blanqueamiento*); denying black and indigenous identities and cultures by homogenizing the nation; weakening racial and ethnic distinctions necessary for antiracist mobilization; and masking persistent racial discrimination and underlying racial hierarchies (See Telles and Bailey 2013, for a detailed critical discussion).

In the second half of the 20<sup>th</sup> century, while the Black Power movement and the Civil Rights movement for racial equality raged in the United States, ethnoracial mobilizations in Latin America were few. That *mestizaje* myths have led minority groups

to deny the structural causes of their own disadvantage in the region may help explain this asymmetry (see Twine 1998; Hanchard 1994). By the 1980s, however, black and indigenous mobilizations gained momentum. Afro-Latins mobilized especially in Colombia, Brazil, and Ecuador. Formidable indigenous movements arose in Bolivia and Ecuador. Due in part to the pressure these movements placed on governments to enact reforms, *mestizaje* has been displaced by multiculturalism as an official discourse (more on this in Chapter 6).

To summarize, *mestizaje* is an elastic concept that, like the idea of ‘race’, has changed through time and across location. *Mestizaje* (as genetic miscegenation) was devalued in the colonial period, connoting degeneration and the impurity that results from racial mixing. Later re-signified in the postcolonial, early Republican period, *mestizaje* has also been understood as a process of racial improvement, achieved through the positive synthesis of the best of what distinct races have to offer. In this account, paradoxically, *mestizaje* is both a racializing discourse (by creating the language for a new cosmic race) and a de-racializing discourse (supposedly removing racial difference through hybridization). As history has shown, *mestizaje* has meaning on multiple registers simultaneously, including cultural, biological-racial, linguistic, and religious referents. Accordingly, the concept has been used variously by scholars, policy makers, counterhegemonic movements, and popular sectors of society to emphasize either its racial or cultural components. However, Mendoza (2006: 188) asserts that because social constructivism in the social sciences has downplayed the biological fundamentalism of race, *mestizaje* is most often rendered as a cultural process.

*Blackness in Contemporary Latin America*

Some sociologists argue that race and racism are distinct in structure and dynamics from ethnicity and nationalism (Omi and Winant 1994; Bonilla-Silva 1997; Sanjek 1996; Harrison 1995). Others admit important distinctions between race and ethnicity but recognize extensive blurring between the two concepts (Cornell and Hartmann 1998; Jenkins 1997; Loveman 1999; Wimmer 2008; Miles and Brown 2003). Duany (2006: 233) argues, for instance, that “in principle, any ethnic group (whether defined by national origin, language, religion, or some other variable) can be racialized”. Still other scholars understand race, ethnicity, and nationalism as an integrated complex of forms, focusing less on defining the boundaries of each concept and more on the processes through which race, ethnicity, and nation work together (Brubaker 2009; Calhoun 1997; Fenton 2003; Omi and Winant 1994; American Anthropological Association 1998). As lived experience, blackness in Latin America constitutes a clustering of layered identifications, nested in class, regional, ethnic, and racial signifiers shaped by power relations with the nation-state.

Compared to African-Americans in the U.S., it cannot be taken for granted that Afro-Latins view themselves as racial subjects. In the multiethnic and multicultural contexts of Latin America’s demographic landscapes, some scholars view race as a constituent of ethnicity. Drawing on the Dominican case, for example, Howard (2001: 2-3) asserts Dominicanness as a “national ethnicity” encompassing all colors and classes. He writes that “Race, as a component of ethnicity, is created by attaching social and cultural significance to physical features or color, and then by grouping individuals according to phenotype”. For other Latin Americanists, ethnicity refers to socio-cultural

difference within a racial group. As an example, the indigenous peoples of Peru - officially constructed as a racial group – include an array of cultural and linguistic types. However, unlike their indigenous counterparts, according to Hooker (2005: 294), people of African descent in Latin America have displayed low levels of ethnic or racial identification. When and where race or ethnicity has become salient in the formation of a ‘black’ group identity is highly contingent.<sup>25, 26</sup> Indeed, some Afro-Latins claim ethnic identities, while others explicitly racial ones; still others express identification with both or none at all. In the Panamanian context, as elsewhere in the region, neither construct is mutually exclusive.

The identification of Latin American societies as essentially *mestizo* has had a powerful effect on ideas of race in the region. The most widespread attitude is that race is unimportant because of the fact of mixture. It is supposed that ethnic identities based on local cultures exist but the prevalence of racial mixture has eliminated race consciousness and racism. The opposing perspective is that for black and indigenous people, often viewed and positioned at lower social strata than whites or individuals with visible degrees of mixture, racism negatively affects how they experience the world. Though it is a different kind of racism than what is familiar in the US, racial discrimination exists “but it is often unsystematic, individualistic, silent, and masked” (Wade 2008: 184).

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<sup>25</sup> Some scholars (for example, Marx 1998; Nobles 2000; Hooker 2005) have drawn attention to the role of political opportunity structures in shaping ethno-racial identification and political behaviors.

<sup>26</sup> The term *mestizo* too has different histories in different parts of Latin America; it is sometimes conflated with *cholo* in Andean countries, or with *ladino* in Mexico and Guatemala. Because *mestizaje/mestizo* are not committed to a single or unitary usage, it is in this sense a ‘slippery’ socio-historical construction that is nonetheless ‘real’ in that it has been deployed since its inauguration in the age of colonial rule to both signify and mask social inequalities.

Blackness and indigeneity are recognizable social categories, even if people are reluctant to embrace and articulate identities that draw attention to racial difference (Ibid.).

Wade (2008) observes that some analysts of race in Central America and the Andes have tended to view ethnicity as more relevant than race, typically constructing the differences between mestizos and indigenous peoples as reducible to cultural differences of dress, language and custom. I agree with Wade, however, that such a reduction is unwarranted because of the historical role of racial ideology in defining ideas about the nature of ‘indios’ and ‘negros’. Ethnicity-based worldviews also ignore problems of discrimination individuals and groups experience on the basis of ‘looking’ black or indigenous. Finally, such approaches identify ethnicity with culture and race with fixed biological differences, without recognizing that racial discourses also tend to ‘naturalize’ culture; that is, people view specific behaviors and customs as aspects of a group’s nature such that race and behavior invoke each other. The latter point – that race is also about culture – is important and helps to explain instances of cultural racism, whereby discourses of morality and culture are attached to ‘raced’ bodies (for an example in Colombia, see Striecker 1995). So, as an example, even though people may not identify themselves in racial terms as a primary identity, they might identify what they perceive as low class or immoral behavior as a code for blackness, and being hard working or morally proper as code for mestizo. Arguably, “culturalized notions of race” (Wade 2008: 185) or as de la Cadena states inversely, “racialized notions of cultural heritage” (2000: 155), account for a uniquely Latin American approach to race.<sup>27</sup>

Latin American notions of race have also been influenced in recent decades by democratization (Van Cott 2000), new forms of neoliberal governance (Hale 2002), and

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<sup>27</sup> That is to say, as distinct from Europe and North American racialism.

black and indigenous social movements linked to transnational ‘identity politics’. Latin American states have undertaken constitutional reforms, either because of pressure by minoritized communities seeking recognition of cultural or land rights, or in response to cultural pressures within the world polity to adopt globalizing tropes of multicultural democracy. A growing literature has documented some effects of multicultural constitutional reform and the activity of international development organizations in framing race as ethnicity, even as (in contrast) many young people today are embracing ‘black’ as a “self-conscious, and globalized, political identity based on race” (Wade 2008: 183).

Defining who is black in Panama involves distinguishing between everyday discourses and social science concepts. Analytic concepts tend not to reflect the malleability and complexity of ordinary usages. Official, administrative classifications suggest even more rigidity than academic concepts as analytic concepts enter the worlds of law and government policy. And yet, frequently there are complex feedback loops bridging analytic, ordinary, and official constructions of blackness (Restrepo 2004; Wade 2009). In Panama today, multiple concepts of blackness are in force: Afro-Panamanian, Afrodescendant, Afro-Hispanic, Afro-Antillean, Black, Negro, and Moreno. Table 2.2 below outlines the results of the 2010 decennial census, which asked respondents to self-identify in response to the question “Do you consider yourself...”. The diversity of responses is striking.

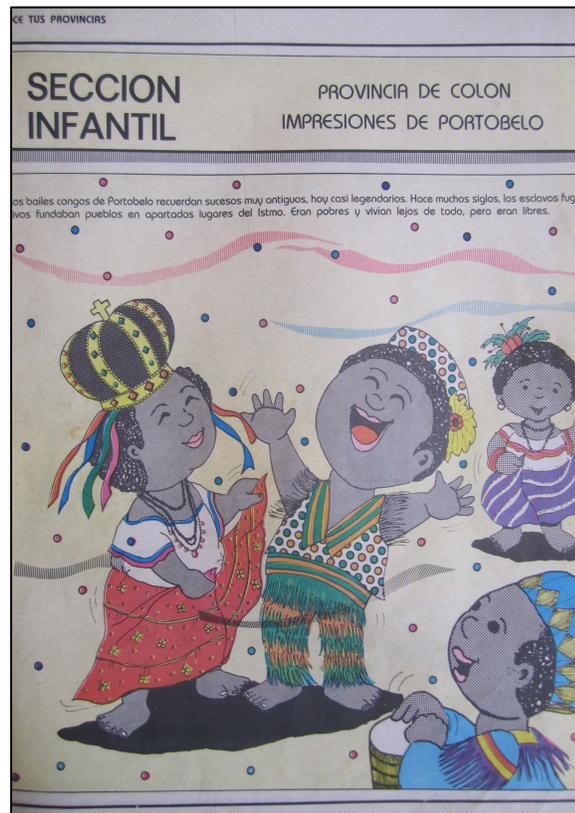
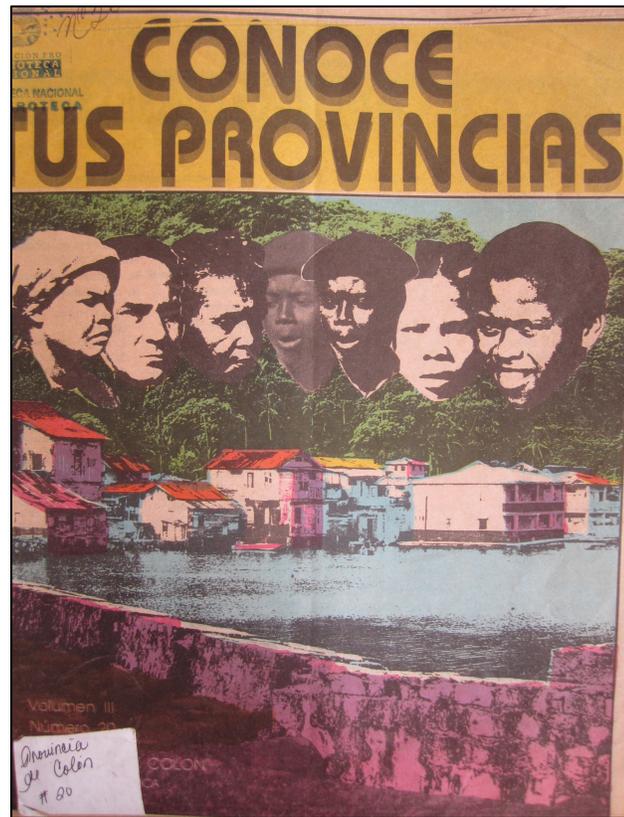
**Table 2.2: Self-Identified Afro-Descendancy in Panama**

Category (Self-Identified)	Population	Category (Self-Identified)	Population
Afro-Panamanian	142,003	Criollo	343
Afro-Colonial	77,908	Mulato	332
Afro-Antillean	65,113	Chombo Blanco	266
Mestizo	8034	Zambo	71
Other Afro-descended**	2787	Caucasian	38
Moreno	1303	Caraballi	35
Culisa	1008	Not declared	12,738
Trigueño	809	None	3,092,524
Afro-American	501		

\*‘Other Afro-descended’ refers to those who self-identified as black.  
(Contraloría 2013)

Clearly, multiple ideas of ‘blackness’ circulate in everyday *or* analytic use (including blackness as linked to forms of mestizo identity – eg: *zambo*, as above), even while black racial categories have – until 2010 – remained absent from official routines, government technologies of knowledge (such as census and survey techniques of population sorting and counting), and formal politics of representation for most of the 20<sup>th</sup> century. With ‘mixedness’ (*mestizaje*) as the perceived basis of Panamanian national identity, bureaucratic confusion about who is black and, among black folks themselves, how the boundaries of *various* ‘black identities’ are drawn raises important questions for this study in terms of how blackness is defined as a central analytical category.

Photo 2.3: Weekend newspaper inserts, “Know your province: Colon”



(La Prensa, February special edition 1984)

### **Conceptualizing Black Panama: A periodization**

Essential definitions of race tend to ‘naturalize’ racial groups. Yet, all essentialisms are inherently unstable (Calhoun 1993: 215). To the question of what blackness is, culturally and ethnographically speaking, “there are no pure forms at all” (Hall 1993: 110). Thus, rather than attempting to signify the cultural or physiognomic contents that hold ‘blackness’ together, I demonstrate in this section the evolution of ‘Black Panama’ as a social formation. In his pioneering 1969 work *Ethnic Groups and Boundaries*, Barth argued for a processural approach to the study of ethnic phenomena, urging analysts to consider how boundaries emerge and in the context of what kinds of social relationships. Omi and Winant, similarly, emphasize the necessity of analyzing racial phenomena as ongoing and unfolding socio-historical and political processes. In the next sections I discuss how the ethnoracial categories that have heretofore ‘defined blackness’ came to be, and to whom they refer. Doing so means analyzing relations between ‘groups’ situated in webs of power, in order to observe why racial categories, tensions, and alliances take on particular forms at given times.

#### *Afro-Colonial “formation” in relation to Indians, Castas and Criollos*

Mid-19<sup>th</sup> century liberal ideologies of citizenship, which fashioned the body politic of the nation-state as unified and coherent, provided little room for institutional recognition of categories of difference within modern Latin American national communities. ‘Indios’ were the only category of ‘difference’. Yet, loosely defined terms of negro, mestizo, moreno, pardo, zambo, etc. had been used in popular parlance and colonial administration for centuries to refer to descendants of enslaved Africans of either

‘pure’ blood or blood mixture with European and/or Indigenous stock. The particular label used depended on which ‘racial’ combination a person embodied, and with what degree of non-African (or alternatively, non-white) blood as denoted by skin shade, hair texture, and custom. ‘Folk’ racial classification in the colonial and post-independence periods, as now, was based on observed physical characteristics and social position along a continuum from black to white. It was not a simple dyadic framework, however, as in-between categories, which eventually reflected the mestizo numerical majority of the population, became central to late 19<sup>th</sup> and 20<sup>th</sup> century definitions of the national character. At the same time, indigenous categories continued to exist as a third racial group. The categories of negro (black) and moreno (dark brown) are still very much in use in contemporary parlance to refer to descendants of enslaved Africans and maroons concentrated in Atlantic coastal communities in Colon (*costenos*) and in the interior province of Darien. Afro-Colonial or Afro-Hispanic are interchangeable terms employed in academic and folk discourse to refer to these ‘endogenous’ black populations.

*Antillean “formation” in relation to Americans and Panamanians*

The construction of the Panama Railroad and Panama Canal ushered unprecedented diversity to the isthmus by expanding (if not outright creating) the urban working class to include West Indians, Southern Europeans, Greeks, Peruvians, Colombians, Chinese, and East Indians, among others. The banana enclave of the country’s Western coast prospered as a result of both the importation and internal migration of these groups as well. But the approximately 200,000 black West Indians who joined the workforce were by far the largest immigrant group to transform the national population during this period (Conniff 2001: 94).

Throughout the period of high West Indian migration to Panama – 1880s to around 1915 – there was significant social class stratification among West Indians in addition to differences of national origin and cultural practice. Laura Putnam (2010) exposes the “transnational migratory sphere” of Black West Indians in the early 20th century. Her historical portrait points to two distinct circuits of labor migration. The first links the Eastern Caribbean migrants (from the Leeward and Windward islands, Barbados, Trinidad) to destinations in the Guianas, Venezuela, Brazil, and Colombia. The second route linked Jamaicans and other Western Caribbeans to the expanding service economies and banana export economies of Panama, Costa Rica, and Honduras. Among the destination countries, Panama was the lone Central American country where Eastern and Western Caribbean migrants eventually intermingled in significant numbers, as the Isthmian Canal Commission cast a wide recruiting net in the years of Canal construction.<sup>28</sup> The interesting point for our purposes is that these migrants arrived in labor destinations like Panama as foreign nationals, identifying with their distinctive places of national origin and the cultural uniqueness therein. Seeing themselves less as “Antilleans”, they rather saw themselves as Trini, Bajian (Barbadian), Jamaican, and so on, and organized their social networks along those lines.

While concessionaires of the banana, railroad, and canal companies recruited thousands of laborers, another *half* of Caribbean migrants came to Panama on their own – some as trained professionals in their countries of origin. They planted themselves in the terminal cities of Panama, and began working independently as teachers, barbers, tailors, and skilled artisans of various kinds, creating multiple layers of internal segmentation

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<sup>28</sup> The U.S. and Cuba were other premier destinations for British West Indian immigration from all islands, especially by 1915, due to the opportunities presented by WWI economic boom and the rising price of Cuban sugar.

within the West Indian population. In the Canal Zone, meanwhile, West Indians of various backgrounds performed a wide range of jobs, including taking positions on the Zonian police force, bureaucratic and civil service employment, as well as low skilled work on the docks and in construction. These workers' authority and mobility within the Canal Zone were inscribed by race, not by occupational group, social class, or ethno-national background. Thus, in the Canal Zone, their status as a group was marked according to overlapping macro-categories of black (or "colored"), silver roll (or "local-rate"), and Antillean. The specification of "Afro-Antillean" would distinguish black West Indians from West Indians of European, Arab, or Indian ancestry who also migrated under various circumstances in the early 20<sup>th</sup> century to Panama's thriving cities.

Importantly, these Afro-Antillean workers were distinguished from their American employers in the Zone and their Panamanian "hosts" in the terminal cities by their non-citizen status. Putnam contends that Antilleans' non-citizenship in the late 19<sup>th</sup> and early 20<sup>th</sup> centuries was a sort of strategic asset distinguishing Caribbeans as a flexible labor class throughout the region. It was routine for West Indians to travel freely between multiple parts of Central America and their island homelands throughout different stages of life.<sup>29</sup> One Cuban commentator wrote with alarm in 1927 that "Yankee

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<sup>29</sup> The rise of "anti-black state racism" in Central American states from the 1920s through the 1940s would force new patterns of settlement and immobility. On one hand, black exclusion laws at this time (which often included Chinese and Arab exclusion as well) began to restrict West Indian immigration to those labor clearinghouses of the Central American isthmus. On the other hand, since leaving in search of fresh work opportunities might mean the impossibility of return (Putnam 2012: 287-289), Afro-Antilleans setting up shop in their isthmian migration destinations and their numbers swelled. American employers in the enclaves zones, meanwhile, wanted uninterrupted access to cheap West Indian labor, posing a challenge to the racial project of immigration restriction.

capitalism” was to blame for the Africanization of Latin American Atlantic coasts (de Leuchsenring 1927, in Chomsky 2000: 458-459).

For the second generation of West Indian migrants, born on Panamanian soil, grouping them all as black or Afro-Antillean, and maintaining their liminality as non-citizens served different functions for Panamanian and American authorities. Afro-Antilleans working in the Zone occupied jobs that Panamanians were denied access to. Especially in the years of worldwide economic depression, they were considered a threat to the Panamanian working class. But their presence was also considered threatening to an imagined moral and biological order. White and mestizo elites in Panama had authored a “set of racialized myths that claimed only Spanish and Indigenous progenitors for the nation” (Putnam 2010: 288). The prospect of admitting more people of color into the mestizo nation would be an assault to the national character and would undermine hopes of racial progress that the presence of European immigrants might otherwise bring about.<sup>30</sup> In Panama and other Central American governments, immigration and citizenship rights were clearly restricted on the basis of race in numerous laws throughout the 1930s and ‘40s. In 1942, for example, black immigration to Costa Rica was restricted; in 1931, Guatemala outlawed “negro” foreigners; Nicaragua banned *negros* in 1936; and El Salvador did the same a decade earlier in 1925 (Putnam 2010: 290).

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<sup>30</sup> Explaining the relation of the eugenics project to immigration policy – then a transnational dialogue about race in the Americas – a Panamanian delegate to the 1927 Pan-American Conference of Eugenics and Homiculture stated:

Instead of a prohibition by nationality in our laws, what exists is a prohibition on races, so that, as was discussed at length in the Congress of my country, when that law was subjected to debate with respect to the term that was used at first, what first was said was that Antilleans of inferior race, of coloured race, could not enter my country... (*Actas de la Primera Conferencia Panamericana de Eugenesia y Homicultura de las Republicas Americanas. 21 hasta el 23 de diciembre de 1927*. Habana 1928: 179)

While many second and third generation Antilleans had been born on Panamanian soil in the terminal cities and banana enclaves, or on “America soil” within the Canal Zone proper, American authorities were motivated by different racial concerns when it came to grouping Antilleans by race and denying them citizenship on that basis. The demand for ‘imported’ black labor was key. The split labor market in the Canal Zone, which divided labor according to American and local-rate pay scales, provided a justification for the separation of housing, services and facilities between whites and non-whites in the zone. The dual labor market, organized on a race-citizenship nexus, preserved the privileges of white workers and their families – privileges that neither Zone administrators nor U.S.-based unions wanted to disrupt (Conniff 1985).

Because the U.S. enclaves in Panama (likewise in Costa Rica and Cuba) were spaces of U.S. territorial sovereignty, the U.S. had the prerogative and power to import black labor into the enclave despite the letter of host country law. Thus citizenship served as a critical axis of difference among the American, Panamanian and Antillean populations – and in so doing, “Afro-Antillean” was fortified as an ‘alien’ ethno-racial category where race and nationality were coterminous within the broader societal structures of both the Zonian micro-society and in the Panamanian terminal cities where Antilleans had begun planting their roots. By 1946, Panamanian citizenship would once again be defined by birthplace, not descent or race, and those now third generation Black Antilleans – whether born in the Canal Zone or in Panama - would definitively become for the first time *Afro-Antillean-Panamanians*.

*Afro-Antillean classification in relation to the social category of Afro-Colonial*

From the perspective of stratification theory, minority status is entwined with the societal structuring of labor. As descendants of enslaved Africans and self-liberated maroons in colonial Panama, the Afro-Colonial population has historically occupied minority group status relative to white and mestizo Panamanians. Likewise, within the Canal Zone social structure, Afro-Antilleans formed a subordinate minority, alongside other Silver Roll workers of Southern European descent in the Zone. In both of these spheres, minority status has been determined within the internal structures of the respective sovereign territories, and directly linked to sociohistorical processes of labor subjection and spatial segregation.

The cultural norms, values, and patterns (cultural dimensions of belonging) that Afro-Coloniales historically shared with white and mestizo Panamanians allowed for their relative societal inclusion. However, because of their phenotypical ‘otherness’, they continued to fall short of total social incorporation in the mestizo nation.<sup>31</sup> Geographical isolation in the Atlantic coastal areas and in the rainforests of Darien province, moreover, has reinforced their difference, limiting interethnic interaction and strengthening ethno-cultural identification within colonial black communities. The cultural and genealogical diversity of Afro-Colonial communities has been flattened by minority status criteria that have defined the categorization of this particular group of black Panamanians on the basis of historically structured inequalities. Afro-Coloniales’ ascribed ‘difference’ and simultaneous imagining of shared cultural heritage with white and mestizo Panamanians

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<sup>31</sup> Arguably, even Afro-Coloniales’ claim to cultural ‘democracy’ is disputable. For, state cultural policy and tourism literature are frequently encoded with a subtext that the cultural uniqueness of Afro-Coloniales is but a racialized ‘survival’ from a distant past enslavement that has successfully syncretized over time with the folk traditions of authentic Panameñidad.

– jointly as “charter groups” (Porter 1965) of Panameñidad – has created tensions in their embrace of black identity politics.

Also, the political-economic antagonism between Panama and the United States enclave thwarted the actualization of a shared political interest between Afro-Colonials and Afro-Antilleans. Legal and social boundaries created social distance between the two groups. Moreover, political alignment on the basis of racial caste status was complicated by the fact that both groups were embedded in opposed political and economic systems. U.S. occupation constituted black interests in a dialectical relation: the political and economic welfare of one black group was inversely related to the wellbeing of the other. A wage increase for black Zonians (Antilleans), for example, would not contribute to higher incomes for black costeños that were plugged into a different circuitry of trade and services subordinate overall to the Zonian economy. On the contrary, Zonian prosperity allowed Antilleans to enter the Panamanian economy, as informal traders for example, on preferential terms above any opportunities available to their ‘racial’ counterparts in Panama.

*The formation of Afro-Panameñidad, not in opposition to Panameñidad, but as a statement of qualified inclusion*

Afro-Antilleans built cultural institutions inside and outside of the Canal Zone. In the grand cultural presentations of touring West Indian acts<sup>32</sup> of the 1940s and 50s, which combined oratory with musical or theatrical showcases (Zien 2012), the object of their cultural performances for American and Panamanian audiences was to show proof of West Indians’ social, economic, and cultural contributions to the nation. Rhetorical

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<sup>32</sup> Priestley (1994) argues for the use of the term ‘West Indian’ when referring to English-speaking blacks working in the Canal Zone, rather than the term Antillean, which refers as well to blacks of French or Dutch Antillean origin.

device and pageantry were deployed by third generation Antillean-Panamanians to portray the symbolic interconnection between themselves and their Panamanian homeland. As a subordinated group, they used culture in this manner to assert themselves in ways that exemplify Williams' (1989) contention that ethnicity is used to reinforce nationality. Culture is used as a resource for minoritized groups to represent themselves as "second in significance [to the dominant group] for the progress of the nation" (Williams 1989: 436). In so doing, they would stake their claims to equal citizenship, using 'culture' as an assertion of belonging. Such strong overtures were presented at a time when Antillean labor was the undeniable economic backbone of the country's development – both inside and outside the Canal Zone. The performances of the Day of Black Ethnicity (discussed below) are making a similar statement in another setting, under different structural conditions for the nation. In the absence of U.S. economic and political domination in Panama, the boundaries of blackness are being redrawn, expanding beyond siloed constructions of Afro-Antilleans and Afro-Colonials.

Since the 1980s, Afro-Panameñidad has become increasingly salient as a collective identification among Black Panamanians of Antillean and Colonial lineages alike. Black identity discourse in Panama today emphasizes black cultural heritage – Antillean and Colonial – as a component of national culture, and aspires to locate black experience as essential to Panamanianness. From this standpoint, the "Afro" prefix is presented as an assertion of positive diversity. Importantly, Afro-Panamanian pride and cultural visibility in parades, fairs, carnival costuming, and scholarly publications has resurrected and given a new face to an older Afro-Panamanian project (of the 1970s and '80s) – largely instigated by Afro-Antillean activists and intellectuals in Colón, Panama

City, and New York – aimed at addressing the role of black culture and heritage in Panamanian identity. Late-20<sup>th</sup> century changes in the national political climate and inflows of transnational black discourse also had an impact on the evolution of blackness in Panama. Elsewhere in the region, Hernández-Reguant (2006) argues that late capitalist globalization has enabled new opportunities for disenfranchised black Latins to assert their cultural visibility in ways that undercut both the myth of the *mestizo* nation and color-blind racial thinking.<sup>33</sup>

While Afro-Panamanians have had formal citizenship since 1946, black leaders continuously expressed concern that the dimensions of citizenship relating to cultural recognition, and social and economic wellbeing, were not being adequately addressed by the state or the wider society. As a result, several important initiatives were established by black intellectuals and activists to foster ‘Afro-Panamanian’ cultural, political, and economic development in the late 1970s and 1980s. Importantly, black political organization peaked in Panama following the ratification of the Carter–Torrijos treaties (1977). This is an important moment for black recognition by the Torrijos regime. Priestley has argued that this is because of key representatives of the Afro-Panamanian diaspora, based in New York City, who were instrumental in lobbying for U.S. support for the new treaties. Panamanian leader Omar Torrijos spared no opportunity to show

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<sup>33</sup> In her examination of the evolution of blackness as a positive discourse of identity in Cuba, Hernández-Reguant argues that late capitalist globalization – the opening of the Cuban economy to capitalist markets and foreign tourists – enabled new opportunities for disenfranchised black Cubans to assert their cultural visibility in ways that undercut “both the myth of the *mestizo* nation and the ideology of the color-blind New Man” (2006: 250). White “tourists’ curiosity about life under socialism” brought an upsurge of interest in urban black cultures in Havana’s dilapidated popular sectors. This curiosity sparked an informal economy that provided economic and political opportunity to Afro-Cubans. Late-20<sup>th</sup> century changes in the national political climate and inflows of transnational black discourse also had an impact on the evolution of blackness in Panama.

gratitude and recognition to these diasporic ‘loyalists’ of the Panamanian cause for sovereignty. The negotiation of the Carter-Torrijos treaties marks another seminal moment of heightened nationalism in Panama, allowing blacks – Antilleans especially – to assert common cause with the rest of the nation in the push for sovereignty. But once the treaties were signed, black Panamanians mobilized for greater recognition and civil rights in their isthmian homeland. Some of these inroads included<sup>34</sup>:

- the Primer Congreso del Negro Panameno (First Congress of the Black Panamanian);
- the Segundo Congreso de Cultura Negra de la America (Second Congress of Black Culture in America). This gathering constituted the second of three meetings held in Colombia (1977), Panama (1980) and Brazil (1982);
- the founding of the Centro de Estudios Afropanameños (the Center for the Study of Afro-Panamanians).

While these efforts were relatively short-lived, a revival of race-conscious political activity occurred throughout the 2000s that rode a wave of public policy achievements in other parts of the Caribbean and Latin America. Notable among those regional advances for black civil rights were Peru’s 1997 Anti-discriminatory Law, Brazil’s 1998 Body of Laws against Racial Discrimination, Colombia’s 1993 Law of Black Communities, and Nicaragua’s 1996 Law of Autonomy of the Atlantic Coast. Information exchange among black organizations in the region marks an important transnational influence upon black Panamanians’ evolving self-identification as a ‘blended’ *Afrodescendiente* (Afro-descendant) interest group within the national citizenry.

May 30<sup>th</sup>, 2000 marks another highlight: the passage into Law of the “Dia de la

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<sup>34</sup> For more information on black Panamanian political movements, see Gerardo Maloney (1976, 1980, 1983).

Etnia Negra' (Black Ethnicity Day). Based on the same date in 1820, when King Ferdinand of Spain abolished slavery throughout the empire, Black Ethnicity Day was established as a civic proclamation annually recognizing "the culture and contributions of people of African descent to the Republic of Panama" (Van Gronigen-Warren & Lowe de Goodin, 2001: 83). President Martin Torrijos, son of longtime military leader Omar Torrijos (1968-1983), decided to build on the progress made through 'The Day of Black Ethnicity' and appointed a Special Commission to make additional room for the recognition of black social, economic, and cultural contributions to the nation-building process. The 'Commission for Recognition and Total Inclusion of Black Ethnicity in Panamanian Society', as it was titled, developed an ambitious white paper: *The Policy and Plan for the Full Inclusion of the Black Race* (2005). The *Policy and Plan* was soon supplemented with a *National plan against racism and racial discrimination* (2006). In enacting policies and plans, however, implementation has been slow and has had limited effect on the everyday lives of black citizens (Rogelio Senior, personal communication, 2012).

#### *Ethnicizing Blackness in Latin America*

In the context of a broadly 'mestizo nation', the consolidation of Afro-Panamanidad has partly been an expression of a transnational politics of minority visibility. Indeed, since 1990, black political and cultural expression in Panama has drawn extensively on diasporic resources (eg: rights discourses, court precedents, remittances) from elsewhere in the Americas. In some cases, this has involved forming alliances at the regional level to engage in culture-affirming events or policy action with other black collectivities in Central America (eg: *Organización Negra de CentroAmerica*

[ONECA], a network of anti-racism black organizations working for human rights, gender equality). Additionally, transnational discourses and organizational inputs hailing from United Nations agencies and international law argot have buttressed the work of black organizations to shape black ethnic consciousness and political demands.<sup>35</sup> The prevalence of United Nations activities to promote ethnic recognition and equity on a global scale has also influenced the racial language of the state. As an example, Panama's 2010 Census was partly financed by the UNFPA conditional upon the inclusion of Afrodescendant identity categories. Hence, alongside the ascendance of black social movements concerned with 'Afro' cultural and political connections, the term 'Afro-descendant' has now become a mainstay of official population classification among Latin American governments and UN bodies. These forces have been integral to the formation of Afro-Latin identities throughout the region. To this point, Peter Wade (2006: 107-108) insists that the popularity of terms like Afro-Latin and Afro-descendant reflect an ironic obeisance of a "US logic of putting everyone who has some African descent – although perhaps not just 'one drop' – in the same ethnic-racial category, but now with a transnational reach that includes all those considered to be a part of a global African diaspora".

In the above portraits of ethno-racial formation we see that ethnic boundaries form through contact with and differentiation from outsiders (Barth 1969: 13-14). They exist not in isolation but "for purposes of interaction" with other communities as well as with the state. The discussion suggests that ethnicity is a 'resource' mobilized under

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<sup>35</sup> Global entities shaping this work: *Programa de Afrodescendientes del PNUD (UNDP)* and the UNHCHR's *Proyecto promoción y fortalecimiento institucional sobre derechos de la población afro descendiente*. Also, The UNFPA and the UNDP were involved in Census design, funding, and implementation. The UNFPA coordinates a regional initiative on censuses and people of African descent in Latin America.

specific circumstances. Because ethnicity also denotes a raced structural position in society, the deployment of ethnicity reveals much about how Black Panamanians have repositioned themselves (or been constrained from doing so) within the social structure. The case of ethnoracial formation in Black Panama has also shown how pan-ethnic groups have, over time, been tenuously lumped together by virtue of a racializing process.

For racialization scholars, in which most work has centered on the US, race is not reducible to either class or ethnicity, and as such must be disentangled from both. Yet Wade and other Latin Americanists have demonstrated that the prevalence of racialized ethnicity in the Spanish-speaking Caribbean points to the inseparability of race and ethnicity, especially since racial connotations are often extended to ethnic groups and other social collectivities even where racial semantics have not been institutionalized in the rhetorics of inclusion and exclusion.<sup>36</sup> The high incidence of racial mixing in Panama notwithstanding, the apparent color-continuum that unites all Panamanians under the banner of the mestizo nation does not inhibit the everyday recognition of blackness. And the official recognition of Afro-Panameno identities and group claims may represent an important step toward broad social inclusion. It represents a notable moment in the unfolding process of racialization in Panama, and reflects expanding boundaries of blackness in contemporary Panama.

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<sup>36</sup> Restrepo (2004: 704) argues, for example, that the idea of ‘blackness’ imposes an unwarranted essentialism on black subjects, in that the category ‘black’ presumes the reification of a stable, immutable, ahistorical social identity. He proposes that blackness has been ‘ethnicized’ in the Colombian Pacific; ethnicization has in itself been a racial project of reassigning identities and silencing collective memories. Through community workshops, meetings, development projects, legislation, mapping technologies, and more, ethnicization has been “put in operation by an army of experts, from activists and governmental officers to advisers and academics” (Ibid.).

## Conclusion

Throughout the African diaspora, the term ‘black’ has acquired multiple meanings in various geographical and temporal contexts (Omi and Winant 2004: 3-13). Likewise, the idea of Black Panama is emergent and contested, as group identity politics intersect with relatively recent official categories of race and ethnicity. While indigenous communities in Panama have long had an ‘institutionalized identity’, black Panamanians, like other Afro-Latins, have not (Wade 1997, among others). Some scholars have explained this pattern in terms of state practices of ‘nationalizing’ Afrodescendants as citizens on the premise that they have been assimilated to the ‘national culture’ and are thus culturally indistinguishable from the rest of society (Andrews 2004; Ng’weno 2007). This cultural argument is an important one in the context of Latin America, where projects of nation-building in the colonial and republican periods jettisoned ideas of racial difference, while retaining notions of cultural distinction within a dichotomy between civilized and uncivilized cultures (de la Cadena 2000; Harrison 1995; Wade 1997).<sup>37</sup>

Yet, state classifications of blackness, rendered in the 2010 Panamanian census, have enshrined an official terminology for Black Panama, through the presentation of census categories that include *Negro* and *Afrodescendiente*.<sup>38</sup> As a self-referential concept, however, Black Panama has been evolving for over a century alongside the Panamanian nationalist project. Black Panama is not a unitary, self-conscious community,

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<sup>37</sup> As discussed above, *mestizaje* supposedly signals the generation of a mixed race and mixed-cultural population (Tilley 2005: 57).

<sup>38</sup> Restrepo (1997) argues that the move toward multiculturalism in Colombia (as elsewhere in Latin America) has now inscribed blackness as a separate social category in a way that it previously was not before the state’s 1991 *multicultural* constitution recognized black *ethnicity* as a basis of group rights. Prior to this multicultural turn blacks were regarded as “citizens within a framework defined by the dichotomy between the primitive and modern” (Ng’weno 2007: 416).

but a social formation (a confluence of social forces) constructed through a social relation vis-à-vis a presupposed Other Panama.

My analytical construction of Black Panama is based on periodization (waves of migration) and a structural understanding of racial phenomena (systemic subordination). I draw from Nimako and Small's (2009) construction of "Black Europe" to propose a concept of Black Panama as existing along three dimensions: political, cultural, and spatial. Afro-Panameñismo or Black Panamanian-ness here refers to a social structural location rooted in history, race and citizenship, as well as to a set of political, economic, and social interests.<sup>39</sup> The spatial dimension to Black Panama takes into account the circuitry of migrations of Afrodescendant Panamanians through time. It refers to how the particular histories of forced and voluntary migration to Panama have shaped the situation/s of Blacks in Panama in relation to the particular cities (Panama and Colon), rural interiors (Chepo and Darien), and coastal geographies (Isla Colon/Bocas, Costa Arriba, Costa Abajo) that Afro-Panamanians tend to inhabit. Spatiality also references the distribution of Blacks in the sociohistorical organization of labor and industry, which has concentrated Black Panama in racialized enclaves on the isthmus.

The circuitry of Black Panamanian migration also raises the question, however, of diaspora and whether the territory of Panama is the only unit through which Black Panama can be considered. Much evidence would suggest that Black Panama is not confined to the isthmus but is in fact a transnational collectivity, rooted in historical and current circuits of migration between the US, Panama, and the Caribbean. While people

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<sup>39</sup> Because experiences of race, ethnicity and history have varied greatly between and among Afro-Panamanians of Antillean and Colonial lineages for much of the 20<sup>th</sup> century, the field of social interests that may be regarded as constitutive of Black Panama are a function more of structural location than of collective consciousness or identity.

flows shape the present-day ethnoscape of Black Panama through the movement of bodies and capital (remittances and property investments), the transnational circulation of forms of black identification (culture) and mobilization (identity politics) are also ingrained in the character of Black Panama.

Ultimately, these observations are only signposts. I do not see my task as defining a term with a fixed and universal meaning; rather, the agenda of the present work is to shed light on the empirical referent of the concept – ie: what Black Panama refers to in the real world of state policy and lived experience. However, I concentrate less on the complexity of identity on the ground, choosing instead to focus on how the ‘state’ and political elites construct the Black subject and the structural position of black subjects in urban development and neoliberal restructuring. The black urban ‘situation’ and urban topographies of race are thus of empirical interest, poised as physical reflections of shifting racial ideologies, formations, and practices.

As I have attempted to show, racial constructions of blackness have shifted alongside “historically situated projects” (Omi and Winant 1994: 55-56) that aimed to organize changing social structures and situate human bodies within them. The present chapter has laid the conceptual groundwork for understanding Black Panama as the social subject of this study. By the late 1980s, the cross currents of US withdrawal from Panama and the external imposition by (Washington) ‘consensus’ of neoliberal governance, rendered structural crisis and change in Panamanian society at-large. This dissertation explores what racial configurations may have emerged as a result of these broader events.

Building on the analytical framework above, I seek to address in subsequent chapters: *what new racial projects have emerged and with what consequences for the*

*way Black Panamanians are situated within these new structures?* It is to this task that I now turn.

## CHAPTER 3

### Urban (Trans)Formation and Racial Politics from Colonial Rule to Torrijismo

#### Introduction

From its 1852 founding as a railroad company town through late 20<sup>th</sup> century US demilitarization, Colón's story of urban transformation describes a process of spatial racialism, where racial representation and racial order have been written onto urban form. In this chapter, I examine the evolution of the transit zone<sup>40</sup> as a site of racial formation. I view urban (trans)formation essentially as a process in which space becomes 'raced'. Because Colón's development has also been tied to Panama's nation-building project, sketching the city's evolution offers insight into the relationship between place-making and race-making in the context of 19<sup>th</sup> and 20<sup>th</sup>-century national development. I explore racialization and development at the local and national scale through three broad lenses: (i) spatial, (ii) political-economic, and (iii) representational-ideological. I argue that the city's predominantly black demographic properties, and importantly, its economic dependence and spatial articulation with foreign enclaves have marked Colón in the Panamanian national imaginary as a place of racial 'Otherness'. To set the stage for an analysis of racial processes and urban development in the neoliberal era, I contend that postcolonial (1821-1902) and neocolonial (1903-1980s) legacies of spatial-representational Othering influence forms of spatial racialism vis-à-vis urban planning and distribution of public services in more recent periods of nation-building.

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<sup>40</sup> The transit zone includes the transisthmian corridor linking Colón and Panama City, and usually refers expressly to the zone's urban areas.

## Spatial Racialism

As is true of liberal nation-making projects throughout Latin America, the construction of Panamanian national identity has depended for its meaning and constitution on the deployment and marking of a racial Other (see Holt 2003). In the case of Panama, nationality has come to be understood partly as an opposition to the transient and resident ‘foreigners’ who have made their way to the isthmian transit zone, whether as imperialists, entrepreneurs, soldiers, coolies, or slaves. In the 1930s, the clarion call “Panama for the Panamanians”, invoked by Afro-Panamenismo the vanguard members of the Panameñismo movement, hoped to reclaim ‘the nation’ from the intrusion of “undesirable races” of many kinds, including English-speaking blacks, Chinese, Jews, East Indians, and persons of middle eastern origin.<sup>41</sup> When the repatriation of racial Others proved impractical,<sup>42</sup> ‘latinization’ emerged as an assimilationist corrective in the

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<sup>41</sup> Political Panameñismo emerged in the 1930s related to economic depression and strong US opposition within the popular sectors. The accompanying cultural project was linked to the transnational upsurge of literary *hispanismo*, which turned away from a focus on Spain to underscore the exceptionalism of Latin American societies as preeminently Indo-Hispanic. The premises of *hispanismo* found formal political expression in the nationalist discourse/platform of the Panameñista political party, formed by members of *Acción Comunal* under the leadership of Arnulfo Arias, who claimed to represent a growing professional class that saw themselves marginalized by the traditional oligarchy (Robinson 1999). Their platform, ‘Panama for the Panamanians’, formed the crux of a persuasive political rhetoric used to cast the urban lower classes in the transit zone as culturally distinct and generally ‘alien’ to Panameñista constructions of ‘true’ Panamanian identity. From the 1930s to the 1950s, anti-black, anti-immigrant sensibilities ossified, and the project of racial exclusion was upheld constitutionally in 1941, achieving in formal terms the socio-political alienation of urban blacks and other so-called ‘undesirable races’, most of whom were Panamanian-born by this time. Political leaders thus cancelled blacks’ (and other racial-cultural minorities’) citizenship rights and strongly urged U.S. assistance with black repatriation due to the job competition they posed against *mestizo* workers.

<sup>42</sup> In 1930, nearly half of the city’s population was foreign (Censo Demográfico 1930).

1940s and '50s.<sup>43</sup> The 1960s heralded militant Torrijísmo, where the rhetoric of national cultural unity served as a device of nationalist-populist mobilization invoking the mestizo-campesino as the protagonist of anti-imperialist struggle. Each of these movements sought to penetrate the racialized border between the Canal Zone and the terminal cities of Panama and Colón, and to appropriate 'the city' from foreigner control and cultural difference. In the Canal Zone, the rights and privileges of spatial ownership were ascribed to white Americans. While Panama City has a rich 300-year history prior to U.S. occupation, the City of Colón was created as a sibling of the Canal Zone, and acquired its particular form through the spacialization of black working-class communities. As such, Colón became both a non-white inner-city tethered to the project of (white) American accumulation, and a local "racial outside" (Hesse 1997: 88) to dominant narratives of Panamanian nationalism.

In this account, Colón functions as a frontier; a liminal territory between occupied space and the nation. It is a site of ambiguity precisely because determining which spaces of the city are actually *of the nation* and which spaces are not has historically been muddled. 'Little Jamaica' - one of many racialized monikers for the city - has been a borderland space of black "citizen aliens" (Carbado 2005: 638) within which, to cite Gloria Anzaldúa, "you are at home, an outsider" (1987: 194), straddling the US and Panama. To the extent that Colón serves as a stage for elite-directed performances of Panamanian nationalism, nationalist projects are fundamentally about the problem of clarifying the boundaries of sovereignty and racial-cultural belonging in the city, and in

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<sup>43</sup> In the 1940s, Antillean-led efforts of cultural assimilation, orchestrated by charismatic community leaders and educators (Conniff 1985), were bolstered by national economic resurgence and the constitutional ban on black Antillean citizenship was reversed in 1946. However, the ideological Othering of Colón as a bastion of *Antillanidad* (Antillean-ness) set the city and its residents outside of mainstream cultural and racial ideas of Panamanian nationhood.

the end, re-appropriating ‘occupied’ space. In this sense of a ‘split’ surface, the spatialization of whiteness and blackness, strangers and citizens, Panamanianness and Antilleanness, at once defines Colón and renders it a territorial and cultural object on which Panamanian elites aspire to re-write the Panameñidad of the city.

By offering the term ‘spatial racialism’ as a premise for making sense of Colón’s urban development, I do not employ ‘racialism’ as interchangeable with racism. While defining racism has always been a theoretical struggle, I intentionally parse out racialism (‘race-thinking’ or ‘race-making’) as means of institutionalizing ‘race’ that can be positive, neutral, or negative, from racism as a form of racial thought and practice that is categorically negative. Racialism draws attention to racialization as a process of social change; spatial racialism therefore focuses on the racialization of spatial relations.

In the sections that follow, I provide an historical sketch of the spatial pattern of racial concentration in Colón and its entwining with the urbanization of capital in Panama. I do so with the goal of developing an explanation of the enduring significance of racial boundaries and topographies in the ‘project’ of urban improvement. I begin the historical narrative below with a brief discussion of early urban formation in Panama’s colonial period, followed by an examination of the racial properties of postcolonial urban form. I then turn, in the main sections of the narrative, to Colón’s birth and evolution from the mid-19<sup>th</sup> century to the last quarter of the 20<sup>th</sup> century.

**Charting urban formation and change:  
An historical narrative of race, place, and accumulation**

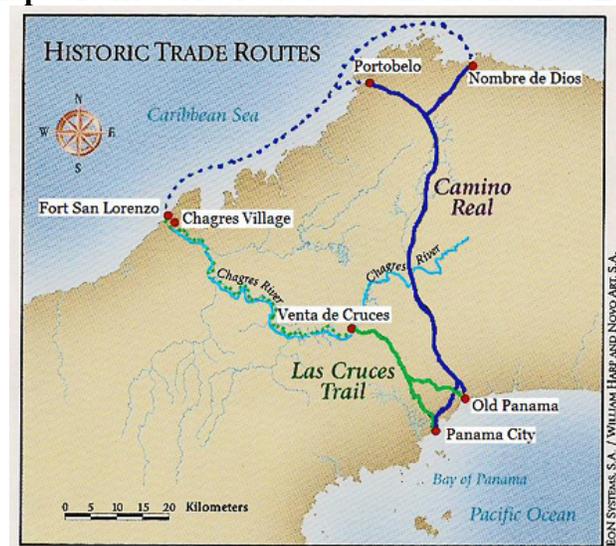
*Rebellion and the Mercantile City in Colonial Panama*

Panama came into being in the 16<sup>th</sup> century as a locus of exchange and shipment of goods (notably Peruvian silver) between Spain and its colonies. It was also an

important node in the slave trade network of the Americas – a hub where African bodies were bought and sold to work elsewhere in South America. As a result, the Isthmus became the first territory in the Americas to have a majority black population (Navarro 1984: 21). Specifically, “as early as the seventeenth century blacks represent just over 70% of the total population” (Ibid.).

In the early colonial period, the two major settlements on the isthmus were Nombre de Dios, on the Atlantic coast, and Panama, on the Pacific. Though dense rainforest and steep valleys separated these port towns, this rugged land was regularly traversed for trade purposes along a path known as the *Camino Real*. (See Map 3.1 below.)

**Map 3.1: Historic trade routes in the Transit Zone**



(Map courtesy of William Harp)

Panamanian historian Ricaurte Soler called the colonial period a “commercial orgy”, and under the circumstances of constant maritime traffic and wars against pirates, “the port-

cities of Panama were a permanent conclave of sailors, military experts, and star-gazers<sup>44</sup>” (Soler 1963: 282). As a result, the feudal or semi-feudal *encomienda* social structure based on the exaction of Indian labor as tribute, which built up agricultural and mining economies in most of colonial Spanish America, did not exist in Panama (Leonard 1953). Instead, enslaved Africans were employed to handle cargo and facilitate transportation along the *Camino Real*.

Traveling along overland trade routes presented various opportunities for escape, which many Africans achieved, and as a result, the coastal hills and interior rainforests became populated with fortified communities of *cimarrones* or maroons (self-liberated persons). Their settlements were called ‘palenques’. Genovese (1992) argues that early palenques strove for separatism and African cultural retention, engaging colonial society only to liberate other enslaved Africans and to capture goods for community survival. Later, palenques became staging grounds for more confrontational action, finally connecting their resistance with early 19<sup>th</sup> century struggles for independence (Ibid.). Inhabitants of these free black settlements on the outskirts of the cities were a constant threat to the Spanish. Scholars have noted that *palenqueros* “dressed in Spanish fashion in clothes seized in their raids of the mule trains” (Pike 2007: 257). Although maroon communities could be found throughout the Caribbean islands and coastal Central and South America,

The Isthmus of Panama was one of the places where the cimarrons achieved their greatest power and extension. None of the cimarron revolts elsewhere in the Spanish Empire in the sixteenth century such as in Mexico, Colombia, or Venezuela equaled the movement in Panama in numbers, intensity, leadership and duration (Pike 2007: 244).

As much as palenques were spaces of separation and colonial ‘exception’, the fates of

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<sup>44</sup> ‘Cosmograficos’ in the original text.

both societies were intermingled; the eventual decline of the colonial trade fairs also compromised palenque viability.

By the late the 1600s, Panama City and Portobelo were the most developed towns in Panama. Spanish merchants settled in these cities for six to eight months at a time, having traveled to participate in the Fairs of Portobelo and Nombre de Dios. Although the fairs lasted only 40 days to 2 months, merchants would often remain much longer on the isthmus, occupying rented houses and leasing storage units. The local elite spent fortunes on the construction of rental properties to accommodate visiting merchants and indeed their investments were easily recoverable. Portobelo and Panama had become important commercial centers in the Spanish Empire, and well-to-do merchants could readily afford the high rents of accommodation on the isthmus. Thus, according to Castellero Calvo, “rentier capital becomes one of the principal estates of the residents of the two cities, and the possession of good homes adequately equipped with storage underneath constituted a typical investment of the local elite” (1999: 157).

While Africans’ most crucial role in colonial society was in the transport industry, some enslaved persons were put to work in small-scale industry, working in sugar mills, mines, and pearl fisheries (Jaén Suárez 1978; Castellero Calvo 2004). Other enslaved Africans worked in urban households and provided services for merchants and property owners in the port cities. Maroons were even hired as salaried workers in construction (Jopling 1994).

By and large, early ‘racial’ categories on the isthmus were linked to occupational status or condition of bondage, origin, religious practices, and skin color.<sup>45</sup> Extensive

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<sup>45</sup> Mario Molino Castillo (2011) notes that the church developed a caste system (*sistema de casta*) in Panama, in which color was read as an indicator of the purity of the soul and the relative

miscegenation, assimilation, and ‘social *mestizaje*’ proceeded, however, even as social boundaries between ‘whites’<sup>46</sup> and non-whites were reinforced through church institutions, laws, social division of labor, and norms of spatial distancing. This particular order served the accumulation regime, based on mercantile capital and slave labor in the early colonial period. However, in the latter decades of colonial rule (from the mid-1700s onward), most people of color were not in bondage.<sup>47</sup> Importantly, their presence *and* frequent insubordination posed a constant threat to colonial caste structures (Castillero Calvo 2004: 303-341).

British Pirate John Morgan attacked both Portobelo and Panama between 1668 and 1671, burning both cities to the ground. When the cities were rebuilt, they “would be surrounded by stony walls. All this was novel because neither old Portobelo nor Panama had previously been walled.” (Castillero Calvo 1999: 158). Though they were fortified chiefly for protection against future assaults, the result was that the Isthmus’ wealthy,

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possibility of going to heaven. In establishing an order of spiritual evaluation based on skin color, the caste system justified a hierarchical ordering of the value of human lives. The major categories of the system included: negro (black), mulatto (half-black: a mixture of white [Spanish] and black), zambo (half-black: a mixture of indian and black), pardo (free black), cuarteron (one-quarter black quadroon), enteron, mestizo (a mixture of all races, with non-European features improved through physiological “whitening”). This racial order, Molino Castillo argues, was integral to the Spanish elite mentality and was essential to the functioning of mercantile capitalism. The same categories were used in government registries and classifications for military inscription.

<sup>46</sup> The matter of what constitutes ‘whiteness’ at this historical juncture is debatable. However, ‘whites’ would have referred at least to Peninsular Spaniards, American-born Spaniards (‘Spanish Americans’ or *Criollos*/Creoles), as well as many mixed race Creoles (*castas*) of considerable means and fair complexion who would also have counted as *blancos de la tierra* (local whites). See Lasso (2006) for a discussion of race and the ambiguities of whiteness in colonial New Granada.

<sup>47</sup> In 1778, for example, there were 33,000 free people of color and 3,500 slaves, and these 33,000 represent half of the total population” (Klein 1986: 142). According to Castillero Calvo (2004), these *pardos* (free blacks) and mulattoes were a source of inexpensive manual and artisanal labor. By the end of the colonial period, some had even obtained low-level positions in the civil bureaucracy and militias.

white elite lived in the walled city, while indigenous and African peoples were forced to live outside in the “*arrabal*”.<sup>48</sup> The “commercial plutocracy” (Ibid.: 161) of the colonial era, thus created protected areas of economic and racial privilege that were virtually impenetrable to the black and brown masses. *Arrabal* dwellers did not have freedom of movement in the walled city, and could not leave the *arrabal* past an evening curfew.

Referring to the founding of New Panama City, Castellero Calvo continues (1999: 163),

The new urban center of the city was very narrow and only left room for 300 lots. Coincidentally, 300 more or less, was the number of white residents aspiring to fill them. The rest, the rabble, blacks, mulattos, mestizos, the poor, would be deported to the suburbs (“*arrabal*”), a space that would be created hundreds of meters from the Puerta de Tierra, whose access is closed at dusk...This is precisely what the elite tried when they founded the new Panama. The whole city would belong exclusively to the elite, and there would be no doubt who were the privileged. The new city also represented the chance to utilize powerful symbols of urban social stratification to use as an expression of power.

A series of devastating fires brought ruin upon the the city in 1781, and a new walled enclosure (known as *San Felipe*) was built afterwards for white *intramuros*<sup>49</sup> in a more defensible position. Surrounding San Felipe<sup>50</sup> again was the *arrabal*, which housed the rest of the urban population. By 1790, free people of color (*pardos* or mulattoes) comprised two-thirds of the population of the capital, with enslaved people making up another 22 percent (Castillero Calvo 2004: 287).

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<sup>48</sup> Based on church communion records, Mena García (2000: 152-153) estimates that in 1737, at least 20,000 free blacks, mulattos and zambos lived in the *arrabal* of Panama City, adding that by the second half of the 18th century, “almost all *morenos* [brown-skinned people], whether free or slave were already strongly acculturated [read, creolized], many of them being sons and daughters of other *morenos* who had lived their whole lives in Panama or elsewhere in America” (Mena Garcia 2000: 152-153, citing Jaén 1998).

<sup>49</sup> *Intramuros* refers to those who lived inside the walls of the enclosed city.

<sup>50</sup> It is the present-day *Casco Viejo*, or Old Quarter of the capital city.

As the criollo merchant class sought ways of stimulating transit and commerce by the turn of the 19<sup>th</sup> century, riding the coattails of Simon Bolivar's independence struggle seemed for many elites an important survival strategy; independence meant that criollos could control their own private property and wealth without interference from the Spanish crown.

*Modernity and Racial Anxiety in El Panama Colombiano: 1821 - 1903*

Ricaurte Soler writes, "In 1821 Panama became independent from Spain in the name of liberty and property, or better yet, in the name of freedom of property." He goes on to quote a postcolonial Isthmian, who "confessed at the time that 'the security of person and property was the subject of our holy struggle'" (Soler 1963: 321). After the independence struggles of the early 1800s, Latin American nations began constructing themselves as new republican societies, founded on 'equality' and 'racial democracy' (Andrews 2003). While the racial caste laws that defined the colonial racial order were largely overturned, racial hierarchy hardly budged. Religious and civic life remained racially divided, as free non-whites (blacks and mulattoes) continued to be denied admission and access to clubs, organizations, and political parties (Andrews 2004).

Panama's liberal elites of the republican period saw nationalism as a modernizing project and openly discussed the construction of an interoceanic waterway as the path to the isthmus' material progress. In addition, they envisioned canal-based prosperity ushering in foreigners of (white) North American and European stock whose presence might simultaneously dilute Panama's dark-skinned population and assist in policing the urban masses. The predominantly black and mulatto arrabal in the transit zone was a constant reminder to criollo elites of the latter's demographic disadvantage. They feared

that the isthmus' majority *gente de color* could at any time assume political power over the burgeoning nation. A legislator of the period, Basque-descended criollo Mariano Arosemena penned an article in 1824 describing plans for a modern interoceanic route as the best means to the isthmus' ascendance in "civility and population".<sup>51</sup> Szok (2012: 17) notes, "[d]uring these years [the urban oligarchy] became conjugally and economically tied to European and North American families, and they repeatedly sought political and even military arrangements with Great Britain, France, and the United States".

To political and commercial elites, Colombia was a drag on the development of the transit zone; Cartagena's political conservatism and commitment to centralized government ran counter to Panamanian elites' commercial interest in free trade and limited government.<sup>52</sup> In 1826, a Panamanian statesman even proposed to the Colombian representative there that Panama be recognized as a Hanseatic state (Arosemena 1968: 16), to ensure its economic autonomy as a center of "free trade" (*librecambista*) for the world. At the same time, political figures called for immigration policies that would 'improve' the Panamanian race and thereby assure "the path of civilization" (Justo Arosemena, as quoted in Tello Burgos 1985: 30). Ultimately, Cartagena's indifference to Panamanian elites' ambitions for racial and material progress fueled an anti-Colombian separatist project tied to sustaining the colonial racial hierarchy.

Significantly, the racial project of late-colonialism and that of the short-lived republican period tend to overlap, connected by racialized patterns of organizing work; urban spatial hegemonies; and the consolidation of mostly urban, white elite political and

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<sup>51</sup> See passage on M. Arosemena, fn 25 in Szok 2012, Chapter 1.

<sup>52</sup> See Miró (1953) for writings by prominent legislator Justo Arosemena, son of Mariano Arosemena.

commercial power.

*The Railroad and the Company Town*

Transcontinental industrialism accelerated in the U.S. in the 1840s, and in Panama, U.S. expansionism took the form of railroad construction (1850-1855). In 1850, authorities in Cartagena granted a concession to a group of American investors to construct a trans-isthmian railroad and an Atlantic terminus for the railroad. Company owners hoped to create a short and cost-effective route between the U.S. east coast and California. While the oligarchy welcomed US investment in the railroad, they were quickly disillusioned about the effect of foreign businesses on the local economy. Newcomers who had arrived because of the California gold rush began setting up their own enterprises in Panama City and near the burgeoning railroad town on the Atlantic coast, crowding out local entrepreneurs and driving inflation that posed a hardship for Panamanian transit zone dwellers. Local elites were also taken aback by the arrival of six to seven thousand laborers – Chinese from mainland China, blacks and East Indians from the Antilles, Irish men from the port at New Orleans (Cohen 1971: 311), and blacks from Cartagena province in Colombia were brought in to build the railroad and terminal city – alongside white Caribbean banana planters (of Irish and English origin) and white American businessmen, speculators, and military personnel who conducted other business in the transit zone. Adding further fuel to the fire, ‘black’ factions within the Liberal party intervened in electoral politics in the 1850s and challenged the oligarchy, urging for policies that would defend the interests of the arrabal. According to McGuinness (2008: 25-29), blacks feared U.S. annexation and the reestablishment of slavery on the isthmus.

The town of Aspinwall was inaugurated on the island of Manzanillo, in 1852; it would later be renamed the City of Colón.<sup>53</sup> Manzanillo Island was an inhospitable swamp<sup>54</sup>, which company planners sought to transform based on the lattice model of Philadelphia. In 1867, the Railroad Company renegotiated its contract with the Colombian government, entitling the company to full ownership of the island, save 100 lots for government buildings (Carles 1955). The contract established conditions for a complete economic monopoly in the area: after purchasing the island the Company prohibited the establishment of any businesses that had the potential to compete with railroad interests. In these late-19<sup>th</sup> century decades of city formation, Colón certainly had all the trappings of a company town, which is to call it “a community inhabited chiefly by the employees of a single company or group of companies which also owns a substantial part of the real estate and houses” (Davis 1931: 119-23).

Though Colón was not built on United States soil, its design, construction, and management was a U.S. invention reflecting some of the same operational premises as similar company towns of the day. According to Crawford (1995: 2), the functional form underlying most mid-19<sup>th</sup> century American company towns is the physical division between the industrial landscape on one side of the settlement and the ‘model town’ on the other. ‘Sponsors’ of company towns often had very ordered and specified plans of development that reflected one social or physical ideology or another, making the physical arrangement of the town complementary to the industrial process, regional

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<sup>53</sup> Aspinwall was renamed Colón City in 1890.

<sup>54</sup> Majority-share owner William H. Aspinwall’s initial plan was to build the railroad between the exiting ports of Panama (on the Pacific coast) and Portobelo (on the Atlantic coast). However, speculation in land prices in Portobelo prompted the search for a less expensive location on which to build a terminus for the railroad route on the Atlantic coast.

conditions, and the labor context. Importantly, company towns blur the boundaries between live and work spheres, which usually results in employees being more vulnerable to employer control.

From humble beginnings as a rudimentary settlement, constant construction activity foreshadowed the long-term growth of a vibrant international city. In 1880, French investors obtained a concession to begin construction on a transisthmian canal project. They also recruited West Indian labor, and erected housing clusters to accommodate French Canal Company workers. At this time, Colón was a city of few roads, no sanitation, and wooden housing. The city began to develop as an urban center in spite of the generally unhealthy environmental conditions around the swampland. It began to assume the character of a multicultural, though still predominantly black city.

In 1885, local black leader Pedro Prestan and his followers launched an uprising in Colón, rebelling against the racial caste system that developed around the city's "third-party labor" system (Zimbalist and Weeks 1991; Conniff 1985), and which marginalized the racial underclasses.<sup>55</sup> The Colombian government crushed the revolt and hanged Prestan, blaming him for causing a great fire that resulted in \$6 million in property damage (Carles 1955). The fire almost ruined Colón. Though few buildings remained, reconstruction began almost immediately. Later that year, two more disasters would occur: a devastating earthquake followed by a hurricane. As a result, most of the historic buildings in Colón's old quarter were built after the city's third rebuilding effort, begun in 1886.

The French Canal construction project ended in ruin in 1889, halted by near

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<sup>55</sup> This refers to a labor system in which foreign company owners (first-party) side-step local labor recruitment in the host country (second-party) to rely instead on 'guest workers' from other nations (third-party).

bankruptcy and massive losses of its labor force due to disease and poor sanitation conditions. As the new century approached, isthmian oligarchs were anxious to complete construction and secede from Colombia. A bloody civil war raged in Colombia between 1899 and 1902, sapping strength from Cartagena's control over the Department of Panama. At the same time, U.S. officials encouraged Panamanians' separatist aspirations, as the fighting endangered railroad interests and American visions for a new canal campaign (Demarest 2001). Interest in US-Panamanian relations ran both ways, however. Szok (2012: 29) points out that some Panamanian elites saw US protectorate status ensuring the kind of order and stability that could accomplish the oligarchy's most pressing objectives: to create a stable environment for international commerce *and* to stem black political activism.

### **Racial Formation in the Canal Zone Era**

In 1903, the Hay–Bunau-Varilla Treaty was signed, establishing US rights to construct the Panama Canal and the Canal Zone; the latter would be comprised of a 553-square-mile US territory located within Panama, to include the Canal and an area extending five miles on each side of the centerline, but excluding the terminal cities of Panama City and Colón. In 1904, the Isthmian Canal Convention entered into force, granting the United States the use, occupation, and control of a zone of land and water for the construction, maintenance, operation, sanitation, and protection of the canal in perpetuity.

The 1903 Treaty established new jurisdictional arrangements for Colón – the city was no longer 'owned' by the Railroad Company; but the railroad, completed in 1855, was within the limits of the Canal Zone and several railroad properties in Colon were

transferred to the U.S. Canal Commission. In practical terms, this meant that large tracts of the City of Colón became properties of the US government, while the remaining portion of the city fell under Panamanian authority. Additionally, the Canal Commission bought out the French Canal Company in a sale that included the conveyance of 2,149 buildings of different types, 1,536 of which the North Americans repaired for company use (The Panama Canal Record [October 14] 1908: 49).

From the Canal construction period (1904-1914) until the 1930s, labor migration from the US, the West Indies, China, Southern Europe, and the Ottoman empire ushered rapid urban development and even more demographic change in the transit zone. Contract *and* non-contract workers arrived in the droves; West Indian workers, especially, were followed in many instances by their families. Labor recruitment during the canal construction period was raced and classed: white Americans were recruited to fill specific positions on the “gold roll”, which were unattainable by blacks and southern Europeans on the “silver roll”.<sup>56</sup> Salaries and benefits paid to workers on the gold roll far exceeded compensation to silver roll workers of all races and nationalities.<sup>57</sup>

When the US took over the Canal works, they prioritized an immediate plan of eliminating the vectors of malaria and yellow fever. This public health imperative had

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<sup>56</sup> Because unskilled black and southern European workers held the same labor position, pay scale, and living standard, Biesanz (1950) argues that labor differentiation in the construction period was more functional than racial, being based on skills-differentiation than strictly on skin color. After the canal was completed and nearly all Europeans returned to their home countries, continuing labor segregation was clearly racially organized, marking a shift to a structural racial hierarchy.

<sup>57</sup> In 1954, *Brown v. Board of Education* deemed racial discrimination illegal, resulting in the official termination of the gold/silver roll. However, the gold/silver pay system was renamed the U.S./local rate system, which secured a legal route to ensure that all Panamanians (with some exceptions) – black and mestizo – remained subordinate to US labor in the split labor system of the Zone.

important implications for urban planning and housing development in Colon. Street paving and the installation of major public works began (Salabarría 1980). Even though Colón ceased to remain a ‘company town’ in the formal sense, company/government housing as an organizing element of black life and livelihoods, and rented tenement housing elsewhere in Colon, continued to infuse the urban character.

While the Canal Commission was developing new residential areas, Canal employees resided between 1904 and 1906 in many of the structures that had been built during the French Canal era. Many of those French dormitories were used to house black and southern European workers (Ibid.: 50). These ornamental and solidly built wooden structures were located in Colón and Panama proper. But it was still necessary to construct more dwellings, specifically for the white American single male population.<sup>58</sup> Twenty-four “Bachelor Quarters” were built for this purpose, modeled on the French style (The Panama Canal Record [January 1] 1908: 114). By 1915, a year after Canal construction ended, the Commission began erecting housing structures for permanent employees of the Canal and Railroad. Each multi-unit building contained 45 single-person apartments of approximately 162 square feet. In 1916, construction began on whites-only civilian housing for nuclear families (McCullough 2004).

Over the next 30 years, Colón continued to grow as mangroves and marshes were drained and landfilled by the U.S. government. Canal Zone officials began paving roads, had sewage systems built, and installed water tanks and pipes for the circulation of potable water supplies in Colón and the Canal Zone area of Cristobal (The Panama Canal

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<sup>58</sup> In the initial years of Canal construction, the labor force grew exponentially, and the amount of available housing did not keep pace with the demand. One publication notes that even old train cars from the Railroad Company were converted into living spaces, for Gold and Silver Roll workers alike. These mobile units were moved to various Canal construction sites as required (Hardy 1939: 48).

Record, Nov. 13, 1907). Though the Commission initiated the effort, the President of Panama Amador Guerrero gave official authorization to initiate an Isthmus-wide sanitation campaign that expanded to include the regulation of waste disposal, vigilant control of mosquito breeding areas, drainage of swamps and regular inspections of butcheries, food markets, and other establishments (Preciado 1915: 98-103).

High turnover and morbidity among Americans living in the Zone, however, inclined Canal authorities to make life in the ‘tropics’ more palatable to white workers and their families. Taming the tropical wilds through landscaping and ‘community planning’ provided man-made order in the style of a ‘garden city’ utopia.<sup>59</sup> The establishment of whites-only social clubs, recreation facilities, schools, and neighborhoods, moreover, assured the evolution of the Canal Zone as an exclusive micro-society. Although Zone workers of all races labored side-by-side, separate commissaries, cafeterias and sanitation facilities assured distinct racial boundaries in non-work spheres.

For every white residential neighborhood built, separate black housing was set aside for Afro-Antillean staff. In the Atlantic Sector, housing for white Northamericans was situated in: Gatun, France Field, Coco Solo, Margarita, and Cristobal. “Bajo costo”, or low-cost housing, which was designated for Afro-Antillean workers was situated in areas called: Mendi, Mount Hope, Rainbow City, Cristobal and Mount Beard (Canal Record, Nov. 20, 1907: 90). Housing options in the two types of residential areas differed chiefly in terms of amenities and space (Smith Fernández 1980: 499). Generally, housing

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<sup>59</sup> The ‘garden city movement’ emerged in early 20<sup>th</sup> century England as a town planning response to the unhealthy consequences of polluted industrial metropolises (Hardy 1991). I am not suggesting here that Canal Zone planning was an extension of these movements. I refer to the garden city concept here only to highlight that like garden city visionaries, Canal Zone planners were inspired by utopian ideals of environmental and social engineering.

for non-U.S. workers in Canal construction and operations was subpar; testimonies of Antillean life at the turn of the century attest to miserable living conditions for workers. Cramped living space in rudimentary, group housing (hostels) was worsened by constant attacks of bedbugs and lice.<sup>60</sup> In 1917 “The Panama Canal Health Department” issued a guidelines document for the regulation of construction in the Canal Zone and proximate areas in the terminal cities, which was focused upon the control of building developments and permits, the construction of “rat-free” buildings, space between buildings, size of balconies and patios, proximity of latrines, and so on.<sup>61</sup> These regulations constituted some of the first modern doctrines on urbanization and construction.

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<sup>60</sup> In 1913, Goethals estimated that less than 25% of West Indian workers occupied dormitories owned by the Isthmian Canal Commission.” Providing an alternative view, McCullough (2004) maintains that it was not that the Commission provided inferior housing than what was available in the terminal cities; rather the problem was that there simply wasn’t enough housing available. Within the Canal Zone, Silver City (now Rainbow City) and Cristobal were the only areas where non-whites could live; from the time of construction until WWI these areas housed Antilleans from the British and French isles, and their descendants born in Panama. As a result of such limited options, “no less than four or five people paid rent for miserable housing in Colon or in Panama City, where ordinarily one room served to accommodate a complete family. Or, more frequently, they situated themselves in the jungle, where they constructed entire villages with boxes of dynamite, flattened tin cans, scrap wood or corrugated sheets they collected from the garbage” (McCullough 2004[1978]: 606).

In 1916 Canal Zone Governor Harding solicited Congress, unsuccessfully, for appropriations to build additional housing for Silver Roll workers. The existing living quarters that had been built for Silver Roll employees, ie: Afro-Antillean workers, were divided into barracks-style housing for single men, and housing for married couples. Called “Standard Laborer’s Barracks Nos. 1 and 2”, the two models of building style had similar organization, varying only in size. There were outhouses and communal pipes for drinking water. Observing the condition of these flats still in use in the 1940s, George Westerman (1948: 6) observed that the barracks for Silver Roll employees suffered physical decline, inadequate ventilation, and rat and insect infestation. It was normal, according to Westerman, to see at this time in the Canal Zone an accommodation consisting of two or three rooms shared by up to 24 people. Each apartment had a corridor, which was used as a common area for dining and food preparation. Elsewhere in the apartment, families’ “rooms” would be divided by privacy curtains. Meanwhile the French-built barracks in Colon continued to deteriorate, and some had to be abandoned (Westerman 1980). In 1951, \$30 million was designated for the construction of over 4100 houses for Silver Roll employees; however, only 750 were actually built (Biesanz 1977[1955]: 211).

<sup>61</sup> See The Panama Canal Health Department (1917); Also see, “New Zone Building Laws”. The Canal Record ([September 25] 1907).

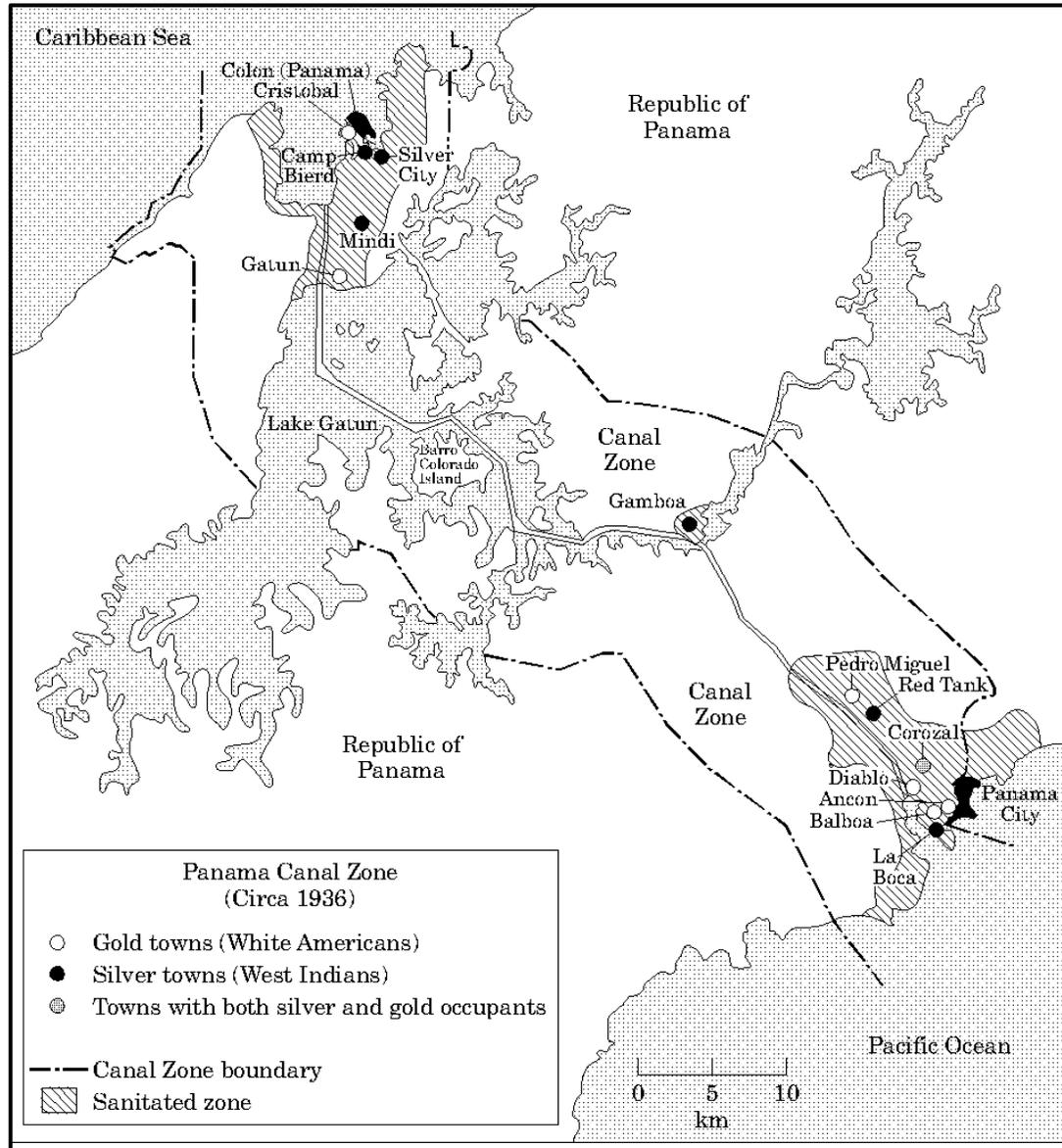
The Building laws of the day further specified how different classes of housing must be built, depending on the professional status of the occupants. For example, Class “B” housing was designed for pilots and their families.<sup>62</sup> Ordinances were also established for higher occupancy lodgings, such as hostels, barracks, and inns, which “should have at least one toilet for 15 persons and one bathroom for each 25 persons” (Panama Canal Health department 1917: not paginated).<sup>63</sup> Gerstle Mack (1974: 538) notes, “the majority of blacks opposed the regimentation of life in the barracks, categorically refused to stay in the free housing [provided by the Canal Commission] and [instead] gathered in ramshackle huts in the bush, or in crowded and unsanitary communal housing in cities”. Hence, while North Americans remained clustered within the Canal Zone itself, not all Antillean workers lived inside the Zone; many of them lived in rented lodgings (dormitories and inns) in neighborhoods that had sprung up in the vicinity of the Canal works, and those on the Atlantic coast poured into unregulated areas of Colón City. Still, workforce needs, spatial imperatives, and social networks confined black West Indians largely to the Canal Zone and its surrounds. Panamanian business elites, as well as Chinese and ‘Turco’ (Arab) merchants, relied on rents and income derived from goods and services provided to urban blacks.

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<sup>62</sup> These buildings were constructed on pillars and elevated from the ground to minimize pest intrusion. The opened space underneath the home was used as a garage; children’s play area; and laundry area.

<sup>63</sup> This became the norm in dormitory housing, and was later mimicked in the construction of *casas de vecindad* (community housing) built by private investors for renters in Colon City.

**Map 3.2: The Panama Canal Zone, 1936**



(Reprinted with permission from Frenkel 2002)

The Canal Commission assumed strict management of personnel mobility and regulation of space by racial and/or national criteria. Until US law disassembled Jim Crow segregation, the Canal Zone remained racially segregated in de jure terms. In de facto terms, segregation continued for several more years under a different regulatory guise (ie: segregation by nationality) (Conniff 1985).

The end of Canal construction (in 1914) was one of several temporal markers in what would become Colón's economic boom and bust cycle. While canal construction provided an economic windfall, the local economy began to slump after 1915. From 1920 to 1924 recession led to massive unemployment; the Canal workforce dropped 75 percent between 1913 and 1921 (Phillips Collazos 1998: 252). Substantial numbers of released contract workers returned to their countries of origin, but a large portion of the Antillean workforce stayed in Panama awaiting new opportunities (McKay 1969: 25). New arrivals continued making their way to Panama on their own. This large pool of unemployed or 'informally' employed black labor caused panic among Panamanian elites. Taking a reactionary stance, political elites passed a law in 1926 to block the immigration of non-Spanish speaking blacks to Panama<sup>64</sup>; they also enacted a law requiring that businesses outside the Canal Zone must have 75 percent of their workforce composed of Panamanian employees (Percy 1998). Additionally, continual rent increases in the tenements of Colón and Panama led to the rise of tenant movements that culminated in

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<sup>64</sup> Immigration policies were lax toward Blacks in Central America throughout the construction period, while migrants of Asian and Middle Eastern origin (so-called 'Chinos' and 'Turcos') were targeted for prohibition. One year before Canal construction ended, for instance, Act No. 50 of 1913 (March 24) expressly prohibited Chinese, Turkish, Syrian, and North African immigration. (A summary and additional explanation of the context for implementation of these exclusionary laws can be found in de Pérez, Gandhi, and Shahani [1994]). In the 1920s, discriminatory immigration laws became even tougher, reflecting in part a widespread discomfort among elites over the apparent 'blackening' of Colon. Act 13 of 1926 expanded the number of prohibited groups to include those excluded 13 years prior and in addition, Japanese, Indo-Oriental, Indo-Aryans, Dravidian blacks, and blacks from the Antilles and Guyanas. However, plunging world commodity prices in the 1920s and 30s spurred massive unemployment that aroused widespread anti-black xenophobia in Panama and elsewhere in the region. Act No. 6 of 1928 instituted a quota system, allowing the annual immigration of 10 migrants from each of the prohibited groups. Putnam (2010) argues that economic shocks were not the only cause of the resultant shift toward restrictive immigration, rather the inter-American diffusion of eugenic 'science' and the regional influence of a US- institutional model of immigration regulation were central factors. Formal exclusion of Chinos, Turcos, and Blacks would thus become an official plank of Panamanian nationalists' call – under the leadership of the *Panameñista Party* - for the consolidation of the mestizo nation.

the rent riots of 1925 and 1932 (Wood and Baer 2006). These hostile conditions induced a modest drop in Colón's population between 1920 and 1930 (McKay 1969: 25). Yet, many jobs, such as those in maintenance, operation, administration, security, dockwork and other opportunities, were still available in the Canal Zone, and black West Indians remained the employees of choice for such positions (Salabarría Patiño 1994: 193). Additionally, work was available in the private retail shops in Colón's downtown, and in subsidiaries of U.S. enterprises like the Coca Cola Bottling Co. (established in 1920), and various import-export companies. With preparations for the Canal lock expansion project underway by 1936, West Indian migration to Colón again rebounded.

*Colón's Golden Age*<sup>65</sup>

Until the start of WWII, the US government supervised Colón sanitation “with an iron fist” (Salabarría Patiño 1994: 10). The Canal Zone police enforced an elaborate system of municipal regulations, doling out high fines and making arrests for the smallest infractions. One former resident of Colón recalled, “between 1926 and 1942, I don't ever remember having seen Colón streets being dirty... The trash was collected twice a day, every day, maintaining all parts of the city with order and diligence” (Ibid.). In such ways, even though the two countries had agreed to end Panama's protectorate status in 1939 – in line with Roosevelt's “good neighbor” policy – Colón still resembled a ward of the U.S. government. The U.S.-Panama Base Convention Treaty was ratified in 1942, providing concessions for additional US construction projects, including roads, bridges, and public works that created an external dependency in the provision of urban functions in Colón (Carles 1955: 77). Another important component of the Treaty was that it

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<sup>65</sup> The evidence provided in this section combines the following important primary and secondary sources: Carles 1955, Salabarría 1980, and Salabarría Patiño 1994.

transferred ownership of Panama Railroad Company lots to the Panamanian national government, specifically to the Urbanization Bank (Banco de Urbanización), the institution charged with urban planning. Importantly, this state-to-state transfer reinforced the role of the state as primary landowner in Colón.

Colón's status as functionally, institutionally, and culturally 'different' was exacerbated by its relative isolation from the rest of the country. Though the city was outside of the Canal Zone, it played host to Canal Zone workers and foreigners arriving at isthmian ports. Until the 1943 construction of a Colón-Panama City highway called the 'Transistmica', there was no modern road in Panama connecting the two terminal cities; the only means of rapid transport was the railroad, which was within the pass-controlled Canal Zone. Further, not until 1961 was a paved road built linking Colón's lower and upper coasts to Colón City. Colón City was a veritable island apart from the nation – a bastion of foreigner-controlled commerce and regulation, teeming with black labor forces. Notably, the city had several Protestant churches (uncommon elsewhere in the country save the banana enclaves), two large synagogues, and Greek Orthodox Church. The Rotary Club, Salvation Army, YMCA, and the Knights of Columbus all had large branches in Colón. Colón had its own Chinatown as well as a two-block area called 'Coolie Town'. Upper class residents of Panama City often rode the train to Colón to purchase luxury items in Colón's exclusive shops selling European fashions and furnishings. Well into the 1940s, foreigners ran urban commerce, by and large.

From the middle-1930s until the end of WWII, Colón reached new heights, adding fuel to its reputation as the "Gold Coast" of Panama. The war brought plenty of jobs and good wages. The principal sources of employment were U.S. military forts, and

aircraft and naval bases that proliferated or expanded significantly during this time: Fort Gulick, Fort DeLesseps, Fort Davis, Fort Sherman, France Field, and Coco Solo. As the military complex expanded, the US annexed more land from their Panamanian hosts, as the 1903 Treaty allowed. Other sources of employment remained the Canal Commission and the Railroad, as well as commissaries, printing presses, ports, maintenance workshops, etc.

Because cash was plentiful, leisure activities exploded as well. The city bustled with bars, cantinas, and cabarets that carried names like Copacabana, Dixie Bar, Club Monte Carlo, and Atlantic Nite Club. Streets in the black residential quarters had names such as: Calle Barbados, Calle Jamaica, and Calle Trinidad. Clearly, complementing the historical urban concentration of black communities in Panama, the residential topography of the city read as a web of black habitation. Indeed, the most populous nucleus of foreigners from the 1900s onward was the Afro-Antillean population. In both of the terminal cities, an “Afro-Antillean sub-culture” flourished (Conniff 1985: 66).<sup>66</sup>

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<sup>66</sup> About the rampant *Antillanidad* of the city, Panamanian author Joaquin Beleño lamented, “Perhaps we are closer to the Antilles than to Colombia and hence the confusion of our souls and our decisions. The aristocracy lives a colorless mix of *colombianismo* and *yanquismo*, while average people find themselves in a stage of *antillanidad* imposed by this black sediment from the Caribbean” (Beleño 1961: 206).

**Table 3.3: Race According to 1940 Census in Colón**

Corregimiento	White	Black	Mestizo	Asian	Hindu	Indigenous	Other	Total
Barrio Norte	3,867	15,001	6,796	446	62	181	39	26,392
	14.7	56.8	25.8	1.7	0.2	0.7	0.3	100
Barrio Sur	2,954	8,461	4,081	508	252	333	23	16,612
	17.8	50.9	24.6	3.1	1.5	2.0	0.1	100

*The census data show that just over 50 percent of Colón's population was black and only one-quarter mestizo. The 'Asian' population, mostly Chinese, comprised close to three percent of the population.*

(Censo de Población de 1940, República de Panama)

However, the 1941 Constitution, which stripped 'undesirable races' of their citizenship and property rights, dispossessed Chinese, Indian, and Middle Eastern shop owners in Colón. The Chinatown never rebounded from the loss. Additionally, the city's substantial Jewish population made a noticeable exodus toward Panama City around in the mid-1940s as the U.S. military presence grew. Full suffrage was restored to Panama's 'excluded' groups by 1946 and after World War II, even more change was on the horizon. Many of the soldiers left and war industries halted. Tocumen International airport was built just outside of Panama City, and "the industries and commercial houses that had contributed to giving life to Colón, transferred en masse to Panama City" (Salabarría 1994: 280). It is in this context of commercial and military flight that President Arnulfo Arias undertook a national program of import substitution industrialization focused on Panama City. Though policymakers' attention largely shifted away from Colon toward the capital, by the end of the decade President Enrique A. Jiménez backed the creation of the Colón Free Zone to anchor Colón's next economic chapter.

The 1955 Remon-Eisenhower Treaty forcibly thrust forward black social

integration in Panama by setting in motion a process of Antillean depopulation of the Canal Zone: “thousands of non-US citizens, mostly Antilleans and their offspring lost their jobs, housing, and commissary-buying privileges, and were compelled to pay income taxes to the government of Panama” (Priestly 2004: 4). An important cultural consequence of the Treaty was the ‘latinization’ of the non-US Canal Zone schools, which were attended by many Antillean-Panamanians (the children of local-rate/silver roll employees). The redesignation of these Canal Zone schools as ‘local’ schools brought Antillean-Panamanians into contact with Spanish-language training and the Panamanian public school curriculum for the first time (Conniff 1985).

In spite of the loss of several worker-based privileges, Colon continued to rely heavily on service sector employment tied to the Canal Zone. See Table 3.4 below.

**Table 3.4: Percentage of Colon’s Economically Active Population by Sector, 1950-1960**

<b>Sector</b>	<b>1950</b>	<b>1960</b>
Agriculture	1.1	1.1
Industry	10.6	7.7
Construction	2.5	3.9
Electricity, Gas, Water, Sanitation	0.9	1.1
Commerce	16.5	20.2
Transport and Communications	4.4	5.6
Services	24.7	29.8
Canal Zone	37.1	29.2
Unidentified	1.7	1.4

(Source: Estadística Panameña 1960)

The 1950s and 1960s were turbulent decades in U.S.-Panama relations. Popular riots broke out in the terminal cities over Panamanian dissatisfaction with the progress of Treaty renegotiation, and the affront of U.S. occupation more generally. In response, President Eisenhower expanded foreign aid and sponsored the creation of the Inter-

American Development Bank (IADB) to help invigorate the Panamanian economy; Kennedy increased USAID expenditures by 600 percent; and Johnson, with the guidance of aide Walt Rostow, worked with Panamanian President Robles to draft a set of Treaties in 1967 that never passed but were intended to expand Panama's share of Canal revenues (Conniff 2001: 113-124).

The nationalist struggle to overturn the 1903 Canal Treaty became especially pronounced surrounding the military coup d'état that seated Omar Torrijos as the national head of state in 1968. General Torrijos made new treaty negotiations his top priority. To secure the legitimacy of his regime and support for his treaty mandate, Torrijos initiated several large-scale modernization projects in both town and country. Generous public investments in national development, including major infrastructure projects and the acquisition of several export-oriented companies<sup>67</sup> did offer some benefit to Colon's unemployed. Labor-friendly laws, including the establishment of a minimum wage, and enhanced social protections enacted in this period also helped to increase social security overall and foment worker allegiance to political Torrijismo (Ropp 1982: 55-71). The regime's attempts to strengthen the domestic manufacturing sector ultimately ended in plant closures and state fiscal crisis, however, while by contrast, investments in export-oriented services (banking, free zone) soared.<sup>68</sup> Several banks set up headquarters in

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<sup>67</sup> The state used foreign loans to acquire "banana plantations, sugar mills, a citrus fruit processing plant, a cement factory, several large hydroelectric projects and set up a national radio network" (Scribner 2003: 70). In addition, military spending greatly increased (Guevara Mann 1996: 126-127). As a result, foreign debt skyrocketed.

<sup>68</sup> For instance, the establishment of a 1970s banking law made the small nation more attractive than ever to international investors and ushered Panama into a new era at the center of what would become a Caribbean off-shore banking boom.. National economic growth from 1970 to 1980 reflects the aggregate benefit of these large cash infusions, which were often linked to the trafficking of drugs and arms (Priestley 1986: 29).

Panama City, with key branches in Colón's international banking hub, situated within the Free Trade Zone.<sup>69</sup>

### **A Provisional Theory of Racialized Space and Development in the Transit Zone**

Throughout this history of urban transformation, what appears is a system of socio-spatial pairings embedded in particular processes of accumulation:

- In the early-colonial era, the maroon palenque generated out of and was sustained in connection to the mercantile port city;
- the late-colonial and postcolonial eras witnessed the hesitant coupling of the fortified city and the arrabal;
- Colón's early formation as a privately-owned 'company town' expressed the basic contours of a 'color line' in a context of corporate monopoly, 'model planning' and weak boundaries between productive and reproductive spaces; and
- finally, for much of the neo-colonial period, the Canal Zone's military-industrial micro-society generated racially segregated space, which was itself a space of sovereign and racial exception tethered to the Panamanian 'national space' without.

With each pairing, we find a predictable structure: a space of transnational capital coordination separated from and entwined with a space of labor reservation. (In the Canal Zone, this was doubly the case.) Both spheres constitute parallel and complementary

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<sup>69</sup> In a virtually exhaustive treatment of the consolidation of Panama's power elite, from 1904 to the 1970s (when the military coup intervened), Hughes and Quintero (1987) demonstrate that the 150 largest enterprises in Panama are owned by a handful of key "white" families, who also have jostled the reigns of political power for much of the Republic's history. Their hold on power persists today, as many of the same families hold the highest offices and run the largest corporations in the country. Many of these families have also, since the international banking law of 1970, counted their patriarchs among the Directors and policy influencers of the largest private banks (eg: Banco General) and public development banks (eg: Banco Agro-ganadero de Produccion y Desarrollo – AGROBANK) (1987: 99-101). In a telling summary, the authors note that by the mid-1980s: "mainly 100 people influence approximately 300 businesses, among which are 16 banks, 143 industrial enterprises, 56 import-export businesses, 6 investment companies, 8 insurance companies, and 65 agrobusinesses" (Ibid.: 105).

zones of race-making. Within these spatial dualisms, racial hierarchies obtain in which the space of capital coordination is often reserved for (honorific) whiteness and the space of labor becomes a place of racial otherness.

Historically, Panama's terminal cities have been border zones between the nation's imagined and actual selves – zones where sovereignty, allegiance, nationality, and the 'race' of the nation have been ambiguous because of constant 'transitist' flows of capital and migration that have served to maintain persistent spatial and racial dichotomies. Given the completeness of its black racial signification, this is especially the case in Colón. Taking a transnational view, moreover, Colón is also part of a black coastal network from Belize at the northern end of Mesoamerica down to Cartagena on South America's Atlantic coast. Colón has for decades served as a crucial fulcrum in a broad Caribbean transnational migratory sphere.<sup>70</sup> To draw out these assertions, I offer a brief analysis of the historical narrative presented above.

In the colonial period, Panama was a key sinew of Spanish mercantilism. Its emergence as a node of globalizing trade, cultural syncretism, and European commercial power set in motion an internal spatial order that would endure for centuries. The racial strictures of colonial society and the African impulse of self-determination propelled the formation of the palenque as a social system of black 'self-making practices'<sup>71</sup> and a

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<sup>70</sup> All along the Atlantic coast of Central America, late 19<sup>th</sup> century transnational conquests by the United Fruit Company led to the import of Anglophone black Caribbean labor to work on plantations, creating Afro-Caribbean enclaves in the Bocas del Toro region of Panama, Puerto Limon in Costa Rica (Sharman 2001), and Bluefields in the Miskitu coast of Nicaragua (Bourgeois 1986). Even though the racial demographics of these areas have changed (in Limon very significantly), researchers observe that they are still assumed to be black-predominant zones. In these areas, as is the case with Colon, blackness is the primary organizing principle.

<sup>71</sup> For example, creating various forms of what Morton (2000) calls "palenquero creole" vernacular languages (also Lipski 1985); folk traditions and performance rituals (Bettleheim

segregated space of racial rebellion, defined both against and within colonial society. Then, as now, ‘blackness’ was a symbolic form of oppositional power.<sup>72</sup> According to Hernán Porras (1998), the palenque thus became the source symbol of elite racial anxieties into the 18<sup>th</sup> century.

The spatial racialism later born of such ‘anxieties’ is also keenly observable in the late-colonial divide between the walled city and the arrabal. The spatialization of raced and classed privilege through physical boundarymaking (and other boundaries, ie: legal, conjugal and occupational) constituted the fortified city as a space of exclusion and whiteness, while rendering the arrabal a space of labor and mestizaje. Indeed, the porous boundaries between free and enslaved persons, and miscegenation in the arrabal contributed to racial mixture that would provide the biological foundation for republican-era projects of ideological mestizaje. Liberal elites of the protonational period turned to European notions of Enlightenment and utilitarianism in the construction of social and political institutions, and sought population ‘whitening’ through policies to encourage European immigration and investment in the transit zone.

Failing to overcome the ‘stain’ of miscegenation, they instead embraced mestizaje as an asset for the national identity, and effectively re-inscribed the arrabal as a virtuous space of mestizo racialization. Under neocolonial conditions, the mestizo becomes repositioned in the national identity discourses of the 1920s and ‘30s

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2004; Lindsay 2005); and reestablishing African kinship patterns and forms of social order (see Genovese 1992 [1979] for a brief survey of free black rebellious communities across the Americas).

<sup>72</sup> Olsen (2002: 61) recounts, for instance, that in the Kingdom of Bayano, a legendary Panamanian Palenque, Africans and Amerindians joined forces in several assaults and, as instructed by Bayano himself, their indigenous allies painted themselves in blackface to give the perception that the maroons and their menacing blackness were in fact a larger threat than indicated by their actual population size.

(Panameñismo) as the ‘soul of the nation’ (cf. Huerta 1930; Garay 1930)<sup>73</sup>, in response to reconfigured hierarchies of space produced through the creation of foreigner-occupied zones of racial-cultural and accumulative distinction.

Hence, in the spaces of ‘the nation’ proper, Panamanian elites created a single mestizo identity for an otherwise diverse people. By contrast, foreign enclave elites constructed artificially contained spaces of heterogeneity structured by specific forms of control of work, accumulation, and racial order. The rationalities (racial and spatial) of the Canal Zone contributed further institutional and physical elaboration to the enclave structure of the Company Town that preceded it. As such, statist regulation, regimentation, militarization, and segregation under the direction of Canal Zone authorities further composed spatial order. Significantly, the U.S. government’s right to occupy, intervene, and annex ‘alien’ space beyond enclave boundaries enabled the projection of Canal Zone rationalities outward onto the space of the nation, blurring the boundary between both.

While the foreign enclave constitutes a space of difference, it is a misnomer to call it a space of ‘exception’. Rather, it is representative of an historical sequence of spaces organized to serve the purposes of hemispheric capitalism based on the geositional qualities of the isthmus as a whole. And though the spatial forms change, eg: the walled city gives way to the company town, the symbiotic tensions between

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<sup>73</sup> I would like to suggest that the palenque spaces of rebellion (ie: the historically black upper coast of Colón [Nombre de Dios and Portobelo]) are recast, in turn, as assimilable spaces of colonial nostalgia. This domestication of rural-coastal blackness coincides with the spatial subordination of the Atlantic coast as an economically by-gone (read “backward”) region; accordingly, it is unsurprising that from the 1920s onward, the policy priorities of national development (outside of the foreign enclaves) turned toward other interior regions of the country tapped for their modernizing potential (ie: the Azuero peninsula).

racialized spaces of the ‘nation’ and of transnational capital persist. Black subordination remains a constant within and across these boundaries.

As the ‘inheritor’ of Colón, U.S. authorities tended to externalize Canal Zone logics most efficiently there. Thus, as a dually problematical place of black spatial concentration and foreign penetration (vis-à-vis both U.S. empire and a resident multinational petit bourgeoisie) – in contrast to the more spatially autonomous and demographically *mestizo* Panama City<sup>74</sup> – Colón’s representation as a space of racial Otherness has penetrated the national imagination in enduring ways.

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In the next section, I argue that massive black middle class and working class outmigration to new opportunities in Panama City and the U.S. – from the 1960s through the 1980s – spurred urban transformation in Colon once again in important new directions. Predictably, demographic change outpaced the designs of urban planners and policy makers. In this late 20<sup>th</sup>-century iteration of Colón’s urban spatial dialectics, the peri-urban hinterland becomes a new site of settlement, (illegal) occupation, and nationalization. Rural-rural migration from the mestizo-dominant Azuero region to the periphery of Colón has not, however, diminished Colón’s reputation as a place of blackness – some implications of which I explore in subsequent chapters. To foreshadow the argument, I submit that internal migration to the province would result by the 1990s in the ‘mestizoization’ of Colón’s urban periphery *but not the center*, leading to divergent public policy approaches by the 2000s in the management of suburban and urban populations.

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<sup>74</sup> Unlike Panama City, with its pockets of Negritude (Calidonia, Chorillo, Rio Abajo), the whole city and province of Colón are associated with blackness. It is the quintessential port-of-call for black labor, and has been since colonial times.

### **Turning Tides: Class and Demographic change in Colón**

Massive Afro-Antillean outmigration from *both* terminal cities to the United States occurred between 1960 and 1990. The major push and pull factors were the 1955 expulsion from the Canal Zone, which diminished many of the benefits and privileges of Canal Zone ties, and the opportunities availed by immigration reform in the U.S. (chiefly the Immigration Act of 1965). Between 1960 and 1964, nearly 4,500 blacks of Antillean descent migrated to New York from Panama. Another 3,700 joined them between 1965 and 1969. According to Priestley, “this level of migration continued during the 1970s, tapered off in the 1980s, but increased again between 1987 and 1990, years of conflict between Panama and the United States” (Priestley 2004). In 1977 the U.S. government further eased the entry of Afro-Antilleans into the country. A special green card (permanent residence) was made available to employees, retirees, and their families of the Panama Canal Company, the Canal Zone government, or the U.S. government in the Canal Zone (ie: military forces) (U.S. Citizenship and Immigration Services web archive). In all, 30,000 Afro-Antilleans migrated from Panama to New York over the 30-year period from 1960 to 1990. These patterns reflected a new kind of transnationalism occurring within the transit zone. Rather than the traditional ‘stationing’ of US experts and military forces on the isthmus, international migration reversed course sending black Panamanian *human assets* abroad. It also amplified crossborder circulation of “diasporic resources” (Brown 1998) among black Panamanians.

A socioeconomic snapshot reveals that these migrants were overall a mature, middle-income population.

**Table 3.5: Socioeconomic profile of Antillean-Panamanians in New York City, 1990**

		Percentage (%)
Education	▪ Completed College	11
	▪ Master's or professional degree	3
Citizenship	▪ Naturalized U.S. citizen	47
	▪ Panamanian citizen	53
Average Household Income	▪ \$25,000 – 75,000	55
	▪ Receiving public assistance	5.2
Age	▪ 17 years and younger	19
	▪ 18 – 35 years	27
	▪ 36 years and older	54

(Source: Priestley 2004)

The middle class has been an urban phenomenon in Panama. According to Weil et al. (1972: 107), teachers and government workers made up a significant part of the middle class in the 1960s, as did professionals, small business owners, and a range of white-collar workers in the service industries (managerial and clerical personnel, and technical specialists).<sup>75</sup> By multiple accounts, this wave of migration depleted Colón's dwindling black middle class, significantly changing the ethn racial and class composition of the city.<sup>76</sup>

As middle-class Afro-Antilleans left Colón, poorer Afro-Hispanics from the upper and lower coasts of the province ("costeños") entered. The construction in 1961 of a paved road from the Costa Arriba to Colón City prompted an influx of Afro-Hispanics in

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<sup>75</sup> The middle class is predominantly mestizo, but it also includes blacks, whites, and Panamanians of Chinese or Levantine ancestry. The lower class, consists "mostly of unskilled and semiskilled workers and includes artisans, vendors, manual laborers" and domestics (Weil and Black 1972: 109).

<sup>76</sup> The upper class was largely made up of the traditional elite – a cluster of key families including Arias, Arosemena, Aleman, Chiari, Goytia, and De la Guardia, among others. In contrast to the urban-based middle and upper classes, the rural population of the 1960s was mostly composed of campesinos, who traditionally owned their own homes but not the land on which they lived. They are mostly tenant farmers, sharecroppers or squatters on public or private land (Weil and Black 1972: 111)

search of educational and employment opportunities.<sup>77</sup> The new arrivals, dark-skinned *costeños* lacking English language skills and other skills marketable for an urban service economy did little to improve the livelihood prospects of many of the newcomers. George Priestley (2004) adds that ongoing transnational migration, changes in US-Panama relations, and other socioeconomic factors hastened the political impoverishment of *all* black Panamanians throughout this period.

At the same time as these sweeping events, Torrijos' program of agrarian reform (from 1969 to 1972) had a dramatic impact on the rural economy. Agrarian reform legislated the redistribution of government-owned land, and developmentalist planning sought to stimulate agricultural exports (Rouquié 1987: 325). The regime also instituted peasant cooperatives to deliver technical assistance and established local community councils (*Juntas locales*) to enhance rural participation in community development (Calzadilla 2001: 178-179). By 1972, 200,000 hectares had been redistributed (Ropp 1972: 56). Ultimately, agrarian reform was only a limited success, as the costs of modernized agricultural production ran too high and sent farmers into debt (Priestley 1990: 68). Smallholder debt and competition spurred new internal migratory pressures from rural areas of the central provinces.

Throughout the 1970s, the Torrijos regime attempted national-scale integration of urban and rural economies by investing in rural development, public sector modernization, manufacturing, and transportation infrastructure. However, the administration's mostly urban investments in outward-oriented service sectors set the stage for a de-linking of such 'nationalized' enclaves from local development in the cities,

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<sup>77</sup> One of Torrijos' major infrastructural achievements was the construction of highways to open up rural areas and foster the development of the interior.

and the re-marginalization of black urban dwellers. The dichotomy between transnational and local accumulation was being reinvented once again; this time, not in direct relation to the Canal Zone. To the contrary, Torrijos' political and financial nurturing of 'nationalized' zones of global services (the CFZ and international banking, specifically) was an effort to de-center the Canal Zone and generate viable economic alternatives for the nation. But as these newer zones gained traction, their revenues enriched Panama City, while Colón was left to stagnate, as little wealth trickled into the city coffers.

The progressive withdrawal of United States revenues, and the stoppage of U.S. government-sponsored maintenance of public roads, water and sanitation systems helping to keep Colón afloat declined. Neither national nor local government stepped in to fill the gap. According to the 1980 Census (Censo de Población), Colón's inner city population fell from 67.7 to 59.8 thousand. Livability declined sharply especially during the 1980s, as Colón became wracked by the social effects of the drug trade, for which the Free Trade Zone was a trafficking center (Zimbalist and Weeks 1991), and the effects upon the physical infrastructure due to state neglect. The final multiplier was the hardship generated by the U.S. economic sanctions of 1987-88, followed by the military invasion of "Operation Just Cause" in 1989. All these forces resulted in an important class, cultural, and physical transition in the City, while its stereotype as a 'Chombo'<sup>78</sup> city held fast.

### **The Final Canal Treaty**

On September 7th 1977, Panama and the United States signed the Torrijos-Carter Treaties, ending 13 years of negotiations between the two countries, but jumpstarting a 23-year process of dismantling the U.S. Canal Zone. While a comprehensive explanation

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<sup>78</sup> 'Chombo' is a derogatory term for West Indian blacks.

of the reasons behind the US handover of the Panama Canal would be too lengthy to undertake here, several factors should be noted.<sup>79</sup> From the 1960s onward, the climate of the Cold War brought the US occupation of Panama under international scrutiny. Additionally, after the 1964 flag riots (Martínez Ortega 1976) in the terminal cities of Panama and Colon, anti-U.S. sentiment peaked within Panama and according to many observers, US-Panama relations broke down irreparably. To deal with widespread antipathy in Panama and in hopes of legitimating their position on the isthmus, the U.S. began heavily channeling aid, to the extent that “[i]n per capita terms, postwar Panama received more aid than any other country in Latin America” (Maurer and Yu 2010: 315). The operating expenses of the defense installations in the Canal Zone were extremely costly as well. Combined, aid flows and the cost of militarization evaporated the waning economic benefits of the Canal.

However, the Panama Canal never was particularly profitable for the U.S.; rather, it was merely “useful” because it subsidized transportation costs for US businesses and increased the competitive advantage of U.S. commodities (Ibid.). Eventhough U.S. exports to Asia expanded after WWII, transporting freight via the Canal was no more of a cost savings than westbound rail. By the 1970s, “the volume of transcontinental trade through the Panama Canal had declined even in absolute terms compared to the volume of trade before World War II” (Ibid.). Of course, the primary value of the Canal was as a cultural symbol of American pride, and its role in creating a defensive perimeter for the US in war times; it also served as a crucial staging ground for U.S. counterinsurgency exploits in Central and South America. On the world stage, however, U.S.

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<sup>79</sup> See Conniff 2001; Maurer and Yu 2010; Zimbalist and Weeks 1991; McCullough 2004 for detailed discussion of the matter.

neocolonialism in Panama cost political capital, for it exposed the hypocrisy of America's self-proclaimed role as a guarantor of democratic freedoms around the globe.

The sway of international opinion could no longer be ignored when General Torrijos spoke at a meeting of the UN Security Council in 1973. He issued the following appeal: “We are asking the world, present here today, for their moral support, as the fight of the weak can only be won when the world's moral support is present, because our countrymen are at the limit of their patience” (Montero Llácer 2005: 30). The Security Council demanded the abrogation of the 1903 Treaty and respect for Panamanian sovereignty.

These major political happenings in the transnational public sphere lent to structural transformations in the transit zone yet again. Canal Zone decommissioning and restructuring, international migration, and the changing context of rural development conspired to produce new demographic and spatial relations within and without Colón city boundaries. Significantly, the institutional framework responsible for ordering urban space was shifting as well. In an immediate sense, U.S. withdrawal left Panamanian planners scrambling, and effectively created an institutional vacuum on which urban marginal populations and other stakeholders capitalized.

### **Decommissioning the Canal Zone and the ‘Mestizoization’ of Colón**

Two years after the 1977 Treaty was signed, two important processes were set into motion having to do with the ownership, operation, and administration of lands then under control of the U.S. armed forces: (1) the transfer to the Republic of Panama of Canal Authority properties, and (2) the “reversion” of areas and installations under the purview of the U.S. military. According to the Treaty, these transfer processes would be

executed in phases, including a planning phase and an implementation phase.<sup>80</sup> The “General Land Use Plan for the Area of the Panama Canal Basin” (*Plan General de Usos del Suelo para el Area y la Cuenca del Canal de Panama*), published in 1980 by the Ministry of Planning and Political Economy (MIPPE) articulated many of the government’s aspirations concerning the potential uses of the Canal Zone, including plans to “guide the expectations of the wider community” and “ensure the efficient use of valuable resources,” with the goal of “incorporating the territory and the area’s Canal economy toward the integral development of the territory and the national economy.” Despite good intentions, political crisis would eventually thwart progress on the government’s plans.

On December 20, 1989, the U.S. invaded Panama with the intent of overthrowing dictator Manuel Noriega, whose well-known participation in drug trafficking was considered a threat to the stability of the nation (Latin American Weekly Report 1990: 2).<sup>81</sup> The “operation” lasted from Dec 20 – January 4<sup>th</sup>, when Noriega surrendered and was flown to Miami for trial. The U.S force had totaled over 26,000 military personnel from all of the armed forces, 13,000 of whom were already stationed in Panama, and who were directly involved in combat and combat support services. These forces were mobilized against just 3,500 members of the Panamanian Defense Forces (Taw 1996). The invasion caused hundreds (thousands by some reports) of deaths of Panamanian

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<sup>80</sup> The first phase (16 months) involved the development of plans, programs, and institutions that would enable Panama to assume the management of the Canal Zone (INRENARE 1994).

<sup>81</sup> ‘Operation Just Cause’ was touted as a necessary means “to safeguard the lives of Americans, to defend democracy in Panama, to combat drug trafficking, and to protect the integrity of the Panama Canal Treaty” (Latin American Weekly Report 1990: 2) from an excerpted speech by U.S. Secretary of State James Baker, 20 December 1989, *Latin American Weekly Report*, WR-90-1, 11 January 1990.

citizens, and massive destruction to Panama's physical infrastructure, especially in the terminal cities of Panama and Colón (Priestly 1997: 94). After the US military's retreat, President Guillermo Endara, who had been elected as the new leader of Panama in May 1989, but whose election was nullified by the Noriega regime, was re-installed as President by the United States. Along with his two deputies, each from competing political parties, Endara (Arnulfista Party), Vice-President Ricardo Calderon (Partido Demócrata Cristiano), and Vice-President Guillermo "Billy" Ford (Liberal Republicano Nacional), joined forces as a Center-Right alliance called the Cruzada Civilista Nacional (Scranton 1993). With the ending of the authoritarian regime, Panamanians again began to debate how to proceed with a democratic distribution of the reverted properties.<sup>82</sup>

Since the earliest years of the handover process, which began officially in 1979, the people of Panama observed with contempt the arbitrary manner in which properties were redistributed. An official report states,

The allocation and assignment of reverted property lacked political, economic or social criteria or any administrative order that ensures the proper use of these goods. On the contrary, we note with great concern that the concepts of opportunism, political favors and cronyism were the criteria that determined the use and destination of the reverted goods (MIVI 1990: 4).

As a response the government convened a Special Committee to "investigate, evaluate, and determine" the amount of housing stock currently available as of December 1989, and to recommend actions "to achieve a scientific and orderly administration of reverted housing" (Ibid.). Three representatives of the private sector would lead the Commission.

The impulse to rationalize the administration of reverted property was not only a

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<sup>82</sup> In accordance with the Torrijos-Carter Treaty, the United States turned over control of the Canal and withdrew all U.S. troops from Panama at the end of 1999. However, under the terms of the Treaty on the Permanent Neutrality and Operation of the Panama Canal, or simply the Neutrality Treaty, the United States retains the right to use military force if necessary to reopen the Canal or restore its operations.

response to the political corruption that had already occurred regarding these dispensations; it also had to do with the overall climate of transition in which all government institutions were grappling with developing the necessary institutional mechanisms to handle the integration of Panama's territory. Thus the government as a whole was confronting new kinds of administrative concerns that it was not yet prepared for. It also had to negotiate new transnational forces; international financial institutions (IFIs) began to intervene in macroeconomic planning, ostensibly replacing US meddling in Panamanian national affairs. Indeed, the central government was encouraged to "modernize" public sector activities and institutions, and rationalize public spending, as part of a package of reforms required for negotiating the country's external debt (MIPPE 1991).

Advancing another vision for the usage of these areas were civil society actors who envisioned that the reverted areas would be put toward optimal collective benefit (Leis 1995). An editorial from *La Estrella de Panama* (8 May 1995: B3) reads

the management of the canal area, based on the principles of national liberation and accumulation, can only be achieved with a model of development that: allows the elaboration and implementation of plans, programs and projects that ensure collective use and enjoyment, the upliftment of the consumption level of the needy, and the progressive diminution of economic dependence.

Of course, diverse groups and organizations had varying proposals about the specific forms and courses of action to take toward "collective" development. For some, privatization had a collective utility in the sense of (potentially) stimulating more jobs and activating the real estate market; for others, obtaining direct access to the land in order to resolve immediate social problems was the best strategy (eg: allowing collective grazing lands for livestock, or building schools and health centers); and for still others,

collective utility meant implementing coordinated strategies of integrated and participatory national development that could foster a more equitable wealth distribution.

While such ideas were being debated in public discourse and governmental planning offices, the urban poor who were suffering crowded and inadequate housing conditions began occupying the reverted properties. The reaction of the authorities vacillated between coercion and accommodation. The Governor of Panama Province signed a decree to deny “any claim of Possessory Rights to whomever, having paid or not, has allocated to themselves or through a third party, lots on reverted lands.”<sup>83</sup> By contrast, various legislators proposed legitimizing a property reversion process that took into account existing realities by “incorporating new lands for the development of the districts of Arraijan and San Miguelito [of Panama Province] that have been scenes of uncontrolled land invasions in the previous weeks” (Salteiro 1993: 61-63). Members of the business community were less tolerant. The President of the Chamber of Commerce, Jose Diaz Seixas, insisted that:

The integration of canal resources to the socio-economic development of the nation must occur as a direct result of the investment of private capital within the framework of free competition and under conditions that justify the risks involved, and with sufficient guarantees for normal use and healthy development. The State, in its role of regulator and facilitator, should contribute to the necessary controls to safeguard the interests of the national community (Smithsonian 1992: no page number).

The Ministry of Housing (MIVI) (1990) conducted an inventory of reverted residential property under its jurisdiction and ascertained that 2,670 units of housing were already being occupied, a situation MIVI described as “anarchy” because there was not yet in place any uniformity of rules regarding deeds, contracts, or fees; tax collection policy; oversight of rental property or tenancy procedures. Moreover, families or political allies

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<sup>83</sup> Resolucion de Gabinete No. 408 de 6 de Julio de 1994, page 5.

of the former Defense Forces occupied a large amount of housing granted through political favors. In the Pacific Sector of the former Canal Zone (i.e. Panama City), 53% of tenants were delinquent in paying rent by 3 months or more. In the Atlantic Sector (i.e. Colón) there was a 69% tenant delinquency (“*arrendatarios morosos*”) (MIVI 1990: 10). Clearly, the central government had much catching-up to do if it hoped to establish clear-cut market-based order. In preparation, taking a housing census would help monitor settlement and mobility as a prerequisite to further policy action.

Based on the Commission’s report, MIVI’s plan to rationalize housing would take effect on March 21, 1990<sup>84</sup> and would involve assigning property only under the following conditions: reverted area housing would be allocated to urban families with a demonstrable need for housing and a capacity to pay rent. Based on MIVI’s mandate and the recommendations of the Commission, it also determined that the following classes of current occupants did not qualify for occupancy: single people, people with other homes, people without the capacity to pay rent, people with two or more homes in the reverted areas. In addition to the allocation of reverted properties to meet the housing needs of urban populations, the government put into a place the “Programa Nueva Vida” (New Life Program) to provide newly constructed homes for families living in condemned buildings, abandoned properties, and temporary barracks. The goal of this plan was to develop more than 5,000 “housing solutions” from 1991 – 1992 (MIPPE 1991: 32) – all of which would be built *outside* of the central cities of Colón and Panama, in the urban periphery.<sup>85 86</sup>

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<sup>84</sup> MIVI Resolucion 8-90 de 21 Marzo de 1990.

<sup>85</sup> Into the 1990s, the conflict over what to do with the reverted lands remained unresolved. Under pressure to address the problem of the land seizures the central government created a “National

In the planning vacuum that set in from the Treaty signing until the creation of a Panamanian policy infrastructure for spatial regulation of the reverted areas, key deregulated spaces were claimed by the population through an organic process of settlement. One concrete result for the racial organization of space is that sections of the Canal Zone transformed from areas of white American exclusivity to *criminalized* multiethnic, multicultural, and multinational spaces. Indeed, the state called the settlers “illegals” or “invaders” because taking a self-directed approach to locating their own housing solution involved neither government control nor formal market exchange. Contrasting the rising trend of informal settlement, some Canal Zone areas in Greater Colón morphed into areas populated by new ethnic and class elites of Syro-Lebanese descent (discussed later in this volume).

*Rural-Rural Migration: The Azuero “Invasion”*

The settlement of *built structures* was led by urbanites suffering inadequate housing who were already in a marginal position socially and economically. On the

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Housing Fund” (Fondo Nacional de Vivienda) that would begin raising public funds for housing development through the rental or sale of existing housing in the reverted areas (Rodriguez Moreno, n.d.). However, this market-based solution did not work well for all tenants. On the Pacific coast, tenants of the homes administered by the Ministry of Housing in the reverted areas, some 2,670 families, organized in 1994 to form the Renter’s Movement of the Reverted Areas (el Movimiento Inquilinario de Las Areas Revertidas - MOVIAR). Their mission was to protest evictions, rising rental rates (on the order of 100 – 300%), and increasingly aggressive real estate speculation (Ministerio de Relaciones Exteriores 1994). Such were some of the initial challenges associated with the reversion process and the provisioning of housing.

<sup>86</sup> In sum, limited state capacity necessitated a phased reversion scheme. As noted above, the areas of planned reversion were initially occupied by politically-connected Panamanians of a range of class and color backgrounds. These initially targeted areas, constituted the prime real estate of the residential Canal Zone; now they are the main gentrifying corridors of Panama City; the gentrification process has gained tremendous momentum since as both Panamanian and foreign investors have turned many of those properties into high-price rental properties for foreign knowledge workers, international students, and a host of “consultants”. As a result, the properties that were not immediately pegged for development became coveted sites as objects of informal settlement for people living on the economic margins.

reverted *land*, however, rural Panamanians from the central provinces drove the settlement process. A recent household survey explains the underlying factors behind the massive immigration to Colón in the 1980s (Alexis 2009). The report is concerned with the demographic profile of internal migration, and why so many settled in the province with the highest rate of unemployment. The study's findings indicate that the majority of migrants came from Veraguas and Los Santos Provinces of the Azuero peninsula.

Coming from an agricultural region, the pursuit of land was a major factor driving resettlement. Whole families, mostly with very little education, relocated to lands that would become the suburban sprawl of metropolitan Colón. People built their own homes and the government later had to legalize them. Aiding in these efforts to secure legal claims to the land, many settlers formed farmer cooperatives (inspired by Torrijos' defunct rural initiatives) and appealed to the *corregimiento* (district level of local government) to legalize their claims. During the Omar Torrijos era, *corregimientos* could adjudicate land to families, and in that way, many rural land tenants achieved *derechos posesorios* ('possessory rights').

While the earliest settlers arrived in the 1970s, most have come since the 1980s.<sup>87</sup> The land reforms and megaprojects (construction of roads, irrigation and sewerage systems, etc.) of the 1970s incentivized many people to remain in the rural interior. However, the debt crisis of the 1980s, redoubled by Manuel Noriega's economic mismanagement, increased the flow of *interiorianos* toward Colón. These migrants did not actually move into the city, however. Where typical internal migration reflects rural to *urban* migration, this phenomenon amounted to rural to *rural* migration, as

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<sup>87</sup> The peripheral areas of Colón that witnessed the greatest influx have become the *barriadas* of Salamanca, Nuevo Providencia, Nuevo Vigía, and Buena Vista. The only two planned *barriadas* in this period were Puerto Escondido and Villa del Caribe.

*interioranos* moved onto vacant lands that had not been developed because of the concentration of productive activity in and around the Canal Zone. They found the lower density of Colón's semi-rural areas attractive, and felt they lacked the skills, education, and interest for working in commercial centers or the ports.

A key informant further revealed that the settlers appear to have maintained the social and cultural idiosyncrasies of their places of origin, even though the second generation of the migrant wave is better educated and more connected to (casual) jobs in Colón City. Victor Alexis, principal investigator of the migration study, offered the following conclusions about intergroup attitudes and conflicts between Metro Colón's semi-rural migrants and longtime city residents: "Colón is very multicultural and Colón people see themselves as multicultural, but the rest of Panama sees it as a black city. Partly for that reason, at least the first generation of the *interioranos* kept themselves apart. But the separation is due to differences of culture and history, not a racial chauvinism" (personal communication, 2012). He added, "Even though we are all Panamanians – mestizos and *morenos* – you can tell if someone is from the interior because of their accent and the neighborhood organizations they belong to." A MIDES (Ministry of Social Development) social worker further affirmed the idea that there are visibly two types of Colónenses in the wider metropolitan area:

While there are a lot of similarities between the Colón people and the *costeños* from Costa Arriba and Costa Abajo, the *interioranos* you will know who they are because they rise at 5 in the morning. They will do some work in the yard, start watering plants. At 7 o'clock they will be out and looking for work. The Colón [city] people will only rise at 10 o'clock. Turn on the stereo. Then probably they will stay at home.

To summarize, by the end of the 20th century, Colón had not only expanded greatly in spatial terms, but it had become, demographically at least, as much 'mestizo' as

‘black’. Yet, spatial and representational ‘racial difference’ would prevail between the ‘two Colóns’. Connecting urban spatial racialism of the past to present-day urban neoliberalization is crucial for assessing how the past shapes the present.

### **Conclusion: Toward the Next Phase of Spatial Racialism**

Spatial racialism has traditionally designated Colón as a ‘site’ of blackness. But like any city, Colón is continuously transforming, as political-economic, social, and racial relations evolve, overlap, and stretch across space. Political pressures against U.S. neocolonialism from within Panama and the world polity at-large shifted the overall value proposition of the Canal Zone. As the closure of the Zone progressed, Panamanian government planners and business leaders anticipated a completely ‘nationalized’ Colón for the first time. At the same time, U.S. demilitarization created new ‘deregulated’ spaces that allowed for citizen-driven processes of social development that were completely unconnected from either state coordination or capitalist marketization.

It was not a deregulation process in the style of neoliberal state retreat for the purpose of economic liberalization. Instead, the transfer of Canal Zone ownership meant the dissolution of one state apparatus and the installment of a new one in its place. The lag between destruction and creation conjured conditions of uncertainty, under-regulation, and in a way, a *state absence* in the Atlantic sector that, as I see it, provided a set of political opportunities for marginal citizens to try to improve the material conditions of their lives. Consequently, by seizing upon the opportunity afforded by institutional crisis, Colonenses and (Azüero) mestizos began to redefine the spatialities of transnationalization and nationalization. Specifically, mestizo settlement of the semi-rural

periphery and Colonense ‘invasion’ of former military installations effectively re-scaled urban space, drawing its ‘limits’ outward to create a new frontier of urbanization.<sup>88</sup>

Elites termed it ‘anarchy’, but to the citizens themselves, I read their actions as rights-claiming and place-making activities borne of the exigencies of marginality and the inefficacies of prior developmentalist agendas (of both U.S. and Panamanian varieties). These moves to claim ‘social rights’ thus articulated with broader structural dislocations – American divestiture, economic embargo and Operation Just Cause, and the displacement of ‘inclusive’ authoritarianism. The conjuncture of these forces aggravated the immiseration of the urban poor in particular and at the same time opened up spaces for them to assert social citizenship. Respatialization would thus signal several social processes simultaneously: 1) a racial-cultural reordering of space, 2) a new regime of accumulation related to an emergent spatial dialectic of inner city-outer periphery relations, and finally 3) changing conditions of livability, mobility, and substantive citizenship.

How the burgeoning territory of ‘Greater Colón’ would be adapted by Panama’s rising neoliberal pressures and elites in tandem with a 21<sup>st</sup> century, post-U.S. regime of national accumulation – and with what effects for low-income urbanites – is the matter to which I shall now turn.

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<sup>88</sup> Accordingly, the settlement of the periphery introduced new populations and place-making activities that would carve out new topological, cultural, and political possibilities. Our task is to understand how racial respatialization relates to restructuring in the broader sense, and how both forces have affected the terms of social citizenship. For interioranos, producing a new space of and for their own in Colon meant having to negotiate racial perceptions of the city and themselves while forging new community sensibilities. During fieldwork, I learned many insights about the racial-cultural boundary work unfolding in Colon’s suburbs and look forward to developing future research on this topic.

## CHAPTER 4

### Neoliberal Planning, Flexible Labor, and Urban Marginality

#### Introduction

In this chapter, I chart the evolution of Panama's neoliberal project, addressing influential national and transnational forces that helped to usher in the era of 'neoliberal planning'. The seeds of neoliberalization were planted in the 1980s when the debt crisis provoked free market policy-making, labor market deregulation, and state retrenchment. The fortification of Panama's neoliberal project progressed steadily from the '80s through the early 2000s, showing little sign of slowing its pace today. Accompanying these policy trends is ongoing central planning to expand the number of outward-oriented, global enclaves in the transit zone. In Colón, the regulatory power of the state has been key in securing property rights for these expanding enclaves and incentivizing entrepreneurialism and investment among domestic and foreign elites in the enclaves. Minimal labor rights and a large reserve of flexible labor are a critical third prong of neoliberal planning. A fundamental shift in the political economy has now taken place as a result of internal forces and external pressures toward neoliberalization.

Building more and more enclaves, enlarging existing ones, and upholding the boundaries between the enclave and the city have been key strategies of successive national leaders in orchestrating neoliberal globalization in Colón. I examine some social implications of associated processes of urban respatialization and boundarymaking. Specifically, I offer an interpretation, based on Ong's theory of "neoliberal exception", of how deepening neoliberal globalization in the city affects substantive citizenship in Colón. By citizenship, I mean the set of social, political, and economic opportunities

available to Colón's residents. In this account, the Colon Free Zone (CFZ) represents a paradigmatic case and a key urban site where neoliberalism's political and spatial projects inform urban citizens' access to formal employment and political participation in and around Colón's sprawling neoliberal zones.

### **The Rise of Neoliberalism in Latin America**

Following World War II, state-led industrialization was standard economic policy in the region. Latin American development ideology envisioned state enterprise as an accelerator of social and economic development, and a means of reducing vulnerability to economic shocks (Murillo 2002). Particular forms of "Keynesian" politics also informed Latin American development from the inter-war years through the 1970s (Huber 1995). Social welfare policies, which sought to redistribute the benefits of industrial development, extended state social supports to the vast majority of the population, but benefitted urban sectors and workers in the formal economy the most. Rapid economic growth and social spending, coupled with high rates of rural to urban migration brought a substantial decline in poverty throughout the region (Berry 1997), but the economic crises of the 1980s – overwhelming external debt and economic stagnation - reversed this trend.

Through a series of 'structural adjustment' programs, the World Bank and the IMF also imposed huge cut backs in public spending (Naiman 2000), the social consequences of which have generally proven disastrous for developing nations (for more elaboration on this point, see Kahler 1990; Stallings 1992; Kapur and Webb 2000; Babb 2003). By the middle 1980s, the penetration of structural adjustment policies "partly defined the terrain upon which industrializing countries could pursue their development

strategies” (O’Riain 2000: 188). Through structural adjustment, supranational economic institutions were key in propagating new logics of neoliberal governance, and were able to do so on the authority of ‘legitimated’ theories of economic growth as well as the threat of sanctions for non-complying states. By 1990, the road to neoliberal reform was directed by a new “Washington Consensus” for Latin American development. The Washington Consensus promoted economic liberalization in Latin America on the grounds that state enterprises were unsustainable and rarely income generating. As a remedy to the fiscal crises supposedly induced by state developmentalism, the World Bank and IMF offered loans to debtor nations conditional upon extensive free market reforms that were intended to “generate growth, development, and a convergence of the incomes of developed and developing countries” (Williamson 1994: 27–28 in Babb 2003: 209). As a policy reform package, Washington-style neoliberalism entailed the combination of: the privatization of state-owned enterprises, the liberalization of trade and capital mobility, and the devaluation of currency.

#### *Inequality and Poverty trends in 1980s and 1990s Latin America*

Scholars are at odds about the effects of neoliberal structural adjustment programs, implemented in the 1980s as a corrective to economic stagnation by increasing exports and inflows of foreign investment. Some argued that structural adjustment policies could promote stronger growth and reduce poverty if implemented correctly (Morley 1995). Other observers foresaw a worsening of the income distribution, as a result of the market-friendly policies accompanying structural adjustment (Berry 1997). Although estimates vary, Londono and Szekely (1997) determine that the number of people living in poverty in the region nearly doubled between 1982 and 1993, from 78 to 150 million. The

Economic Commission for Latin America and the Caribbean observed a wide spread rise in poverty during the 1980s in most Latin American countries (ECLAC 1997). Moreover the increase in poverty was most prominent in urban areas (ECLAC 1998). Currency devaluations negatively affected lower and middle class incomes and hurt urban-based firms, while benefiting agricultural export sectors (Morley 1995). The crisis also produced an upsurge of social inequality (ECLAC 1997). Korzeniewicz and Smith (2000: 8-9) observe that “[t]he most dramatic upsurge in inequality took place in Mexico, but it also increased significantly in Argentina, Guatemala, Panama, Peru, and Venezuela. Smaller increases occurred in Costa Rica and Brazil. Only Colombia, Paraguay, and Uruguay bucked the regional trend by recording declines in inequality”. The authors also note a widespread consensus among analysts that “in the 1990s, Latin America has suffered the highest levels of inequality in the world” (Ibid.:11).

*Re-democratization and neoliberal citizenship*

Rising inequality and poverty in the period of neoliberal consolidation also had repercussions for the lived experience of citizenship. State retrenchment and adjustment-driven austerity encroached upon the abilities (and willingness) of states to extend social ‘entitlements’ to citizens.<sup>89</sup> The late 1980s and early 1990s also constitute a period some scholars refer to as ‘neoliberal democratization’. If the 1960s – 1980s was the era of military authoritarianism throughout Latin America, the neoliberal opening of markets

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<sup>89</sup> Observing similar trends elsewhere, Somers (2008) has charged that ‘market fundamentalism’ (a conventional interpretation of the neoliberal creed) threatens these foundations of citizenship because it undermines the state’s ability to buffer civil society from market consequences that might imperil one’s livelihood, social inclusion, and civil liberty. Early neoliberals of the Mont Pelerin variety would counter Somers’ critique, however, with the defense that neoliberalism does contain mechanisms – market-based strategies and logics – that can provide for individual flourishing along each dimension: livelihood, inclusion, and equality.

also coincided with and was made possible by the opening of political opportunities associated with the re-democratization of the region.

Citizenship regimes define “who has political membership, which rights they possess, and how interest intermediation with the state is structured...formally defining the intersection between national politics, political membership, and public identities” (Yashar 2005: 6). Third wave democratization<sup>90</sup> gave rise to neoliberal citizenship regimes that advocated individual rights, the privatization of forms of collective property rights, and state retreat from social responsibilities. As corporatist social programs were dismantled through neoliberal economic reforms<sup>91</sup>, the contents of citizenship were reformed. Yashar (2005) suggests that re-democratization in Latin America dismantled previous modes of corporatist citizenship that had allowed for forms of local, collective autonomy that were beneficial to minoritized groups, enabling them to gain access to state-recognized social rights.

### **Mounting Neoliberalism in Panama**

Fourcade-Gourinchas and Babb (2002) theorize how political elites came to define the neoliberal agenda as a national imperative in a global context. The authors observe different kinds of transitions to neoliberalism, which they attribute to the different institutional legacies and associated political-economic dynamics in different countries. Panama’s experience has been shaped by political turmoil and poor economic

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<sup>90</sup> ‘Third wave’ democratization refers to the post-1978 proliferation of democratic regimes throughout Latin America, as authoritarian regimes were opposed in most countries of the region (Huntington 1991). Panama was a latecomer to the democratization wave, only concluding its authoritarian run in 1989.

<sup>91</sup> The literature of ‘corporatism’ (see Western 1991) emphasizes tripartite cooperation among the state, capital and labor; and various patterns of interaction among firms, employees and financial institutions. These factors affected the distribution of income to be mediated by welfare policy configurations (Huber and Stephens 2001).

performance, fiscal crisis, and U.S. divestiture and demilitarization. National politicians in Panama relied on technocrats and business figures to take the lead in shaping neoliberal planning and implementation.

*Background: Business frames free enterprise as a nationalist imperative*

In 1964, a group of Panamanian businesses gathered together to propose that the National Government begin working concertedly with private businesses, and that doing so was in the common national interest. CONEP (Consejo Nacional de Empresa Privada)<sup>92</sup> as the group would soon call itself, counted among its members the most important business and professional associations, and prominent labor unions in the country. Among the members of CONEP were: Asociación Bancaria de Panama (Banking Association), Camara de la Construcción (Construction Alliance), Union Nacional de Pequeñas Industrias (National Union of Small Businesses), Asociación Panameña de Ejecutivos de Empresa (Panamanian Association of Business Executives), and the Asociación de Usuarios de la Zona Libre de Colón (Colon Free Zone Users Association). They held as their mission to impress upon the conscience of the Panamanian state the importance of preserving the free enterprise system: “preservar la existencia en Panama de un regimen de libre empresa” (Users Association of the Free Zone 1982: 21).

The timing of this exhortation to advance Panama’s private sector was not accidental. CONEP was formed in the same year as the Flag Riots occurred in the terminal cities, an important moment of heightened nationalism in Panama. When a group of Panamanian students decided to raise the national flag on a flag post within the U.S.-governed Canal Zone as an act of protest against the US occupation of Panama, U.S.

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<sup>92</sup> The National Council of Private Enterprise

soldiers retaliated; what ensued were several days of full-fledged rioting in the streets, with Panamanians carrying protest placards reading “Gringos go home”. The scene turned violent as the military used excessive force that killed 20 Panamanian students. As many scholars have argued, the Flag Riots were a critical turning point in US-Panama relations, souring the relationship to a point of no return (Donoghue 2007). The aftershock of the riots was so strong that it hastened another round of Canal Treaty talks that would endeavor more favorable terms for Panama vis-à-vis control of the Canal and its revenues, and that would aim to enhance the representation of Panamanian business and labor interests in the Canal Zone.

This is the climate in which CONEP presented its “Declaration of Principles” toward the unification and strengthening of the domestic business sector (Users Association of the Free Zone 1982: 23-24):

- (1) Principle of Institutionalization - the modernization of private and public sector institutions in ways that would reduce Panama’s economic dependency on the United States.
- (2) Principle of Participation – refers to the participation of the Panamanian people in affairs of government institutions, of business, church and the family.
- (3) Principle of Liberty – in order for institutions to function properly, the liberties of free enterprise, free assembly, freedom of expression, education, religion, and others, are necessary conditions for CONEP to participate in national activities.
- (4) Principle of Development – we should work for economic and social development at all levels of society.
- (5) Principle of Nationalism and Panamenidad – To be a genuine nationalist and “true Panamanian”, it is necessary that our country commit fully to all actions that lead toward the national destiny of opening itself to world commerce “Pro Mundi Beneficio” (for the Benefit of the World).

- (6) Principle of National Unity – National Unity if possible only if Panamanians grant all fundamental liberties to the people, by way of solid modern institutions.
- (7) Principle of Respect for Individual Initiative – confirms the principle of free enterprise understood as a condition for achieving societal wellbeing.
- (8) Principle of Human development – all of the principles listed above will lead to an improvement in the quality of life of Panamanians and society in general.

These principles formed the basis of CONEP's overarching objective, which was to institutionalize a robust, rather 'developmentalist' role for the private sector and labor in the planning and coordination of the political economy and national social development.

The gains made by CONEP in the years to follow would, however, be upset by installation of Military General Omar Torrijos via coup d'état. Throughout Latin America, military governments had been replacing civilian ones. Political elites of these 'bureaucratic-authoritarian' states (O'Donnell 1975, 1978) saw the necessity to exercise a 'strong hand' in economic development by building up the technocratic bureaucracy and suppressing political and civil rights to expedite the achievement of development goals.

Where *rabiblanco* (traditional white elite) business leaders saw private sector development as the key to mitigating Panama's dependency on the United States and the means by which Panamanian nationalism could be meaningfully actualized, the military regime considered state strength the best medicine for a crippling foreign dependency.

*Torrijismo and State-centric growth: Public Sector Expansion under Omar Torrijos' Military Regime*

The Torrijos era signaled a turn in Panamanian political, economic and legal-constitutional organization. His 1968 coup d'état overthrowing *Panamenista* leader Arnulfo Arias brought Panama under a quasi-socialist military regime, resulting in the

nationalization of many private entities and a centralization of economic and urban planning within the organs of state. Torrijos' rise to power also signified to most Panamanians, an upending of the reign of the *rabiblancos* ("white tails"), Panama's light-skinned social elite, in favor of a government and attendant political agenda that more closely reflected Panama's majority poor, rural, and mestizo population.

Thus, Torrijos' rise also shifted the balance of ethno-racial political participation. As several historians have documented, members of the National Guard<sup>93</sup> have tended historically to be of rural origin, and lower- or middle-class background. The Guard has also long been a multiracial organization, having recruited blacks and mulattoes among the rank and file since the Colonial Era. In the 16<sup>th</sup> century, former slaves joined the Isthmian Army alongside Indians and mestizos. With few white officers available to occupy high offices of the military, blacks and mulattoes were able to become officers as well (Jaen Suarez 1978: 440-43; 449-50). The US government disbanded the Panamanian Army in 1904, allowing only the National Police to remain. Eventually, the National Police would become the National Guard. Both Antillean and Hispanic blacks were able to rise to high posts within the modern Guard as well, especially from the 1930s. Pereira (1979) argues that the suppression of police authority due to the presence of the Canal Zone police, which often exacted social order in Panama as well as within the Canal Zone itself, signaled to Panamanian elites that the National Police was a low-status organization. As a result, unlike in most other parts of Latin America, elite families did not encourage their children to become officers (Pereira 1979). From the 1930s – 1970s, enlisted men were recruited among the urban poor and could advance through the ranks

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<sup>93</sup> The National Police was renamed the National Guard in 1953. Today, the organization is known as the Panama Defense Forces – "*Fuerzas de Defensa de Panama*"

without much formal academic training.<sup>94</sup> When the Guard, under Omar Torrijos' command, took over control of the government, the racial and class background of those in charge of the country's fate therefore differed starkly from the characteristically white urban commercial elite that had dominated Panamanian politics up to that point.

From the years 1968 to 1981, the military regime took an active role in economic planning and implementing ambitious social projects and reforms. Torrijos, who hailed from the rural beef-producing region of Veraguas, sought specifically to enhance incomes and quality of life in the countryside, where incomes were less than one-third of those in the transit zone. For transit zone populations – residents of Colon and Panama City - Torrijos expanded the nation's global service platform and enacted a labor code to support some collective bargaining for workers. One of the regime's most significant legacies was the massive expansion of the public sector. During the Torrijos years, black Panamanians were able to obtain gainful employment in public sector jobs like teaching and public works, and prominent appointments in government administration and the National Guard.

The increase of salaried workers in the public sector advanced the growth of a bureaucratic middle class with job security, social security benefits, and public housing for a modest rent (Dirección de Estadística y Censo, *Indicadores Economicos: 1968-1977*).<sup>95</sup> Additionally, the state created “emergency jobs” for the unemployed. These temporary work programs to ease unemployment paid one-third of the typical salary of

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<sup>94</sup> The old police headquarters is a symbol of this ethnoracial center of gravity as well: it was, until the 1989 U.S. military invasion, located in Panama's urban, largely black ghetto called El Chorrillo.

<sup>95</sup> The central government also built a number of housing units and the bureaucratic class was the largest beneficiary of these. Rents were low but still higher than most urban dwellers could afford.

mid-level bureaucrat. In all, Pérez (2011: 68) reports that “two-thirds of new jobs created in the 1970s were in the public sector”. According to Ropp (1982: 97), this state workforce expansion added a new loyal base for the regime, but the cost of fealty would be difficult for the state sustain, given that by the mid-1970s state enterprises were operating in the red and public sector growth was heavily financed by foreign loans. By IADB accounting, in 1978 “the total government debt of \$2.4 billion was equal to 94.6 percent of the annual gross domestic product. Of all the countries of Latin America, only Guyana had a higher public debt/national product coefficient” (IADB 1980, in Ropp 1982: 97).

*Debt and Austerity: Transition toward Privatization*

In 1981, Torrijos was killed in a plane crash, and soon thereafter, a string of structural adjustment policies were implemented. In 1983, the government slashed public expenditure as much as 20 percent (Tollefson 1989: 131). As preconditions for two World Bank loans that would take effect in 1986, the government further revised the labor code, eliminated protective tariffs, launched a privatization plan proposing the sale of millions of dollars in state assets, and set in place several incentives for foreign investment. The Bank aimed to overhaul import substitution incentives, and create a “leaner” public sector. Because Panama uses the U.S. dollar, unlike its Latin American counterparts, the Bank was unable to impose austerity through monetary policies as it has done elsewhere, specifically exchange rate adjustment. Still, the austerity program included, among other elements, government reduction of spending on housing, social services, and physical infrastructure. En lieu of expenditure on important social services and local economic development, the debt service share in government spending rose

from 29.4% in 1982 to 47.7% in 1986 (Contraloría 1987: 188-210). In the 1980s, maintenance of the ports, railroad, and roads suffered due to lack of investment, while public sector companies were sold off at a bargain (Zimbalist and Weeks 1991: 131).

*From Bilateralism to Globalism*

Panama's relationship with the United States was defined for nearly a century by U.S. control over the Panama Canal. In 1977, the Torrijos-Carter Treaty was passed, establishing the end of the U.S. lease on the Canal by 1999. The rise of Panama's neoliberal regime is, in part, an adaptive response to seismic ruptures in U.S.-Panamanian diplomatic and economic relations, and associated ripple effects in the Panamanian economy. Stepping into this emerging political-economic vacuum, international financial institutions (IFIs), development assistance organizations, and large multinationals would increasingly play a central role in reshaping the country's economic trajectory.<sup>96</sup>

Indeed, U.S. withdrawal signaled a new chapter in Panama's development outlook, opening up the nation to new forces of transnationalization. Among these new forces, the transnationalization of Japanese corporations brought special attention upon the isthmus as a preferred tax haven for Japanese banks and direct investment in shipping (Farrell 2008: 91, 406). Additionally, trade, aid, and investment from China (People's Republic of China, PRC) and Taiwan (Republic of China, ROC) have grown steadily and aggressively since the 1980s (Hakim 2006). According to Siu, PRC-Hong Kong investors quickly responded to Panama's decision to privatize former Canal Zone properties (2005: 165). Concerned about the increasing presence of the PRC in Panama, Taiwan rapidly

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<sup>96</sup> Specifically, the International Monetary Fund (IMF), the World Bank, the InterAmerican Development Bank, and the United Nations Development Program.

mobilized hefty investment with the aim of securing Panama's continued diplomatic ties with Taiwan.

Investors from both countries competed aggressively to win bids on former U.S. facilities and state-run services (Ibid.: 167-168). In this period, two types of Chinese populations made their way to Panama: Taiwan and Hong Kong elites, mostly diplomats and transnational managers, and mainland Chinese. Of the latter group, "[s]ome came to settle, but the majority used Panama as a point of transit into the United States" and were carried by human trafficking agents (Ibid.: 41). For this reason, during the Noriega years, the Chinese population doubled in Panama, causing many Panamanians to claim that Uncle Chang was replacing Uncle Sam (Ibid.). Over the two decades of Canal Zone decommissioning, and beyond, many international stakeholders would eventually make their presence felt in the transit zone. Ultimately, a variety of transnational actors began engaging Panama's globalizing project at multiple scales effectively replacing U.S. authorities as enclave influencers.

*From US militarization to neoliberalization:  
Political elites drive national reforms, 1989-2009*

The 1990s - the final decade of U.S. control - witnessed a trend of declining investment and the decommissioning of military installations and housing built for U.S. citizens. Despite cautious enthusiasm over the return of the Canal to Panamanian control, American disengagement nonetheless had a progressively negative impact on the national revenue. As the 1999 Canal handover approached, national debate in Panama focused heavily on figuring out ways to compensate for the loss of some \$350 million a year from the U.S. military (Lindsay-Poland 1996). On the whole, the country found itself scrambling to plan for job creation and novel ways of energizing the economy.

Consequently, post-1990, every Presidential administration has, within the constraints and context of their respective terms, further entrenched the neoliberal program in attempts to manage ‘crisis’ and shore up neoliberal democratization.

Guillermo Endara ran on an anti-Noriega coalition ticket and was elected President for a five-year term in 1989. However, his term was fraught with challenges from opposition forces that threatened to overthrow the government. International banking had boomed in the 1970s and 1980s thanks to the auspicious climate created by Torrijos’ international banking law, however the military crisis and US economic embargo of the late 1980s had sent most banks packing, with several relocating to Miami, and an economic rebound would be hard to solidify. President Endara’s cabinet unanimously approved plans that set out to: “shift the balance of [investment] incentives in favor of exportables, encouraging private sector specialization”; “reduce current public sector outlays”; implement “a public employment reduction program”; “phase out price controls for agricultural products”; eliminate “all export restrictions”; reform social security; and privatize the telecommunications sector and ports.<sup>97</sup> PROPRIVAT was created as the coordinating unit for privatization in Panama, established by Law 16 of 14 July 1992.<sup>98</sup> With respect to labor, Endara’s program of economic reform also sought to

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<sup>97</sup> Letter to Mr. Lewis Preston, President of the World Bank, from Panama’s Minister of Finance and Treasury Mario Galindo and Minister of Planning Guillermo Ford (September 20, 1991), in Appendix to MIPPE (1991) *Programa de Desarrollo y Modernización de la Economía*.

<sup>98</sup> In Spanish, PROPRIVAT is the *Unidad Coordinadora para el Proceso de Privatización*. PROPRIVAT operated under the Ministry of Economy and Finances and as such was responsible for “regulating the process of privatization of enterprises, goods and services, under public sector ownership” (WTO 2007: 24). Under PROPRIVAT’s purview, privatization was implemented in the mid-late 1990s and included only the *partial* sale of company shares of state-owned properties to the private sector. Key properties included: cement company Bayano, the railway (Panama Canal Railway), highways (Corridor North and South), and concessions that allowed for the privatized operation of the major ports of Colon. The Tocumen International Airport was converted into an autonomous company (International Airport of Tocumen, S.A.) but it has

make labor markets more “flexible”. President Endara did not manage to execute a full-scale privatization program with much success, though he is credited with reestablishing democratic institutions and helping to restore Panama’s relations with powerful IFIs after 21 years of military-controlled government.

Ernesto Pérez Balladares succeeded Endara, governing from 1994 to 1999. The Perez Balladares government (1994-1999) was the most aggressive in the privatization process and in economic liberalization overall. During his term, the national economy grew significantly, with commercial banking making a mark as the fastest growing sector. Unfortunately, the rest of the economy either declined or stagnated. Although he ran on a populist platform, promising to increase social spending for the poor, he actually implemented a broad program of economic reform stressing privatization, fiscal reform, labor code reform, and trade liberalization. He created a new canal authority – the Interocean Region Authority - and placed bankers and corporate lawyers on its Board of Directors. This new institution was slated to oversee the transfer of canal operations and the administration of Canal Zone assets in the post-2000 period.

Pérez Balladares’ policies with respect to Canal Zone assets were generally unpopular: he began selling concessions to major transnational corporations to operate highways, ports, assembly plants, and container yards in the former Canal Zone (Gandaseguí 1999: 163). The President’s approach was a marked departure from treaty-architect Torrijos’ intended uses for the zone, in which he had expressed that it should be assigned “the most collective use possible”. In other words the reverted land was intended for public uses; instead, it became the vehicle of an aggressive phase of

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remained under state ownership. According to the WTO, “since the beginning of the privatization process until 2007, there have been 20 privatization projects, most of them during the 1990s” (WTO 2007: 75).

privatization. In accord with this general trend, Gandaseguí notes that Pérez Balladares was the prime mover of neoliberal adjustment policies that “effected a transfer of wealth from the poorest sectors of the population to the wealthiest, with the banking and finance sector benefiting the most (Gandaseguí 1999: 161). Balladares’ new labor code made labor-management relations more flexible, and scaled back pensions for educators and other safety nets for the retired.

After Pérez Balladares’ defeat, Mireya Moscoso of the Arnulfista Party captured the majority vote in the 1999 elections. Also running as a populist, Moscoso attacked government corruption, and promised to reduce poverty and slow the privatization of state-owned enterprises. The first female president of the country, she was also a coffee-plantation owner, and the widow of Arnulfo Arias, the infamous three-time President, who memorably endorsed the 1941 Constitution banning ‘undesirable races’ from Panamanian citizenship. By the end of her term in 2004, Moscoso’s approval rating was a dismal 15 percent. Her presidency was wracked with corruption scandals and poor economic performance. Unsurprisingly, she also failed to make good on her promises to the poor.

By 2004, the presidential reigns were again in the hands of the PRD, under the leadership of Martin Torrijos, son of the party’s founder – controversial military dictator Omar Torrijos. The junior Torrijos was only 40 years old, and had been educated in the United States. His term represents an effort by the PRD to ‘bring the state back in’ and inspire renewed hope in the government’s commitment to the poor. Housing strategies employed by Martin Torrijos, for example, attempted to compensate for uncertainty and ongoing crisis in the urban housing market. Meanwhile, his Planning Ministry began

making efforts to stabilize the communities of land invaders occupying reverted lands. While land and property ‘invasions’ relieved competition for urban space, they also became the target of a neoliberal-inspired planning agenda to standardize the provisioning of land and housing in the transit zone as part of urban population management and infrastructural investment. In Colón, Torrijos’ urban housing rehabilitation projects served as a palliative for urban immiseration, but according to many Colonenses I interviewed, public perception about his poor record of employment creation and wealth distribution despite impressive term-length GDP growth set Torrijos on the wrong side of history.

To summarize, post-invasion U.S. divestiture and demilitarization proceeded hand-in-hand with the expansion and internationalization of banking, state retrenchment, privatization, and deepening world economic integration. Such ‘outward oriented’ approaches were, in part, imposed on Panama, as elsewhere in Latin America, by institutions like the IMF and the WTO. After an initial external push, neoliberalization gained momentum as domestic policymakers of all political stripes vigorously implemented liberalizing policies that helped to create a propitious climate in the 1990s and 2000s for foreign investors, financiers, and their capital stock.<sup>99</sup> Significantly, neoliberal democratization signaled the restoration of civil and political rights lost during the military years. Yet, at the same time, the salience of social rights declined, as each

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<sup>99</sup> Complementing the influx of Chinese capital, Latin American investors also began throwing their hats into the ring as foreign investors and concessionaires by the 2000s. While wealthy Colombians (and their impoverished and war-displaced compatriots) have always made their way to Panama, establishing themselves within the business culture, their stake in the scale-up of the Free Zone and other globalizing sectors has enlarged substantially in the neoliberal period. Likewise and most recently, ‘white’ Venezuelans have also arrived in the droves, many of them attempting to spare their wealth from the redistributive mandate of ‘Chavismo’.

neoliberalizing administration (the junior Torrijos being a partial exception) seemed to outperform its predecessor in shunting the needs of the poor.

### **Neoliberalism and urban development**

Political neoliberalization has led to the proliferation of a dense network of globalizing enclaves, some of which are embedded in the spatial and regulatory architecture of Colon City, detailed below. This ‘global enterprise corridor’ is dominated by a patchwork of disjointed zones: a fragmented landscape of million-dollar development projects, bustling enclaves of international trade, and neglected silos of poverty and informal enterprise. The most important ‘global’ industries in Panama today, each of which concentrates international capital in the major cities of Panama and Colón, include:

- Tourism
- Colon Free Zone (CFZ) (import-export services)
- Panama Canal and International Port System (transit services)
- Banking

These sectors operate synergistically to generate revenue for the national economy and employ the workforce.<sup>100</sup> Nationwide, the country’s trade and service sectors “account for 77% of the GDP and employ 65% of the workforce” (U.S. Commercial Service 2008).

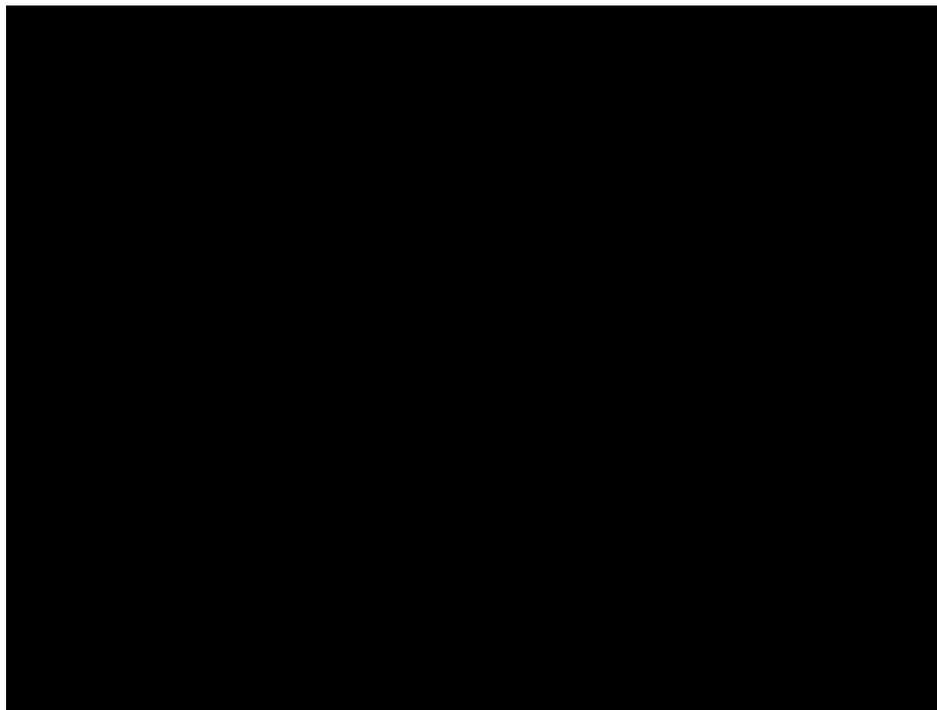
The map below exhibits the spatial layout of major enterprises located in and around Colón City (located in the central area of the map).<sup>101</sup>

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<sup>100</sup> As of 2008, according to the U.S. Commercial Service, the CFZ “houses more than 2,800 firms spread over 1,100 acres, generating annual transactions exceeding \$19 billion and receives 150,000 visitors every year”.

<sup>101</sup> Not visible in this map are the Panama Canal, which lies South/Southwest of the *Puerto de Cristobal* (ie: “Major Port 1”). Colon-based financial operations are generally clustered in the ‘Banking Center’ (not labeled here), which is housed within the CFZ.

**Figure 4.1: Principal projects of global enterprise in Colon, 2011**



(Map redacted due to copyright restriction.)

Original can be found at MIVI (1997) “Mapas”, *Plan de Acción Local de Colón*

With the exception of the western portion of the Colon Free Zone (which first opened for operation as an autonomous institution in 1948 in downtown Colon), all of the sites in this export-driven landscape were once critical nodes in the military and economic machinery of the U.S. Canal Zone. The work of Ong and others suggests that the creation of these specially regulated, outward-oriented domains implies the uneven distribution of resources and citizenship privileges to various population groups (domestic and foreign) depending on their relation to those enclave spaces.

### **Paradoxes of neoliberal planning**

Universally, the state practice of neoliberalization diverges from the advice of neoliberal theory concerning the role of the state, leading some analysts to conclude that, as a political form, the neoliberal state is wracked with instability and contradictions

(Harvey 2005: 64). In principle, neoliberal states favor the right to individual freedom, expressed and guaranteed through institutional arrangements that secure individual private property, freedom of action and choice, free trade and markets, and the rule of law. The freedom of businesses to exercise these rights is key. Private enterprise is considered a fundamental good because business competition serves as the foundation of innovation and wealth creation. As private wealth ‘trickles down’, it provides – in principle at least – for the collective benefit of all. In a related vein, personal wellbeing is assured through participation in the marketplace and the exercise of free choice. With ‘choice’ comes responsibility, however, and individuals are held accountable for providing for their own welfare in areas such as health, education, retirement, and so on. Poverty can, through a combination of trickle down economics and personal drive, be eliminated by the unfettered freedom of choice, the marketplace, and entrepreneurial initiative. Neoliberal orthodoxy insists that states remove barriers to exchange to allow maximum mobility of capital, labor and commodities. Equally important is the state’s role in the privatization of assets and collective goods (‘the commons’). Deregulation and privatization enhance states’ competitive advantage in the global marketplace and thereby serve the national interest. Hence, behind the laissez faire visage set by theory, the neoliberal state is very much an activist state, tending toward intervention that fosters favorable conditions for business.<sup>102</sup>

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<sup>102</sup> David Harvey points to several tensions within the neoliberal project: asymmetries of power or information in the marketplace, market failures, and ‘externalization’ of social and economic costs are a few such tendencies. On the political front, the neoliberal credo of individual freedom does not extend to the free formation of strong collectivities that might encourage state intervention in the market (eg: unions and other associational forms). “To guard against their greatest fears,” Harvey writes, “the neoliberals have to put strong limits on democratic governance, relying instead upon undemocratic and unaccountable institutions.... Faced with social movements that seek collective interventions, therefore, the neoliberal state is itself forced

In Colón, a glaring paradox exists: neoliberal planning has enlarged the terrain of globally-oriented development and its supporting institutional framework, but neoliberalization has not attended to municipal-level needs for economic strengthening or labor force development. At the neighborhood and household level, neoliberalization has in fact been socially destabilizing. This dissertation utilizes urban-level analysis to explore, *inter alia*, institutional arrangements for development in Colón and the relationship between planning and racial transformation. Regulation theory offers the view that multiple modes of regulation may operate in different regions of a country, reinforcing and generating patterns of uneven development within the nation (see Jessop 2000). A robust literature on urban neoliberalism has explored the differential socio-economic and political effects of co-existing regulatory regimes on communities and zoned areas within a single city (see Harvey 2005; Wilson 2004; Antipode Special Edition 2002; May, Cloke and Johnsen 2005). In such urban places, where outward-oriented enclaves of production press against the cities that enclose them, forms of regulation, accumulation, and social reproduction in each sphere can be quite distinctive. One implication of this discrepancy is that some structures of accumulation and regulation may benefit from global flows of capital and wealth, while others may suffer disadvantage.

Aihwa Ong's work examines how neoliberal governance fragments national space in this way. She argues that fragmentation of territorial sovereignty and the "mutation of citizenship" are part and parcel of this process. For Ong (2006: 78), these spaces of

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to intervene, sometimes repressively, thus denying the very freedoms it is supposed to uphold." (Harvey 2005: 69). Another observable tendency is "authoritarianism in market enforcement" to protect corporate freedoms (2005: 79). The significant role of states in creating institutional fixes that enable forms of neoliberal practice and neutralize challengers suggests the need to examine the institutional arrangements underpinning capitalist growth and neoliberal restructuring.

globalizing enterprise are *neoliberal zones of development* reflecting: “the territorial concentration of political, economic, and social conditions [that] mobilize foreign investment, technology transfer, and international expertise”. The planning strategies that construct such zones are neoliberal administrative technologies enacted by states and corporations designed to facilitate the operations of global capital. In her analysis, economic transformation today exhibits a dispersed strategy of growth in which political policies are coordinated with corporate interests, and the national economy is fragmented into noncontiguous growth zones governed by various regulatory environments. This dispersed strategy reflects what Ong has termed a ‘logic of postdevelopmentalism’, with the result that global corporations obtain “an indirect power over the political conditions of citizens in zones that are differently articulated to global production and financial circuits” (2006: 78).

Ong’s work is responding to the ‘state developmentalist’ histories of East Asian countries, whose rapid economic growth was achieved through centrally coordinated, state-led macroeconomic planning. But there are also conceptual intersections with the dependency school of economic development theory, which issued important analyses of post-WWII Latin American trajectories of development. The notion of the economic ‘enclave’ has an established tradition within this body of scholarship. Cardoso and Faletto (1979) argued in the late-1970s that Latin American countries are classic ‘enclave’ economies, unable to flourish economically because of foreign control of the main export sectors. By contrast, the ‘non-enclave’ economies of the core high-income countries have achieved greater and more sustainable development because domestic agents control their economies. The model of foreigner-controlled outward growth thus precludes local

producers in peripheral enclaves from achieving the industrial “take-off” (Rostow 1990) and domestic market consolidation necessary for achieving competitiveness in world markets; it also keeps the national sector from “organizing an autonomous system of authority and resource allocation” (Cardoso and Faletto 1979: 70). In addition, “the enclave tends to worsen income distribution within the national economy” (Ibid.: 71).<sup>103</sup>

Current theorizing among anthropologists of development on some of the long-term social consequences of free market orthodoxy has begun to reassess how enclaves function by exploring the cultures and apparatuses of neoliberal governance. Rather than focusing on how the national economy functions as an enclave vis-à-vis non-enclave economies, contemporary analysts such as Ong stress how the presence of internal enclaves of foreign direct investment within specific countries fracture the economic and sociopolitical landscapes of national societies, effectively deconstructing the unified space of the nation into *zones of differentiated productivity and graduated sovereignty*.

According to Ong, the varied regulatory regimes that structure the economic rules within neoliberal zones “promote the differentiated regulation of populations who can be connected to or disconnected from global circuits of capital” (Ong 2006: 77). This has implications for the accessibility of socioeconomic opportunities and political power for communities directly affected by the presence of these zones. Thus, differentiated economic zones have also become de facto differentiated political spaces that relegate

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<sup>103</sup> Cardoso and Faletto’s treatment of the ‘enclave’ assumes the presence of a developmental state steering a national economic strategy on conflicting terms of contest and alliance with foreign investors and domestic elites. As Gallagher and Zarsky (2007: 3) remind us, “[f]or much of the twentieth century, government was understood to play a catalytic role in economic development”. As of the late 20<sup>th</sup> century, however, international financial institutions such as the WTO and OECD, and multilateral development institutions such as the World Bank and IMF, have proffered a new orthodoxy of market liberalization and state deregulation.

varying degrees of sovereignty and citizenship to the actors inhabiting those spaces. Following this line of argument, part of what defines neoliberal zones are the rights they command as spaces of political autonomy and exemption relative to the national territory. The unique sovereignty of the Colon Free Zone, for example, accords corporate actors exemption from taxes and labor laws that are enforceable in other spaces within Panama. Meanwhile, greater rights are assigned to foreign workers and elite citizens (highly skilled workers or other privileged groups) within the Zone. In this way, a postdevelopmentalist neoliberal geography and associated administrative technologies undermine “models of citizenship as indivisible and universal within a national framework” (Ibid.: 15).

In neoliberal zones, foreign populations are able to “claim citizenship-like entitlements and benefits, even at the expense of territorialized citizens” (Ibid.: 16). In this framework of entitlements and exclusions, low-skill citizens deemed lacking in neoliberal potential (ie: market-optimizing talent) become excluded from certain basic rights at the same time that “[e]xpatriate talents constitute a form of movable entitlement without formal citizenship” (Ibid.). Hence, the spatial fragmentation of economic zones correlates with forms of political fragmentation, which carve out spaces of multiple sovereignties and expressions of citizenship entitlements. In the *longue durée* of Panama’s modern history, neither the disjointed mapping of the macroeconomy nor the governmental logic of plugging select population groups into (or out of) internationalized sectors of the economy is entirely new. But the racial overlay that is likely present in both phenomena requires further probing.

Clearly, as a country once fragmented by U.S. occupation (*even* in the midst of Panamanian efforts of ‘coordinated’ ISI planning) and now by the social and spatial demarcation of its globalizing enclaves, Panama has long represented a nation fractured into uneven ‘zones’ of economy, sovereignty, *and* racial privilege. To Ong’s analysis I would add, therefore, that preexisting ethnoracial and cultural hierarchies and associated population control techniques, which have long constituted the scaffolding of uneven sovereignty and citizenship in Panama, inevitably overlap with the variegated landscape of neoliberal economic governance in Colón.

Additionally, Ong’s postdevelopmentalist periodization is problematic for the case of Panama.<sup>104</sup> Indeed, her argument seems based on a distinctive temporality, positing a quasi-universal ‘post-fordist’ moment as the stimulus for the set of forces that produces a unique context for graduated sovereignty between zones of exception and the wider national (or multi-national) territories in which they are embedded. She assumes these transformations to have evolved from accumulation regimes that could be characterized as ‘industrial’ development coordinated by ‘strong states’. The Panamanian case, with its weak manufacturing base and commercial power elite, defies these preconditions. The late-1970s de-industrialization of the advanced capitalist countries

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<sup>104</sup> Significantly, Ong’s view of developmentalist eschews the more pro-active state expressed by the (Mont Pelerin or) Lippmannian view of neoliberalism, articulated in an earlier historical moment of neoliberal formulation. The original conception of neoliberal capitalism was first articulated by participants in the Colloque Walter Lippmann in 1938. Confounded by the market collapse of 1929, the socio-economic ravages of the Great Depression, and the rise of centrally planned socialist states, the Colloque convened in Paris to discuss (and invent) a new social contract between the market, the state, and civil society. They hoped to unlock the keys to a new ideology of government that would keep markets functioning efficiently and at the same time protect individual freedom and prosperity. For neoliberals of the Colloque Lippmann, the state has an obligation to commit to the active and constant elaboration of an institutional framework that creates and protects “a competitive market order” (Amable 2010: 10). Clearly, neoliberals strive to make a strong normative argument for market freedom, albeit an argument that sees the state as the best defense mechanism for that freedom.

shifted the locus of global manufacturing to Asian and Latin American countries, but ‘global factories’, as McMichael (2011) terms them, have never gained footing in Panama.<sup>105</sup> Relative to its Central American and Caribbean neighbors, Panama’s (U.S.) dollar-based economy made the country’s labor uncompetitive for manufacturing. In a sense, the nation’s 150-year service-based economy bypassed the prototypical structural transition from agricultural to industrial to post-industrial: epochal shifts that tend to reset the social contract between states and citizens.

I submit, however, that the most important point to observe is the significance of Panama’s ‘transitist’ economic and social structure in generating patterns of bio-political ‘zoning’. Here I am referring to a socio-structural pattern that has historically involved the disarticulation of the ‘transit zone’ from the rest of the national territory and, crucially, the mobilization of specific racial and/or foreign populations to perform distinctive labor and commercial roles within transit zone enclaves. According to Panamanian social theorist Marco Gandásegui (2010: 24), ‘transitism’ refers to a specialized political economy serving world maritime commerce, especially in the service of world hegemonic powers. In the 16<sup>th</sup>-18<sup>th</sup> centuries, the Spanish hegemon dominated transatlantic maritime trade through control of isthmian transit along the ‘Camino Real’, the interior overland transit zone of colonial Panama. The protection of the transit zone required military fortification and, accordingly, a string of forts were built along what would become the Colón coast. Social relations of production in the zone consisted of a slave society, with a foreign-domestic alliance of Peninsular and Criollo elites regulating

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<sup>105</sup> Instead, Panama’s transit zone, which has long been based on international trade and services linked to the Canal, has continued to strengthen its economic power as a service-based enclave that generates jobs mostly in the tertiary sector (banking, transportation, telecommunications, etc.). Colon City is a critical node within this enclave - its ports, duty free zone, and banking complex are engines of national revenue and employment.

commerce and the physical infrastructure of transit. In the waning years of Spanish empire, the British penetrated Spanish maritime trade through constant assaults upon the military defense network and commercial routes, though they never gained control over the infrastructure of transit. For, whoever has authority over the infrastructure of transit, has authority over Panama. This is one reason why militarism has been a central aspect of Panama's transitist character as well. The U.S. arose as hegemon in the 20<sup>th</sup> century, taking control of commercial regulation, political administration of the transit zone, military fortification, and crucially, authority over the infrastructure of transit. Social relations of production consisted of racial cleavages, deep national and class antagonisms, disarticulation of urban and rural productive forces, and distinctive and oppositional regimes of citizenship. In the 21<sup>st</sup>-century, China<sup>106</sup> may yet loom as a hegemon for the new age, the consequence of which only time can tell.

At the time of the country's independence from Colombia in 1903, the free-trade endorsing mercantile elite who claimed the new Republic for their own (despite U.S. protectorate status), instituted the national motto "Pro mundi beneficio" (for the benefit of the world) in honor of the Isthmus' glorious past days as an exchange center for the Spanish empire and the future to which they aspired of making Panama the crossroads of the world. Unfortunately, Panama's commercial tradition as a center of far-flung trading networks and interoceanic transit 'for the world' left it vulnerable to recurring economic shocks. That the Isthmus was only loosely governed by *criollo* administrators and powerful merchants, mirrors the governance and market structure of the 12<sup>th</sup> – 17<sup>th</sup>

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<sup>106</sup> Inclusive of the PRC, ROC, and Hong Kong.

century city-states of the Hanseatic League.<sup>107</sup> Panama's 'transitist' features only brought wealth in spurts and tended to concentrate accumulation in the 'transit' zone, to the neglect of the rural interior. The structural features of transitism address an historical pattern of foreign economic, political, and military penetration, alongside explicit racial projects that centrally define and demarcate the productive functions of the transit zone.

In the following section, I introduce three illustrations of racio-spatial exception. I seek to historicize the concept of neoliberal exceptionalism articulated by Ong, to show that what she has termed zones of neoliberal 'exception' are generally *the rule* in Panama, and extend back well into the 'liberal' era and beyond. Zones of exception are, rather, the structural 'givens' of transitist social relations; that is, transitism carves out zones of disarticulation that are distinguished and defined by: (a) physical/spatial boundaries, (b) regulatory exemption and state 'flexibility', (c) foreign penetration, and (d) internal *racial projects*. All of these factors work together to support the productive forces of the zone. As a conjunction of forces, they supply the ideological and legal bases of the zone's economic logic. The three illustrations below refer to the construction of a tourism zone in the 1910s - 1920s; an urban commercial zone in the mid-1930s; and culminate with an ethnographically-informed 2011-2012 analysis of the Colon Free Zone.

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<sup>107</sup> According to Schulte Beerbühl (2012: 16-17), five different types of enterprise evolved among the Hanseatic League over the course of five centuries (roughly 12<sup>th</sup> – 17<sup>th</sup> century). Business forms included: trading companies, cooperatives, reciprocal trades, financial investment houses, and "commission" businesses. Key differences aside (a discussion quite beyond the scope of this chapter), aspects of Panama's 'Hanseatic' character clearly remain, best reflected in the legal framework and business networks of Colon Free Zone operations.

### **Historicizing Ongian sovereignties: ‘Liberal’ zones of exception**

#### *Urban Tourism and Raced Space, 1910s-1920s*

Blake Scott (n.d., unpublished manuscript) argues that early tourism was used by the nation’s white elites for economic stimulation and for nation building projects aimed at the consolidation of a Panamanian national identity constructed in concert with the ideology of *hispanismo*. According to Scott, tourism has always functioned as a partnership between local businesses and the state. With the construction of the Canal in full swing by the early 1910s, tourism was viewed as vehicle for economic development on the isthmus that would parallel its role as a service economy supporting the Canal Zone. New investment would build on the visitor base generated by the Panama Railroad and expand that base to incorporate future travelers on the Canal. The presence of the Canal Zone and the Canal were seen as opportunities to attract not only highly transient visitors but also white Canal Zone residents, who were viewed as tourists as well.

Thanks to isthmus-wide improvements in health and sanitation – sponsored by the US government<sup>108</sup> for the sake of public health in the Canal Zone – and the political stability ensured by the U.S. military’s right of military intervention, Panama was promoted by local entrepreneurs and the state as “[a] winter health resort for white American tourists” by 1914. Taking advantage of these people flows, prominent local elites also took control of popular cultural festivals in the terminal cities around the Canal as a propaganda platform to attract foreign audiences. For example,

In 1910, prominent political and commercial leaders reorganized and took control of carnival in Panama City from the city’s popular, “darker” classes in an effort to turn the festival into a popular attraction. Elites replaced the revelry of arrabal, Panama City’s poorest neighborhood, with sanitized images of white carnival

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<sup>108</sup> Provided with generous support from the Rockefeller Foundation.

queens and Hispanicized traditions for both national and foreign consumers. (Scott n.d.: 23)<sup>109</sup>

Through such appropriations of folk life, and the production of brochures and pamphlets, elites in the Association of Commerce and the national government projected Iberian traditions and “whiter” side of Panameñidad.

From the 1910s through the 1920s, steamships carried luxury tourists to the ‘tropics of Panama’. In 1916, President Belisario Porras spearheaded a national exposition, which was planned to capitalize on traffic of international visitors heading to the San Francisco world exposition. The government hoped to promote a view of Panama that counteracted Northamerican views of the tropics as places of uncertain health risks due to tropical diseases; it also aimed to counter the widely held view that dark-skinned backward people populated the country. Tourism materials promoted modern narratives of progress alongside racialized narratives of Panama’s Hispanic national character. Unfortunately, the exposition was a flop, and tourism traffic did not generally increase.

The 1920s witnessed huge international publicity campaigns, and the distribution of generous state contracts to promote private investment by both domestic and foreign entrepreneurs in tourism (especially, hotels and casinos). Colón and Panama City became major destinations for American tourists, partly because of alcohol prohibition at home. Both cities were actively promoted as places where tourists could engage in illegal and illicit activities. Ironically, their promotion as areas of illicit activities depended on marketing the terminal cities as part of a ‘sanitized zone’<sup>110</sup> for tourists that was

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<sup>109</sup> Also see, Guillermo Andreve, “Breve historia del carnaval” and Carlos Enrique Paz, “El alma alegre de Panamá” in Heckadon Moreno (1994).

<sup>110</sup> On the boundaries and function of the ‘sanitized zone’, Price (1935: 5) cites the assessment of Dr. D. P. Curry, then acting chief health officer of the Canal Zone, who wrote in August 1925:

salubrious and free of the filth and disease foreigners otherwise imagined (see map in chapter 3). By 1928 the Tourism Association of Commerce organized a commission to develop a Tourism Plan based on tourism in Cuba. The plan included the development of several of Panama's historic sites, the majority of which served to celebrate Hispanic heritage through Panamanian folklore that connected to Iberian heritage. However, the Great Depression of the 1930s killed the tourism sector for all but the wealthy white elite, and tourism development stalled until resurging in the 1990s.<sup>111</sup>

This case of early 20th century tourism reveals how, using cultural and natural resources as commodities, tourism areas resembled racialized zones operated extensively through public-private partnerships. Further, tourism has been instrumental in the racial project of 'whitening' to enhance Panama's reputation with international elites. National political elites counted on the 'infrastructural' and 'regulatory' exceptionalism of the "Sanitized Zone", constructed in proximity to the U.S. Canal Zone to create a physically and racially sanitized space that could be utilized and promoted with an aim of optimizing the social climate for business. Where Scott stresses the role of the tourist performances of the 1910s – 1920s as affirmations of hispanismo, I view them additionally as a spatially-controlled marketization of 'exotic whiteness', and a paradigmatic case of 'liberal' biopolitics made salient at the intersection of transnational

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"We have not by any means converted the entire isthmus, or even the Canal Zone, into a 'tropical paradise' where white men bred in colder climates can come without fear of injury to their physical condition. The efforts of the Health Department are and always have been necessarily limited, for economic reasons, to the sanitation of the more important industrial and residential communities Panama, Colon, Gatun, and Pedro Miguel . . . It is only within these sanitized areas that employees and their families are assured of reasonable protection against the so-called tropical diseases...".

<sup>111</sup> Today, international tourism has expanded tremendously, mostly due to cruise ship traffic, and has become the largest single industry in the country. In 2006, tourism contributed \$1.45 billion dollars, or 9.5 percent of GDP, to the nation's economy (IPAT 2007).

eugenicist discourse, Euro-American ‘primitivist’ aesthetics, and laissez faire capitalism both in North America and on the Isthmus.

*Urban ‘Exception’ in the 1930s*

From the second half of the 19<sup>th</sup> century until the present, the commercial class has been composed of a mixture of Spanish descendants and persons of foreign extraction from other parts of the globe (Lasso de Paulis 2007). This legacy of a foreign-controlled economy within Panama itself - let alone in the U.S. Canal Zone - led middle-class mestizos to view themselves as the only true patriots, while they portrayed the ‘merchant classes’ as anti-nationalist foreigners and foreign-allies. In the 1920s and 1930s, members of the Panamanian ‘professional’ class began to assert themselves politically taking the form of the *Acción Comunal* association and later as the *Panemeñista* political party. They rallied vehemently against non-white immigration and rural neglect. Of immigrants, one commentator wrote in a popular newspaper,

They should be the descendants of El Cid, that vigorous race. ... We should not forget that we lack workers, especially in agriculture... The type of immigrants that would benefit us are those who come from parts of the globe with similar race, cultural, and agricultural products (*La Estrella de Panama*, September 12, 1930 in Lasso dePaulis 2007: 65).

The economic crisis of the 1930s prompted a strong legislative effort to nationalize the commercial and financial sectors of the economy, which were dominated by traditional Panamanian merchant elites and foreign business owners (which then, as now, included ‘Turkish’, Chinese, South Asians, and Jews, in addition to Europeans and (U.S) Americans). The attempts to regulate and domicile business activity ended up creating ‘nationalized’ commercial areas and legislated ‘exceptions’ to it. In 1934, the Nationalization of Commerce Law (No. 70 of 1934) was passed by the *Panemeñista-*

controlled National Assembly and was designed to increase Panamanian participation in commerce. The law established a quota system that only allowed immigrants to practice commerce at a level proportional to their population size.

In her analysis of anti-Chinese newspaper articles and editorials of the 1930s, Lasso DePaulis (2007) points out that the Chamber of Commerce, then dominated by ‘foreign’ merchants, were unanimously opposed to the Nationalization Law. Nationwide, the Chinese owned approximately 40 percent of retail business; Panamanians owned an additional 40 percent. Her fascinating historical narrative shows the intricacies of the public dialogue and the arguments waged in formal letters for and against the law. Panamanian members of the Chamber of Commerce, who opposed the Law, argued that excluding foreigners from commerce would enormously harm the trade networks of which they were a part. While the Panamanian merchant class largely engaged in urban-based wholesale trade, the Chinese dominated retail trade in the rural interior. Importantly, the latter group were not in fact legal ‘foreigners’, but as Siu (2001: 17) has commented,

the dominant ideology of ‘mestizaje’ in Central America does not enable automatic inclusion of Chinese into the nation-state. Their distinct and visible cultural-racial difference separates them from the mestizo Hispanic majority, and despite their long presence in this region, the Chinese are perceived as perpetual ‘foreigners’.

For such reasons they have often been local scapegoats in xenophobic or hyper-nationalist moments. The Chinese had their own Chamber of Commerce, as did the Spanish and other immigrant and immigrant-descended groups. The relentless appeals of these ‘foreigner’ business associations resulted in the suspension of the Nationalization law in the cities of Panama, Colon, and in Bocas del Toro (In Bocas, U.S.-owned United

Fruit dominated industry). A newspaper editorial published a telling complaint about what many Panamanians thought was an unfair compromise:

Where is our patriotism? ... the foreigner is enriched by the bread of our children. They are the keepers of our money as if they were God. The members of the Chamber of Commerce are trying to pervert our Constitution.

Another opinion writer, who supported the exclusion of the terminal cities from the law, argued that:

the original purpose of the law was to eliminate the control of the retail trade in the interior by 'a community of the same race [ie: the Chinese]' that does not bring any benefit to the country and who are an unfair competition because of 'their lower standard of living.' But, so goes the argument of the editorialist, this law should not affect the cities of Panama and Colon, because it would have terrible consequences for the 'big trade' of those cities (Lasso DePaulis 2007: 78).

Thus, the city-as-enclave and the 'transit zone' more broadly became spaces of regulatory exception for elite foreign and domestic enterprise. As a consequence, regulatory exemption also carved out a zone of racial exception, where multinational and multiracial trade networks were allowed to flourish in an environment of 'free' international trade thanks to the 'enabling hand' of the liberal state. Despite these urban victories, the nationalization law still applied in the rural interior though the Law was eventually reversed, with the Supreme Court ruling that Panama's commerce and industry needed foreigners and could not afford to penalize them (Ibid.). The following year, a related short-lived law (No. 9 of 1935) was passed requiring that 75% of employees in business enterprises must be Panamanian. (This type of stipulation would be reinvented nearly 15 years later as a law governing business operations in the Colon Free Zone, where a minimum of 5 Panamanian employees had to be hired to work in foreign firms of a certain size.)

These accounts illustrate that strategies of national development tied to transitist structures and logics have relied dually on maneuvers of spatial and racial exception in the city. In the first example, transitist development involved the take-over of urban public and cultural space. In this process, state and business interests collaborated to demarcate the tourism zone by ‘whitening’ and ‘sanitizing’ the public domain for international consumers. The result was a transformation of public space into a commodified place of racial ‘exception’, where segments of the population were plugged in based on racial criteria toward a re-signification of the national identity for the purpose of economic optimization.

In the second example, urban space had already been claimed for commerce; the contest over space, however, was a match over the racial proportionality of those who could occupy – and claim ‘right’ – over economic space. Finally, the racist endgame of the law was subverted; the initial aim of racial exclusion was transformed in the final instance into a racial ‘pardon’ that also rendered the urban transit zone a space of exception *beyond* the law. The development strategies employed in both examples are rationalized not on the basis of so-called ‘neutral’ economic logic only; rather the economic logic itself is infused with raciality. Or, one might say, racial logics can be calculative factors in statemaking where statemaking as an economic enterprise depends on foreigner accommodation or cultivating the allegiance of naturalized (and racialized) ‘foreigner’ elites. In these inter-national encounters, race can act as a lever of legitimacy or competition in the practice of transit zone development.

I focus in the next section on the development of the Colon Free Zone as a neoliberal zone of productivity. The section concludes with an interpretation of some

effects of CFZ ‘exceptionalism’ on sovereignty, race, and citizenship in Colon. I argue that the CFZ represents another iteration of a continuous pattern of *racio-spatial exception* through *regulatory exemption*. It also symbolizes an emerging and, somewhat undefined, neoliberal-era racial project I here call *de-racialization* of the labor subject.

### **Colon’s expanding global service platform**

To one side of the Atlantic entrance of the Panama Canal lies the Colon Free Zone, an isolated area in Colón City with no resident population and no retail trade, where goods may be imported, stored, modified, repacked, and re-exported without subjection to customs formalities. The Free Zone was formed in 1948<sup>112</sup> as an autonomous government institution.<sup>113</sup> At the request of the Panamanian government, U.S. economic adviser Thomas Lyons undertook feasibility studies in 1946 for a free port or free zone.<sup>114</sup> Though the Free Zone began as a single office building on Colon’s main

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<sup>112</sup> However, as early as 1917, only three years after the completion of the Panama Canal, the idea of establishing a Free Zone in Colon was first circulated. With the construction of the Canal, international shipping gave the business life of Colón even greater momentum than did the Panama Railway decades before. Then as now, Colón was seen as the natural link between supply centers and consumer markets all over the world.

<sup>113</sup> Free Zone administration is carried out by the Management Board (*Junta Directivo*), the Executive Committee, and the General Manager. The Free Zone is said to be “autonomous” in the sense that the CFZ Administration has authority over and responsibility for all services and goods that are stored or exchanged in the Zone. The Management Board is comprised of the Minister of Commerce (who acts as Board Chair), the Minister of Economic Planning and Policy, the General Manager, and five other Panamanian citizens appointed by the Executive branch of the State. The leadership of the CFZ represents a who’s who of prominent white, mestizo, and male Panamanian elites. In the entire history of the CFZ only three women have occupied the prestigious position of General Manger; only one of these was a black woman, Nilda Quijano.

<sup>114</sup> On the basis of Lyons’ report, the national government under President Enrique Jimenez enacted Law 18 of 1948, creating the Free Zone. The verbiage of the law reveals the logic behind its territorial and juridical exceptionalism:

“CONSIDERING:

- That a solution can no longer be delayed in solving the problem of utilizing the privileged geographical position of the Republic of Panama toward...the entry, dispatch, transit [and] redistribution of all kinds of merchandise [for] international exchange;

street in 1951, by 1953 work began to prepare an area of 44 hectares in the southern corregimiento (municipal district) of Colón for commercial development. At that time the Free Zone consisted of well over one hundred buildings, including storage installations and offices for 600 commercial and industrial firms from Panama and around the world (Users Association 1982: 26). Additional warehouse buildings and distribution centers had already been built on 10 acres in the area known as “Viejo France Field” on the other side of Manzanillo Bay. Over the next 60 years, the Free Zone would come to consume more than 600 acres in and around Colón City (Lilly 2013); at the time of writing, plans are underway to expand the Free Zone into the sea by building warehouse structures on landfill in the harbor. Critics of the Free Zone’s steady expansion have argued that its sprawl has overtaken the city itself. In the words of a local resident expressing his sentiment toward the presence of the Zone: “at one time the Free Zone was in our backyard, now Colón has become the backyard of the Free Zone”.

Ostensibly, any corporation or person may operate in the Free Zone, with or without a business license.<sup>115</sup> Companies have the option of erecting warehouses and buildings to service the shipment of re-exportable goods. In this case, firms must hire a minimum of five Panamanian employees, and not less than 60 percent of goods handled

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- That the adequate solution of this problem will bring about great benefit to the national economy...;
  - That the most appropriate approach to this problem, in order that its *solution does not develop into a ruinous competition to the enterprises engaged in national production*, is the establishment of international free trade zones in the official ports of the Republic [emphasis mine];
  - *That the exploitation of international free trade on our soil, has been the constant desire of the people of the isthmus dating from the Colonial Era...*[emphasis mine]

<sup>115</sup> No minimum capital investment is needed, although relevant articles of association and commercial and bank references are required.

by the firm must be re-exported.<sup>116</sup> According to the original law of the Free Zone<sup>117</sup>, goods stored, manufactured, modified, assembled, or packed in the Free Zone, could arrive and leave the Zone tax-free as long as said goods were re-exported abroad, sold to Canal Zone organizations (specifically the Panama Canal Company and U.S. Armed forces), or sold to ships transiting the Canal (Panamá America 1952). For goods introduced into Panama, local taxes apply.

In addition to the general logistical convenience the CFZ provides for the movement of goods and the provision of shipping services, it holds several important advantages for foreign and domestic firms by placing so few constraints on capital. Firms are able to easily repatriate capital abroad, and in so doing, are relieved of the need to make payouts to the municipality of Colón or invest in forward or backward linkages to the local economy. In this vein, the kinds of privileges firms enjoy include preferential tariffs and tax-free arrangements related to the remittance of capital and profits. Also, firms are exempted from buying licenses or permits from any municipal or government agency (Users Association 1982: 29). This lack of local tax shares, licensing obligations, and social accountability, coupled with a continuous green light to extend the CFZ's land area, has meant lost income for Colón and has constrained the city's opportunities for growth.

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<sup>116</sup> Although firms finance their own build-outs, their contract consists of a 20-year land lease with the possibility of renewal. Firms pay rent to the CFZ Administration, as well as expenses for water, utilities, garbage disposal, and building maintenance. Firms may also opt to deposit goods in public warehouses for a fee, or lease property from the CFZ Administration for a period of one to five years. Finally, some companies arrange contracts in which they do not occupy physical space in the Zone, rather they hold "Representation Agreements" with a company established in the Free Zone for the purpose of acting as the operator's representative in the receipt and distribution of goods designated for re-export.

<sup>117</sup> Law no. 18 of 1948

Recalling Ong (2006: 57), graduated sovereignty consists of two dimensions: in the first place, “differential state treatment of different segments of the population in relation to market calculations”, some historical precedents of which I have just explored; and second, it refers to the exercise of “aspects of state power and authority” by foreign corporations in the enclave zones. In both respects, the host state tends to be ‘flexible’ with its ‘normal’ modes of governing; for example, by conceding its own monopoly on the legitimate use of force to allow forms of corporate disciplining, or to suppress union activities to curry favor with foreign capital.

The Panamanian government employs a host of strategies of ‘state flexibility’. For instance, although the Panamanian Labor Code is the most comprehensive specification of labor laws and rights, it does not apply to all workers and employers in the national territory. Direct hires of the Panama Canal Authority (Autoridad del Canal de Panamá, ACP), the legally autonomous entity that operates the Canal, abide labor laws outside of the Labor Code, as contained in the Organic Law of the ACP.<sup>118, 119</sup> Other labor rules and requirements apply on a sector-specific basis to workers in ‘special economic zones’ and for ‘workers engaged at sea’. Employment conditions for maritime workers are detailed in Decree Law No. 8, also known as the Maritime Law. In addition, a special regime of

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<sup>118</sup> Government of Panama, “Por la cual se organiza la Autoridad del Canal de Panama, Ley No.19” (1997), Articles 94-117, as published in *Gaceta Oficial*, No. 23309 (June 13, 1997). See also Government of Panama, “Por la cual se reglamenta el trabajo en el mar y las vias navegables y se dictan otras disposiciones, Decreto Ley No.8” (1998), as published in *Gaceta Oficial*, No. 23490.

<sup>119</sup> Similarly, public employees’ labor rights are spelled out in the Administrative Careers Act, and they are therefore generally excluded from the Labor Code.

employment rights and conditions applies to workers in free trade zones,<sup>120</sup> export processing zones (EPZs),<sup>121</sup> and some “call centers”<sup>122</sup>, as outlined in Law 32 of 2011.<sup>123</sup> Until 2011, in fact, the law governing special economic zones excluded EPZ, call center, and free trade zone workers from Labor Code protections for collective bargaining. It also restricted available protections for temporary workers, and undermined these workers’ right to strike. Since 2011, the new Free Trade Zone (FTZ) law (Law 32 of 2011) has replaced the EPZ law, however, and now in theory all such workers have collective bargaining rights in accordance with the general Labor Code (but yet no formal unions with which to enforce them). An U.S. Department of Labor report from 2011 reveals some of the challenges of making such rights practicable, stating that: “CONATO claims that, in practice, union organizations cannot gain access to workers in EPZs as the companies are surrounded by high walls and the entrance is guarded” (U.S. Department of Labor 2011: 29).

In the CFZ, an indefinite number of expatriates can work in the enterprises, as long as the minimum requirement of hiring five Panamanian employees is met. There, one finds a graduated labor system, with foreigners taking roles in firm management and

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<sup>120</sup> Government of Panama, “Que establece un régimen especial integral y simplificado para el establecimiento y operación de zonas francas y dicta otras disposiciones, Ley 32” (2011), as published in *Gaceta Oficial Digital*, No. 26757. See also Government of Panama, “Por la cual se establece un régimen especial integral y simplificado para la creación y funcionamiento de zonas procesadoras para la exportación, Ley No. 25,” (1992) (as amended in 1996 and 1997).

<sup>121</sup> Government of Panama, “Que crea un régimen especial para el establecimiento y operación del Área Económica Especial de Barú, Ley 29”, as published in *Gaceta Oficial Digital* No. 26552.

<sup>122</sup> “Call centers” are foreign company-owned operations that provide service and technical support to callers for their respective business services and products abroad.” (US Department of Labor 2011: 4).

<sup>123</sup> In 2010 there were approximately 2,790 employees in fourteen EPZs and 8,830 employees in call centers subject to the EPZ law (U.S. Department of State 2011: Section 7b).

business services, and a wide range of workers among the low-cost flexible labor at the bottom rungs. The port infrastructure, for instance, is run by Hutchinson Wampoa, a Hong Kong-based firm that won a renewable 20-year concession to operate the ports.<sup>124</sup> Chinese managers monopolize the upper tiers of firm operations and control.<sup>125</sup> Skilled and semi-skilled mestizo Panamanian workers from Panama City work for the CFZ administration and the contractor firms providing an array of services to foreign firms in the zone.

While the 1972 Constitution states that Panama's general legal regime applies equally to nationals and foreigners,<sup>126</sup> there are numerous cases of 'exception' that grant foreigners and other economic elites key 'exemptions' from normal citizen rules and obligations. For example, see Table 4.2 below.

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<sup>124</sup> According to a 2007 WTO research report, "A concession was granted to the company *Manzanillo Internacional Terminal* (Manzanillo International Terminal), located in the city of Colon at the Atlantic mouth of the Panama Canal, which began operating in April 1995. A concession was also granted to the *Empresa Evergreen* (Evergreen Company) in Coco Solo, an area located near Colon. In addition, the ports of Balboa and Cristobal, located in Panama City and Colon, respectively, were transferred to the *Empresa Panamá Ports Company* (Panama Ports Company) under a concession arrangement in 1997" (WTO 2007: 7).

<sup>125</sup> I learned this information from candidates at a job fair for Manzanillo International Terminal. Some of the job seekers I met were leaving the Panama Ports Company (operated by Hutchinson Wampoa) because of poor treatment by Chinese managers.

<sup>126</sup> This equality is recognized in the 1972 Political Constitution, as amended by the 1978 Reform Acts, the 1983 Constitutional Act, and by Legislative Acts Nos. 1 of 1993, 2 of 1994, and 1 and 2 of 2004.

**Table 4.2: Examples of Neoliberal ‘Exemptions’, 1990s**

<p>1) Law No. 25 of 30 November 1992 grants tax, labour, and migration incentives for the establishment of export processing zones. Article 41 states that “foreigners who demonstrate that they have invested a sum of at least US\$250,000 in companies duly authorized as promoters or operators of export processing zones or in companies established in the zones shall have the right to request a permanent residence visa as investors.”</p>
<p>2) Tourism in Panama is promoted through Law No. 8 of 14 June 1994, which establishes certain incentives in the tourism development areas, such as total exemption from income tax for a period of 15 years; total exemption from property tax for a period of 20 years; total exemption from import tax on construction materials, furniture, and equipment of the investor company, subject to certain requirements; total exemption from taxes for a period of 20 years on the use of the dock and airport built by the investor company; and total exemption from income taxes on any interest accruing to creditors in tourism investment operations.</p>
<p>3) Panama has an investment stability law, Law No. 54 of July 1998, which guarantees equal rights to all foreign and domestic investors.</p>
<p>4) Immediate permanent residency is available to foreigners of ‘friendly nations’ who are able to buy an existing Panama business or create a new business. To qualify, the friendly citizens must be from one of 48 nations, mostly EU or East Asian.<sup>127</sup> Permanent residency is also immediately extended to retirees earning a verifiable lifetime pension or annuity paying a minimum of \$1,000 USD per month. ‘Pensionados’ enjoy a host of tax exemptions, including property tax exemption for up to 15 years and no taxes on foreign-earned income. Finally, for migrants without a pension or plans to invest in new businesses, the Person of Means (POM) residency permit can apply. A POM citizen must make a fixed-term deposit of \$300,000 in a Panamanian bank account.</p>

<sup>127</sup> The 48 friendly nations are: Andorra, Argentina, Australia, Austria, Belgium, Brazil, Canada, Chile, Costa Rica, Croatia, Cyprus, Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hong Kong, Hungary, Ireland, Israel, Japan, Latvia, Liechtenstein, Lithuania, Luxembourg, Malta, Monaco, Marino, Montenegro, Netherlands, New Zealand, Norway, Poland, Portugal, Serbia, Singapore, Slovakia, Spain, South Africa, South Korea, Sweden, Switzerland, Taiwan, United States of America, Uruguay, United Kingdom (Great Britain & Northern Ireland).

In these ways, graduated sovereignty is the outcome of a “flexible set of state strategies” that are not incongruent with national interests but that are definitely oriented toward the workings of international capital (Ong 2006: 72).

In special zones like the CFZ, we see a diminishing of normal state functions like tax collecting, provision of public space, or certain basic accountabilities to citizens. By the same token, we see an increase in the regulatory authority of quasi-state entities like the CFZ administration. Through such arrangements, the CFZ becomes autonomous of the municipal government and can enter into contractual relations with foreign capital, whether or not those relationships do a disservice to the surrounding communities or the interior population of laboring citizens. On either side of zone boundaries, populations can be subjected to different forms of social regulation or political control, as a consequence.

Increased electronic street surveillance in Colón City is a case-in-point. Surveillance has spiked thanks to the installation of security cameras all around the city, as part of a citywide crime prevention program being funded by U.K.-owned Cable & Wireless<sup>128</sup> in partnership with the Colón Free Zone administration. In 2007, Cable & Wireless and the National Police joined forces, spending \$7.3 million on surveilling the city. Cameras are located at different points around the City and are linked to a room “where any type of criminal movement will be monitored 24 hours a day” (*La Prensa*,

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<sup>128</sup> “In June 1997, the sale of 49 per cent of the shares of the National Telecommunications Institute (*Instituto Nacional de Telecomunicaciones S.A. – INTEL, S.A.*) to the United Kingdom company Cable & Wireless (C&W) concluded with a value of US\$652 million. The company was awarded a 20-year management contract to provide residential and public fixed telephony services, as well as domestic and international long-distance calls. In addition, concessions were granted for the operation of a mobile telephony system” (WTO 2007: 6).

May 21, 2009). To round out the surveillance, the Police Chief added a complement of foot, bicycle and motor patrols.

By contrast, the CFZ itself is a walled compound, with limited points of entry and exit. Entry points are policed in two senses: to monitor goods passing through the CFZ (especially in light of the CFZ's history as a point of illegal trafficking) and to police Panamanian nationals who are not permitted entry to the Free Zone unless they are employed there. Similar to an immigration and customs process, entering the CFZ requires the presentation of a passport and/or registration of 'exemptable' credentials.

In general, the city has seen an increase in social control under President Martinelli. In his first year of office (2009-2010), his administration announced that the legislative assembly should prioritize security projects (*La Prensa*, May 5, 2010). To keep his promise, Martinelli introduced longer times in jail for criminals; accumulated sentences now serve 50 years (up from 35) and kidnappings 20 (up from 15). Ramping up security has also included fast-tracking regulations for private security firms whose services to law firms; civil and penal courts; international organizations; banks; large, small and medium size enterprises and private individuals are steadily rising in Colon and across the nation. Security companies in Panama have become a thriving business, currently generating over \$12 million a year. Security monitoring in the banking sector is one of the most important and lucrative types of work for these companies (*Panama America*, February 25, 2013).<sup>129</sup>

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<sup>129</sup> According to The Small Arms Survey 2011: States of Security, created by The Graduate Institute of Genoa, Central America has the highest ratio of private security forces to police, worldwide. According to a news report, 'there is a tradition of empowering private security to replace the police in protecting banks, neighborhoods and individuals with a wide range of activities' (*Proceso*, Wednesday, July 6, 2011). To place Panama's 2 to 1 ratio of private security agents to police (30,000 private to 12,100 police) in comparative perspective, Honduras has a

In the next sections, I attempt to demonstrate that the CFZ is a paradigmatic neoliberal zone of exclusion in that it effectively keeps Colon's denizens out while channeling human, social, and physical capital – from elsewhere – inside.

### **On labor and race in the CFZ**

An argument frequently championed by successive national governments is that the Free Zone is a job generator. However, the Free Zone only sustains a selective absorption of the overall labor force, offering positions that depend on the needs of international capital, including the need for skilled manual labor (eg: stevedores, and others with skills to operate the Zone's increasingly automated container shipping technology), unskilled labor (construction, waste disposal, etc), and clerical workers. Salespeople are also needed in CFZ tenant firms' exhibit rooms. In the area of salary and wages, labor relations are only recently *and partially* governed by Panama's labor code, which has gone through many iterations since the Zone's inception. In earlier years<sup>130</sup>, salaries were buoyed somewhat by proximity to the Canal Zone.<sup>131</sup> (See Photo 4.3 below.)

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proportion of nearly 5 to 1; Nicaragua, 2.14 to 1); Costa Rica, 1.61 to 1); and El Salvador, 1.26 to 1. Guatemala has the highest proportion of private agents to police, at a whopping 6 to 1 (120,000 compared to 19,900) (Ibid.).

<sup>130</sup> Roughly, 1948 through the 1960s.

<sup>131</sup> In 1952, "maximum working hours allowed by the Labor Code are 48 per week... Any hours in excess of that are considered as overtime, and have to be paid at 1 ¼ times the regular rate per hour" (Colon Free Zone 1952: 8).

**Photo 4.3: Comparison of average monthly wages in ‘enclave’ and other sectors of the national economy, 1970**

**LA ZONA LIBRE PAGA LOS SUELDOS MAS ALTOS Y MEJORES**

ESCALA DE SUELDOS

COMPARACION DEL SUELDO MEDIO MENSUAL EN ALGUNOS SECTORES DEL PAIS

(En Balboas)

Zona del Canal	301.70
Empresas Establecidas en la Zona Libre de Colón.	203.67
Instituciones Autónomas y Semi-Autónomas.	170.18
Gobierno Nacional	159.85
Empresas Particulares	149.50
Zonas Bananeras	131.76

\*\*“Informe Económico”, 1970.

(Informe Económico 1970)

In 1970, the Free Zone had 2600 permanent employees and 260 casual workers. In 1978, by contrast, there were 5000 permanent workers and 3000 casual workers or contract laborers (Cortes y Quiros 1981: 127).<sup>132</sup> Whereas in 1970, the ‘flexible’ labor force comprised only 10 percent of jobs in the zone, eight years later contract workers represented 60 percent of the labor force. This labor transition coincides with massive black emigration from Colon, immediately after the signing of the 1977 Torrijos-Carter treaties. Against downsizing trends in the wider economy in the late 20<sup>th</sup> century, employment in the Free Zone rebounded by the middle of 1985, rising to 9,600 by 1987

<sup>132</sup> In that same eight-year period, the salary scale ranged from \$130/mo for an entry-level unskilled worker to \$600/mo for a bilingual executive secretary. Over a ten-year period, across the 1970s, this wage level remained basically constant. While the average salary for unskilled workers was \$162/month, the average cost of food (for a 5 person family) was \$142/month. For skilled workers, the average salary is \$399, with a monthly average family food expenditure of between \$150 and \$200 (Cortes y Quiros 1981: 127-134).

and continuing to rise nearly every subsequent year as job growth kept pace with the CFZ expansion. According to the 1995 Annual report of the CFZ Administration, 6,500 people were employed in the CFZ in 1980, rising to 13,400 by 1995.<sup>133</sup> In the years since, Free Zone workers and job seekers I engaged through informal interviews at job fairs indicated that overtime pay is rare, and the options for full time employment are highly competitive and are a decreasing share of overall employment options, especially for lower skilled laborers, who are often recruited as casual or part-time and are paid on an hourly rather than salary basis.<sup>134</sup>

While official figures are not available on the racial composition of labor in the CFZ, black outmigration from the urban center would suggest that changes in employee demographics did accompany increasing labor flexibilization. Additionally, a general shift in the structure of CFZ business operations may have supported a racial reorganization of the Free Zone. Until the late 1970s, the Free Zone contained a substantial number of foreign tenant firms that used the Zone for light assembly of manufactured goods. Black Colonenses were ubiquitous on the assembly lines of firms like Pfizer (USA), Gillette (USA), CICSA (Italy), Mitsubishi (Japan), and a plethora of others (M. Jaen, personal communication). See images below.

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<sup>133</sup> CFZ Administration. No publisher or place of publication listed.

<sup>134</sup> For full time and part-time employees, wages and salaries vary, depending on experience, position, and length of service.

**Photo 4.4: Assembly work in the CFZ**



(Author photo from the Simon Bolivar Library of the Universidad de Panama, Informe 1970)

General Omar Torrijos implemented banking reforms in 1970 that allowed the unrestricted movement of money in and out of the country; the reform laws also provided for ‘banking secrecy’ (Conniff 2001:129). In that same year, Taiwan (ROC) sent a trade and investment mission to Panama (Informe 1970). The number of foreign banks with Panamanian branches increased from five in 1968 to seventy-six by 1976, with the majority of them housed in the International Banking Center of an expanding CFZ. Foreign deposits shot up from US\$341 million to US\$11.3 billion over the same period (Priestley 1986: 29).

During my time in the field, I regularly and sometimes ruthlessly pursued Afro-Panamanians to ask about their experiences with or knowledge of racial discrimination in hiring. For those who acknowledged that such a problem might exist (the majority), I heard time and again that banks are widely regarded as the most difficult entities for blacks to obtain employment. While hiring discrimination can be difficult to prove on legal grounds, discrimination against black bank *patrons* is widely documented.<sup>135</sup> Thus, while liberal banking laws increasingly pegged Panama as an international financial hub, the rise of banking did not likely enhance job prospects for black Colonenses.

As the CFZ continued to reinforce its exceptionalism and ‘success’, relative to the rest of Colon’s struggling economy and formal labor sector from the 1970s through the 2000s, technological changes in shipping also affected hiring, wages, and the

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<sup>135</sup> See, for example, news articles in *Critica*, “La ARENEP y ABOPAN protestan por discriminación racial” (May 15, 2000); Also see the Panamanian Committee Against Racism’s 2001 (June 6) *Report To The Inter-American Commission On Human Rights On Racism In Panama*, which mentions that “[R]acial discrimination against all ethnic groups in Panama is evident in the area of employment. In the private sector, people with ‘light skin’ appear disproportionately in leadership positions and in jobs that require dealing with the public, for example, tellers in banks and company receptionists” (Retrieved on January 22, 2014: <http://diadelaetnia.homestead.com/informe.html>).

demographic makeup of the labor force as job seekers from Panama City and peri-urban areas poured into Colon for CFZ jobs. Technologically, the explosion of containerized shipping in the 1970s<sup>136</sup> boosted traffic along the Canal and the efficiency of logistical services in the Free Zone. Prior to the widespread use of box containers, ship cargo handling was extremely labor intensive and relied on local black workers. With the development of shipping “intermodalism” in 1956, the first container ships were constructed to accommodate standardized 20- to 40-foot containers, which allowed for efficient stacking, unloading, and ground transport of a container and its full contents.<sup>137</sup>

By the 1970s, containerization spurred the generation of a new business model to ensure that the CFZ could provide appropriate services to support the increased volume of merchandise delivered via box container. Firms saw a need to create demand and expand their market presence in Latin America. The containerization boom nudged a shift away from light assembly among CFZ firms toward the amplification of ‘logistical’ services for the rapid movement of goods.<sup>138</sup> The rising presence of Chinese firms shipping goods already completely assembled in East Asia, and the proportional decline in the presence of U.S. firms were important factors propelling logistical restructuring. Additionally, competition from maquiladoras in Mexico (Feenstra and Hanson 1997) and emerging regional duty free zones in the Caribbean Basin (Bair and Gereffi 2003) by the

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<sup>136</sup> World Shipping Council (online, n.d.) “Industry Globalization”.

<sup>137</sup> World Shipping Council (online, n.d.) “The Birth of Intermodalism”.

<sup>138</sup> Elements related to “logistics” in the Free Zone and Ports complex can include a range of sectors and services; in the “Transport Services” sector, for example: freight transportation and freight agency services, cargo-handling, storage and warehouse services; in the “Business Services” sector: inventory control, order processing, etc.; and ancillary services such as customs clearance, maritime agency services, and container station and depot services (WTO 2007: 13). Also see WTO (2007: 41) on upscaling of logistical services since the mid-1980s.

mid-1980s were also probable factors contributing to the decline of ‘assembly’ as a significant mode of export processing. Finally, Panamanian wage rates were comparatively higher than other processing zones of the region because Panama’s legal tender, the *Balboa*, was fixed to the US dollar. Monetary policy thus made Panamanian labor less competitive.

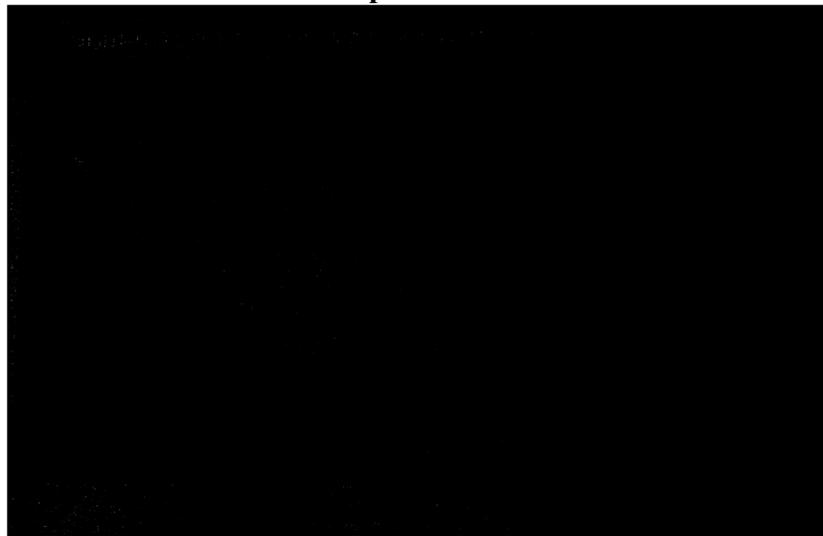
Additionally, according to key informants, CFZ companies began to outsource the marketing of products warehoused in the Zone. In previous decades, wholesale customers came to the Zone for direct purchasing, but handling an exponential increase of imports required firms to become more aggressive marketers in order to increase regional demand. At this time, intermediary merchants sprang up with the task of acquiring new customers in Latin America. The sum of these business strategies and associated technological upgrading dramatically increased Free Zone traffic, prompting additional spatial expansions and hiring from outside of Colon proper. One interview respondent remarked that these new ‘marketing forces’ were not composed of the bilingual, black West Indian workers once so replete among the rank and file of the CFZ, rather “these business development staff drumming up business abroad and closing the deal in Colon were noticeably of a lighter hue”. Part of the shift around who served as the face of a particular firm, had to do with Panama’s increasing globalism: bilateral trade with the U.S. was being replaced with more Latin American trading partners, and it would stand to reason that knowledge of the English language was not the human asset it used to be.<sup>139</sup> Figures

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<sup>139</sup> Today, in the Free Zone, over 2500 wholesalers conduct business with more than 300,000 buyers from all over the world. Annually, the CFZ generates \$14 billion in imports and re-exports. Import-export figures from 2004 show that the lion’s share of imports originates in East Asia, while exports are destined for Latin American markets. Of these 2500 companies, 1,750 are direct users occupying public space in the retail area known as ‘Casco Viejo’ and in the warehouse facilities located at France Field. The remaining 750 firms operate under the name of represented

from 2004 indicate that, “Colombia is the largest buyer of merchandise, buying nearly 16 percent of all Colon Free Zone exports. Other principal purchasers are Venezuela, Panama (domestic market), Guatemala, Ecuador, Costa Rica, Dominican Republic, the United States, Chile, Cuba, Honduras, Peru, Brazil, Nicaragua and El Salvador. These countries buy approximately 83% of all exports from the Colon Free Zone” (CFZ Administration 2004).

**Photo 4.5: Black professionals in the CFZ**



*Pictured (left) Julio “Luckie” Garay, Deputy Legal Advisor for Contracts meets with Italian suppliers, 1970.*  
 (Image redacted due to copyright restriction. Original can be found at CFZ Administration press archive)

Further, techniques of ‘global’ marketing began to change as well. In their study of global commodity chains among textile-apparel firms in the Americas, Bair and Gereffi (2003)

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user companies, which distribute the former’s products and services all over the world on their behalf (<http://www.zonalibredecolon.com>, Retrieved on October 22, 2010). According to the CFZ Administration (Ibid),

- “The largest individual supplier of the Colon Free Zone in 2004 was Hong Kong (China) followed by Taiwan, United States, Japan, Korea, France, Mexico, Italy, Puerto Rico, Switzerland, United Kingdom, Malaysia and Germany. These countries supplied nearly 87 percent of all Colon Free Zone imports in 2004.”

indicate a definitive post-1970s shift. They find that with the separation of the physical production process from design and marketing, transnational firms derive profits from having the right combination of “design, sales, marketing, and financial services that allow the retailers...and marketers to act as strategic brokers in linking overseas factories and traders with evolving product niches in their consumer markets” (2003: 146). One implication for the CFZ is that with assembly occurring outside of Panama, and marketing and retail increasingly focused on Latin American corporate customers, Colonense labor lost a niche of its own.

Such broader inter-American patterns of “industrial upgrading” and the relative rebounding of Latin American economies after the ‘lost decade’ of the 1980s, ultimately affected the kind of human capital that would be valued in the CFZ as a network-coordinating logistical node in an assortment of commodity chains. I would argue, further, that these international forces only complemented the designs of national stakeholders that already seemed to have given up on Colon and, perhaps, hoped to see the vindication of mestizo labor as the engine of Panama’s global ascent in the wake of U.S. withdrawal and Afro-Panamanian exodus. On this point, ethnographic reports reveal what technical reports cannot.

*Ethnographic exposure: ‘Neighborhood’ accounts of hiring discrimination*

According to several respondents I engaged in the field, there is a broad societal perception that Colonenses have a poor work ethic compared to other Panamanians. I frequently heard the charge that Colonenses are (perceived as) “lazy”, “they don’t want to work”, or “they never show up anywhere on time”. But the problem was not that everyone in Colón was lazy; rather, it was that the ‘blacks’ were not good workers. As I

was told in basically the same way by a mestizo *taxista* (taxi driver) and a ‘chino’ shopkeeper, both long-time residents of Colón, “No offense to you” (a disclaimer often addressed to me in light of my black American status), but “the blacks here just don’t want to work”. Some black Panamanians tended to agree with this account, with some qualification however. Rogelio de Hoyas, a father of three in his late forties, worked six days a week at the elite Cristobal Yacht Club on Manzanillo Bay (in Colón) for 20 years before showing up at work one day only to find the entrance blocked by two large shipping containers and a sign saying that the Yacht Club had been sold and former employees were no longer needed. (The Yacht Club has now been subsumed by the Colon 2000 Cruise Port, constructed to serve Royal Caribbean Cruise Lines). Roger, the name he suggested I call him, was adamant that *not all* Colonenses were lazy; only the younger generations who have become accustomed to unemployment, underemployment or gang life. He also remarked that Colonenses are unequivocally aware that jobs in the Free Zone do not lead toward any gainful career prospects. With mostly unskilled, low wage jobs available, many people feel that work in the Zone is an unrewarding dead end.

I heard this latter sentiment echoed among a group of black women I befriended while visiting the town of Portobelo farther up the coast. Contrary to Roger’s claims about youth idleness, many young black men in Portobelo do make the daily bus commute to Colón City to work in the Free Zone or the container ports, but young women typically do not. The women asserted that it does not make sense to consider work in Colón, especially in the Free Zone because transportation is too costly in time and money. Since there are no industries in Portobelo, except for tourism, formal employment can only be found in Colón. A full 8-hour day of work in the Zone requires

an additional 3+ hours of travel time to earn just over \$16 a day in wages<sup>140</sup>, while expending \$2 daily for roundtrip transport, \$5 or more for afterschool child care depending on the number of children, and several more dollars monthly in school fees. According to these women, the numbers just do not add up in a way that makes formal employment a pragmatic option. Receiving financial support from boyfriends and husbands, staying at home with the kids, finding odd jobs here and there, and collecting public welfare provides greater income security and peace of mind.

Unlike their counterparts in Panama City, no transport subsidies await these *costeños*, whose desire to work is cancelled out by a lack of social supports (affordable child care, transportation, livable wages) that would otherwise make labor market participation amount to more than a zero-sum deal. Evidently, there is no concerted investment in labor market strengthening to ‘level the playing field’ for these women. Despite ‘dis-abling’ conditions, these stay-at-home attitudes of the Portobeleño women and many working age black Colonenses reinforce mainstream attitudes about blacks in Colón not wanting to work. But the stereotype itself is a complex one; a long-standing ideological invention with much deeper roots in Panamanian history -- a history that calls attention to the legacy of U.S. occupation in the country.

Williams Johnson’s response to my question represents another common and even more politically charged explanation for the tendency of Zone firms to hire out of Panama City rather than Black Colón. A sixty-something year old resident of Panama City, Mr. Johnson is a founding member of a youth development organization called *Rescate Juvenil AfroPanameño* (Rescue Afro-Panamanian Youth). He is an actor and

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<sup>140</sup> According to the Panamanian Ministry of Labor (2009), the hourly minimum wage for full time workers (40 hours per week) in Region 1 Free Zones and Special economic zones can range from \$1.81 to \$2.00 depending of the job performed. Wages in hotels range from \$1.55 to \$1.81.

poet of West Indian descent, a second-generation black Panamanian, and a self-professed black militant. He intimated to me that there is a lingering resentment on the part of many Panamanians, conscious or otherwise, toward Afro-Antilleans *because* they enjoyed relatively exclusive rights of employment in the former Canal Zone and higher wages compared to the rest of Panama. He emphasized that “there is a lot of jealousy over that”, and as another respondent, journalist Eric Jackson would further insist, now that the traditional Panamanian oligarchy (rich Panamanians of mestizo or Spanish-descent) is able to steer the fate of business and politics in the country without American intervention, “they encourage only the hiring of *their* kind of people”. For these respondents, evidently the Canal Zone dual wage structure, though long gone, still has social ripple effects by creating an unspoken cleavage within Panamanian society that persists today in forms of labor discrimination against black Colonenses. As one interpretation of this popular argument, the external racism associated with U.S. domination of the nation translated into an internal racism directed at those within the national population perceived as abettors to that domination.

### **Shifting labor landscapes for black workers**

The declining utility of black labor in Colon is partly related to the nationwide decline in the fortunes of low-skilled workers. Growing wage inequality in Panama, as elsewhere in Latin America, has hurt low-skilled men and women. Low-skilled, high-paying jobs were a longstanding feature of the kinds of employment opportunities available to most Colonenses working in and around the Canal Zone. According to Priestley, Canal Zone workers made significantly higher wages than those in the public and private sectors, earning \$420/month versus \$185/month in 1960 (1986: 9). Under the

neocolonial system of the Canal Zone, plenty of ‘blue-collar’ *service* jobs were available to black workers with little formal education. Before the decommissioning of the Canal Zone, prime age male workers with less than a high school education could obtain full-time, year round work for many years, if not a full lifetime. Because men largely obtained employment in these sectors, the problem of declining employment has been concentrated among low-skilled men. Twelve percent of the Panamanian population worked in the Canal Zone in 1960, while only six percent did by 1975 (Ibid.: 129). Also, according to Salabarría, less than ten percent of Free Zone workers at that time were Colonenses (1980: 48). During the 1980s, the situation changed because of U.S. divestment and the shift toward flexible labor in the enclave zones. This shift also had a downward effect on real wages.

Of the changes in the economy that have adversely affected low-skilled black workers, the most significant have been in the maritime sector: canal operations, maintenance, and dockwork. The restructuring of jobs due to containerization (technological upgrading) and weakened labor relations (de-unionization), compounds the loss of work in relative terms due to the closure of the former Canal Zone and greater competition from commuters – all of which has left Colón’s inner-city dwellers with less access to formal employment. There have also been important changes in occupational staffing within global firms and industries, benefiting those with more formal education or ‘una buena presencia’ (an attractive *look*, typically code for light-complexioned, especially in sales and banking). The increasing suburbanization of housing (explored in Chapter 5), meanwhile, has accompanied the expansion of ports, tourism, and the Free Zone to further restrict access to jobs by increasing the distance between home and work

– a function of the incremental expansion of commercial enclaves, and a corresponding diminishing of the city’s residential spaces.

The increase in the proportion of jobless adults is also related to changes in the class, racial, and age composition of Colón – changes that have led to greater concentrations of poverty, including: the outmigration of non-poor black families, the exodus of nonpoor white and other nonblack families (eg: the Jewish communities that once had a strong presence in Colón), the rise in the number of residents who have become poor while living in the urban center, changes in the age structure of the community, and the movement of poor black people from the Costa Arriba into the city (Costeños). As I will demonstrate in the subsequent chapter, the central government also contributed to the decay of inner-city Colón by rejecting local development schemes (such as the LaPlayita project), withholding local investments (such as in INAC<sup>141</sup> cultural initiatives), and maintaining a land tenure regime that makes it difficult for the city to attract middle-income homebuyers. Meanwhile, many poor and typically black residents have been uprooted by urban renewal and involuntary migration.

*Ghettoization, Unemployment, and Local Dystopia*

The massive infusion of international financial capital during the General Torrijos regime increased state spending from 1970 to 1980, providing some social protections for urbanites, but not enough to stave off population losses. The 1970s was the first decade in 50 years that the Colón City population declined; between 1970 and 1980, Colón lost 15% of its population (Censo de Población 1980). For much of the Canal Zone era, working poor or middle class blacks populated Colón’s streets, but today the consequences of high joblessness have become dire. The intense concentration of poverty

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<sup>141</sup> Instituto Nacional de Cultura

in the 1980s was notable and levels of joblessness in Colón neighborhoods unprecedented. Jayan Cortéz (1985: 6) estimates that approximately one-third of the economically active population was unemployed in Colón in 1985. Just a decade later, Panamanian academician Jorge Luis Macías put Colón's 1993 unemployment rate at close to 70 percent (*La Prensa*, 6 November 1993). Low levels of livability - crime, family dissolution, low levels of social organization – appear to be a fundamental consequence of the disappearance of work, for the reasons discussed above. Undeniably, Colón's history of spatial and workforce development, unique relative to other parts of the nation, have conspired to produce the city's current character as a segregated, racialized 'ghetto' occupied by a jobless underclass. The concept of segregation applies to Colón because of its concentration of a racialized (not racially homogenous) underclass, relative state neglect, and structural disarticulation and spatial discontinuity from adjacent enclave networks. Segregation exacerbates unemployment problems because it leads to weak social networks for employment and contributes to the social isolation of individuals and families, thereby reducing their chances of acquiring human capital skills, including adequate educational training, that facilitate mobility (Wilson 1996).

### **Global spaces and flexible entitlements in the neoliberal era**

As noted, redemocratization and privatization have facilitated business and real estate opportunities for eager international investors, managers, entrepreneurs and tourists. By the new millennium, expensive toll roads, commercial 'enclaves', and high-end residential 'communities' were under construction in the transit zone to service a host of elite newcomers that would soon acquire unrestricted access to the social, commercial, and transportation networks at the crux of Panama's "globalizing project" (McMichael

2011). Today, these skilled foreigners and middle- and upper-class Panamanians enjoy unfettered mobility and exclusivity as consumers and business actors within these spaces. By contrast, the many semi-skilled and unskilled Panamanian workers, who provide labor in the enclaves – mostly mestizo hires delivered directly to the Zone via private shuttles sponsored by their CFZ employers – have limited mobility and access to these spaces beyond the workplace. Many thousands more, Colonenses especially, have no access at all – less because of legal prohibitions against entry (though there are indeed some, as in the ‘pass’ requirements for entry into the Free Zone), but rather because of forms of (a) socio-spatial segregation that place them in ‘contained’ areas of their own, (b) poverty which makes globalizing areas generally inaccessible, and (c) class-, color-, and sex-biased practices of underemployment, policing and surveillance. Being generally excluded from the formal economy, Colonenses must also increasingly manage the threat of punitive urban policies designed to keep them out of the duty free zone.

In sum, the networked web of globalizing enclaves, with the CFZ at its center, is rapidly transforming the urban geography and labor profile of Colón, while systematically degrading the public sphere by crowding out urban ‘life spaces’ and filling them with exclusive neoliberal zones. In the urban spaces yet unclaimed by privatization, state neglect of infrastructural investment has produced a bare existence. Neoliberalization and economic globalization are not the only culprits but neoliberal practices and institutions that privilege market-enabling policy choices over local social development – that is, marketization over socialization – carry consequences that citizens must contend with on a daily basis. Meanwhile, as enclave expansionism encroaches upon public civic space, “the power of urban citizens to influence the basic conditions of

their everyday lives” is generally suppressed (Brenner and Theodore 2002: 376).

Importantly, patterns of *underdevelopment* in Colón reflect a situation in which “transnational capital is permitted to opt out from supporting local social reproduction” as well (Brenner and Theodore 2002: 376). As a social researcher at the Centro de Estudios y Acción Social Panameña (CEASPA) told me:

The Free Zone operates freely according to its economic goals because openings for public participation are limited. Decisions are made about the Free Zone, but the public is robbed of the right to participate in the discussion. Technical discussions of earnings and values, that sort of thing, is shared with the public and is called public relations. But they leave no space for a discussion of the *ethics* of the Free Zone’s operations in terms of the future of Colón’s development. The Free Zone keeps growing, gobbling up the city. The city is left to wallow in filth and sewage. Ultimately, the whole province suffers because the citizens are not allowed to state an alternative position to government policy.

Such concerns accentuate the marginalizing complexities of Panama’s global enclaves. In light of the above discussion, what can we deduce about neoliberal planning and the shifting contours of citizenship?

### **Racialization, citizenship, and the neoliberal political economy in Colón**

While the CFZ is a major source of productivity and revenue in the country, in Coloó, it is also the primary target of job opportunities both hoped for and unfulfilled. Standard labor economics assumes that the goal of profit maximization drives hiring in labor markets, and therefore, that hiring is a color-blind practice in market-based environments such as the CFZ. In reality, however, labor markets are often discriminatory; indeed, racially differentiated trends in wages and hiring appear to be as pervasive as ever. Inside and outside of the CFZ an observer may witness the ‘racialization’ of different kinds of laboring populations. Inside the zone’s retail areas and financial brokerage houses are fair-skinned multilingual customer service workers, while

outside the zone are the large reserves of underemployed and unemployed black labor in the city. This ‘potential’ labor pool is as much excluded from the CFZ as they are captives of metropolitan Colón.

With respect to economic and social rights, Article 113 of the Panamanian constitution (1972 [with 2004 amendments]) proclaims that “[e]veryone has the right to security of their economic livelihood in case of incapacity to work or obtain gainful employment”. Additionally, Article 64 specifies that “[w]ork is a right and a duty of the individual, and therefore it is an obligation of the State to develop economic policies to promote full employment and ensure that every worker has the necessary conditions for a decent existence”. Yet, the narrow set of opportunities the CFZ actually provides (in comparison to the space it consumes) is especially significant for the story of Colón’s economic and social neglect.

The CFZ has not provided a solution to local unemployment. Instead it has encouraged it. As the neoliberal state focuses on strategies of enclave expansion, constantly creating propitious and optimizing conditions for foreign investors and customers, it has not invested adequately in enabling the ‘local’ entrepreneurship or skills enhancement of the local workforce. Considering the disproportionate and negative effect on black economic participation, neoliberalization has reinforced economic and political marginality *racially*. Within the neoliberal development zones, however, foreign elites enjoy citizen-like entitlements – privileges of mobility, income subsidies (via tax breaks), easy investment terms, and lax immigration options, as long as they have the means to purchase these ‘rights’. Their autonomy as business actors and consumers reflects neoliberal ‘developmentalism’ actively underwriting their civic, legal, and market power.

Ultimately, state activism to encourage CFZ expansion is a neoliberal policy choice that signals policymakers' readiness to disregard and discard economically marginal individuals. Along with that expansion, new forms of racial and class boundarymaking have also arrived, defined for example by the walls the CFZ Administration constructs and maintains around the zone. The boundaries between the 21st century walled city and the crumbling *arrabal* that surrounds it have become stable features of an urban landscape *and* urban citizenship divided.

I have attempted to demonstrate that the political-economic shifts associated with the decline of the Canal Zone and of Torrijos-style bureaucratic-authoritarianism also meant the decline of public sector employment opportunities for Colonenses, who by and large happen to be black. It has also correlated with a decline in living standards within the city itself, as social spending by the U.S. has halted and Panamanian authorities have, in the years since, only made selective investments in the city's present and future. Colon has declined in one sense from the fiscal and *physical* effects associated with U.S. 'demilitarization', and in a second sense, from the neoliberal roll-back of Torrijos' social state. Because public sector employment (*vis-à-vis* both nation-states) has historically concentrated heavily in Colon, black labor participation suffered disproportionately from neoliberal austerity during the early years of 'neoliberal take-off'. In other words, neoliberal adjustment conditioned additive forms of social insecurity for blacks that amounted to further precarity in the wake of U.S. withdrawal. Paradoxically, while Afro-Panamanians always occupied a marginal social position within the social and political structure of both the U.S. Canal Zone and within the dominant social order of Panamanian society, their positioning (Afro-Antilleans mostly) as urban service workers

enabled them to enjoy certain special privileges associated with the U.S. imperial project, thus garnering positive ‘spillover’ effects for Colon *as a function* of their racial status – in spite of (indeed because of) black liminality.

With the contemporary maturation of neoliberalism in Panama, exemplified by the amplification of the Free Zone and the fulfillment of a market-oriented repurposing of the U.S. military enclave, we are now able to witness an accompanying repositioning of black human capital in relation to the enclave political economy. Whether or not racism has infused policymakers decisions in the design of neoliberal state entrepreneurialism is likely but debatable. Here, I concentrate primarily upon *racialized effects* associated with structural transformation, absent of intent. Because pre-neoliberal Canal Zone operations, ISI ‘developmentalism’, and Panamanian maritime commercialism outside the U.S. enclave were all anchored by the political-economy of ‘transitism’ and as such were distinct from both advanced-industrial Fordism and Asian ‘miracle’ statism, the domestic conditions of Panama’s transition to neoliberalism present a unique case. Likewise, the country’s history of fractured citizenship, sovereignty, and racial formation(s) offer uncommon ‘initial conditions’ for investigating the interaction effects of neoliberalization, race, and ‘zoning’ practices.

Based on this examination of the CFZ as a site through which such interactions are made legible, I contend that the presence in the transit zone of new transnational players, new forms of capital, new modes of employment-related patronage, and importantly, new sources of national prestige to pursue and secure (ie: Panama has *more* to offer the world than the Canal) in the ‘globalizing’ project of development, have rendered the urban black subject a *particular* casualty of neoliberal restructuring. I stress

black particularity because of the tendency within the sociology literature to aggregate the effects of neoliberalism as strictly class phenomena.<sup>142</sup> Instead, I hoped to emphasize the revelations of this case with respect to the *racial*, transhistorical and transnational nature of these class phenomena in Colon.

### **Conclusion**

Enclave zoning and practices of racial management for economic optimization are stable features of development in the transit zone. Neoliberal zones, like the enclaves of previous historical junctures, fracture the social and physical spaces of cities and reproduce citizenship/s that are at once differentiated by the nature and scope of entitlements, and by race-based exclusions. Historically, under American occupation, Panama represented an enclave economy in the traditional dependency sense of the term. At the same time, the social order imposed by the U.S. on Panamanians and black migrants in the Canal Zone effectively dismembered the country into distinctive zones of governance as a precursor to Ong's neoliberal conception – constructing legally differentiable territories in and out of the Canal Zone – with persistent implications for the nature of economic and racial organization in Panama.

The Canal Zone operated as a military and racial enclave, and to a lesser extent as a commercial enclave profiting from export sales. Today's neoliberal era is defined by Panama's rise as a global commercial and logistical hub dependent upon the operation of different forms of capital<sup>143</sup> than those that defined it during the American era. Political

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<sup>142</sup> Somers' (2008) outstanding analysis of race, neoliberalism, and citizenship in the aftermath of Hurricane Katrina in the U.S. is a notable exception to this class-focused literature.

<sup>143</sup> Represented by the capital interests behind the Panama Canal expansion (slated for completion in 2015) and related service industries in port management, container storage and shipping, tourism, and trade in wholesale goods.

power is differently composed as well; as such, citizenship is configured and deployed on different terms – through spatial *and racial* politics of access and exclusion to the globalizing spaces of the city.

The takeoff of neoliberal planning has entrenched Panama's enclave transitisim for the 21st century under new terms and interest arrangements. Neocolonial arrangements that previously fractured the national territory into spaces of disjointed, uneven, and oppositional sovereignty, and that assigned special treatment to certain population groups on the basis of race, ethnicity, and gender in the zone of 'occupation' (ie: Blackness, Anglophone, West-Indianness, and maleness) have been inverted. Black Panama – and Colón as a place-marker of black embodiment – has now been assigned new labor values and, consequently, uncertain social fates related to the neoliberal formation of space, labor, and sovereignty.

## CHAPTER 5

### Housing Neoliberalization and Urban Remapping

#### Introduction

While projects of urban housing construction and rehabilitation have for much of Colon's history been implemented on a sporadic basis and with little regulation, the prevailing neoliberal policy approach has been to incentivize settlements on the urban periphery and to privatize public lands in order to supply public-private housing "solutions" to the poor. The central argument of this chapter is that in Panama, state-managed urban dispersal is redefining the race and class composition of existing neighborhoods and cityscapes. The Ministry of Housing's (MIVI) well-intentioned development agenda of creating improved housing solutions in the urban peripheral zones belies a parallel political agenda that deserves close scrutiny. Specifically, central government planning is hastening the suburbanization of the poor, and with it, the displacement of a racialized underclass. The progressive peripheralization of the poor to the city's outskirts is occurring through multiple mechanisms of state neglect and inducement; such political techniques represent a shift from Torrijos-era state-paternalism to a newer paradigm in which low-income citizens are being remade as 'free choice' citizen-consumers. Their separation from urban life and livelihood spaces also represents their fundamental disfranchisement, reflected by residents' inability to shape the urban planning agenda.

#### Latin American Urban Patterns

The 20<sup>th</sup> century witnessed a steady rise in Latin America's urban population, as manufacturing and industrial enterprise began to concentrate in cities. "At the beginning

of the 20<sup>th</sup> century, the vast majority of Latin Americans lived in rural environments, either dispersed in the countryside or nucleated in agricultural villages” but by 1990 “nearly three-quarters of the region’s population was urban” (Kent 2006: 246). In Central America, however, the majority of the population remains rural. Thanks to its unique position at the crossroads between Central and South America, Panama is situated in the middle of the spectrum with an urban population of 56.5% (according to 2001 figures of the UN Population Division). The number of Latin America’s “million-plus” cities is also growing. In these cities, upscale residential districts and commercial spaces offer luxury amenities for the most affluent. The more sizeable middle class, “whose proportion of the population does not typically exceed more than one-quarter of the total” lives in modest but reasonable comfort with modern household appliances, indoor plumbing, computers, leisure time (Kent 2006: 250).

The majority of the metropolitan population, however, lives in more marginal conditions with the working class and urban poor engaging in precarious forms of employment and uneven access to basic services. Much of this irregular work falls outside of state or private safety net programs. In the 1960s, national governments undertook the construction of public housing projects, but abandoned the strategy by the 1980s. As a result, “housing succession has occurred as buildings originally utilized by well-to-do and middle class residents have been subdivided and transformed to accommodate much higher occupation densities” (Kent 2006: 252). Nowadays, in the ‘inner-city’ of such mature large cities as Buenos Aires, Mexico City, or Lima, many urban poor inhabit tenements or *vecindades*, consisting of subdivided rooms and common water and sanitary facilities (Ibid: 251).

Slums or shantytowns can be found on the edges of almost all major Latin American cities (Roberts and Wilson 2009). This peri-urban growth is also referred to as suburbanization. Suburbanization of Latin American cities has largely been characterized by massive land ‘invasion’ by low-income rural migrants, and the emergence of shantytowns on primate city peripheries<sup>144</sup>. Da Gama Torres (2011) notes, however, that not all slums are peri-urban (ie: some are in the center city), and not all peri-urban settlements are inhabited by the very poor. Many early “self help” marginal settlements of 1950s and 1960s Latin America became established working class neighborhoods by the 1990s, while others became even more impoverished slums (Kent 2006: 257). This suggests as well that suburban areas in Latin America are notably complex and challenging to generalize about.

Planning for rapid urban growth has not been the norm in developing countries, and Angel et al’s (2005: 101) comparative study cites several reasons why this has been the case:

- the short planning horizons of politicians;
- the unwillingness of many national and local governments to view urbanization as a positive trend;
- the predilection for ambitious master-plans with limited prospects for implementation; and
- the reluctance of international organizations to facilitate effective urban investment programs.

Where planning has occurred, however, a UN study notes an inattention to the large numbers of poor people presently occupying urban space: “Despite their

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<sup>144</sup> Primate cities are principal urban centers of a country, where central government administration, cultural and academic institutions, and the most important economic activities are concentrated (Browning 1990).

overrepresentation in existing urban areas and their even greater contribution to future growth, the presence of poor people seems to go largely unacknowledged in the formulation of city plans in developing countries” (UN Population Division 2011: 9). One result of this uneven planning is the high incidence of slum households. While Latin America has the lowest incidence of slum dwellers among developing regions, one-third of the population still lives under these conditions (Moreno 2011: 36).<sup>145</sup> Cross-nationally and compared to the rest of the urban population, slum dwellers “die earlier, experience more hunger, have less education, have fewer chances of employment in the formal sector and suffer from more ill-health” (State of the World’s Cities 2006/7 report, UN-HABITAT, cited in Moreno 2011: 45).

#### *Colón context*

Colón is sprawling – not the political limits of the city proper – but the wider social geography of commuter flows, dispersed settlements, and circuits of commerce. This socio-spatial extension is not a function of the kind of industrial dispersal that had contributed to the outward spiral of urbanization in many US cities by creating new employment nodes outside of the city. Quite to the contrary, the development of the free zone and ports complex in the 2000s has given rise to greater economic centralization within Colón. The free trade zone has been a destination center pulling migrants toward the city; yet for decades, newcomers and long time residents alike have had to cope with a chronic housing shortage. Wealth and investment in Colón has not generally been driven by domestic demand, so needed investments in affordable local housing within the district limits has not kept pace with urban population growth despite the opening of the

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<sup>145</sup> UN-HABITAT (2006) defines a “slum household” as “a group of individuals under the same roof lacking one or more of the following conditions: access to improved water, access to improved sanitation, sufficient living area, durability of housing, security of tenure.”

reverted lands. Competing with the demand for affordable housing, global commercial facilities like the CFZ continue to covet space on which to build more warehouses and container yards for their expanding enterprises.

Like their counterparts in the Latin American region, Colonenses and internal migrants from other provinces have been migrating toward the urban periphery in patterned drifts, illegally occupying former Canal Zone properties, purchasing homes in planned developments, and creating informal settlements organically. Of the informal settlements, some were slums or *barriadas*, crammed with makeshift structures of heavy cardboard, plywood and tin. But the view on the outskirts of the city today is one of solid built structures, many of them with room for growth. Sagrada Resurrección, near the Cristobal Port, is a well-known *barriada* that has evolved over time from its makeshift beginnings to establish durable houses with concrete foundations, small shops, a community center, and a dedicated public transportation stop. Ten families first settled there as squatters in April 1989, claiming the abandoned swampland owned by a savings bank (“La Caja de Ahorro”) as their own ‘self-managed’ community.<sup>146</sup> Similar manifestations of spontaneous urban development have continued to trend over years on the inner fringes *and* far suburbs of Colón in an uneasy relationship with private landholders and the state.

### **A housing revival in Colon City?**

At least since the 1990s, Panama City has been growing exponentially, attracting foreign real estate, tourism, banking, and construction capital, and a host of other investments. In the last 15 years especially, the urban real estate market has boomed.

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<sup>146</sup> This information was included in a document called “Urbanización Sagrada Resurrección” found at [www.webscolar.com/urbanizacion-sagrada-resurreccion](http://www.webscolar.com/urbanizacion-sagrada-resurreccion) retrieved on October 31, 2010. No additional citation information available.

Unlike Panama, Colón does not readily attract private investment in residential developments. Neither has it been intensely promoted as a site of residential development with the same vigor as the capital city. There are several practical reasons why this is so. Colón has a reputation for high crime, high unemployment, and a plentitude of low- and no-income residents. Recreational facilities are few and social services wanting. The few government efforts that have been made to attract investors to the inner city have generally failed. The conventional wisdom is that Colón has no market for homebuyers. It is a city of renters and squatters without a significant middle class.

Many current homeowners have established themselves by building their own 'self-help' housing on mostly 'illegal' plots in Greater Colón's inner suburbs. Others purchased 'reverted' American properties from the government – the multifamily housing constructed for U.S. military families and civilian workers. These properties house what remains of Colón's 'homegrown' middle class – teachers, college professors, lawyers, and public sector administrators (Selvia Miller, personal communication, 2012). On the city's edge overlooking a rocky Atlantic beachfront, the Colon Free Zone Administration converted an old French armory into luxury townhomes for business executives operating firms in the CFZ. The Fort DeLesseps development now exclusively houses Syro-Lebanese families with CFZ business, and has created a sort of 'gated' ethnic community along the city shoreline (Roberto Meyers, personal communication, 2012). Apart from direct-to-consumer public property sales such as these, there are emerging exceptions to an otherwise longstanding trend of stagnation in residential development. The luxurious gated communities of Espinar and Alhambra, for example, are residential complexes developed in 2006 by Colon-based construction firm 'Grupo Waked'. Founded and

operated by 'Arab' business owners, Grupo Waked is a major player in commercial construction in the Colon Free Zone. The Alhambra residences are located near the Arab Union Club of Colon with 36 homes priced in excess of \$400,000. This is one of seven projects developed by the Grupo Waked, who also built new warehouses in the Free Zone and houses in La Playa Angosta in the Costa Arriba (*Martes Financiero*, 28 Marzo de 2006). In 1997, the government sold 20 reverted American buildings to El Grupo V&V in Espinar. To-date V&V has built an open-air mall called *Millenium Plaza*, replete with a Four Points Sheraton hotel, shops, casino, and fast food restaurants. The *Millenium* food court was built for the 27,000 employees of the CFZ Administration, its tenant firms and the ports complex. V&V has also converted reverted American properties into more than 5,000 dwellings, including apartments and townhomes for short-stay international executives (*Ibid.*). These newer developments aim to cater to middle and upper income homebuyers, largely business executives and administrators connected to the megaprojects (port and canal expansion) being planned for Greater Colon.

While these developments for a re-emerging middle and high-income class of non-black Panamanians, foreigners, and naturalized citizens are advancing, the national government remains the driver of housing solutions for the poor, the present majority of Colon's residents. Whereas the government once envisioned its role as primary provider of housing for the poor, in the neoliberal era, its approach has shifted to that of a 'facilitator' of private investment in affordable housing. Importantly, the state also evidences a shift away from government-sponsored public and low-income housing projects in the city center. Housing for the poor is strictly a suburban affair.

According to the National 2010-2014 Master Plan for Housing, the MIVIOT (Ministry of Housing and Land Management) has budgeted over \$37 million toward initiatives and projects that seek to incentivize the private sector to meet the housing needs of the low-income population nationwide. Low-income is defined as having household earnings of less than \$800 per month, while extreme low-income households earn less than \$250 per month. A massive housing program for Colon is a key prong in MIVIOT's master plan, whose overarching goal is to expand the national capacity to build new homes by facilitating the development of residential projects through the new Office of Promotion of Private Investment (OPIP) (MIVIOT 2009: 26). In Colon particularly, the housing strategy relies on (Ibid.: 23): 1) relocating families living in condemned shelters, 2) accelerating the measurement and batch legalization (in accordance with Decreto 20 of March 2009) of 'self-help' dwellings illegally built on government land, 3) building social housing for the indigent, 4) analyzing, planning, and developing zoning mechanisms for urban sprawl, and 5) encouraging new housing construction through private enterprise for families with incomes less than \$800 per month. The strategy is encapsulated in several programs for housing applicants across a range of income circumstances.

This is a major institutional shift for MIVI, an institution initially designed as an arm of Omar Torrijos' welfare state. The shift aligns with general currents in government administration toward the privatization of state services. Engaging the private sector is also considered a strategy of public sector modernization, delivering innovation and system rationalization. Most importantly, the strategy aims to relieve the burden of

housing as a state responsibility, while also shoring up state oversight of urban planning and residential zoning.

**Photo 5.1: Housing Crisis**



*Early 20<sup>th</sup> century housing still shelters Colón families despite structural dilapidation.*  
(Author photo, 2012)

### **Social dimensions of the institutional policy shift**

Amidst much official pomp and circumstance about the promised prosperity and peace of mind afforded by a plethora of suburbanized housing solutions, the shift toward private contracting of home construction and associated mortgage debt has led to mixed results for relocated inner city residents. A major issue emphasized by my research respondents relates to the ways that relocation reconfigures social life and transforms community livelihoods. A second major concern has to do with the reality that ‘new’ housing does not necessarily constitute ‘improved’ housing.

*Issue 1: Socio-economic strains of relocation.* The benefits of the state's neoliberal policy strategy is noticeable: it has established conditions for an expanded range of housing options for Colonenses – of various income brackets – who find themselves living in precarious shelter. But according to respondents, merely building housing is not the panacea for better life. Indeed relocated residents I spoke to find themselves challenged by having to adapt to these changing conditions.

Over a series of visits to MIVI's Colón regional office, interviews with personnel working directly with relocating households revealed the insight that for many residents, moving to the “suburbs” is like a dream come true, especially if a family currently living in condemned housing is allocated a house instead of a flat in a high rise apartment. But depending on where a family is sent, and the manner of consultation about the move, attitudes about relocation are often mixed. Informal conversations I had with Colónenses who had moved to apartments in the outer suburbs in the MIVI projects of “Residencial Los Lagos” and “Edificio Salomon” pointed toward several apprehensions: security concerns about having gang members living close to them in high-density, high-rise flats; the lack of space for family expansion in a flat; the financial and time costs associated with the increased burden of commuting to the city; and having fewer places to socialize as well as limited access to several community-based institutions that people have come to rely upon. To be sure, Colonenses have lived alongside gangs and have endured cramped living conditions for years. But in the unregulated tenement structures of the city, families were always in a position to take down walls, build new enclosures, and transform living spaces to suit changing domestic needs. In the new housing towers, strict regulations on housing uses disallow such flexibility. Also, in the inner city gang

members had established codes of conduct and territorial divisions. Suburban housing that has been built for 'units' of consumers re-constructs communities via market processes rather than through kinship ties, neighborhood loyalties, or other structures that maintain boundaries between gangs and delineate 'safe' spaces for the mobility of ordinary residents. In other words, people feel packed into and fearsome about new housing arrangements that bring gangs in close proximity to each other, igniting hostilities and generating tensions that did not previously exist in the same way.

In contrast, I met several Colonenses who, after moving from the city, felt safer on the outskirts. They reported no longer feeling under duress of being on the city streets at night. Others expressed satisfaction that they can now mix with other classes of people, ie: working people and people with more education than themselves. These working people are not ones who have been resettled by the state, rather they are vestiges of Colón's black middle class and second generation *interioranos* who migrated to the province en masse in the 1980s.

Finally, failure to pay the house note is another challenge with which Colón's new housing consumers struggle. I learned from some respondents, both community workers and tenement residents still living in Colón City, that many people choose not to leave the dilapidated structures in which they live, despite the promise of safer and more sanitary housing, because of the requirement to commit to a mortgage. In the condemned housing where they currently live, they pay no rent. This is, of course, an important reason why the buildings in which they live are in such disrepair – there is no property improvement for buildings that earn no income. For families living on the economic margins, rent is not a commitment they prefer to make over food or other daily necessities. People are

concerned that if they fall on hard times and cannot afford to pay, they might have to leave their new homes, and having already lost their place in the old tenements, they would end up with no place to live.<sup>147</sup>

*Issue 2: Poor construction quality undermines long-term sustainability.* I visited the “Praderas de Buena Vista” low-income housing scheme while still under construction. Although the development was in the works for six years, as of May 31, 2012, only 72% of the infrastructure had been installed, and only 28% of housing construction complete (MIVIOT 2012). The land of the Buena Vista project, had been carved up into short blocks of identical small, windowless, half-built homes. Each block of homes was fronted by a concrete sidewalk and was partitioned from the adjacent block by a network of narrow dirt roads. When MIVI took a group of future residents to view the development at Buena Vista two months prior, at the midpoint of the construction process, residents were outraged and expressed rowdy discontent at an afternoon meeting with MIVI. The new homeowners were discouraged that so little progress had been made (Pastor Michael Brown, personal communication, 2012). Others were disappointed by the size and quality of construction. I visited the site in the months following the showdown with MIVI and saw much to be desired.

Inside the tin-roofed houses were unfinished interior walls made of Styrofoam, flanked by drywall. The structural weakness of the houses was obvious; such low quality houses seemed a disaster waiting to happen, as structural collapse seemed a serious

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<sup>147</sup> Clearly these respondents were unaware of the stipulations of the 1973 law that makes it unconstitutional for a landlord to evict a tenant, and neither MIVI nor the National Mortgage Bank are exempt from this law. As a result, although the State’s objective is to create a property-owning class and a new kind of rental culture where people see a reciprocal benefit – for society and themselves – of paying for their housing and ancillary services, the State cannot presently evict even for failure to pay.

possibility. It became clear on that visit why the new homeowners had been so irate about the “housing solution” awaiting them. Why would such a large public-private investment be made only for the project to crumble not long after?<sup>148</sup> News scandals about problems of clientelism and graft in the awarding of construction contracts show a rampant trend of political cronyism.<sup>149</sup>

**Photo 5.2: Praderas de Buena Vista PARVIS housing project**



*Single family home interior wall with Styrofoam insulation.*  
(Author photo, May 2012)

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<sup>148</sup> Technically, there is no significant upfront cost to the state for the relocation, beyond the salaries for the corps of personnel of the social development agencies. However, there is justifiable suspicion relayed to me by local residents that only a portion of the housing grant allocation is actually being spent on the houses, while government contractors may be pocketing the rest.

<sup>149</sup> According to media accounts, the state selects a contractor who then gives a political kickback in exchange for the contract. Because the developer has been paid upfront to build low-income housing, they have less incentive to build a quality structure to attract customers. The structure of a PARVIS program is such that the upfront payment is in effect the housing subsidy provided to a head of household toward the purchase price of a new house. The subsidy applies only to new houses for first-time homeowners. The remaining cost of the house is financed through a combination of private banks and the Banco Hipotecaria Nacional (The National Mortgage Bank), which is underwritten by the state.

## Historical factors

The state's strategy of relocation and the valorization of homeownership for the poor is another portent of the neoliberal turn in policymaking. The hope that public-private partnerships can stimulate a new generation in peri-urban housing construction is informed, however, not only by a neoliberal ideological tilt toward private property but also by concern about Colón's deeply rooted history of apartment tenancy. Colón has always been a city of renters. The tendency to rent rather than own one's dwelling has been a distinctive feature of place that sets Colón apart from the rest of the country. It is a feature rooted in the historical development of city housing, tethered to the massive construction projects of the neocolonial era. Working class tenement housing in the city and temporary resident housing in the Canal Zone represented the key housing 'institutions' of Colón's formative years and booming heyday. Hence, the present institutional shift is a response to older structural conditions that militate against property ownership. That ownership has emerged as a key objective for the state is also a harbinger of cultural changes at the institutional level that intend to transform the horizontal property regime<sup>150</sup> in Colón, and in so doing, to transform Colón's physical identity from a haven of urban black poverty to a glittering 'free port' of globalizing growth.

### *1973 Law: From a city of renters to a city of squatters*

MIVI was created through Law 9 of 1973 with a mandate to regulate urban development and monitor the state of urban areas with a view toward the development of strategies of urban renewal, particularly by means of making discounted housing

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<sup>150</sup> A Régimen de Propiedad Horizontal, or "Horizontal property regime", which allows individual ownership to coexist with co-ownership over communal assets.

available (MIVI 1985). Such norms for social housing accommodation were not prevalent prior to MIVI. Indeed the agency's mission came about in response to a long history of unregulated housing. It was only through the National Constitution of 1972 that the state established housing as a "social right for the total population, especially for the low income sectors" (Article 109, Constitution 1972). It was, moreover, an important moment of nationalist ferment; General Torrijos was actively working to consolidate power, make the PRD's mark as a popular government, and establish himself as a legitimate populist leader.

In this climate of regime persuasion and cooptation, the MIVI law embodies an important social compact forged between the populist Torrijos regime and the urban masses. It was a key political device in the government's wider array of broad-based social reforms of the late 1960s through the early 1980s. The MIVI law is distinct from Torrijos' other social policies, the majority of which were directed at rural development and agricultural modernization, because it was directed specifically at lower class urban populations, making it especially significant for black Colonenses. To a lesser extent, the sizable state expenditure on the expansion of free zone operations, which was very clearly intended to shore up a national strategy of economic growth, was also expected to have an indirect, ameliorating effect on urban insecurity.

The creation of MIVI and its mandate were in themselves innovative political acts that reinforced the nationalist zeitgeist of the time, further shoring up the motivation of the popular sectors to fight for the repossession of the occupied lands. But the MIVI law would have a profound effect on the relationship between renters and landlords in Colon.

Chapter Seven of the MIVI Law of 1972 contains the following articles, which make tenant evictions almost impossible by legal means:

- *Article 40*: No landlord may request the release of a tenant protected by this Act, but in cases where that law and its regulations consider it.
- *Article 41*: An eviction from a housing property will not proceed when the tenant or people living within it are unable to pay the rent due to illness, unemployment or lack of other sources of income; wage conditions which shall be duly verified by the respective Housing Commission.

The Law also establishes a Housing Assistance Fund (*Fondo de Asistencia Habitacional*), maintained with taxes from the production and sale of beer. Article 31 is a further expression of the Torrijos administration's desire to prioritize and provide housing for the urban poor:

- *Article 31*: For reasons of urgent social interest, the MIVI may occupy immediately, as temporary lease any real property that is unoccupied. In these cases, the owners are forced to give the Housing Ministry requesting use. Any act or omission of the owner or any person tending to avoid compliance with the requirement of this Article shall be punished in accordance with the provisions of this Act.

Altogether, these stipulations had the eventual effect of shifting Colon from a city of renters to a city of squatters, by disincentivizing the payment of rents as an unintended consequence. In the difficult economic times of the 1970s, this law, perhaps more than any other of the time, provided a measure of social security the urban poor sorely needed and had scarce little of. In time, a vicious cycle set in, where tenants stopped paying rent and landlords ceased whatever meager upkeep they were doing on the property.

Meanwhile, MIVI took control of empty and/or dilapidated properties, placing more low-

or no-income people in them without a comprehensive strategy to settle them permanently in safe and hygienic conditions. On March 28, 1974 (Decreto No.11), for example, the executive branch of the central government declared a delimited area of Barrio Sur and Barrio Norte in Colón City to become areas designated for “Urban Renovation”. The stated aim was to benefit the community in general by demolishing the most deteriorated buildings and improving the newer housing in those areas. On January 19, 1982 (Decreto No. 1), a second decree with the same mandate was issued, but delimiting additional areas for intervention. The areas selected were identified as being areas of “urgent social interest”. According to the decree, MIVI would control and regulate the revitalization project with participation from public and private entities. A series of such plans would be proposed over the years, and some notable urban rehabilitation projects did result, but none did satisfactorily meet the appropriate level of need to sufficiently mitigate the housing crisis. The result with lingering effects today, according to Dr. Ariel Espino (personal communication, 2011), former Director of the Office of Casco Viejo<sup>151</sup>, was that

no generalized or national housing plan was ever implemented. And eventhough many people had much praise for Balbina [Herrera, the Minister of MIVI 2005-2009] what she really did was an uncoordinated patchwork of a few projects here and there. But nothing was done according to any real technique or science of planning. Some members of a neighborhood would make a huge outcry to Balbina, usually on the news...and she would come visit them with a grand splash and make a housing improvement for them.

Because historical factors have entrenched particular housing market distortions in the ways discussed above, housing in Colón remained a government ‘problem’.

Torrijos’ 1973 housing law established an urban property regime that reinforced state

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<sup>151</sup> The Office of Casco Viejo is a neighborhood planning bureau providing oversight to ensure ‘equitable development’ amidst the gentrification of Panama City historic colonial quarter, a UNESCO world Heritage site.

paternalism. Now that welfarist governance has been gutted by neoliberalism, the state's role as housing protector wanes amid the rubble of urban ruin. Outside the city the state is a key interlocutor of development in the urban periphery, through its national strategy of public-private partnership cultivation. Meanwhile, the inner city has been left to deteriorate by means of state neglect. Colón's dilapidated tenements are a physical spectacle of the decay of urban social rights, born in an era of corporatist citizenship.

Hence, what the neoliberalization of housing suggests is not the retreat of the state as much as the presence of an activist state whose political priorities determine selective intervention or neglect of urban needs in response to broader goals of globally-oriented redevelopment. The result is a reinforcement of the state as strategic business catalyst engineering a cultural-material shift from squatting (market evasion) to ownership (market participation) -- and by implication, a shift from sustaining corporatist citizens to the generation of citizen-consumers. This work is happening at the institutional level of MIVI and OPIP, which together are orchestrating the physical and fiscal infrastructure of privatized housing development and mortgage lending, and MIDES, which is implementing social outreach programs to provide behavioral training to future beneficiaries. It is the latter intervention I argue, that endeavors to transform 'slum-dwellers' facing formidable asset and income deficits into 'respectable' homeowners suitable for suburban relocation.

### **Maneuvering Spatial Neoliberalism**

In Chapter 3, I discussed the 1980s Azuero invasion and 'mestizoization' of Colón's ex-urban hinterland in conjunction with the reversion of the Canal Zone and the decline of Torrijos' program of rural investment. I contend that suburbanization in the

2000s, discussed below, has been occurring under a new set of historical and institutional conditions, and involves the state-directed relocation and management of low-income, urban ‘black’ populations. The racial-cultural character of these 21<sup>st</sup>-century ‘settlers’ and the current stability of the neoliberal institutional firmament have cast suburban settlement today as a different sort of ‘governmental problem’<sup>152</sup>, not least of which is the culturing of ‘citizen-consumers’. In the following sections I examine some contours of this ‘second-wave’ suburbanization, which I argue is the function of a spatial neoliberalism that is characteristic of an entrepreneurial approach to development.

*The Entrepreneurial state: Public-private partnerships in Housing*

For David Harvey, urban entrepreneurialism has to do with post-1970s deindustrialization, fiscal austerity, and privatizing trends in the Global North. In this climate, urban investment has emerged as a negotiation between local powers and international finance capital, where local entities seek to maximize local attractiveness as a lure to capital. Public-private partnerships are the centerpiece of urban entrepreneurialism. Such partnerships are, in the broadest sense, ‘entrepreneurial’ because they are essentially ‘speculative’ activities rather than strategies of coordinated, controlled planning. One of the distributive consequences is that the public sector tends to absorb the risk of these ventures, subsidizing corporations or affluent consumers “at the expense of local collective consumption for the working class and poor” (Harvey 1989:

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<sup>152</sup> Referring to the latter years of 19<sup>th</sup> century England, Osborne and Rose (1999: 744) suggest that “the living body of the citizen became an immediate problem for government. The city became problematized in terms of its own immanent tendencies to engender the degeneration of life within it.” Foucaultian urbanists see the city as a “laboratory of conduct” (Ibid.: 740), by which they mean that the art of governing cities is not about the relentless imposition of discipline; rather city administration consists of technical-managerial projects that regulate the life of the city. The city itself is a “territory of lives, habits, and mores of a population” (Ibid.: 741).

11-12). Public-private partnerships are also oriented toward investment in atomized, singular projects (what Harvey calls “the construction of places”), instead of the amelioration of social conditions on a jurisdictional scale.<sup>153</sup> Harvey thus concludes that urban entrepreneurialism creates “instability within the urban system” (1989: 13) through the creation of a ‘maelstrom’ of consumption-driven, short-lived projects or speculative, “ephemeral fixes to urban problems” (Ibid.).

Where Harvey (1989) sees ‘urban entrepreneurialism’ replacing the managerialism of a previous era, I see in the Colón case a neoliberal entrepreneurial state that relies on certain ‘managerial’ maneuvers at the community level. Specifically, I argue in the next sections that the institutional shift in housing attempts:

- to construct citizen-consumers, who may ultimately find themselves more vulnerable to the structural precarity that already constrains their lifestyle choices; and
- to fix urban problems and foster ‘urban revitalization’ through entrepreneurialism, with potentially problematic (and ‘raced’) distributive consequences.

### **Maneuver 1: Planning for Second-Wave Suburbanization**

#### *Enacting Suburban citizenship*

Beauregard (2006) contends that suburbanization may best be thought of as a process or form in addition to a location vis-à-vis city centers. As such suburbanization relies on: privatization of space, private or public regulation on who lives where and under what conditions, and sanitization of space in terms of disruptive behavior and

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<sup>153</sup> This tendency reflects a commitment to “the image of place” (Miles 2012: 218) as a message of prosperity over substantive transformation. Significantly, the kinds of jobs created by public-private partnerships can, in the interest of providing the right preconditions to attract private investment, lead to “the kinds of service activities and managerial functions” that lend to a chasm between ample low-paying jobs and few high-paying jobs, thus increasing local income and wealth disparities (Harvey 1989: 12).

political dissent. It also connotes a particular kind of subjectivity and identity. For the neediest home buyers in Colón, the opportunity to claim many housing solutions relies on the intervention of ‘street-level bureaucrats’ to ensure a household’s readiness for homeownership. These state agents help to shape housing consumer behavior and thereby aim to provide a certain insurance that residents will make good on their mortgage contracts.

I interviewed social workers of MIVI and MIDES who were tasked with *preparing* relocating households for homeownership and resettlement. Their training curriculum is designed around a theme of self-improvement and aims at the inculcation of ‘suburban values’. According to one social worker (Alba Rosa Allen, personal communication, 2011) who was assigned to the low-income Coco Solo neighborhood, “If we attend to a community where homes will be demolished, an aspect of our job is to train the community to form new habits. Many people use communal bathrooms, so you must learn how to take care of your own bathroom.” Addressing other behaviors MIVI social workers try to cultivate, several staffers mentioned that their ‘trainings’ with housing candidates cover such lessons as: how to speak to your children; dressing conservatively; rising early; how to clean a house; working communally in your neighborhood; avoid neglecting your children. Group workshops and household visits on these topics are delivered three months before relocation and continue for three months afterwards. Participation in these state visits is a precondition for receiving the “Award Agreement” (*Acuerdo de Adjudicación*) from MIVI’s Department of Evaluation and Allocation, which the head of a household must sign in order to be eligible for government subsidies toward a new housing solution. In advance of a move, residents are

also given health checks, which serve as a means of free health assessment, as well as a method of public health data collection before relocation.

Lipsky identifies “street-level bureaucrats” as “public service workers who interact directly with citizens in the course of their jobs, and who have substantial discretion in the execution of their work” (2010 [1980]: 3). They are the agents through which citizens “encounter government” – the teachers, police officers, and social workers, among others – who do the work of delivering and interpreting government policy on the ground. These representatives of the state have important influence on people’s lives, mediating the relationship of citizens to the state and “socializ[ing] citizens to the expectations of government services” (Ibid.: 4). While Lipsky’s analysis is focused on U.S. public service workers, his cogent treatment of the effects of welfare workers on poor people’s lives is useful for understanding how and on what terms the urban poor of Colon are able to access suburban housing as a citizen opportunity. The immediacy of interaction between street-level bureaucrats and residents, exhibits the day-to-day and individual level effects of policies and programs that are otherwise viewed at higher levels of government as long-term and collective (Ibid.: 8).<sup>154</sup>

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<sup>154</sup> Because their incomes do not allow for the people of Coco Solo to purchase housing, health care, legal services, etc directly from the private sector, government ‘largesse’ supplied by means of street level bureaucrats is often the only way the poor obtain access to such services. By making decisions about who is or is not eligible for certain welfare goods and services, the ad hoc decisions street-level bureaucrats make in their efforts to adapt policy to the specific situation facing an individual or a household, has an impact upon people’s overall life chances. Moreover, the way street-level bureaucrats treat individuals or classify them as a “delinquent” or a “high achiever”, for example, may affect people’s self-evaluation as well as how they may be able to access other services within the government system. Thus, Lipsky argues, street-level bureaucrats’ interventions in poor people’s lives can be controversial because the redistributive and allocative impacts of their decisions can effect either a vicious or a virtuous cycle upon their life circumstances. Clients of street-level bureaucracies, in turn, assume various strategies to shape or respond to street-level bureaucrats’ decisions because so much depends on a bureaucrat’s personal discretion.

My interviews with MIVI and MIDES social workers suggest a personal pride in the work they are doing with Colón residents to help them “to better themselves”, and yet they exhibit ambivalence about the kind of effect their ‘lessons’ are actually having on their clients. The social workers seem very much aware that residents’ receptivity is tempered by their mistrust of the government and the irritation of some residents over the perception that improved housing comes with the unwanted conditionalities of ongoing control over their lives and behavior. But because MIVI is a “street-level bureaucracy” that they cannot do without if they want to enhance community livability, Colón residents are readily aware that their participation is nonvoluntary. On this score, Lipsky (Ibid.: 54) maintains that “the poorer the person, the more likely he or she is going to be the nonvoluntary client of not one but several street-level bureaucracies”. For several Colón residents I encountered, MIVI, MIDES, and the police<sup>155</sup> are public agencies with whom they have irregular contact, in that they do not have a constant level of oversight or interaction. In fact, most often, residents say that public agencies are unresponsive. But when they are present, their work often involves state disciplining work – be it through police repression of street protests for improved urban livability or through social workers’ ‘nonvoluntary’ invitations for residents to join parenting classes. Successful

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<sup>155</sup> One interview respondent, a black female ‘squatter’ in a Colón tenement spoke at length about the problems of government neglect and police harassment, stressing that having the feeling of being under constant surveillance and suspicion are among the most salient aspects of her everyday interactions with people outside her immediate community.

Most of the police are from the interior and from Panama [City] ... that side. Most of those *chiricanos* [people from the Chiriquí Province] don’t like black people. They are racist and call you every kind of name. Everyday like 4:30, 5 o’clock they come around the neighborhood and everybody got to be runnin’. Every day they have that special hour. And if the boys... let’s say are standing around downstairs. They just put them against the wall and search them. And they put them in the police car and things like that. When the government come around, the only thing they know how to do is come around and beat them.

self-discipline reaps rewards for poor people by enabling them access to services, while unresponsiveness to state discipline can have the opposite effect.

In addition to their power of allocating housing as a reward to eligible residents<sup>156</sup>, Lipsky shows that street-level bureaucrats also perform the task of “client construction” by “teaching clients how to behave as clients” (Ibid.: 60).<sup>157</sup> Some social workers at MIVI seemed to suggest that tenement residents harbor social defects that the state is responsible for correcting. The need to correct those defects appears to be a feature of how housing eligibility is constructed and also, such social ‘enhancement’ is presented as a necessary precondition – indeed a rite of passage – for poor urban citizens in the process of becoming suburban citizens. Specifically, MIVI’s policy goal and that of the bureaucrats charged with its enactment is an effective reworking of the residents’ more or less state-dependent citizenship toward the making of private, self-reliant citizens (ie: consumer-citizens or “suburban citizens”). For the social workers I spoke to, such social intervention, for better or worse, is ultimately good for citizens’ welfare and as such is part and parcel of doing a good job.

A key objective of social workers who facilitate housing program registrations is to draw slum dwellers out of the shadows by bringing them into an enlightened and

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<sup>156</sup> The method by which social workers’ conduct survey research in dilapidated housing reflects a broad government policy of delivering new private housing solutions only to low-income, “law-abiding” *citizens*. Recipient classification is precisely what street-level bureaucracies do, and the project of “processing” residents by counting, categorizing, and socializing them, is integral to the socially constructive work they must enact in order to designate which clients can and should be allocated housing grants.

<sup>157</sup> By Lipsky’s account, this process usually amounts to welfare recipients learning ways of displaying deference to bureaucrats in accordance with the expectations of a given bureaucracy. In the course of my fieldwork, however, I did not have an opportunity to observe whether or how such disciplining work may be taking place in one-on-one interactions between clients and social workers; however, my interviews with social workers themselves suggest other processes of client construction that appear to exact the inculcation of wider societal values beyond those of any specific bureaucratic institution.

improved form of living marked by formal insertion into housing and labor markets. Homeownership is thus envisaged as a pathway to an improved quality of life. However, it is a privilege that demands particular forms of self-discipline directed by the state. There is another strand of state discipline in operation along these lines as well: an express intent to change Colón's marginal urbanites from a culture of *renters* to a culture of *owners*. One can easily argue that the suburbanization plan for Colón was conceived as a consensus of objectively applied, liberal social values intended to ensure that all Colonenses have proper sheltering. But when participants' stories come to light, consensus seems illusory. Housing neoliberalization in Greater Colón envisions releasing the state of its social obligations by establishing pathways to private homeownership. However, for the poorest households, the model involves, at least transitionally, intensive street-level management of marginal populations. Official "talk" about such denizens in need conveys a view of Colonenses as state dependents incapable of caring for or making good decisions for themselves. Relocation is poised at once as a humanitarian necessity and a market-based solution, requiring tenement-dwellers' behavior modification lest the "slum" reinvent itself in the suburbs. The "street-level" bureaucrat is an important player in this cultural process. Moreover, because Colonenses do not have a reputation of *paying* for the rights of citizenship (in the form of rent or private ownership – a Thatcherite model of consumer citizenship), they are not even entitled to a legitimate point of view about their housing options.

Importantly, housing neoliberalization also ushers in urban progress by making slum clearing possible. In aggregate, the inevitable effect of MIVI's push for public-private housing solutions is a recomposition of the class and racial structure of the inner

city. Long unable to absorb local labor, the city's economic structure renders the majority of Colón's residents superfluous to the city's productive base. The economic redundancy of residents in this historically 'raced' social enclave produces classic conditions for the reproduction of a racial underclass whose physical presence undermines the state's goals of economic progress in the city center. I address this concern in the next section.

### **Maneuver 2: Planning for Urban Revitalization**

Under current conditions the city has been abandoned by the state and by residential investors as 'market-immune'. The city's apparent market immunity, however, is not merely a function of market-inhibiting institutional forces. Rather, powerful ideological forces are at work that suggest that Colón's revitalization as a flagship city for the nation is partly contingent upon muting traces of the city's black heritage.

In 1993, a group of Afro-Panamanian professionals and business people from the U.S. worked with a team of architects and business consultants to develop a proposal for economic and social development in the La Playita neighborhood of Colón. Located on Colón's sea coast along Front Street, La Playita is a traditional black artisanal fishing community. Once a thriving community, it is now a pocket of extreme poverty in the city. According to official surveys, La Playita fishermen earned an average of \$170/month in 2003 (Contraloría General 2004). Its residents live in makeshift shacks with zinc roofs and no plumbing. What the black professionals had proposed to municipal and national planning authorities, in consultation with La Playita residents, was a mixed-use residential, commercial, and recreational development for the benefit of the local residents that would put the area's artisanal fishing industry at the center of neighborhood transformation. Between contributing their own private wealth and raising financing for

the project, they had obtained \$100 million to pay for the project (G. Maloney, personal communication, 2010). Despite intense advocacy for the plan, the authorities ultimately rejected the La Playita project. Gerardo Maloney, a major collaborator in the plan and an esteemed Afro-Panamanian sociologist, remarked that the government flatly overruled the plan to revive La Playita without any due process or serious dialogue. According to Maloney, the Playita proposal was not competing against any alternative plans for the area, and to-date, there have not been any improvements to or investment in the area. The ardent defense of status quo conditions leaving the community in abject poverty led concerned community members to conclude that the authorities did not want any type development in the area that would induce residents to remain in place and give them a permanent stake in area. Maloney was of the opinion that “as long as La Playita suffers in poverty, there is an incentive for them to move, which in the end, is what (President) Martinelli and all the rest are hoping for” (personal communication, 2010). Another respondent, Afro-Panamanian historian Dr. Clemente Garnes added, “there is a tendency, it’s not a policy, but a set of forces that drive poor people out of the city. This happened in Casco Viejo (in Panama City) as well” (personal communication, 2012).

**Photo 5.3: Homes in La Playita**



(Author Photo, October 2011)

But depopulating the city does in fact seem to be a clear policy goal. Adopted just four years after the La Playita episode, the 1997 Local Plan for Colon offers the earliest and most comprehensive view of authorities' hopes for Colon's future transformation in the 2000s.

The *Urban Development Plan for Metropolitan Areas* was financed through a 1993 loan from the Inter-American Development Bank (IADB)<sup>158</sup>, with the goals of integrating the Canal Zone areas of the Pacific and Atlantic coasts and to assist MIVI in planning and control of urban development. The Local Plan for Colon is a major section of the overall plan, and outlines the following main objectives:

- extend the Free Zone into the city (section 8.3);

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<sup>158</sup> Under the Agreement on Technical Cooperation 778/OC-PN

- allow the development of cultural tourism through the purchase and renovation of the waterfront and historic downtown (8.3), focusing on the recovery of the following sites (2.1): the former railway station, the old customs house, The Hotel Washington, Wilcox building, among other gems of different architectural influence;
- relocate the majority of the population of Colon City in order to facilitate the transformation of urban habitat (section 3.1)

While heritage tourism and ‘mixed-income’ residential developments were to be located mainly in the Barrio Norte district (ie: along the coastline), non-residential public-private urban enterprises were to be concentrated in the Barrio Sur, already “a major source of attraction to private non-residential investment” because of “the presence of the Free Zone” and the high rates of condemned housing. The report goes on to state that the longstanding lack of residential investment in the Barrio Sur

represents a very unique case as it absorbs a proportion of commercial investments that is three times higher than for housing (during the period 1990-96)... This relationship between residential and non-residential investment does not exist elsewhere in the metropolitan area, and accounts for a trend in Colon that is getting stronger, which together will change the face of the city. (Section 3.2)

Moreover, the Plan emphasizes the use of Colon’s land resources (including its geographic location) “to generate employment by way of channeling foreign investment.” Specifically, “with the strong participation of foreign capital”, the plan sets out to privatize Cristobal port, create a new port in Coco Solo, and create an export processing zone on Telffers Islands (Plan 1997, Section 3.1). The expansion of the facilities at Coco Solo would require filling the Folk River (a source of nutrition for the surrounding

communities, according to key informants<sup>159</sup>) and “the relocation (eradication) of the neighborhood of Pueblo Nuevo” (3.3). Undergirding the entire Local Plan is a strategy of “sectorization” -- a regulatory strategy laying out “the zoning of the various urban activities occurring on the island, in order to ensure that certain uniform requirements are met” and “to ensure the implementation of urban development policies that encourage appropriate uses for different areas” (section 4.4). In short, the Local Plan made clear planners’ intentions to remove local residents and pursue ‘zoned’ entrepreneurial strategies – involving, among other things, the *clearing* of existing housing – as means toward ‘urban renewal’.

#### *City Tourism and Dispossession*

While no updated city plan has been developed since the 1997 Local Plan, the 2007-2017 Master Plan for Tourism offers the most up-to-date planning vision for the city and is worth noting here. The Master Plan articulates a vision of “sustainable tourism”, a planning paradigm that conjoins environmental protection with sustainable social and economic development. Developed through a consultation process involving MIVI and other government agencies, under the leadership of the National Tourism Authority, the master plan envisions the development of eight “tourism regions” and 26 destinations nationwide. The goal is to diversify tourist interest, exposing visitors to more than the Panama Canal. According to the Master Plan, the tourist region of the “Colón Port” incorporates the City of Colón and the Free Zone, the Gatun Locks [of the Panama Canal], and the Costa Abajo [low coast]. Currently Colón Port is equipped with

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<sup>159</sup> According to Dr. Stanley Heckadon, a senior researcher at the Smithsonian Tropical Research Institute in Panama City, port expansions have involved the clearing of nearly 30 hectares of virgin mangroves, a critical biodiversity resource and an indispensable source of nourishment in the form of fishing, crabbing, etc. for many of Colón’s poor (personal communication, 2011).

infrastructure for Caribbean cruise tourism, which has been the tourism sector's anchor in Colón thus far. But the Plan envisions high-end development of Fort Sherman, already equipped with a marina from the American-era, which will be renovated to attract international sporting sailboats and houseboats. While the France Field airport expansion has long been in the works (without progress), its development remains central to overall development plans for the area.

Expanding upon this existing infrastructure, the document outlines a tripartite planning objective: (a) urban revitalization; (b) conservation and enhancement of architectural heritage; and (c) integration of the city and its tourist services as a point of attraction and center of redistribution of flows of tourists to and from nearby areas. The document is very clear that the state's current priorities are the recuperation of endangered architectural resources; and the development of a "program of product design" focused on the appreciation of historical, cultural, culinary, and musical values of the city of Colón. Future plans for economic development for inner-city Colon are clearly bound to its potential for international tourism. Compensation of the displaced plays little part in these plans.

Key informant interviews indicate a commitment on the part of the present government and governments past to clear out the city of Colón with a stress on revitalizing Colón, specifically to meet the criteria for becoming a UN World Heritage city. The goal is for the city to enjoy the same prestige as other historic colonial cities of Latin America. In this sense the Panamanian government is aware of itself as a member of a larger pan-hispanic cultural sphere. The recognition from supranational bodies like

UNESCO<sup>160</sup> is also significant because it deepens Panama's rootedness within the world polity at large through the attainment of global recognition, with the world heritage city as an international status symbol.<sup>161, 162</sup>

With so much promise recommending a gentrified transformation of the city, it is unsurprising that the state's interest in the historic value of the city may in fact be at odds with goals for improving the lives of Colón's existing residents in the short term. Slum landscapes do not generally exemplify, in any mainstream sense, "a masterpiece of human creative genius" – the first of ten criteria for World Heritage site selection.<sup>163</sup> Yet, to Colonenses, prominent cultural markers of Colón's heritage and pride of place are not only displayed in its French- and American-era architecture, its tall marble statues, effigies to Christopher Columbus, and the Canal. Important cultural markers are embodied in the annual events of the Día de la Etnia Negra de Colón and the November

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<sup>160</sup> United Nations Educational, Scientific, and Cultural Organization

<sup>161</sup> In 1972, the *Convention Concerning the Protection of the World Cultural and Natural Heritage*, or World Heritage Convention, was adopted at the seventeenth session of UNESCO's General Conference. The treaty lays out UNESCO's World Heritage mission to "encourage the identification, protection and preservation of cultural and natural heritage around the world considered to be of outstanding value to humanity"<sup>161</sup>. In subsequent years, the World Heritage Fund (1977) was established and the World Heritage List (1978) was created, which inscribed 11 sites of "outstanding universal value" – 8 cultural, 3 natural – to its roster in its inaugural year. (See <http://whc.unesco.org/en/about/> for a brief summary of UNESCO's World Heritage mission.) By placing cultural properties, which have typically been conceived as belonging to the nation, as belonging to humanity and as part of a common world heritage, the Convention helps elevate the status of a national heritage site vis-à-vis the world system – constituting a textbook case of Meyerian (1997) isomorphism at work. Bianchi (2002) adds that the World Heritage Convention functions as a "global brand" that encourages business interests with which to attract more tourist attention.

<sup>162</sup> Casco Viejo in Panama City and Fort San Lorenzo-Portobelo have both already been recognized by UNESCO, the former being designated a world heritage site in 1997. The prospect of World Heritage recognition also carries the potential of attracting large financial investments from the wealthy member states of the United Nations that could further multiply local development dollars.

<sup>163</sup> See UNESCO World Heritage site criteria here: <http://whc.unesco.org/en/criteria/>.

5<sup>th</sup> Independence parade, the popular embrace of Reggaeton and West Indian culinary traditions. However, there are no permanent sites for the recognition and preservation of these facets of heritage in the city proper, and so far, according to Roberto Mayers, Colón's Regional Director of the National Institute of Culture (INAC), the state's record of institutional investment in cultural preservation has been poor (personal communication, 2012).

Although the idea to develop the City as a world heritage site is not specifically outlined in the tourism plan, by several accounts it appears to be an important objective of central government planners. How those plans will incorporate Colón's historical black identity remains to be seen. In fact, in an interview with one planning official, the urban population seems only to figure into the state's historic preservation vision as an obstacle. When I asked a Senior Architect at MIVI why the government had not been more proactive about the renovation of city buildings, for tourism or any other purpose, the planning official related to me, "It wasn't only the absence of a refined master plan [that frustrated progress]. Really, there was a consensus that the people had to be moved first, in a systematic way – not just renovating building by building. The idea was to lead a large scale *systematic* renovation" (personal communication, 2011).

In his comparative analysis of the construction of Latin American cities as heritage tourism sites, Scarpaci (2005: 121) points out that "municipal governments usually spearhead preservation and conservation efforts in the Latin American inner city" – not so, in the case of Panama's highly centralized institutional infrastructure for planning in Colón. Whereas the Municipality has much more latitude to direct plans and projects in Panama City, Colón is much more restricted; the MIVI central office

determines all policy in Colon (R. Alba Allen, personal communication, 2012). Scarpaci further notes a “gradual cycle of phasing in historic preservation work” as governments work to secure funds from for-profit investors, though investors are often uneasy about how “productive” such investments will be in the long run. Noting the effects of heritage initiatives on representations of local community diversity, Brumley and Jones (1996) argue that “upgrading the built environment in Third World cities diminishes the traditional heterogeneity of social groups and their lifestyles in historic districts” (cited in Scarpaci 2005: 121). Still, urban upgrading for heritage tourism need not exclude the city’s low income residents, and it would seem based on comparative experiences that a piecemeal, people-centered approach to historic preservation and urban revitalization can be a practical strategy.

At the present moment, boundarymaking between the tourism zone and the city relies on racialized discourses that separate urban residents from tourists and the erstwhile public spaces that have been privatized for tourist consumption. International tourist websites and popular literature on Colón cast the city as a dirty and dangerous, while signs on Colón’s main thoroughfare exhort residents to “Be kind to tourists...”. Visual barriers enact other forms of distancing and demarcation. For example, cruise ship tourists disembarking at the Colón 2000 terminal on the city’s edge find themselves greeted by cheerful, dancing folklore troupes as they walk the plank to Colón 2000’s outdoor mall – a plaza of brightly colored shops decorated with a festive Caribbean motif. A tourist need not have any contact with or sight of Colón City, as the mirage of the ship terminal enclosure protects them from viewing Colón in its ‘natural’ condition. Yet, as one walks the streets of Colón, the tension between the aesthetics of the tourist plaza, the

‘city’, and the black body is palpable. The central government, the municipality, the Free Zone, and private investors in tourism all have a vested interest in transforming the public perception of Colón. And the writing is already on the wall: if the Tourism Master Plan is realized, city tourism may well serve as another mechanism of ‘neoliberal displacement’.

In the age of the consumer-citizen, the racialized city overcrowded with underclass elements has become, from the neoliberal planner’s vantage, a harbor of *anti*-citizens. Their presence is a threat to the global projects of the state as much as it is a threat to citizenship itself. Spatial neoliberalism helps to define their exclusion *spatially* by creating distance between Colonenses and the spaces of ‘virtuous citizenship’ (Osborne and Rose 1999: 754) that are associated with channels of enterprise, despite residents’ entitlement to social rights on the basis of urban ‘inhabitation’. Inclusion, in other words, is connection to global zones; exclusion is disconnection.

### **Fragmenting Space, Re-situating race**

David Goldberg reminds us that in times of colonial conquest and expansion, “[t]he conquest of racialized space was often promoted and rationalized in terms of spatial vacancy” (1993: 185). The presumed emptiness of ‘native’ lands afforded cause for claiming possession of them. An important facet of early colonial racial projects was to construct indigenous peoples merely as part of a virgin landscape, and thereby to render invisible forms of settlement and ‘inhabitation’ that were unfamiliar to Western rationalities. Colonized peoples were represented as part of nature, part of its unformed landscape. Making claims about the nonexistence of indigenous peoples’ cultural, intellectual, or political agency was crucial for rationalizing the ‘vacancy’ of the landscapes inhabited by them. The contemporary parallel to Colón is striking. Much of

the inhabited space of Colón City is, from the standpoint of planners, uninhabitable. That the dilapidated structures of the city are not vacant but are officially ‘condemned’, accedes a contemporary stamp of vacancy that justifies the extension of the right of imminent domain for ‘urban renewal’ or the denial of state services – despite the actual and everyday uses of such spaces by ordinary citizens.

I observed this kind of situation first hand. One morning I accompanied MIDES<sup>164</sup> social worker Gilberto Toro on a visit to check on several clients he regularly attends to in the condemned apartments of Colón’s Barrio Sur.<sup>165</sup> A male resident of a

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<sup>164</sup> MIDES is the Ministry of Social Development

<sup>165</sup> Toro is an Afro-Panamanian Rastafarian educated in Cuba, and a well-known advocate of human rights and welfare. He presented me to clients as a student researcher from the U.S. who would be observing his work for a day. It was an exceptional day, however, because Toro had invited a television reporter and his small crew to film an expose of living conditions in condemned housing. Toro shared with me that normally the TV stations are uninterested in what’s happening in Colon, but this particular reporter had recently done an in-depth series of human interest stories in Curundu, a gang-ridden and run-down neighborhood in Panama City, and was keen to do something similar in Colon. Ras Lion, another Rasta active in community development, also joined us that day and assisted me with Spanish translation. Ras Lion had introduced me to Toro and other members of the Rastafarian community in Colon, and occasionally he accompanied me to events and interviews to serve as my Spanish interpreter.

Before the journalists arrived, Toro, Ras Lion, and I made a walking tour of some of the neighborhoods where Toro works. Everywhere we went, everyone knew Toro (most knew Lion too) and had a warm greeting for him. Several people also approached him to give him a brief update on the good news or tragedy they had faced since Toro’s last intervention on their behalf. He greeted everyone with a sincere “pound” (a style of hand greeting – especially between black men), a warm pat on the back, and words of peace and God’s blessing (a typical Rastafarian greeting). Shirtless men, toothless women, shoeless children, it didn’t matter – everyone felt like a person of great worth when Toro held audience with them. In contrast to the tank tops, saggy jeans, sneakers, and close-cropped hair cuts worn by many of the young men in the community, Toro donned a large red, gold and green woolen hat to contain his thick dreadlocks. The comportment and dress of the Rasta stands out from the rest of the community, and as I discovered while often accompanying them throughout the city, Rastas always command deference and respect from ordinary people, despite being constantly surveilled in banks and shops, and at roadstops (I personally experienced these attitudes, having once been refused entry into a Panamanian bank unless I covered my hair, and having been strip searched by police on a roadside while making a pilgrimage along a sacred road. I was the only person singled out for the search among hundreds of other pilgrims, none of whom had dreadlocks.) As one resident of the notoriously violent “El Vaticano” neighborhood told me, “The rastas, we always give them respect. They’re not into the hustler life and they don’t drink and act *loco*. You can always hear a

dilapidated tenement along Bambú Lane complained to officials from the Water and Sewer Authority (IDAAN)<sup>166</sup> that the building was in need of pipe repairs and other maintenance. He insisted to IDAAN staffers that something needed to be done urgently for the health and sanitation of all families in the building. Despite his plea, the official replied that there was little he could do because the building was condemned and no one was supposed to be living there anyway. (See photo/video below.)

**Photo 5.4: Bambú Lane interior**



*As condemned properties go without basic services on Bambú Lane,  
the state refuses assistance.*  
(Author photo/video, January 2012)

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positive word from a Rasta, and all they want is to protect the community. They will stand up to anybody, and they don't even need a gun." Indeed, Rastas are often viewed as a moral symbol of what is good in the community. Unfortunately, that perception is lost on local authorities, employers, and the middle and upper classes in general. I have no doubt that I was afforded access and trust to view many Colonenses' domestic lives because of my perceived status as a Rastafarian.

<sup>166</sup> IDAAN is the Instituto de Acueductos y Alcantarillados Nacionales.

Numerous encounters like this take place throughout the city (G. Toro, personal communication, 2011). The sum of such refusals reinforces the power of the state to define the spatial categories of revivable versus condemnable places. The dependence of Bambu lane families on their tenement homes is irrelevant to the official mapping of ‘vacancy’, and the control over space (and discipline over urban citizens) that vacancy supposedly legitimates. With thousands of Colonenses living in condemned housing, it is no surprise then that planners see ample ‘empty space’ on which build a new future for Colón.

Colón’s dystopian signification by powerful elites and technocrats (as run-down, chaotic, criminal, black), and the situatedness/resistance of urbanites themselves, complicates the State’s hoped for inner city reconstruction (as conceptualized in urban planning documents), making competing imaginaries of the city and the suburb the *new* spatial battlegrounds. The significance of the millennial turning point is that American departure opened up new spaces for development; it expanded opportunities for international economic alliances and investments that amplified the potentialities of outward-oriented economic spaces. The city ceases to be an American ‘domain’ and as such must be reclaimed as a political, economic, and cultural asset of the nation. Its proximity to globally productive spaces meanwhile makes the city center and its inner suburbs attractive for new waves of international and ‘nationalized’ migrants. The city also represents an object of tourism development as the state hopes to diversify the development possibilities of the urban landscape.<sup>167</sup>

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<sup>167</sup> The intense promotion of tourism and real estate, and the establishment of a favorable tax climate for investors and retirees has also spurred the spectacular growth of long-term, part-time residential communities of North Americans (mostly US) (Jackiewicz and Craine 2010). As of 2007, there were at least 107 residential skyscrapers under construction in metropolitan Panama

Lefebvre (1996: 2008) writes, “There is no urbanity without a center”. The city/center is being reformulated in the technocratic imagination as a space of consumption and power concentration. By contrast, the suburb/periphery is being produced as a space of surplus labor. Crucially, the urban center also constitutes a space from which many people are economically, socially, and culturally excluded.<sup>168</sup> Colón functions as an urban center in terms of its connection to peripheral spaces of Colón province, where underclass citizens are being remade through processes of cultural

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City, each valued at \$3.2 billion or more (see *Boston Globe*, January 22, 2007). Immediately before the international real estate bubble burst in 2008, the average price on a new condo in Panama City was US\$289,000, though luxury developments often ran into the millions. Panama now supplants Costa Rica as a relocation mecca for US retirees. Jackiewicz and Craine (2010) offer the following explanation:

The incentives currently offered by Panama are inspired by 1980s Costa Rica and include: liberal landownership laws, a one-time tax exemption of up to \$10,000 on imported goods, a tax exemption on newly constructed properties for 20 years and a low 2.1% tax on other properties, low cost healthcare (most US migrants purchase private insurance), a dollarized economy, not to mention discounts at movie theaters, restaurants, medical services (e.g. dental, optometry), hotels and resorts, utilities, et al. These incentives have given Panama a comparative advantage over many of its neighbors.

Although residential tourism has boomed most noticeably in the Pacific sector and in the western, mountainous province of Chiriqui, rural Colon is increasingly becoming a short-stay destination for sailing parties visiting the Portobelo Bay in private yachts and a new wave of foreigners living part-time on the Caribbean coast. The central government’s emerging arsenal of zoning norms and institutions, specifically PRONAT (El Programa Nacional de Administración de Tierras), appear to be enabling these rising trends on Colon’s coasts. Co-funded by the Inter-American Development Bank, PRONAT has been designed to create a better environment for private investment in rural and coastal communities, through “modernization of land administration services at the national and municipal level, and regularization of land services, the real estate market, and local economic development” (IPAT 2007-2017: 23).

<sup>168</sup> This center/periphery binary also exists in the relation between Colón and Panama City. In terms of technocratic representation and elite imagination, Colón has become the foil of Panama City, the primate urban center in the nation. Although Colón is itself an urban center, it has evolved into the surplus-producing satellite of the Panama City metropolis, the true center of the nation’s financial power and political decisionmaking. The spatial practices linking Colon to the global economy are delivered through the patterns and networks of capitalist exchange within the globalized spaces of the free trade zone, the Panama Canal, and the International Banking Center. Panama City mediates and controls these flows of financial surplus, capturing Colón’s wealth through a system of extractive economic relations and dominating political relations. Thus the spatial practices linking Colón and Panama City constitute a city-periphery hierarchy, in spite of Colón’s urbanity.

‘improvement’ to support real estate productivity. In this relation, the city embodies the utopian *promise* of “centrality”, in which urban “centers” are construed as spaces alive with the highest forms of cultural, intellectual and social capital, as well as high-end consumption. Such features establish the city’s identity and cohesion, distinct from the suburban periphery. Peripheral spaces figure as “heterotopias” – essentially *the other* to the imagined utopia of the urban center.

Interpreting Lefebvre, Millington (2011: 9-10) writes “[t]he separation of people from the urban is a consequence of the class conflict inscribed in space”. The ‘planned’ separation of Colon’s underclass residents from the city – a process I argue is evidence of black social repositioning – is occurring through class-based practices of relocating the ‘black’ masses and resignifying the cultural content of urban space. In this spatial reinscription, the organizing role of ‘race’ is both present and ambiguous.

#### *Citizenship and the Right to the City*

The right to the city is a key concept in Lefebvre’s spatial politic. The ‘right to the city’ implies citizen participation in the social life of the city as well as political participation in city management and administration (Dikec 2001: 1790). The ‘right’ has to do with an entitlement to inhabit the city as an integral actor in its unfolding and continuous reinvention – not merely the right to work or own property there (Lefebvre 1996: 173). For many of the Colonenses I interviewed, the desire to live a ‘better life’ in the city exceeds their wishes to leave Colon. The resolution that there is no option but to leave when declining conditions become completely unbearable has everything to do with a sense of political disfranchisement – real and imagined. The centralized structure of political power, despite recent efforts of decentralization, and unabashed clientelism in

the top tiers of government attenuates the power of local organs of the state to underwrite a local development agenda that saves the city for low-income urban citizens.

Numerous scholars have begun to explore the connections between the city and citizenship, asserting the city as a legitimate locus for political belonging in a globalizing world. They argue that the nation-state is not the only scale at which the meaning of citizenship is being constructed (Staeheli 2003: 99). Transnational approaches focus on cities as spaces where cosmopolitan or cross-national urban identities emerge in the form of transnational corporate citizens or transnational immigrants (see Sassen 1996, 1998; Held 1995). Other scholars (see Holston 1999; Caldeira 2000) emphasize citizenship as a grassroots political process that is continuously shaped and reshaped by “rights-claiming activities” (Varsanyi 2006: 234) enacted by urban publics struggling for economic and spatial justice. Further, analysts such as Baubock (2003) and Scott (1998) see urban citizenship as a “civil attribute” tied to local residency that “carries with it substantive rights and obligations peculiar to that place” (Scott 1998: 156). These theoretical moves to rescale citizenship help us to think past citizenship as fixed and abstract legal rights that are automatically redeemable. The notion of urban citizenship invites us instead to consider the substance of rights, duties, obligations, and expectations as they are negotiated in everyday struggles in *particular* places. Recognizing that the ability to exercise rights or to claim entitlements may not be guaranteed to every citizen, this housing case thus exposes the social and political vulnerabilities of those who seek the promises of citizenship on the outmost margins of society. While beyond the scope of the present study, the reader should nevertheless take note that Colonenses are indeed inventing myriad ways of asserting political and cultural agency against such conditions.

*Race and the Governmentalization of the State*

Foucault argued that the state is a “mythical abstraction”, possessing neither the unity nor the capacity to dominate society in all its complexity. The ‘state’, rather, is a terrain of government, composed of various authorities constituting a matrix of strategies, maneuvers, and schemes “that seek to shape the beliefs and conduct of others in desired directions by acting upon their will, their circumstances or their environment” (Rose and Miller 1992: 175). Tactics of inducement, encouragement, or motivation, rather than of direct social control better reflect the assorted strategies of government power. Building on Foucault, Nikolas Rose and Peter Miller argue for analyzing the *political rationalities* that underwrite the conceptions and moral justifications for particular government schemes. Second, the documents, procedures, and calculations that make up the mundane programs of government administration constitute *governmental technologies* that should also be assessed as ways of exercising government power (Ibid.: 176). Seen from this perspective, what are we to make of MIVI’s master plans (technology) for Colón and the seemingly sensible justification (rationality) for its emphasis on relocation and mortgage lending schemes for the urban masses? It is an exercise of government power that heralds the imminent reformulation of the racial and class topography of the city. From the perspective of Colón’s enclave-driven production regime, the anti-productivity of the underclass is a crucial class factor undermining the state’s globalizing goals. The population’s discursive blackness is not a derivative problem of the class issue; rather, race looms as a central problematic to the vision of urban transformation because of the discomfort Panamanian blackness continues to pose for the state’s official globalizing ambitions. The underlying rationality, I suggest, is underwritten by intertwining goals:

first, to remove the ‘black’ underclass that impedes the activity of the market; and second, to make Colón an attractive international city on par with Panama City and other Latin American ‘world cities’.

**Re-Stating the Argument:  
Race and the Neoliberalization of Housing and Urban Space**

At all scales of governance, the ‘roll back’ of welfare states and the ‘roll out’ of neoliberal institutions go hand-in-hand (Peck and Tickell 2002; Brenner and Theodore 2002). In the developing world, the roll back of Keynesian state institutions has occurred largely through the coercive implementation of neoliberal policies associated with World Bank and IMF conditionalities (Henisz, Bennett and Guillén 2005; Kogut and MacPherson 2008), and the influence of post-1970 U.S.-trained economists (Chwieroth 2007). Roll out, on the other hand, consists of the implementation, normalization, and technocratic embedding of new institutions that reflect a shift in state function from market regulator to market facilitator (MacLeod and Goodwin 1999) and a shift in governance style from managerialism to entrepreneurialism (Harvey 1989).

Neoliberalism is both a reaction to debt and fiscal crisis, and an accomplice to corporate globalization (Peck 2004). Despite the hegemonic reach of neoliberal ideology around the globe, Peck asserts that neoliberalism is not a definitive and uniform project. The logics of neoliberalism can only be understood through analyzing how neoliberal ideology is embedded in “actually existing” contexts (Brenner and Theodore 2002). Thus, there is no “neoliberalism-in-general”; neoliberalism is not a unitary project or end in itself (Peck 2004: 395). Rather, *neoliberalization* is an ongoing process of institutional and regulatory adaptation in the face of crisis (Peck and Tickell 2002). Such adaptations produce locally-specific ‘neoliberalisms’. Accordingly, local institutional context matters

in shaping the substance and outcomes of neoliberal reforms. Neoliberalization is, in this sense, a contingent process.

Urban housing crisis in Panama has required institutional adaptation in the political management of housing policy for low-income citizens. The neoliberal reaction since 1990 has been to bring about a public-private coalition in the housing sector. While government rhetoric has underscored a predilection for a social development approach to housing policy, the growing emphasis since 1990 on collaborative arrangements between the public and private sector for the provision of housing represents a pronounced shift in how the state responds to housing crisis. As a governance technique, the shift not only constitutes new forms of policy and implementation; these techniques also reconstitute particular forms of governmental *subjects*. That is, public-private partnering imposes new expectations on both government agencies and ordinary beneficiaries.

Upon establishment in 1973, MIVI's role in Colón was largely as a provider of public rental housing. In contrast, it has now become a facilitator of market-based home ownership. MIVI has also become entrepreneurial in seeking housing solutions. While MIVI retains its role in addressing the locally based problem of low-income housing, it now does so in a manner that helps to reproduce the global service economy and promote an 'enhanced' morality among the underclass, while also placing a higher income hurdle before underclass housing aspirations. Considering this economic and cultural duality, I have offered an interpretation of MIVI's role as a post-1989 neoliberal state institution. On one hand, MIVI's programs of relocation and suburban settlement for Colón's tenement dwellers are associated with a respatialization of the urban economy that aids the embedding of neoliberal zones of development. The eventual outcome of this trend is

likely to be a new distribution of inequality in space between the city and the suburb. As global capital further concentrates in the center, the city will also become less 'black'. On the other hand, MIVI's neoliberalizing role extends as well to the state practices enacted by social workers to foster housing beneficiaries' self-improvement by emphasizing individual responsibility. This process of citizen training is part of the governmentalization of the urban masses, and is an example of what Foucault has termed "etho-politics", where the "aim is to create new moral and ethical subjects who understand they have a duty to both themselves and others" (Larner and Butler 2005: 85).

What I have tried to suggest is that the state's moral intervention seeks to remodel citizenship through a lens of ownership and choice. Notably, even with the state's active role in the facilitation of housing 'solutions', the overarching framework of housing 'choice' for tenement dwellers is integrally determined by the state's implicit policy of urban neglect. In this policy context, the neoliberal manufacture of 'choice' is reduced to the decision between remaining in relatively 'affordable' dilapidated housing and urban misery in the central city, and to moving to distant suburbs without the assurance of convenient services and transportation or sustainable costs. This suggests a paradox of citizenship for urban dwellers, made apparent in the disjuncture between Colonenses' social right to the city (which is off-limits to the poor, racialized masses), and their neoliberal-construed civil right to decent housing (which is only accessible to them outside of the city). As the city is increasingly reserved for global capital and flexible citizens, neoliberal planning cements a pattern of spatial segregation that also suggests a concurrent process of citizenship differentiation. The structure of socio-spatial differentiation has important racial implications as well.

## **Conclusion**

In this chapter I have attempted to expose some of the cultural and class logics penetrating the politics of urban displacement and attendant “suburbanization”. I argue the State’s master plans to supply private housing to the urban underclass as an inducement for ‘elective’ relocation is part of a longstanding process of population clearing to make room for a revitalized Colón. ‘Revitalization’ is a coded concept, I argue, for Colón’s moral cleansing and physical renewal through the removal of the city’s racialized underclass. Consciously or not, state racial governance renders a critical thread in the evolving tapestry of racial positioning in the emergent articulation of a gentrifying and globalizing Colón. In such ways, Colón remains a contested locus as a battleground of interests between the urban poor, global companies and institutions, and the state.

## CHAPTER 6

### Synthesis: Citizenship, Globalization, and the Black Subject in Panama

#### Introduction

The central argument of this dissertation is that Panama's post-1990 *nationalist* project of *global* redefinition<sup>169</sup> has generated processes of racialization that are reframing socioeconomic and spatial conditions for black Panamanians. I identify three related macrohistorical factors contributing to black racial re-positioning in the period from 1990 until today (what I here call the 'neoliberal era'):

1. The economic crisis of the 1980s coupled with the decommissioning of U.S. bases throughout the 1990s altered the structure of political and economic opportunities for black Panamanians.
2. The process of neoliberal restructuring has been unfolding in a deeply racialized national society and global system, which neoliberalism has reinforced.
3. The twin processes of global integration and economic diversification since U.S. departure have introduced new transnational relations, urban planning imperatives, and racial discourses, with implications for the racial construction of labor and the general racial topography of the former Canal Zone.

Together, these three factors—economic crisis and demilitarization, neoliberal restructuring, and global integration—have affected the positioning of urban blacks in Panama in the post-U.S. occupation era by effectively restructuring the lives, locations, and livelihoods of everyday working people.<sup>170</sup> Ultimately, these changes have also

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<sup>169</sup> The project of 'global redefinition' is, in other words, the contemporary framework of national 'development'.

<sup>170</sup> I found Steven Gregory's (2007) recent work on the impact of neoliberal reforms on working people in the Dominican Republic a compelling model of ethnographic research design for the

affected the substance of citizenship, hollowing out previous entitlements and redefining the qualities of ‘deserving citizenship’ (Ong 1996), while also enlarging the political space of *potential* rights-claiming activity. In this concluding chapter, I restate the main arguments of the preceding essays, situating them within the sociological literature on citizenship in order to draw out the broader implications of my findings and their contribution to scholarly literatures working at the intersections of citizenship, race, and globalization in Latin America.

### **On citizenship: Basic Ideas and Questions**

While there is no general agreement on a single definition of citizenship, I offer as a starting point for discussion that ‘citizenship’ reflects the conjuncture of: (1) membership in a political community, and (2) the entitlements and responsibilities associated with membership. Fifty years ago, TH Marshall (1963; 1965; 1981) presented his seminal theory of modern citizenship, based on Britain’s social-welfare history.<sup>171</sup>

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present study. His emphasis on examining spatial practices in sites where “transnational flows...are mediated by contextually specific power relations, politics, and history” was particularly useful.

<sup>171</sup> According to modernization accounts, traditional Western societies embedded responsibilities for social provision in the family and the Church, but with the advance of capitalist industrialization and the development of national states, this responsibility shifted toward the state. Though poor relief was first stigmatized and viewed as punitive (Polanyi 1944), in time social protections became viewed as a basic citizenship entitlement (Marshall 1963). As the array of state sponsored provisions expanded, the welfare state took shape and welfare became associated with democratic capitalism. Exactly how welfare provisions expanded and became institutionalized has been subject to much scholarly debate, with Marxian theorists viewing the process as one of class struggle (Korpi 1983) and elite theorists stressing elites’ use of social policy to preserve rule (Rimlinger 1971). Two sides of a single coin, elite theory posits early social policies as the product of elite efforts to deter the revolutionary potentialities of early working class movements, while Marxist/class analytical theory has stressed the agency of mature working class movements leveraging their political strength to push for social policies that expand safety net provisions for their constituencies. Pluralist-leaning analysts have emphasized a plurality of interests driving political agendas for welfare policy development (Lipset 1994; Williamson and Pampel 1993), and (a main variant of) state-centered approaches have attributed welfare state development to the operation of the state as an actor in policymaking.

Marshall envisioned full citizenship as a unified set of rights and duties applying in homogenous fashion to individual citizens (members) within nation-states. He saw citizenship as having three fundamental dimensions: political, civil, and social rights. Political rights refer to the right to electoral participation in a democracy; civil rights are individual freedoms such as free speech and entitlement to a just trial; social rights, finally, are entitlements to social security through the basic claims to welfare (Turner 1990: 191-192). Such a notion suggests that citizenship is a relation between state and citizen; a social contract in which the state grants rights to individuals (applied universally, in theory) in exchange for citizens fulfilling certain duties and obligations to the state (eg: jury duty, paying taxes, performing military service). Critics of Marshallian citizenship have pointed out that rights are not unified social arrangements (see Giddens 1982); instead, rights are fractured: some rights may be accessible, while others are often denied (Jessop 1978). In the case of Brazil, for example, from the 1930s until the 1980s the corporatist state enlarged the scope of social rights, but kept political rights (electoral and party participation) and civil rights (personal freedoms) limited. Third wave democratization gave rise to neoliberal citizenship regimes that advocated individual rights, the privatization of forms of collective property rights, and state retreat from social

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Much recent institutionalist work, however, stresses hybrid theorizations on the development of welfare states, pointing toward the effective interplay among working class groups and inter-class coalitions, parties, and state institutions (Huber and Stephens 2001; Hicks 1999). Other theoretical layerings give attention to 'culture' and policy legacies as key variables shaping the development and endurance of social provision systems (Steinmetz 2003). While still other approaches, such as feminist and race theories of the state, further elaborate upon the foregoing to illuminate the gendered and racialized dimensions of welfare policy/state construction and the gender-specific consequences of social welfare policies (Misra and King 2005). Finally, comparative political sociologists and other scholars of the social consequences of welfare states or welfare capitalism have examined systems of social provision and regulation past and present in part to understand how welfare shapes social and political institutions, and relations of power and inequality in societies (Kenworthy 1999).

responsibilities. As social programs of corporatism<sup>172</sup> were dismantled through neoliberal economic reforms, the contents of citizenship were reformed. Political and civil rights increased, while social rights diminished, with variable consequences for minoritized groups (de Carvalho 2001, in Roniger 2006). Contrasting Marshall's conception of British citizenship and Carvalho's treatment of Brazil indicates, further, that citizenship varies depending on the national context. For Roniger (2006: 496), citizenship is contextual in the sense that the forms it takes reflects "the ways in which national collective identities and loyalty to states are constructed and how rights are installed". Thus in Latin America, as elsewhere, citizenship can reflect internal differences in class power, and historical inequalities based on race, ethnicity, gender or region. Indeed, alternative conceptions of citizenship are forming around the acknowledgement that "nation-state citizenships are gendered, racialized, heterosexualized, as well as class differentiated" (Yuval-Davis 1999: 132). In other words, conceptions of the reality of citizenship as universal equality and unified rights are problematic, for, increasingly, analysts have observed that members of the nation-state often engage the rights and duties of citizenship differently from one another and on different terms.

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<sup>172</sup> In order to examine the association between the structure of a country's production regime and its welfare state characteristics, Huber and Stephens (2001) draw on the corporatism literature (Western 1991), which emphasizes tripartite cooperation among the state, capital and labor; and the varieties of capitalism literature (Hall and Soskice 2001), which highlights various patterns of interaction among firms, employees and financial institutions. In their formulation, production regimes reflect "institutions and policies that shape wages, employment and investment levels" (Huber and Stephens 2004: 86). These factors in turn affect the distribution of income to be mediated by welfare policy configurations. Thus, "[w]elfare states are embedded in particular types of production regimes" (Ibid.: 5); that is, in different patterns of relationships between enterprises, banks, labor, and the government, accompanied by different policy patterns. Corporatist arrangements (eg: labor training programs in Germany; full employment labor market policies in Nordic nations) and associated production regimes (eg: capital controls, government promotion of investment) proved crucial for *successful functioning* of welfare states, especially in Nordic countries and northern Europe (Ibid.: 314-5).

Along the lines of the above, Tilly (1995: 8) asserts that citizenship can span from ‘thin’ to ‘thick’: “*thin* where it entails few transactions, rights and obligations; *thick* where it occupies a significant share of all transactions, rights and obligations sustained by state agents and people living under their jurisdiction.” Given the apparent unevenness of citizenship in the allocation of rights and duties *within* national communities, and *between* states with unique social and institutional histories, Holston and Appadurai (1996) offer a useful heuristic for the empirical study of citizenship. They suggest distinguishing between ‘formal and substantive aspects’ of citizenship:

If the formal refers to membership in the nation-state and the substantive to the array of civil, political, socio-economic, and cultural rights people possess and exercise, much of the turmoil of citizenship derives from the following problem: although in theory full access to rights depends on membership, in practice that which constitutes citizenship substantively is often independent of its formal status. In other words, *formal membership in the nation-state is increasingly neither necessary nor a sufficient condition for substantive citizenship* (1996: 190; emphasis mine<sup>173</sup>).

The statement above has important implications for Black Panamanians of Antillean descent, whose formal membership in the nation-state was not secure until the middle of the 20<sup>th</sup> century, as well as for hispanicized Black Panamanians whose political enfranchisement has deeper moorings but whose ability to enjoy citizenship in substantive terms has been partial at best. Black positionality, on the whole, suggests ‘thin’ citizenship, as I argue in the empirical chapters of this dissertation.

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<sup>173</sup> The reader will notice that Holston and Appadurai’s reference to the ‘substance’ of citizenship also constitutes an expanded set of rights (beyond Marshallian social rights pegged to British social welfare) that includes cultural rights – the entitlement of groups to maintain cultural survival. In postcolonial, multiethnic nations like Panama, the recognition of cultural rights has become an increasingly important citizenship claim, alongside social, economic, and political rights. Because of its central importance, I revisit the matter of cultural rights and ‘cultural citizenship’ (Rosaldo 1994; Ong 1996; Siu 2001) in a subsequent section.

The present ‘turmoil’ of citizenship is not only about the gap between form and substance, however. It is also integrally about the ways in which the terrains of state power and forms of social power have been changing in the present age of globalization. In the broader context of global political-economic change, disputes between states and citizens over the contents of citizenship have been particularly noisy at the street-level where disparities between global wealth and urban misery are highly concentrated and visible. Flexible capital and flexible labor have, on a worldwide scale, induced massive social insecurities, urging urban social struggles around redistributive claims that are deeply tied to citizenship (see Caldeira 1996; Holston 1989). In the present investigation, the impact of these global transformations and state-based reconfigurations of power on the quality of urban livability come to the fore as urgent considerations in the examination of the linkages between citizenship and race in contemporary Panama.

In Panama’s previous era of U.S. neocolonial domination (roughly 1903 to the late 1970s), the development of the urban transit zone – ie: the territory ensconcing the Panama Canal – has been central to the broader nation-building projects of both Panama and the United States. Historically, the national ambitions of both occupier and occupied have been inextricably tied to urban processes. In Chapter 3, I build a case for understanding urban (trans)formation in Colón as a process of racial formation informed by elite and ‘national’ interests. I contend that urban spatial formation in this earlier period also maps and narrates the differentiation of citizenship, through the classed, gendered, and raced inhabiting of urban form and place. In subsequent chapters, I suggest that the changing topographies of housing, labor, and political agency in the neoliberal age invoke an associated transformation of racialized citizenship rights. Globalizing

development, via neoliberal ideology and planning, constitutes a significant mechanism by which citizen rights *for everyone in Colon* become disentangled, parsed out, and ultimately, practicable along a progressive scale.

*Who can be a citizen? Locating Boundaries, Bounding Rights*

Understanding how the boundaries are drawn that determine who is included or excluded from the political community is crucial for thinking about citizenship.

Citizenship establishes boundaries between states, and draws boundaries between citizens/non-citizens within states. Broadly speaking, three principles inform the contemporary templates on which the *formal* state institutionalization and allocation of citizenship is based: the Aristotelian ideal, *Jus Sanguinis*, and *Jus Soli*.<sup>174</sup>

The Aristotelian principle supposes that citizenship should be extended only to those who are capable of fulfilling the obligations of citizenship. ‘Fitness’ for citizenship is normatively defined by elites, and is linked to capabilities of reason. On such grounds, political elites, mostly property-owning men, have historically excluded specific categories of people (eg: slaves, women, Indians, blacks, and others) deemed as lacking in reason. Technically, Aristotelian concepts have been delegitimated as a basis for citizenship. Though, as I suggest in Chapter 5, state bureaucrats peddling notions of civility/propriety and consumerist rationalities to housing squatters in Colon do so in hopes of inculcating potential beneficiaries of ‘social housing’ with calculative ‘reason’ in order to make them acceptable claimants of housing rights.<sup>175</sup>

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<sup>174</sup> This discussion draws heavily on Yashar (2005: 35-53).

<sup>175</sup> This ‘right’ is recognized in the 1972 Constitution of Panama and is an international human rights principle. See the UN Universal Declaration of Human Rights, available at <http://www.un.org/en/documents/udhr/>.

Citizenship is generally legally configured according to the *jus sanguinis* principle, which extends or restricts citizenship “on grounds of national descent of kinship” (Yashar 2005: 38), or the *jus soli* principle, which grants citizenship “to those who are born in a certain territory” and naturalizes migrants who can demonstrate their “political allegiances and civic ties to a given state” (Ibid.: 39). *Jus soli* is the primary template for citizenship allocation in the Americas, a world region historically composed of autochthonous peoples and ethnically-diverse immigrants (forced and voluntary). *Jus sanguinis* assumes a self-governing community of common descent, and *jus soli* a territorially-bound community. The former has an ethnocentric bias, while the latter is, theoretically, ethnoblind; however, the policies (and politics) governing who can legally immigrate and on what terms, and the conditions they face upon arrival, often belie the apparent descent-neutrality *jus soli* connotes. While these concepts frame the juridical terms of inclusion/exclusion, their generality conceals the struggles that take place *within* multi-ethnic national communities to enlarge the boundaries and transform the ‘practice’ of citizenship. In these struggles, where citizenship is forged and contested through politics of ‘belonging’, race and ‘nation’ are often in tension, as we will now see in some concrete detail.

### *Contested Belonging*

Latin American processes of nation building, particularly from the late 19<sup>th</sup> century to the 1920s, sought to construct national unity through the violent repression of ‘difference’ as well as through homogenizing cultural discourses that ignored realities of cultural distinctiveness and racism. In later years of national consolidation and modernization from the 1930s to the 1960s, inequalities were perceived in class terms,

and racial difference was eradicated from politics. The definition of a citizen in the earlier period revolved around ideas of civilization that rendered Hispanic *mestizos* and ‘whites’ as civilized, and racial and cultural Others as deviant. The obvious implication is that persons deviating from dominant cultural and social norms (and racial categories) were either formally excluded from citizenship (as with indigenous peoples across the region) or were subjected to forms of second-class citizenship (arguably, the case for most blacks or Afro-mestizos). The contingency of citizenship for racial and cultural Others, therefore, requires important consideration as an historical problem with present-day effects despite the fact that most minorities now have formal citizenship on *jus soli* grounds. At issue is the extent to which minoritized groups with formal citizenship are actually able to engage the polity and assert rights as ‘legitimate’ political actors. Legitimacy, it seems, is not merely a legal matter but an issue of perceived belonging to the nation.

In attempting to assert the rights of political membership, minoritized groups sometimes activate specific ‘politics of belonging’ (Yuval-Davis 2006). Yuval-Davis’ theorization is an important one when considering the disconnect that often exists between formal citizenship and the everyday exclusions experienced by members of particular subnational collectivities. The politics of belonging refers to the struggles around determining who belongs to a community.<sup>176</sup> In the process, these political

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<sup>176</sup> Yuval-Davis constructs belonging on three levels, through social location, group identification, and ethical-political orientation. First, as a function of social location, an individual’s degree of belonging is determined by her “positionality along an axis of power”. In concrete terms, people’s social locations are constructed along multiple axes of difference: gender, class, race, etc. But belonging is not centrally about social locations, even though identity politics can sometimes correspond to socio-economic positionalities. Second, belonging is shaped as a function of identifications and emotional attachments. Repetitive social and cultural practices (ie: norms and rituals) “link individual and collective behavior” and help to construct and reproduce identity narratives (2006: 203), lending to constructions of belonging that are emotional. When people are dominated, however, identities are forced on them, effecting a tighter coupling between one’s

projects construct identities. How collective belonging is formulated in turn impacts the institutionalization of relations between states and social ‘groups’, which carries implications for the group exercise of citizenship.<sup>177</sup> Thus, for Yuval-Davis, citizenship should be analyzed as a multi-layered construct (1997, 1999, 2006), in which one’s simultaneous belonging to different collectivities affects the experience of citizenship and the decision-making processes of the state in allocating the rights of citizenship. But the struggle over citizenship is not all (only) about identities. It is centrally about the scope of entitlements. Accordingly, the social dramas that play out for rights and recognition, focus on housing, work, health, among other things – social demands, in other words, “that may not be constitutionally defined but that people perceive as entitlements of general citizenship” (Holston 1998: 52; also see Korpi 1989). Holston sees these pressures on the state, frequently coming from the urban poor in forms of everyday

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social location and one’s identification narrative. The dominating group assigns a certain subordinate social location to an-*other* group, and in so doing assigns them an identity (category) directly correlated with and assessed through social location. Oppressed people, in turn, typically internalize this “forced construction of self and identity” (Ibid.). While they do matter, belonging is not sufficiently defined by either social location or identifications because the former (*social location*) constructs belonging in a fixed way out of structural conditions that do not necessarily reflect the complexity or totality of a person’s social identity, and the latter (*identifications and emotional attachments*) can reflect identities or belongings imposed through domination that are internalized in problematic ways. Neither of these dimensions can account for processes of contestation in the construction of identities, nor are they attendant to the roles that ideologies and ethical orientations play in shaping the categorical boundaries of identity. Hence, boundaries and belongings also result from the social evaluations people make about what lines are important to draw and why. *Who* we choose to exclude/include and *why* we choose to do so is a political act that is intricately tied to ethical and political values. The politics of belonging refer to this arena of contestation, where particular values and ethics are interjected into boundary negotiation. This is the space where political and other values shape the ways we construct and perceive, maintain and contest the boundaries of a particular community of belonging (Ibid.: 205).

<sup>177</sup> Responding to the Charles Taylor’s important essay “The Politics of Recognition”, Jürgen Habermas is not entirely convinced that citizens’ “ethnic, cultural or religious” identities should “publicly matter”. He asks, “Are collective identities and cultural memberships *politically* relevant, and if so, how can they legitimately affect the distribution of rights and the recognition of legal claims?” (Habermas 1994: 849).

practice or organized mobilization, as part of an ongoing and insurgent process of ‘citizenship building’ born out of the conditions of urban experience. This dissertation investigates the changing contents and context of black urban experience, making such concerns about the significance of social location in the making of citizenship essential frames of reference.

### *Cultural Citizenship*

Cultural citizenship emphasizes “the gap between formal citizenship” and “cultural practices” (Vandegrift 2007: 136). According to Rosaldo (1994: 57), whose views are based on migrant Latinos’ experiences of marginalization in the U.S., cultural citizenship is

the right to be different (in terms of race, ethnicity, or native language) with respect to the norms of the dominant national community, without compromising one’s right to belong, in the sense of participating in the nation-state’s democratic processes. The enduring exclusions of the color line often deny full citizenship to Latinos and other people of color. From the point of view of subordinate communities, cultural citizenship offers the possibility of legitimizing demands made in the struggle to enfranchise themselves. These demands can range from legal, political and economic issues to matters of human dignity, well-being, and respect.

Rosaldo (2003) has argued that the claims associated with cultural citizenship must be understood from the point of view of subordinated subjects – the second-class citizens desiring first-class treatment. Performances of citizenship are instrumental to cultural citizenship claims.<sup>178</sup> In Panama for instance, every November 3rd, Colonenses gather along Front Avenue to observe all-day processions of marching troupes in the Independence Day parade. This day marks the date in 1903, when Panama wrested its

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<sup>178</sup> I address issues of black cultural agency only minimally in this project, leaving the bulk of such concerns to future research. Yet, across the chapters I do make mention of the identity politics associated with cultural citizenship; therefore, I consider it pertinent to reference this important concept.

sovereignty from Colombia by revolutionary junta. Colon-based forces – comprised of some of the thousands of West Indian ‘Colon Men’ (Frederick 2005) who had been circulating back and forth to the Isthmus since the 1880s – were central in expelling the Colombians and providing Atlantic coastal defense to keep them out for good. The overthrow was backed by the US Navy, and complete sovereignty was short-lived, being annulled as soon as 1904 when the US was granted a sliver of Panama’s territory “in perpetuity” and rights to build a Canal. Nevertheless, the date is celebrated, primarily in Colon (J. Williams, personal communication, 2011), as *one* of Panama’s independence days. A 6-hour parade of marching bands, dance troupes, DJs, and school groups gives lively color to the event. Vendors selling Caribbean and *Tipica* food, T-shirts, crafts, and patriotic paraphernalia populate the park lawns adjacent to the main avenue where the parade takes place. The largely Black Panamanian parade groups prepare for months in advance to show their national and local pride for Colon’s past and present contributions to the nation (see photo 6.1 below). While not considered an Afro-Panamanian parade as such, this annual ritual can be viewed as a performance of citizenship - a local custom practiced to reinforce the visibility of black contributions to the nation and in so doing, to transform social imaginaries of the nation.

**Photo 6.1: Nov 3rd Independence Parade, Colon**



(Author Photo, November 2011)

Rosaldo’s treatment of cultural citizenship has been roundly criticized for not addressing the problematic distance, however, between making claims and *actually securing* rights, and for minimizing the disciplinary role of the state in minoritized groups’ “self-making” practices (see Ong 1996).<sup>179</sup>

As long as state-building has been going on, so has citizen-building (Holston 1998). In the foregoing discussion I have tried to underscore the point that citizenship has always been uneven, unequal, and contested. In the present era of globalization, however, it is crucial to note that citizenship is also being rescaled, pushed in new directions from multiple vectors – from above (state-directed), from below (civil society), and from across (transnationally/translocally). ‘Rescaling’ suggests that the centrality of the nation-state as the seat of political authority and of citizenship is being unhinged. Purcell (2003: 566) and others have argued that the “hegemony of the national-scale political community is being weakened by the creation of communities at other scales”. In the

<sup>179</sup> In a different vein, based on ethnographic inquiry into the cultural citizenship practices of ethnic Chinese in Panama, Siu (2001) argues that cultural citizenship is not simply a process of negotiation with the nation-state; that is, it does not only reflect the singular relationship between an immigrant group and their nation of residence. Instead, cultural citizenship can be enacted in a diasporic context.

next sections, I discuss alternative<sup>180</sup> citizenship frameworks that inform my analysis in this dissertation by speaking directly to the changing contours and scales of citizenship in the neoliberal era: ‘flexible citizenship’ and ‘urban citizenship’; the practice of both is shaped by transnational (and translocal) forces. As a prior and important task, however, I explain below why these alternative formulations of citizenship are important for comprehension of race, globalization, and development in Panama today.

### **Global insecurities, state restructuring, and citizenship rescaling**

In the contemporary era of neoliberal globalization, the transnationalization and flexible specialization of industrial production has rescaled economic activity within nation-states. Intergovernmental organizations and international institutions are performing much larger roles in economic governance within nations (eg: WTO, NAFTA) and political coordination among nations (eg: European Union) – interventions that affect nation-state sovereignty. The devolution of state power to local scales (municipalities, provinces) or to private entities (development corporations, private firms) has resulted in the transfer of state functions and expectations. Jessop (1994: 24-25) suggests that these realities have shifted state power “upward, downward, and outward”, transforming the state’s role as an issuer of political authority and social welfare. While the *welfare* state has been defined in very specific terms according to the presence of social insurance programs and specialized income security programs (Hicks and Kenworthy 2003), here I draw on a humanist conception of *the state*, in which states are

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<sup>180</sup> ‘Alternative’ in the sense of posing a constructive revision to Marshallian citizenship.

legitimized by taking responsibility for the welfare of their citizens, as in matters of education or health.<sup>181 182</sup>

How are these state transformations affecting social rights? Stated differently, how does globalization affect states' abilities to provide for citizens' welfare? The verdict is unsettled. The short answer, according to a broad literature, is that globalization has negative, neutral and positive effects (Lechner 2009). Attesting to its negative potential, state retrenchment arguments hold that globalization reduces states' welfare efforts through the 'race to the bottom' effects of global business competition. However, these conclusions call for nuanced, Panamanian answers.

Less pessimistic analysts propose that globalization has no effect at all, in light of the filter effects of domestic politics. According to this argument, which is largely based on the experiences of postindustrial advanced democracies, the incentives of political incumbents to display loyalty to their social insurance-demanding electorates cancel out the potentially negative effects of globalization.<sup>183</sup> For Latin American 'third wave' democracies trying to manage social unrest and service foreign debt while struggling for world market competitiveness, the combination of global and domestic political pressures frequently keeps social spending low on the agenda, inefficiently managed, or

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<sup>181</sup> Western/Northern European and U.S. experience with the formation of welfare states involved certain historical preconditions that led to the invention of particular state forms. Latin American nations have not created welfare states in this sense.

<sup>182</sup> To avoid conflating the welfare state (a specific institutional formation) and the state as a macro structure, I am not asking *how is globalization affecting the welfare state*; rather, for Panama and Latin America more generally, one must ask *how is global change affecting the social strategies of the state in general?*

<sup>183</sup> In another version of this argument, the dynamics of democratic political processes can actually strengthen the 'welfarist' dimensions of such states. In this regard, the destabilizing effects of globalization on job security, wages and worker benefits stimulates opportunities for political parties to broaden and secure their constituencies by reinforcing welfare policies that meet popular demands.

‘outsourced’ to IGOs, civil society, and firms. I generally agree with Lechner (2009: 19), however, that globalization does not diminish the state, rather it “assigns new tasks to states”. This is particularly evident in Latin American states’ adoption of neoliberal reforms in the 1980s and 1990s, which entangled globalization and neoliberalism in ways that required states, social actors and corporations alike to adjust to the consequences and contradictions of global competition and “market fundamentalism” (Stiglitz 2002). The regulatory and institutional ‘adjustments’ of states in the neoliberal era have led some regulation theorists to view the state practice of neoliberalism less as a process of ‘letting markets loose’ but rather as a new regime of regulation. While deregulating and dismantling social welfare institutions characterized neoliberalism of the 1980s, Tickell and Peck (2003) argue, for instance, that the more recent phase of neoliberalism is one of new regulatory experiments and active institution building in the direction of market ‘facilitation’ and an invasive management of the poor.<sup>184</sup>

With these “global transformations” (Held and McGrew 2000) in mind, I argue in Chapter 4 that the ‘take-off of neoliberal planning’ in Panama has altered state practices of economic, spatial, and racial governance. As the basis of the national political-economy has shifted from bilateralism to globalism, and from a weak form of corporatism to neoliberalism, previous relationships between business, the state,

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<sup>184</sup> I concur with their assessment (of the US and UK) that:

“[W]hat might be characterised as a new regulatory ‘unsettlement’ has been taking shape... In substantive terms, this has included shifts from national macroeconomic management to the facilitation of global economic integration; from the policy orientation of full employment to the new focus on full employability; from passive and redistributive welfare states to active and punitive ‘workfare’ regimes; from the governmental techniques of social-democratic intervention to those of third-way pragmatism; and from a predisposition to social and spatial redistribution to the acceptance (or even encouragement) of a darwinian order of market distribution and naturalised inequality” (2003: 18).

international actors, and (black) workers (in particular) have been reconfigured in ways that carry negative consequences for such social entitlements as jobs and access to ‘public space’ in the Colón inner city.

### **Transnational/Translocal Citizenships**

Because of the changing nature of governance, government, and the (tenuous) social contracts between states and citizens – as a widespread trend in Latin America – claims for citizenship rights are finding new avenues for expression and new sorts of ‘providers’ of social welfare even as they are confronting new challenges. These new arrangements for social provisioning and political claimsmaking correlate with the rescaling of citizenship.

Some scholars argue that ‘global civil society’ - a diverse field of international non-governmental organizations (INGOs) operating at the global level – is transforming the terrain of interest negotiation between states and citizens within particular national contexts (Keane 2003: 5).<sup>185</sup> Indeed, INGOS as well as intergovernmental agencies (IGOs), such as various branches of the United Nations, have emerged as crucial forums enabling minorities to claim rights, define political agendas, and enact participation in their communities and states. This arena of ‘global’ institutions and networks of smaller organizations opens up crucial political and associational opportunities for civil society actors to seek and claim citizen rights, often under the rubric of ‘human rights’.

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<sup>185</sup> By Keane’s account, civil societies predate the modern state. The social vitality of Early European and Islamic city-states provide prototypical examples. These comprised lively arenas of social activity, where town and country, merchants and guildsmen formed social and market networks at an arm’s length from political authorities. Eventually, as national states evolved, large-scale civil societies also took shape. Domestic civil societies acquired transnational dimensions as well, as a consequence of Western imperial expansion and increasing international trade among states and private commercial agents. In effect, Keane argues, increasing global economic integration was complemented by “cross-border civil initiatives” (2003: 48) promoted by legions of workers, religious groups, and techno-scientific and business associations.

According to Boli and Thomas (1999), INGOs are instrumental in the expansion of rights policies and the rights discourse in national spaces because their presence at the global level enables domestic groups to link up with them and wage stronger appeals for domestic social and political transformation. Buttressed by their international allies, local groups gain legitimacy, in addition to economic resources, technical supports and tactical know-how to advance specific political projects at home. In a similar vein, Keck and Sikkink (1998) stress how non-governmental actors negotiate political opportunities through transnational advocacy networks. By holding states morally and politically accountable to local and global constituencies, and by reconstituting “the relationship between the state, its citizens and international actors” (1998: 37), they argue that transnational advocacy networks meaningfully penetrate and transform the boundaries of state sovereignty.<sup>186</sup> For Keane (2003: 17), global civil society has thus emerged as a pushback against ‘turbocapitalism’<sup>187</sup> in the neoliberal era and constitutes “the first genuinely bottom-up transnational order”.<sup>188</sup>

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<sup>186</sup> Transnational advocacy networks are formal and informal political spaces of interaction, consisting of groups whose relationship is founded, at root, on the basis of information – not economic – exchange. Actors in advocacy networks include: INGOS, local social movements, media, foundations, churches, trade unions, consumer organizations, regional IGO bodies, and branches of local government. While funds and services do move among them, groups in these networks primarily share values and information as they collectively generate frames for bring their issue campaigns to the attention their target audiences. Thus, Keck and Sikkink characterize advocacy networks as constituted by actors participating in multilayered political contests (that is, on global and local scenes simultaneously) within a fragmented and contested arena. Network actors are self-conscious activists at the vanguard of norm creation (agenda setting, discourse making, value shaping). And while not ‘rulemakers’ in the traditional sense, they are influential in shaping the norms and practices of states and IGOs.

<sup>187</sup> Relatedly, Evans (2005) suggests the promise of “counter-hegemonic globalization” – defined as a globally organized effort to replace the neoliberal global regime with one that maximizes democratic political control and makes the equitable development of human capabilities and environment stewardship its priorities. Counterhegemonic globalization is a global countermovement against neoliberal globalization, collectively referred to as “global justice movement”. It involves leveraging transnational connections across people and organizations in

Ultimately, the global-local alliances characteristic of much global civil society activity can lead to the achievement of both international and domestic political goals by influencing policy change and implementation practices directly. But global civil society networks also affect governance indirectly through the creation of issues that were previously not on the policy agenda of states and IGOs. In this way, they also influence political discourses at multiple levels.<sup>189</sup> I demonstrate an example of these processes at work in Chapter 2 as I chart the formation of ‘Black Ethnicity’ as a legally recognized racial category in 2010. Official recognition of black ‘special interests’ has waxed and waned as claimsmaking at multiple levels of institutional and collective agency has fluctuated. Elsewhere in the Latin American region, recent studies have explored the state institutionalization of multiculturalism, understood as the official constitutional recognition of ‘ethnic’ minorities (indigenous groups, and to a lesser extent Afro-Latins) and state-sanctioned ‘ethnic’ representation in formal politics (see Jackson and Warren,

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North and South, with effect of putting “new power in the hands of groups that face insurmountable odds at the local level” (Evans 2005: 668). Those who participate in counterhegemonic action are ordinary people opposing neoliberal globalization and transnational NGOs sustained by a local base. Their target/s: the ideological hegemony of “market logic”, TNCs, and Global governance organizations (eg: WTO, FTAA). They utilize various tools or mechanisms to exercise their justice claims. In terms of organizational structures, they build global networks consisting of local connections. “Associational participation” is key -- combining ‘embedded liberalism’ with new leftist forms of participatory democracy. Ideologically, they deploy liberal notions of citizen rights and liberties, and political ideals linked to social democracy. Ultimately, counterhegemonic movements utilize their ideological “soft power” to effect normative shifts that can (1) dismantle political and economic power of hegemonic regime in incremental steps, and (2) build support for an alternative vision of world order.

<sup>188</sup> Global civil society is not a unified domain however. It is multilayered – traversing national and global levels of interaction – and it is *multitonal*, a reference to the multiple languages and expressions of civil societies that contribute to a heterogeneous global society.

<sup>189</sup> Boli and Thomas (1999: 272) call this *penetrative authority*, wherein the global propagation of a discourse by an INGO “penetrates” new areas where it otherwise would not have arisen – for instance, where the work of women’s INGO’s have given rise to women’s movements in local spaces where there were none before.

eds. 2002; Assies et al. 2000). Since the late 1990s/early 2000s, the role of international actors and networks has become increasingly important in the framing of “multicultural citizenship” in Latin America. While multicultural reform has opened up spaces for greater democratic agency (Horton 2006), Hale (2002, 2004) cautions that multiculturalism has largely operated as a top-down project coopted by elites.

*Multicultural Citizenship in Regional Perspective*

The late 1980s and 1990s’ transnational diffusion of multicultural discourse and policies across Latin America established conditions for the legal and institutional inclusion of ethnic group minority rights (Eisenstadt et al. 2003). The adoption of multiculturalism has proceeded alongside the advance of neoliberal globalization, with its associated undermining of state services and subsistence security. Scholars have differing views on the linkage between multiculturalism and neoliberalism. For some (Brysk 2000; Yashar 2005), multiculturalism challenges neoliberalism by creating space for claiming rights to cultural survival, which can lead to greater material security through state-based group protections. Others analysts (Hale 2002) view multiculturalism as a handmaiden to elite neoliberal projects – underlining cultural freedom while using state-controlled politics to minimize claims for political-economic equity.

Since this turn toward what Van Cott (2000) calls a “regional model” of multicultural policies, Panama’s ‘melting pot’ (*crisol de razas*) metaphor of homogenizing *mestizaje* (see Chapter 2) has been giving way to an official discourse of cultural plurality (‘the salad bowl’). By formally recognizing difference (eg: the 2010 census), multiculturalism seems a potentially redemptive move toward more substantive inclusion of marginalized groups. Gustafson (2002) admits, however, that

multiculturalism today “is not a uniform process of ‘inclusion’ of previously excluded” groups, nor does it overhaul structural inequalities. To the former point, for example, the regional model of multiculturalism has largely focused on granting territorial rights to indigenous ‘communities’ which, in the Panamanian context, has not meaningfully served black *costeños* and bears little consequence for the masses of urbanized blacks. Melamed’s (2006: 1) skepticism is even more direct, stating that multiculturalism “masks the centrality of race and racism to neoliberalism”.

As previously mentioned, Hale has argued that multiculturalism carries with it the power to foreclose certain political possibilities by installing cultural rights over more radical demands. He labels “neoliberal multiculturalism” (2002, 2004, 2005) a new mode of governance in which national and global institutions and elites directing various neoliberal projects co-opt the cultural-political claims of minority groups through processes of negotiation that privilege ‘participation’ and ‘empowerment’, but that result in reducing challenges against the state into “less expansive positions with which the state can readily negotiate” (2004: 19). In the process ‘radical’ demands for group rights are pulled back and hollowed out through official forms of coerced participation that serve to demarcate authorized forms and sites of cultural resistance.<sup>190</sup> Below, an interesting illustration from Panama casts support for Hale’s argument.

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<sup>190</sup> On the emergence of “neoliberal multiculturalism”, Hale (2004) charts an important periodization. Neoliberal state downsizing shifted a certain degree of social power to civil society, which is the realm where minority groups organize themselves and mobilize resistance to state policies. Ostensibly, neoliberal-era democratization in Latin America created greater room for interest groups and organizations to maneuver than under authoritarian governments. The rollback of the state and the devolvement of former state responsibilities to civil society has thus strengthened the relative agency of such organizations, with the result that Latin American democratization has proven inconsistent with the mestizo ideal. Hale states (2004: 17), “The core of neoliberalism’s cultural project is not radical individualism, but the creation of subjects who govern themselves in accordance with the logic of global capitalism.” A premise of pluralism

Ricardo Weeks is the first ever *Secretario Ejecutivo del Consejo de la Etnia Negra de Panamá y Asistente Presidencial* (Executive Secretary of the Council of Black Ethnicity and Presidential Advisor). However, the non-hierarchical Council precedes the Executive Secretary post by a decade. The original Council (*Consejo*), composed of the elected leaders of grassroots black cultural and political organizations, was established by executive decree during the Presidential administration of Martin Torrijos (son of nationalist-populist leader Omar Torrijos). The Executive Secretary seat now occupied by Weeks was unilaterally instituted as an arm of the President's Office by current pro-business President Martinelli, who neglected to consult with established community leaders; as such, according to several black activists I met during my fieldwork, the appointment of Weeks scandalized progressive elements within the black community.

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informs this cultural project in the sense that neoliberal 'subjects' may be constituted by "individuals, communities, or ethnic groups" (Ibid.). Thus, neoliberal self-governance takes place at the individual level and among collective units. The neoliberal cultural project makes room for the expansion of group rights but it also delimits the field of claimsmaking. In Hale's conception, neoliberal multiculturalism "constructs bounded, discontinuous cultural groups, each with distinct rights" (Ibid.: 20) at the same time that it proscribes "the limits [that] define what is politically possible" (Ibid.: 19).

Juxtaposing multiculturalism and mestizaje as modes of governance, Hale parses out their respective implications for the inclusion and recognition of cultural and racial minorities. As a state ideology, mestizaje supposes a "unitary package of citizenship rights". The premise is that citizenship rights can be enjoyed on the condition of conformity to cultural assimilation and (implicitly) biological integration within a homogeneous mestizo national community. Mestizaje denotes a progressive ideology by rejecting eugenics-inspired notions of miscegenation/mixing as racially degenerative. But it has also been regressive in its refusal of heterogeneous cultural forms. Multiculturalism as a mode of governance is likewise janus-faced – equal parts progressive and regressive. It is progressive because of its concession to group cultural rights. Its regressive property is characterized by the tendency of neoliberal multiculturalism to inhibit the full expression and implementation of those rights. In the final analysis, policy reforms informed by multiculturalism tend to center on cultural rights over political-economic empowerment.

Certainly, cultural and material empowerment are linked. Cultural rights are not insignificant. They underscore solidarity and are linked to the formulation of organizational infrastructures that can be deployed in forging political-economic demands. Moreover, collective claims for rights to land or educational access, or other forms of physical and social capital, are often presented on the basis of cultural group entitlements. The central importance of Hale's critique, however, is that neoliberal multiculturalism impedes the translation of cultural rights into material advancement.

Prior to holding the post, Weeks was best known under the moniker DJ Black as a local ‘gangster rapper’, earning mass appeal for hard-hitting lyrics about ghetto life, and a glorification of guns, violence, and sex. At the request of *then* presidential candidate Martinelli, Weeks composed a pro-Martinelli rap song and went touring with the political hopeful in black communities around the country. Critics viewed Weeks as a lackey and buffoon. After successfully winning the election, Martinelli appointed Weeks to the Presidential Office. Veteran black activists were shocked by the appointment and saw it as proof that the Martinelli administration had no serious interest in dealing with the social and political demands of the black community as long as Weeks was the official ‘spokesperson’ for black affairs. In the first two years, Weeks worked in isolation in implementing his ‘black’ agenda. He did not engage the views or counsel of black organization leaders as he set about making splashy public relations junkets on behalf of the administration. As Weeks’ term has matured, however, he and other black organizations have begun to dialogue, but problems of coordination and communication between the Council and the Executive Secretariat persist (J. Williams, personal communication, 2011).

The foregoing example supports scholarly criticisms about the present limits of multiculturalism. While I share these critiques, I also maintain the view that multicultural policies hold potential for minoritized groups to obtain a crucial foothold in the formal political system and provide a transformative space for the expansion of conventional racial constructions of ‘La Panameñidad’ (Panamanian-ness). To this point, Van Cott (2006: 287) finds that “[s]tate recognition of a modest set of cultural demands encourages more radical demands.” She references, for example, indigenous organizations in

“Mexico, Ecuador, and Chile [that] have been particularly vocal in their opposition to free-trade agreements” (Ibid: 288). Additional information is needed, however, for understanding how “neoliberal multiculturalism” is transforming substantive citizenship for Afro-Panamanians; this is a potentially fruitful area for future research.<sup>191</sup>

Analysts of multicultural policies in Latin America view multiculturalism as a discursive arena for the articulation and practice of a certain form of ‘neoliberal citizenship’. I leave multicultural citizenship as a matter for future inquiry, however, and have chosen in this dissertation to intervene in theorizing on neoliberal citizenship as a marginalizing discourse, situating my interpretation of neoliberal citizen- and space-making in Panama as a departure for the strongest findings of this dissertation.

*‘Flexibility’ and Neoliberal Citizenship in the Re-making of the Black Subject*

Not only is transnational activism changing the landscape of claimsmaking for the assertion of supranational, ‘deterritorialized’ (see Sassen 2002) human rights, liberal models of citizenship that tie rights and entitlements to state-based membership are being refashioned in other important ways, reflecting the emergence of ‘neo-liberal’ citizens. For Foucaultian theorists, the neoliberal devolution of state power and privatization of its functions have turned the practice of citizenship into a self-governing activity where individuals or local, ‘private’ communities ‘take responsibility’ for themselves. More and more, the ideal qualities of citizenship are informed by neoliberal values associated with the free agency of self-maximizing individuals, especially in the advanced neoliberal democracies of Britain and the USA. Like Ong, Nikolas Rose (1999) sees a shift in the fundamental ‘ethics’ undergirding citizenship in these contexts: citizenship is no longer

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<sup>191</sup> Horton (2006) has insightfully explored these issues in relation to some of Panama’s indigenous groups.

bound to state management and protection of citizens, rather it demands individuals who govern and rely on themselves in the face of market and social insecurities. As a result, the enjoyment of ‘rights’ has largely become contingent on self-enterprise and purchasing power. For citizens who possess few marketable talents, the hinging of neoliberal criteria to citizenship undercuts basic livability.

For Ong and Rose, who stand out as leading theorists of neoliberal citizenships, their empirical interests focus on the mutation of advanced liberal citizenships (eg: Rose) and the citizenship regimes of Asian ‘miracle’ societies (eg: Ong). On the face of it, their arguments appear generalizable to a wide range of national contexts. In fact, as argued in the previous chapter (5), the calculative, self-actualizing citizen is quite central to the current framework of housing and urban planning in Panama. However, the portrait of mutated citizenship rendered by Ong and Rose assumes a governing environment that has evolved out of earlier (1930s) welfarist or (1950s) developmentalist state moorings. And most post-WWII Latin American trajectories of state and citizen development vary substantially from these tracks of change. Self-reliant citizens counting on few state protections have been the norm in most of the region, where corporatist regimes have been considerably weak (Argentina, Chile, Puerto Rico, Mexico, and Cuba as possible exceptions).

However, the 1990s re-opening of Latin American economies, the implementation of free-market development strategies (setting up export processing zones, maquiladoras, technology parks, etc), and new concentrations of wealth and rising inequality gaps *have*, I believe, fomented new state discourses of ‘ideal’ citizenship. These shifting national and international discourses have also helped to blur “political

distinctions between citizens and talented foreigners” (Ong 2006: 502) in Latin America. However, in Panama particularly, citizenship has always been bifurcated and transnationalized in these terms. Despite hopes that the universal human rights regime would help to secure privileges and protections for all citizens from the ‘bottom-up’; sadly, these are the claims that the majority of the poor and vulnerable migrant populations are least able to see fulfilled. Instead, neoliberal regimes confer in ‘top-down’ fashion powerful entitlements upon other kinds of subjects – the ‘mobile’ elites who travel the informational, cultural, and financial highways of transnationalized capital. ‘Flexible citizens’, as Ong calls them (1999, 2006), are elite, skilled foreigners, easily able to take advantage of these new norms and are incentivized by accommodating states seeking to attract migrant elites (2006: 501). The new rights-claiming potentialities of high *human* capital-endowed elites who occupy the transnational spaces that Ong calls attention to, present a troubling paradox where entitlements must be struggled for by national citizens suffering marginalization and precarity even while they are enjoyed (however partially) by non-citizens.

In the Canal Zone era, the ‘talented foreigners’ *were* the abundant Antillean migrants whose work ethic, language skills, and nationality made them a desirable enclave workforce. Later, third and fourth generation Antillean-Panamanians continued to fulfill these crucial roles, as formal citizens uniquely plugged into racialized structures of economic productivity. Black Panamanians are no longer embroiled in struggles for formal citizenship, as they were in the mid-20<sup>th</sup> century, yet neither do today’s enclaves continue to rely on black labor as a specialty class. Today, the articulation of a new citizenship regime has emerged – one that links civic entitlements and state

accountabilities to skilled citizens who can be productive contributors to *neoliberal* development zones. The emergence of this regime has especially problematic consequences for black experiences of urban citizenship, I contend, because in Colón, where urban residence is a complex signifier of blackness, the shifting construction of the post-U.S. occupation labor-subject is also linked to the re-signification of what counts as ‘productive space’ and who counts as a ‘deserving citizen’.<sup>192</sup> I will now discuss this claim in more detail.<sup>193</sup>

Socioeconomic conditions for urban blacks have always been tied to participation in the enclave economy. Accordingly, many Black Panamanians (in contrast to the majority of their mestizo and indigenous counterparts) have been privy to a model of state-based entitlements effectively tied to formal (and public sector) employment. For those not directly employed in the Canal Zone, ‘de facto’ citizenship reflected a model of economic security enabled, at minimum, by ‘proximity’ to the enclave. Yet overall, community well-being has been precariously tied to the boom and bust cycles of the global economy, whose effects are especially acute – for better or worse, in bountiful and in lean times – in the urban transit zone (the socio-spatial sphere of influence of the enclave itself). Even today, substantive citizenship is enclave-determined with respect to the accessibility of fragmented entitlements and social rights.

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<sup>192</sup> Ong has argued, that in the U.S., the neoliberal celebration of personal freedom and a ‘can-do’ attitude – against a reliance on the state – has infused with normative standards of ideal citizenship and converges on a model of “deserving citizenship” (1996: 739) that is inseparable from ‘whiteness’.

<sup>193</sup> Basically, as Colón’s Otherness is reinforced through its association with unproductive ‘black’ labor, the neoliberal creed of ‘optimization’ rationalizes urban re-development in spite of potentially negative effects on residents. Moreover, the neoliberal model of deserving citizenship becomes inseparable from the self-driven, can-do labor ‘subject’ who, by definition cannot originate in Colón and must come ‘from outside’. Outside can be Panama City, realms of suburban ‘space’, or places of international origin.

On the relation between enclave and entitlement in the transit zone – then and now – I suggest the following interpretation, underscoring continuity and discontinuity in the making of racialized citizenship:

The Canal Zone ‘social citizenship regime’ was structured by -

a large and generous social state doling out uneven entitlements to affiliated ‘citizen-subjects’ depending on (racialized) labor class attachments, and in so doing, created racial tiers of first- and second-class ‘citizenships’<sup>194</sup> within a broader political-economy of racial state paternalism.

The Free Zone (and more extensively, the *collection* of neoliberal development zones) of today is representative of a ‘neoliberal citizenship regime’ structured by -

a large and generous neoliberal state doling out uneven entitlements to corporate ‘individuals’ and affiliated ‘flexible citizens’ connected to neoliberal zones. For all classes of ‘citizens’, loosely-defined ‘entitlements’ are accessible depending on labor class – whether entrepreneurial, service-enclave proletariat, or underclass (ie: a variety of more or less ‘informalized’ work arrangements). Accordingly, unevenness of access to market-based social goods<sup>195</sup> reinforces ‘graduated’

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<sup>194</sup> In certain decades of the 20<sup>th</sup> century, the majority of black workers in the Canal Zone could have been ‘stateless’ or legal foreigners. In other decades, they have been full-fledged Panamanian or even U.S. citizens.

<sup>195</sup> Neoliberalism acknowledges that some individuals may need ‘assistance’ from society, and allows mechanisms for their support. Social welfare, however, is made available by contract, in which recipients obtain assistance through work. Such an approach endorses a market solution to poverty that is considered a more sustainable means of social insurance than income redistribution. Income redistribution by the state “limit[s] the rigor of competition and is thereby an illegitimate activity of government. The state’s role, then, is only to ensure a ‘level playing field’ for individuals, but not to *protect* individuals or interest groups from the laws of competition. Further, promoting ‘workfare’ in this sense is morally strengthening because it empowers the individual. The welfare provided by the state thus should not take the form of a “‘static’ protection system but must help individuals to ‘dynamically’ manage their life” (Amable 2011: 23).

Social policy is thus viewed as another – and necessary – conduit of the principle of fairness that supports the market competitiveness of the individual. (As an example, education policies that, in the first place, situate the state as one of several competitors in a marketplace of educational goods and services, can be meaningfully rendered within the general framework of

citizenship (unequal quality of life and scaled statuses of belonging) not explicitly based on race (because ostensibly ‘the market’ is ‘color-blind’), but based on the scope of individual market participation within a broader political-economy of state entrepreneurialism.

While neoliberalism deconstructs the bases and configurations of entitlements available to urban blacks under the partial social state of the previous era (job, housing, food, and old-age security, mostly), underlying structures of racial differentiation have largely remained intact.

As a result, the promises and premises of ideal-type neoliberal citizenship interact with extant racial frameworks, reconfiguring racialized citizenships in complex ways. The terms of black inclusion and exclusion have always been paradoxical: while certain entitlements have been granted through enclave employment, the racial order of the enclave has selectively arranged entitlements in a graduated manner on the basis of white-black and inter-national hierarchies. As neoliberal conceptions of market-based ‘rights’ become interlaced with precarious, enclave-dependent urban citizenship, blacks excluded from the enclave have become more vulnerable than ever. In effect, Colonenses are doubly excluded from ‘virtuous’ citizenship by long-standing racial stigmatization *and* by more recent assertions of neoliberal ‘underperformance’. The institutions of the contemporary neoliberal order thus militate against improved social conditions for the Colonense underclass not through neoliberal austerity and flexibility alone, but through the exacerbating and synergistic effects of austerity, enclavism, and calculated racialism.

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neoliberal ideology.) Early neoliberals indicated that social rights are possible, but only with accompanying responsibilities. The receipt of social assistance is contingent upon reciprocal obligations, the fulfillment of which should be monitored, and sanctions applied for non-compliance (Amable 2011: 24).

Essentially, economic and social conditions (and thereby the quality of citizenship) in Colón are not neutrally determined by market outcomes in this new political and ideological landscape. Rather, I have suggested that neoliberal institutions, such as the CFZ Administration and MIVI are responsive to pre-neoliberal legacies of racial labor formation; in turn, they actively perform racial policy insofar as CFZ expansionary strategies seek to give mestizo labor a ‘fair shot’ in post-U.S. economic recovery, or MIVI and MIPPE seek to reclaim the urban center from the racial underclass. Neoliberalization – the ‘actually-existing’ policies and projects of a market fundamentalist ‘racial state’<sup>196</sup> – figures summarily as a janus-faced prescription for physical and social improvement in ‘black’ Colón. On the one hand, in contrast to previous eras of development, neoliberalism is projected as politically, ideologically, and functionally agnostic to race. And yet, as we have seen, neoliberal development constructs new racialized labor regimes and spatial configurations; at the same time, it is problematically permissive of racially stratifying outcomes. Enclave expansionism hails a particular form of urban neoliberalism that, in the final instance, is a stealth mechanism for both the reproduction and obfuscation of historical racial inequalities/unequal citizenships in the city.

### **Colón for the Colonense? Final thoughts**

*Does the black worker still exist?* In the former sense of a distinct labor class serving a functional role in a foreign enclave of ‘exception’ - *No*. Blackness has all but

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<sup>196</sup> Goldberg (2002) and others (Voegelin 1997 [1933]; Arendt 1975 [1951]; Omi and Winant 1986; Marx 1998; Razack 2008; Thobani 2007) have reasoned that race is the organizing principle for modern states. Chiefly concerned with maintaining white supremacy, *racial states* as Goldberg has termed them manage race relations through “administrative technologies” (2002: 195) of the state such as censuses, formalized segregation, an array of legal apparatuses, and the “rational planning” (Evans 1997: 299-300) of urban systems of transport and surveillance.

disappeared as a racial category used to identify a class of *productive* labor. The disappearance of the black worker (Chapter 4) and the displacement of the urban poor (Chapter 5) are jointly effects of:

- (a) changes in the basis of accumulation that have repositioned the black labor subject in the social structure and reconfigured labor requirements in the spaces of exception;
- (b) changes in modes of governance and urban planning that have universally undermined locally available social rights; and
- (c) changes in the proportion of ever-expanding productive spaces in the city (ie: non-residential global commercial enclaves) relative to ever-shrinking livable space in the ‘black’ city.

The ideology of ‘human capital’ that once privileged black labor *and* simultaneously pegged black bodies to a structurally subordinate social location has lost its political and economic resonance in an era of postracialism and neoliberalism. Kapoor (2013) argues that in the contemporary ‘postracial’ moment, the idea of ‘race’ is increasingly erased from public and institutional discourse. Goldberg (2013: 17-18) adds that postracialism resonates strongly with neoliberalism in that both concepts accentuate the individualization of responsibility. Postracialism aims to erode the political and cultural significance of racial groups, celebrating instead the agency of the individual over racial ties. By the same token, racist actions become individualized, instead of reflecting group mentality. Neoliberalism, meanwhile, presumes a “generalized social equality” among individuals (Ibid.). Accordingly, neoliberalism asserts ‘colorblindness’ in matters of labor selection, despite evidence that shifts in the productive activities of the Free Zone for example – from light assembly to banking and retail – correlate with changes in the ethnoracial composition of labor. The de-racialization of work has thus recast the

premises of inclusion/exclusion. Neoliberalism's 'post-racial' ethics mimic mestizaje discourse, moreover, by masking difference and inequality. Thus the impact of neoliberalism in a context where mestizaje also prevails carries even greater potential to obscure the daily routines of racism in urban development.

As outlined in Chapter One, I refer to and conceptualize substantive citizenship through two complementary lenses – as a metric of quality-of-life and of national belonging (expressed by *de facto* social and political inclusion). The concept of 'neoliberal citizenship' claims to address both aspects of substantive citizenship. On the one hand, it makes a normative assertion that market participation supplies individuals the lives they *deserve*. On the other hand, it also says that 'actual' belonging through meaningful participation in the social and political life of the nation is not predetermined by legal citizenship status. Rather, one's status of 'belonging' as a deserving member of market society – empowered to enjoy the collective spoils of the economy – is provided for by one's level of participation in the market. (Implicit to this framework is the conception that the market community *is* the political community.) According to early neoliberals of the Mont Pelerin variety (see Chapter 4, fn 104) and even today's activist neoliberal regulatory regimes, the government's only 'duty' to citizens is to provide is a 'fair chance' to participate in the market model of citizenship.

In Colón, we have seen that as structural conditions have shifted, the neoliberal policy choices that restructure the content and governance of the enclaves therein, have effectively denied the majority of Colonenses their 'fair chance', even by the standards of neoliberal theory. To borrow Eduardo Bonilla-Silva's (2010) phrasing, I have suggested that Colón City's demographic and class adjustments over the last thirty years have made

the City the harbor of a “collective black” underclass – a racially plural population whose discursive ‘blackening’ by urban poverty and connection to historically raced space is an essential aspect of their overall structural marginality and the problem of state neglect on a regional scale. These discursive processes have important material consequences for Colonenses’ job and housing prospects, social mobility, and the provisioning of a wider set of ‘choices’ than neoliberal governmentality currently affords them. Ultimately, as Colón’s denizens have ceased to embody productive labor, so they have, in an age of neoliberal citizenship been tapped as undeserving ‘citizens’ as much by structural default as by the racist intent (conscious or unconscious) of neoliberal planners and street-level bureaucrats alike.

Consequently, racial stratification has been reasserted materially through structural unemployment and suburbanization, on the one hand, and discursively, on the other hand, through neoliberal constructions of deserving and virtuous citizenship that implicitly relegate Colonenses to racialized second-class citizenship associated with collective failure in the marketplace. Hence, racialization, neoliberalism, and citizenship entwine in complex ways in the post-Canal Zone political economy and in the expression of new racio-spatial boundaries between the zones of ‘transnationalization’ and ‘nationalization’.

To summarize and conclude, perhaps the main contributions of the dissertation consist of my Colonese documentation of two aspects of racialization at work in the current neoliberal moment of urban development: (a) the disappearance of the black worker as the primary labor subject of development, and (b) the displacement of the racialized poor through suburbanization and other means. Both processes are shaped by

the stealth persistence of ideological mestizaje, with its representational power to absorb and obscure black racial difference; and by neoliberalism's deracinating logics of land and labor utility. I have made a case for understanding 'neoliberalization' in Panama and potentially elsewhere, as a process of creating 'regulated' spaces of market autonomy, where market processes are construed as unencumbered or undetermined by 'race' even as they reproduce racial, spatial, and citizenship inequalities. How broadly transportable this insight may be to other transit zones – and like locales—is a matter for future research.

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## APPENDIX A

Panama Census 2010<sup>197</sup>

Final Report

Preamble, Section 6.

Contraloría General de la República de Panamá

Instituto Nacional de Estadístico y Censo

### POBLACIÓN AFRODESCENDIENTE

**Negro o afrodescendiente:** Se refiere al grupo social proveniente de África traídos inicialmente por los europeos a América y que se dividen en subetnias, de acuerdo con los diferentes períodos en que llegaron al Istmo.

#### **a. Negro(a) colonial:**

Descendiente **de los esclavos africanos** traídos al istmo durante la **colonización española**. Se pueden identificar a los descendientes de estos últimos en las provincias centrales, en áreas como Natá, Parita y Monagrillo; y en Chiriquí, en áreas como Puerto Armuelles y Alanje. En la provincia de Colón en áreas como Costa Arriba y Costa Abajo. En la provincia de Panamá se ubican en Pacora, San Miguel y Chepo.

#### **b. Negro(a) antillano(a):**

Descendiente de los trabajadores antillanos de habla francesa, inglesa, u otras lenguas que llegaron a Panamá, principalmente durante la construcción del **Ferrocarril Transístmico**, **el Canal Francés** a fines del siglo XIX, y el **Canal Norteamericano**. Se les localiza mayormente, en áreas de las ciudades de Panamá y Colón y en la provincia de Bocas del Toro.

#### **c. Negro(a):**

Aquella persona con ancestros descendientes de los negros esclavizados o coloniales, y/o descendientes de antillanos negros o afroantillanos de habla inglesa, francesa u otras lenguas, migrantes en los distintos períodos del desarrollo nacional, que seleccionó esta opción para su autoidentificación.

**d. Otro:** Algún otro grupo negro o afrodescendiente, no incluido en las categorías anteriores.

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<sup>197</sup> Source: [http://www.contraloria.gob.pa/INEC/archivos/P3601Definiciones\\_Explicaciones.pdf](http://www.contraloria.gob.pa/INEC/archivos/P3601Definiciones_Explicaciones.pdf), retrieved December 19, 2013.

## APPENDIX B

### Key Informants

*All interviews were conducted between July 2011 and February 2013 in person in Panama or Colón province.*

1. Adalberto Sánchez, Manual worker – CCT, MIT job fair applicant
2. Alba Rosa Allen, Social worker, MIVI Dirección Regional de Colón
3. Alianza Rastafari
4. Amilcar Priestley, Lawyer, Afro-Panamanian scholar living in New York
5. Anselmo Cooper, Pastoral Afrodescendiente de Colón, Saint Joseph Parrish, Catholic Archdiocese of Panama
6. Anthony McLean, Consejo Nacional de la Etnia Negra, and Society of Friends of the Afro-Antillean Museum (SAMAAP)
7. Ariel Espino, Former Director, Office of Casco Viejo, Ministry of Housing
8. Buena Vista Resident, Pest Control specialist
9. Cecilia Moreno, Red de Mujeres Afropanameña, and Centro de la Mujer Panameña (CEMP)
10. Clemente Garnes, Vice President, Etnia Negra de Colón
11. Eduardo Tejeira, Frente Amplio de Colón
12. Elvia Robin, Contraloría General, Centro de Documentación
13. Enrique Sánchez, Consejo de la Etnia Negra and Fmr. Head of Purchasing for the Canal Authority
14. Enrique Williams, Fmr. Director of Panama Railroad Authority
15. Eric Jackson, Editor, The Panama News
16. Ester de Muñoz, Supervisor, Bolsa de Trabajo, Colon Free Zone Administration
17. Eyda McCoy, Research Assistant, Department of Statistics, Colon Free Zone
18. Genaro Lopez, Association of Unions
19. Gerardo Maloney, Sociologist, Universidad de Panamá

20. Gilberto Toro, Social Worker in Colón, Ministry of Social Development and
21. Gilma Camargo, Human Rights Lawyer, Executive Director, Instituto de Estudios Políticos e Internacionales
22. Glenroy James, Sociedad de Amigos del Museo Afro-Antillano de Panamá
23. Janvieve Williams Comrie, Panamá Coordinator, UN High Commissioner for Human Rights
24. Jorge Jesus Velez, Colon Free Zone Administration Legal Counsel and Fmr. Judge, Organo Judicial de Colón
25. Jorge Luis Macias, History Faculty, CRU
26. Jose Carlos Sánchez, Youth leader, Puerta Abierta Community Center of Buena Vista
27. Jose Murillo, Pastoral Afrodescendiente Metropolitano, Iglesia Cristo Redentor Catholic Archdiocese of Panama
28. Journalist, *La Prensa*
29. Jose Vicente Young, University President, Centro Regional Universitario de Colón
30. Juan Fagette, Consejo Nacional de la Etnia Negra
31. Liseth Antón, Nail Technician in a home-based family-owned business in Buena Vista
32. Lorena Endara, Cambio Creativo Youth and Arts Organization in Coco Solo, Colón
33. Luis Wong Vega, Cultural Activist and Biological Scientist
34. Marco Gandásegui, Universidad de Panama, Facultad de Ciencias Sociales
35. Mario Molina Castillo, Independent Historian
36. Members, Emancipación Colonense
37. Members, Partido Alternativa Popular
38. Michael Brown (“Pastor Mikey”), Coco Solo Community Leader
39. Nilda Quijano Peña, Community Affairs Director, Manzanillo International Terminal, Fmr. General Manager of the Colon Free Zone

40. Nombre de Dios Resident, Afrocolonial historian
41. Olga Linares, Anthropologist Emeritus, STRI
42. Orlando Segura, Cultural Studies Faculty, Centro Regional Universitario de Colón
43. Rafael Spalding, Federation of Reverted Areas
44. Rasta Nini, Co-Founder, Rastafari Alliance of Panama and Leader, Movement of Unemployed People of Colón (MODESCO)
45. Raul Moreira, Economist
46. Rita Wong, Chinese-Panamanian business owner in Colón
47. Roberto Mayers, Colón Regional Director, Instituto Nacional de Cultura
48. Rogelio Senior, LG Call Center Employee
49. Rogelio Williams, Taxi Driver
50. Selected staff of CEASPA – Centro de Estudios y Acción Social Panameña
51. Selvia Miller, President, Fundacion Etnia Negra de Colón
52. Senior CFZ Administration official
53. Senior MIVI official, Department of Engineering and Architecture
54. Stanley Heckadon-Moreno, Research Scientist, Smithsonian Tropical Research Institute, and Fmr. Staffer of the Planning Unit of the Ministerio de Planificación y Política Económica
55. Victor Alexis, Economics Faculty, CRU
56. Williams Johnson, Rescate Juvenil Afro-Panameño
57. Winston Churchill James, Customs Lawyer, Colón-based Ports
58. Xotchil Gondola, Promotorio de Turismo, Autoridad de Turismo de Colón

## **BIOGRAPHY**

Kali-Ahset Amen Strayhorn (née Scott) was born in a car en route to Howard University Hospital in Washington, D.C. A proud graduate of Benjamin Banneker Model Academic High School, Kali-Ahset earned her B.A. in African Studies from Columbia University in New York. She enjoys interviewing and storytelling, and carries her “sociological imagination” with her everywhere. Kali-Ahset is a third-generation Ph.D., following in the footsteps of her mother and grandmother.