Bridging the gap: Boundary-less bureaucrats and gang reintegration in Panama City

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ABSTRACT

In a small and shrinking world there is pressure for planners and policymakers across the globe to import policy and program models that have worked in other cities and countries. Often lost in the process of transporting policies are questions about why they may have worked in their original political, economic and social context. The exploration of how and why policies are effectively implemented is every bit as important as whether the policy or program actually works. One issue of growing concern for planners is urban violence, particularly gang violence. In Latin America, a region that stands out as one of the most violent in the world, repressive police and military tactics have generally failed to solve the problem of gang violence. Recently there has been a turn toward more holistic preventative measures, which have strong support in both theory and practice. This paper explores the implementation of two gang violence prevention programs in the historic district (Casco Antiguo) of Panama City between 2004 and 2009. Specifically, it asks what explains successful implementation in these cases, and what lessons can be drawn from them. Using evidence from the cases and theories from the fields of public administration and international development, this paper argues that implementation was effective for two reasons: One, local-level government officials were given the discretion to adapt the programs to local conditions; and two, individual program “champions” pushed the programs to succeed by building trust with gang members, leveraging personal relationships across agencies and sectors, and providing companionship to program participants. Specific to Panama, these cases highlight the need to construct the political will to ensure a serious and continuous policy commitment to youth development. More broadly, the cases point to the importance of local experimentation for local problem solving, and to a more compassionate approach to addressing the problems facing youth.

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I. Introduction

Rafa has been through some shit. His father was an alcoholic who abused his mother. She left him and took her kids to live with another man who beat Rafa and his brothers and sisters instead. Rafa hated it so much he ran away and hid for six months in his grandmother’s house before she found him and sent him home. When the kids in his new neighborhood bullied him, his mom forced him to fight the biggest, meanest one. The older gangsters started sending him out to rob and steal when he was just 8 or 9 years old. In his own words, they turned him into a monster. Two of his uncles were rival gangsters, one ended up killing the other. At 12, he was involved in his first murder. He spent his 18th birthday in juvenile detention. Then he was transferred to prison. He got out of prison. Then went back in. Out again, in again. He’s been in too many gang wars to count. Among his many scars, the most visible is a machete wound. He’s seen men decapitated. He never thought he was good enough to be anything but a criminal.

Now, Rafa lives in public housing just a few blocks from where his last gang used to live. Instead of selling weed and guns, he works with construction companies on public projects in his neighborhood. He speaks with pride of learning to be a “normal” person. He is proud of his daily interactions with engineers, local businesspeople, and government officials. He is proud that he can be a role model for his kids. He aspires to open his own business in the neighborhood, maybe an Internet café or a day care. He says he wants it to be something sano, something that will be good for local kids.

To transform the lives of people caught in complex social problems, planners are pressured to replicate and bring to scale interventions that have proven effective. Organizations and governments invest in evaluations to determine whether interventions are effective and then spend resources duplicating them at home and abroad. But by their very nature, complex social problems are highly contingent and context-specific. What makes an intervention successful in one context does not necessarily translate across space and time. So it becomes important to understand not only whether an intervention

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1 All names of current and former gang members have been changed in the interest of confidentiality.
works, but why. Angus Deaton, a Princeton economist, makes this argument in his critique of randomized control trials, writing,

"The analysis of projects needs to be refocused toward the investigation of potentially generalizable mechanisms that explain why and in what contexts projects can be expected to work... thirty years of project evaluation in sociology, education, and criminology was largely unsuccessful because it focused on whether projects worked instead of on why they worked." (Deaton 2010, 426)

Building on the work of scholars from the fields of public administration and international development, this paper attempts to answer Deaton's call to investigate "why and in what contexts" projects might work. It does so through the story of two interrelated gang reintegration programs in the historic district of Panama City, Panama.

Research Question

Everyday violence in Latin American cities is increasingly recognized as a development problem by planners and policymakers. Violence has a multiplicity of direct and indirect effects on every aspect of urban life, including public health; housing; social relations; the economy; and the ability of local, state, and national governments to function. As measured by the official homicide rate (an imperfect proxy for violence for a variety of reasons2), Latin America is one of the most violent regions in the world. In 2000, the regional homicide rate was 27.5 per 100,000 inhabitants, compared to the global average of 5 per 100,000 inhabitants (Moser and McIlwaine 2006). In 2011, 40 of the 50 cities with the highest homicide rates in the world were in Latin America (CCSPJP 2012). There is a wide variation between countries of the region. Between the early 1980s and mid-1990s, Panama, Colombia, and Peru stood out with some of the most marked increases in national homicide rates (Moser and McIlwaine 2006). Today, Mexico and Central America stand out as the most violent.

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Urban development scholars and practitioners have arrived at two important and interrelated realizations regarding urban violence. One, thanks to Neo-Marxists and Dependency thinkers, early theories that explained urban violence as an issue of individual criminal pathology have given way to more comprehensive views that consider the institutional and structural factors contributing to violent behavior (Moser and McIlwaine 2006). Instead of blaming poverty and the poor for violence, it is now widely understood that high levels of inequality and exclusion contribute to the daily violence experienced across the Americas.

Two, a growing contingent of scholars and practitioners has recognized that repressive state responses to urban violence generally fail. Common repressive tactics include militarizing urban streets and neighborhoods, criminalizing gang membership, lowering the age of adult prosecution, lengthening prison sentences, and implementing curfews for young men and women. Studies from Honduras (Gutiérrez Rivera 2010) and the United States (The Charles Hamilton Houston Institute for Race and Justice 2008) have shown that repressive tactics not only have failed to effectively reduce violence, but actually "tend to contribute to and exacerbate the routine stigmatization of gang members, thus preventing their reform and ultimately meaningful reintegration into society." (Jütersonke, Muggah, and Rodgers 2009, 385) That repression would actually strengthen gang affiliation and cohesiveness, rather than deter membership, seems somewhat obvious when one considers that a main attraction of gangs is the sense of belonging they provide to their members, who often come from the most marginalized and excluded segments of society.

Since the 1990s, alternatives to repression have been implemented in a variety of Latin American countries. Probably the best-known set of policies and programs has been implemented by the city of Medellin, Colombia.

In 1991, Medellin had a murder rate of 381 per 100,000 inhabitants (UN-HABITAT 2011). For comparison, the city with the highest homicide rate in the world in 2011 was San Pedro Sula, Honduras, which had a rate of 159 per 100,000 inhabitants (Panama City in 2011 had a rate of 32 homicides per 100,000 inhabitants) (CCSPJP 2012). This unsustainable level of violence in Medellin pushed a broad spectrum of actors to
come together and think about the causes of violence and what could be done to address them. The strategies that developed over the next 20 years were based on the understanding that violence was inextricably linked to the deep social inequalities in the city (Bahl 2011). Specifically, Medellin’s transformative policies involved upgrading the city’s informal settlements, where most of the violence was experienced, and linking them spatially and socially with the formal city. The process culminated between 2004-2007, when an “explicit confluence of safety policies began, with generation of public spaces, urban renewal, and socio-cultural programmes, in an innovative territorial approach described as ‘social urbanism.’” (UN-HABITAT 2011, 13) In part because of these municipal efforts, but also due to other local, national, and international factors, the murder rate in Medellin had dropped to 26 per 100,000 inhabitants by 2007.

The purpose of mentioning Medellin here is not to provide a comprehensive explanation of how violence was reduced in this context, nor to examine the similarities and differences with the Panama City case explored in this paper. Rather, it is to simply point out that a more holistic understanding of violence and prevention, which incorporates the underlying social, economic, political and spatial causes, and utilizes more than police and judicial methods, exists in the region and has been implemented by governments with some success.³

In Panama City, the gang reintegration programs that this paper examines were implemented in the city’s historic district (Map 1.1), which comprises the entire neighborhood of San Felipe and parts of the adjacent neighborhoods of Santa Ana (19 blocks) and El Chorrillo (14 blocks). Over the course of the 20th century, wealthy Panamanians had abandoned the historic district in favor of less crowded suburbs to the east. Businesses and other economic activity followed them. By the end of the 20th century, the historic district was primarily a residential zone inhabited by the lower- and middle-classes. As in other marginalized urban areas, residents faced a myriad of problems, not least of which was increasing gang violence.

³ For more extensive reading on the Medellin case there are many good resources, including Bahl 2011; Samper 2012; and UN-HABITAT 2011.
But by the early 2000s, the district had begun to gentrify. In 1997, the United Nations Educational, Scientific, and Cultural Organization (UNESCO) designated the historic district of Panama City a World Heritage Site. This designation, and an accompanying law passed by Panama’s National Assembly, spurred public and private investment, which brought in new (wealthier) residents and businesses. The historic district was no longer on the social or economic margins of the city, and the government was pushed to act on the problem of gang violence.

Between 2005 and 2009, national government agencies initiated two social programs to deal with gang violence in the historic district. Both programs worked directly with local gangs to get their members out of the gangs and back into mainstream society, either through the labor market or school. Both were successful in terms of reducing levels of gang violence in the neighborhood while (for the most part) not simply shifting the problem to other parts of the city. This paper asks how these gang reintegration programs were effectively implemented. Using evidence from the case and
theories from public administration and international development literatures, this paper argues that the program was effectively implemented for two reasons. One, discretion given to local-level government workers enabled them to adapt the program to specific contextual factors. Two, the emergence of individual “champions” pushed the programs to succeed by facilitating the trust-building, companionship, and collaborations that were instrumental to program success.

Methodology

Most of the case-specific information used in this paper was collected through semi-structured interviews conducted in Panama City between June-August 2012. Some of the background information about the historic district and Panamanian gangs also comes from these interviews. Interviewees include the government officials in charge of program design and implementation; former gang members, including some who had participated in the programs and others who had not; academics; district residents; local business owners; and individuals involved in similar programs in other parts of the city and country.

Interviews were conducted by the author, who is bilingual. They were conducted primarily in Spanish, although a few were done in English and others in Spanglish. Translations from Spanish to English were done by the author.

All interviewees were informed of their rights and all consented to have their names published in this paper. However, the names of all former gang members and community members have been changed in order to protect their identities. Other interviewees are referred to by role, and not name, in order to maintain confidentiality. This was done at the author’s discretion.

Additional information about the case and background comes from personal documents provided by interviewees and official program documentation found on the Internet.
**Limitations**

There are important limitations to the case data that need to be acknowledged. First, the sample of program participants interviewed was limited. Interviews were conducted in 2012, but the historic district programs ended in 2009. During these three years, many of the participants moved out of the historic district and lost contact with their former friends and neighbors. Furthermore, many of the government officials involved in the programs left their posts in 2009 when the presidential administration changed. Every former official had since moved to a new job and had lost contact with many former participants. Thus, the sample of participants interviewed draws entirely from the group that were either still living in the area or had maintained contact with someone involved in the program, either a fellow participant or government official.

Second, the three-year gap between the program’s end and the interviews also affected the certainty with which interviewees could cite information and facts. By triangulating responses from multiple sources, these gaps and small errors in the facts were largely reconciled. Some information had to be omitted if it could not be verified.

Finally, there are important actors who were not interviewed for various reasons. Most importantly, time did not allow for interviews with the police units involved in the historic district or with the National Police Anti-Gang Unit. In most cases, the bureaucratic process through which permission to interview a member of the police is granted proved too slow.

**Structure of the Paper**

The paper is structured in the following manner. First, existing research on implementation is discussed. This section focuses heavily on scholars who have looked at discretion, adaptability, and the role of individuals. Next, a history and context section provides information that helps to place the case within a larger understanding of Panamanian society. The story of the interventions comes after. This is followed by a discussion of how implementation happened. Included in this section are the challenges that implementation faced. Finally, the concluding section draws lessons from the cases.
II. Existing Research

In the 1970s, sparked by the disappointing outcomes of the Great Society reforms, scholars in the United States began asking why government policies, programs, and projects fail. Jeffrey Pressman and Aaron Wildavsky's 1973 book, *Implementation: how great expectations in Washington are dashed in Oakland: Or, Why it's amazing that Federal programs work at all*, was the first to point out the "implementation problem" (the gap between policy expectations and program outcomes) in the context of US Federal policy (McLaughlin 2005). Prior to this, policy implementation was assumed to be a linear, hierarchical, administrative process (Barrett 2004).

There are two main critiques of an administrative implementation model. First, an administrative model ignores the politics inherent in policy implementation at the local level. Empirical studies from the 1970s and 1980s revealed implementation as very much a part of the political policy-making process (Barrett 2004). Second, an exclusive focus on central policy designers obscures two important facts. One, local-level bureaucrats tend to have more context-specific knowledge about what problems exist and what solutions might be effective in the communities in which they work. Two, discretion at the local level is inevitable given the nature of the problems and the programs designed to address them (Matland 1995).

One of the most influential works on implementation is Michael Lipsky's, *Street-Level Bureaucrats: Dilemmas of the Individual in Public Service* (Lipsky 1980), which looks at how citizens and government workers experience public policy. In the book, Lipsky claims that street-level bureaucrats (teachers, social workers, police officers, and other government workers with whom citizens interact), through their actions and interactions with clients, make public policy. Their ability to make policy comes from a high degree of discretion and autonomy from organizational authority. Discretion in this case refers to the power of street-level bureaucrats to decide if, when, and how to deliver benefits or sanctions to citizens. Lipsky argues that discretion is inevitable to street-level bureaucratic work for two reasons: one, the situations in which street-level bureaucrats work are often too complex to be programmed and controlled with rules; and two, street-
level bureaucrats often must respond to the human dimensions of a situation, which adds to the complexity of their task.

A debate between advocates of top-down (administrative) models and bottom-up models (promoted by Lipsky and others) lasted through the 1980s. In the 1990s, scholars made efforts to either combine the approaches or determine in which situations one approach would be more appropriate than the other. Richard E. Matland’s, Ambiguity-Conflict Model of Policy Implementation (Matland 1995), represents an effort to do the latter. Matland argues for looking at the “underlying antecedent characteristics” of policies. He observes that top-down and bottom-up scholars study different kinds of policies. Top-down scholars look at clear, well-defined policies while bottom-up scholars study policies characterized by greater uncertainty. To address this deficit, Matland proposes a model that considers two underlying characteristics of policy problems and solutions: ambiguity and conflict.

Matland bases his model on work done by organizational theory and decision-making scholars on how conflict and ambiguity affect decision-making. Conflict can be over the means (programs) or ends (goals) of a policy. It exists when “more than one organization sees a policy as directly relevant to its interests and when the organizations have incongruous views.” (Matland 1995, 156) Likewise, ambiguity can be over the means or ends of a policy, and is somewhat inevitable in policymaking since politicians are often pressured to act on problems that they may not fully understand. Policies are often ambiguous if and when “there are uncertainties about what roles various organizations are to play in the implementation process, or when a complex environment makes it difficult to know which tools to use, how to use them, and what the effects of their use will be.” (Matland 1995, 158)

The Ambiguity-Conflict Model classifies four ideal-types of policy implementation processes: administrative, political, experimental, and symbolic. Administrative implementation occurs with policies that have low conflict and low ambiguity. Availability of resources is the key factor for implementation, and success is determined according to clear policy goals. Political implementation occurs with policies that have high conflict and low ambiguity. In these processes, power is the most
important factor and success is again measured against clear goals. Experimental implementation happens when there is low conflict but high ambiguity. The most important factor for success is the local context within which the policy is implemented. Also important are the resources available at the microimplementing site and which actors are involved and most active. Referring to this last point, Matland writes that “participants level of activity in a choice situation depends on the intensity of their feelings, the number of other demands on their time, their physical proximity to where decisions are made, and a host of other variables.” (Matland 1995, 166) In experimental situations, “success” should include consideration for whether or not the implementation experience produces any learning about the policy problem and solution. Finally, symbolic implementation occurs when there is high conflict and high ambiguity. In these situations, coalition strength is the key factor.

Writing about the failure of traditional public service delivery models in developing countries, Lant Prichett and Michael Woolcock present a framework (similar to Matland’s in many ways) for understanding the nature of particular services according to the discretion and transaction intensiveness associated with their provision (Pritchett and Woolcock 2004). They start from the failure of service delivery in many developing countries, blaming it on a tendency to “skip straight to” the Weberian bureaucratic ideal. But this (top-down) approach has proven too rigid for many public service delivery problems. Similar to Matland, they argue that successful service delivery (i.e., implementation) depends on the nature of the service in question.

Their model classifies services based on the level of discretion and transaction intensiveness involved in their delivery. Services may be discretionary “to the extent that their delivery requires decisions by providers to be made on the basis of information that is important but inherently imperfectly specified and incomplete, thereby rendering them unable to be mechanized. As such, these decisions usually entail extensive professional (gained via training and/or experience) or informal context-specific knowledge.” (Pritchett and Woolcock 2004, 7) Transaction intensiveness “refers simply to the extent to which the delivery of a service (or an element of a service) requires a large number of
transactions, nearly always involving some face-to-face contact.” (Pritchett and Woolcock 2004, 7)

Based on the levels of discretion and transaction intensiveness, the authors classify services as technocratic policies, bureaucratic programs, or idiosyncratic practices. Services that are neither discretionary nor transaction-intensive are best dealt with as technocratic policy problems. At the other end of the spectrum, services that are highly discretionary and transaction intensive, such as classroom teaching, are classified as idiosyncratic practices and are “intrinsically incompatible with the logic and imperatives of large-scale, routinized, administrative control.” (Pritchett and Woolcock 2004, 8) For Pritchett and Woolcock, “services that are discretionary and transaction-intensive are at the heart of the development problem because they have no easy or obvious solution.” (Pritchett and Woolcock 2004, 12) In these cases, they argue, “development professionals need to help create the conditions under which genuine experiments to discern the most appropriate local solutions to local problems can be nurtured and sustained.” (Pritchett and Woolcock 2004, 31)

As opposed to research highlighting implementation failure, Judith Tendler’s *Good Government in the Tropics* (Tendler 1997) is a watershed work on successful public sector implementation. Tendler criticizes the mainstream obsession with government failure, the import of “successful” public administration models from “developed” countries, the gross generalization of entire countries and governments as good or bad performers, and the widespread assumption that civil servants are driven by narrow self-interest and rent-seeking (of which Lipsky, among others, is guilty).

As a counter to conventional wisdom, Tendler examines four cases of successful implementation of state government projects in Ceará, Brazil. She highlights the common themes that she argues can explain the success of these programs. First, government workers were dedicated to their jobs. Second, workers were given greater autonomy and discretion. This allowed them to carry out a variety of tasks in response to what they understood to be their clients' needs and in line with their own vision of the common good. Third, there were two new forms of accountability that kept workers from abusing their discretion. One, workers wanted to live up to the trust placed in them by the
government and citizens. Two, citizens were made aware of their rights and the responsibilities of government workers. This resulted in their more closely monitoring government workers. Fourth, Tendler found that, contrary to mainstream decentralization literature claims of central governments retreating to a position of passive enabler, in the Ceará case there was a three-way dynamic in which the central government (in this case at the state-level), municipal governments, and civic groups all played active roles in program implementation.

Regarding Tendler's first point, there are (at least) two explanations for what may drive government officials to be dedicated to their jobs. Brian Wampler, a political scientist from Boise State University, uses eight cases of participatory budgeting in Brazil to explain why government officials do or do not provide the support necessary for a policy to succeed. Wampler's theory assumes government workers to be self-interested. The primary motivation of government officials is the potential for political reward (or risk) if a policy succeeds (or fails). He concludes that “policy entrepreneurs,” those government officials who create entirely new policies, face the highest potential rewards and so are more likely to invest sufficient resources to ensure success. On the other end of the spectrum are “pro-forma adopters,” who adopt an innovative policy under pressure from superiors or international donor agencies. They receive relatively few benefits from the success of an adopted policy and therefore will dedicate the minimum necessary resources to its implementation. Thus, where policy entrepreneurs are present, an innovative policy is more likely to be implemented successfully since success means huge political benefits for the policy entrepreneur and his/her party (Wampler 2009).

Stephen Maynard-Moody and Michael Musheno, writing in the Journal of Public Administration Research and Theory, present a different perspective on worker dedication. They look at how local-level government workers in the United States describe themselves and their work. They find that officials describe themselves most often as “citizen-agents” who respond to the needs of specific clients in specific situations. Relationships with their clients and other local-level workers, rather than organizational rules, are important. Their decisions are made using moral judgments based on personal norms and beliefs. And when they subvert the rules, it is often described as a means for
serving the needs of a client. Contradicting Wampler’s findings, local-level workers in Maynard-Moody and Musheno’s study do not use “self-interest” to describe their motivations and actions. In fact, many workers told of making decisions and taking actions that made their work harder, more dangerous, and less officially successful, but that ultimately better served the needs of their clients (Maynard-Moody and Musheno 2000).
III. History and Context

In order to place the historic district gang reintegration programs in context, this chapter does four things. First, it provides a broad overview of Panama’s economic and political systems, focusing heavily on inequality. Second, it goes over the socio-spatial development of Panama City, telling the story through the lens of class segregation. Third, it explores the history and nature of Panama’s urban gangs and previous interventions to deal with them. Fourth, it zooms-in on the historic district to discuss the social and economic problems residents faced in the early 2000s and to explain revitalization efforts in order to give a sense of how and why the area was changing.

Inequality and Oligarchy

Broadly speaking, Panamanian society comprises two groups: a politically and economically dominant merchant class that controls the wealth generated by the international service sector; and a large subordinate class made up of informal laborers, salaried workers in the public and private sectors, and agricultural producers. The roots of this class division go back to Spanish colonization. More recently, economic policy since the 1980s, which has included neoliberal macroeconomic adjustments, has disproportionately benefitted the wealthy by diverting resources to the service sector and away from manufacturing and agricultural, the source of jobs for many Panamanians (Gándásegui Jr. 2005).

Economic Inequality

By all measures, Panama is one of the most unequal societies in the world. In 2010, its GINI index for the distribution of family income was 51.9, 17th worst in the world (CIA 2013). That same year, the richest ten percent of Panamanians took home forty percent of all income, while the poorest ten percent received just one percent. Absolute poverty is also a problem. In 2008, 33 percent of Panamanians lived below the national poverty line. In urban areas, the poverty rate was 18 percent, and in rural areas it was 60 percent (The World Bank 2013).
Opportunities for upward mobility are also unequally distributed in Panama. A 2008 study of six Latin American countries found that Panama, along with Guatemala and Brazil, was the most opportunity-unequal. Ethnicity and birthplace, specifically, were found to be significant determinants of lifetime economic outcomes (Ferreira and Gignoux 2008).

Inequality is partly a consequence of the dual nature of Panama’s economy. The main economic driver is the dynamic, internationally-oriented, competitive, and modern service sector. This sector has historically dominated the Panamanian economy and continues to do so today. In 2011, value added in the service sector made up 79.4 percent of Panama’s GDP of $26.8 billion (all quantities are in US dollars). Outside of this, a large portion of the population makes their living in relatively low-productivity, low-wage occupations in the informal and agricultural sectors.

Within the service sector, transit and commerce are the principal activities. The centerpiece of the economy is the Panama Canal, whose operations comprise around 6 percent of GDP (Hornbeck 2011). There are a variety of businesses that have formed around the Canal’s operations, including the Colon Free Zone (CFZ), the world’s second largest free trade zone after Hong Kong, and an international banking sector, located in Panama City. Overall, the service sector is capital intensive and produces relatively few good jobs (Zimbalist and Weeks 1991).

Agriculture plays a significant role in the economy in terms of employment, but is not competitive internationally. Agricultural value-added made up just 4 percent of Panama’s GDP in 2011, but 17.9 percent of the labor force was employed in the sector as of 2009, and it supports an even higher proportion of the rural population. High wage levels contribute to its lack of competitiveness on world markets, and tariffs are needed to protect key commodities like sugar, rice, poultry, and pork (Hornbeck 2011).

Manufacturing is relatively unimportant in the Panamanian economy because it is so small. It currently makes up only about 5.6 percent of Panama’s GDP, and its share of value-added has been falling over the past 10 years (The World Bank 2013).

Since 2003, Panama’s economy has done exceptionally well by conventional measures. From 2003 to 2011, GDP grew at an average annual rate of 7.97 percent. If
2009, the year of the global recession, is removed, the annual average for this period jumps to 8.5 percent (The World Bank 2013) (see Graph 3.1 in the appendix). Over this same period, per capita income doubled, going from $7,310 in 2003 to $14,510 in 2011.

The industrial and service sectors drove most of this growth. Over this period, the average annual growth of value-added in the industrial sector was 7.8 percent. For the service sector it was 8.6 percent. Over the same period, manufacturing and agricultural grew at just 2.2 percent and 0.1 percent, respectively (The World Bank 2013). Industrial and service sector growth is being driven by the $6 billion Canal expansion, the CFZ, the international banking sector, and a construction boom propelled by public investment in infrastructure projects, including Central America’s first subway (The World Bank 2011).

GDP growth has been accompanied by falling unemployment. Between 2001 and 2012, unemployment among the economically active population dropped from 14 percent to 4 percent (Instituto Nacional de Estadística y Censo 2013) (see Graph 3.2 in the appendix). However, there are at least three reasons to be cautious.

First, disaggregated data shows that young men with less education are doing poorly compared to other groups. In 2008, the unemployment rate for men aged 15-24 was 12 percent, twice the rate for the entire working age population (International Labour Organization 2011) (see Graph 3.3 in the appendix). Men with just primary education comprise over 44 percent of all male unemployment. Those with secondary education make up 38.6 percent, and those with tertiary education make up 16.4 percent (The World Bank 2013) (see Chart 3.4 in the appendix).

Second, falling unemployment does not necessarily mean those at the lower end of the labor force are benefitting. Part of the drop in unemployment might be explained by workers moving from the informal to the formal economy. From 2004 to 2010, the percentage of Panamanians working in the non-agricultural informal economy dropped from 47 percent to 37 percent. In Panama City, the change was of the same magnitude, with employment in the informal economy dropping from 41 percent to 31 percent over the same period (Instituto Nacional de Estadística y Censo 2013) (see Graph 3.5 in the appendix).
Third, the structure of growth has important impacts on inequality. Between 2003 and 2008, inequality in Panama got worse. The World Bank paper that reported this data (The World Bank 2011) argues that service and industrial sector growth is pro-rich and inequality-enhancing for two reasons. One, given that the Canal and banking sector are two of the most important drivers of the service economy and neither are labor intensive, growth in these sectors is unlikely to have much impact on employment or poverty. Second, since the service and industrial sectors are based in and around Panama City and the Canal, growth in these sectors concentrates wealth in the already wealthy regions, increasing rural-urban disparities. A third argument, not made in the World Bank paper, is that the dominance of the service economy has had a negative influence on the development of the agricultural and manufacturing sectors by drawing resources away from these productive activities. These are the two sectors that could potentially generate a greater number of good jobs for a wider range of skill levels.

Oligarchic Political Control

Linked to economic inequality, is the political dominance of a class of Panamanians connected to the transit and commerce-based economy. While not monolithic (indeed their political history is rife with internal divisions that opened paths for populists and military dictators to take power), this economic elite is referred to in this paper as the merchant class.

The origins of oligarchic control, as in most of Latin America, date back to Spanish colonization. Panama was initially integrated into the Spanish empire in the early 16th century as a transit route for the Incan gold being taken from Peru and shipped to Spain. Until the British destroyed it in 1739, the city of Portobelo, on Panama’s Atlantic coast, was one of just three mainland ports in the Americas that was authorized to trade with Spain. An urban merchant class, of European origin, developed around this trade. With their power unchecked by large rural landowners (as it was in other Spanish American colonies), this class became the dominant economic and political force in Panama (Zimbalist and Weeks 1991).
When Panama gained independence from Spain in the early 19th century, it joined Gran Colombia. Despite numerous uprisings against Colombian rule, Panama did not gain its independence until 1903. Andrew Zimbalist and John Weeks, in their book, *Panama at the Crossroads*, argue that the Panamanian merchant elite was initially reluctant to split from Colombia because of their tenuous grasp on political power. In other former Spanish American colonies, the oligarchy controlled access to land and thus the economic livelihoods of the peasant population. The Panamanian urban merchant class lacked this level of control. US interest in the rights to build, own, and operate an inter-oceanic canal across Panama, which Colombia would not give them, provided Panamanian elites with an effective military and police force to both support their push for independence and maintain their domestic control over the lower classes. Article 136 of the 1904 Panamanian Constitution gave the United States the unilateral right to intervene militarily in Panama’s domestic political affairs. The Conservative Party, in power from 1903-1912, were ardent supporters of this article, which allowed them to use US colonial forces to maintain political control (Zimbalist and Weeks 1991).

During the 20th century, the dominance of the original European-descendent merchant class was challenged by populist leaders and the military. The first challenge came from the Arias brothers, Harmodio and Arnulfo. They overthrew the sitting president in 1931, in concert with a coalition of middle class professionals and bureaucrats. Uniting these groups was a common opposition to US influence over Panamanian political and economic life. They subsequently won elections by building a base of support among the professional and working classes, using a racist, nationalist ideology to attract Panamanians of Latin cultural heritage (Zimbalist and Weeks 1991). As president, Arnulfo was deposed three times by military coups. After the first two coups, in 1941 and 1951, the military returned power to the merchant elite. However, after the third coup, in 1968, the military remained in power, led by General Omar Torrijos.

Both Omar Torrijos and Manuel Noriega, the military dictator who succeeded Torrijos after he died in a plane crash in 1979, had an ambiguous relationship with the merchant class. Their economic policies tended to benefit the continued accumulation of
wealth by domestic groups linked to the internationally-oriented service sector. This was most obviously manifested in the 1970 banking law that spurred development of the offshore banking sector. Simultaneously, however, many of Torrijos’ economic policies were on the ideological left and benefitted the historically marginalized masses. Examples include the expansion of rights for organized labor and implementation of agricultural land reform. Generally speaking, their mechanisms of political control were also tenuous. Torrijos based his legitimacy on nationalist sentiment. Noriega used armed force (Zimbalist and Weeks 1991).

In 1989, the US invaded Panama to depose Noriega. The transition to democracy that followed has in some ways reasserted the political dominance of the merchant elite. Zimbalist and Weeks, writing soon after the invasion, are critical of the regime installed by the invading forces, writing that the Guillermo Endara government amounted to, “a government of the country’s white and wealthy elite installed on a US military base.” (Zimbalist and Weeks 1991, 155)

Writing 17 years later, and after three democratic elections, Harry Brown Arauz, a Panamanian political scientist, argues that the transition to democracy “contracted” the political system. Segments of the population whose participation had been guaranteed through corporatist ties to the military dictatorship became marginalized. In the new system, political parties are the main conduits for democratic participation. To the detriment of wider representation, the structure of the electoral system has contributed to the consolidation of political parties. Many of the smaller parties that did exist have disintegrated, and new ones have not emerged. Laws restrict the formation of new parties, and the nature of presidential elections necessitates coalition building. Smaller parties tend to ally with one of the larger parties for elections. This ensures that only presidential candidates from the larger parties within coalitions make it onto the ballot (Brown Araúz 2008).

The three largest parties are the Partido Panameñista (PPa), the Partido Revolucionario Democratico (PRD), and Cambio Democratico (CD). The PPa is the oldest party in Panama, formed in the early 20th century by Arnulfo Arias. It began as a nationalist party opposing US influence in Panama, supported by middle and lower class
Panamanians of Latin cultural heritage (Zimbalist and Weeks 1991). The current party platform promotes nationalism and the role of agriculture in the economy (Partido Panameñista 2010). It is ideologically conservative and draws most of its support from the central interior provinces, which are largely agricultural and culturally conservative.

The PRD is the largest party in the country, with over 660,000 members in 2008 (Brown Araúz 2008). It was formed by Omar Torrijos in 1979 and initially benefitted from the support of the armed forces. However, when the United States invaded in 1989, the National Guard was dissolved, eliminating the PRDs source of legitimacy. In response, the party democratized their internal decision-making processes by increasing member participation and implementing a system of primary elections. This bolstered the party's democratic credentials, a necessary step given their association with the dictatorship (Brown Araúz 2008). The party promotes social democratic values, placing it on the ideological left (Partido Revolucionario Democrático 2012).

_Cambio Democratico_ is a relatively new party. It was formed in the late 1990s by a group of professionals led by Ricardo Martinelli, a right-wing businessman. Brown Araúz writes that Martinelli created CD to advance his personal political ambitions (Brown Araúz 2008). In the 2009 presidential elections, Martinelli won as the CD candidate, breaking the pattern of PPa and PRD alternating presidential mandates every five years.

**Politics and Policymaking**

The Panamanian system is made up of an executive, a legislative, and a judicial branch. In practice, the president holds most of the power and usually can set public policy as he/she pleases (Brown Araúz 2008). In part this power comes from constitutional authority, and in part it is due to a lack of institutional development that leaves the courts and legislature relatively weak. Presidential power to set public policy varies with the strength of the governing coalition. Between 1990 and 2009, PRD presidents exercised greater power thanks to stable legislative majorities. The PPa, on the other hand, was less successful electorally and, thus, their presidential administrations had to contend with a more oppositional legislature, constraining their ability to dictate policy.
Between 1990 and 2009, presidential elections (held every five years, with no consecutive terms allowed) alternated between the PPa and PRD. Only in the 2009 election was a third party, Martinelli’s CD, able to break this pattern. The trend of opposition parties winning presidential elections, combined with politicization and low capacity of government ministries, has important implications for public policy.


An Inter-American Development Bank (IDB) report from 2006 ranked Panama last in Latin America on the “Bureaucratic Merit Index.” This reflects a “strong politicization of decisions on hiring, promotion, and dismissal.” (Stein et al. 2005, 68–69) Interviews with government officials all confirm the high levels of personnel turnover in the ministries when presidential administrations change. High staff turnover creates problems for policy design and implementation by truncating learning and the formation of institutional memory. The effects of discontinuity in policy and implementation processes are discussed in more detail below. The same IDB report ranked Panama third lowest on the “Bureaucratic Functional Capacity Index,” which implies low “technical capacities and incentives for effective performance” in Panamanian bureaucracies (Stein et al. 2005, 69).

Outside of the main political parties, there are a few groups in Panamanian society that can exert pressure on the political decision-making structure. One important group is the Catholic Church. The Panamanian public holds the Church in high esteem. In 2005, a survey showed that over 80 percent of Panamanians trust the church. No other institution came close to this level of public confidence (Ortuño 2006).
Also important are trade unions, business associations, and social movements organized around specific issues. As political parties have lost the ability to mobilize citizens, these civil society groups have become the conduits for people to voice their grievances (Gandásegui 2010). Mainly through street protests and demonstrations, organizations of retirees, teachers, indigenous groups, public sector workers, and others have been able to exert pressure to stop or push the government toward action. Most recently, citizens took the streets in cities across the country to protest a law that authorized the sale of public land in the CFZ to private investors. After over a week of violent protests, the president backed down and recalled the law (Telesur 2012).

The largest trade union is the construction union, SUNTRACS (for its acronym in Spanish, Sindicato Único de Trabajadores de la Construcción y Similares). Thanks to the importance of the construction industry in Panama’s recent economic boom and the efforts of SUNTRACS, its members have benefitted greatly in terms of capturing some of the economic wealth being generated (Brown Araúz 2008). However, workers in general have been unable to counter the push for more labor market flexibility over the past twenty years (Gandásegui 2010).

Another important group is business. While not homogenous, generally speaking the laissez faire nature of the Panamanian economy and the weakness of the relatively young democratic institutions leave ample room for business interests to insert themselves in the policy-making process (Brown Araúz 2008).

Socio-Spatial Segregation in Panama City

Class divisions have also affected the socio-spatial development of Panama City. Olmeda Varela, a Panamanian sociologist and scholar of urban and regional development, identifies three general stages of Panama City’s metropolitan growth as of the late 1990s. The first stage, which he calls the Colonial City, lasted from the city’s founding until the turn of the 20th century. In 1673, two years after the English pirate Henry Morgan burned the original Panama City to the ground, the Spanish settlers relocated to a peninsula five miles to the southwest, the site of present day San Felipe. They built a new settlement according to the Leyes de Indias, with a defensive wall
surrounding a Plaza Mayor and streets in a grid pattern (Map 3.6). As in other Spanish-American colonies, spatial segregation of the rich and poor was planned from the beginning. In the Colonial City, the upper classes lived inside the walls and the lower-classes lived outside the walls (Varela 1998).

Map 3.6: Plan of Panama City and Suburbs, 1789

Source: National Library of Spain (Author: Tomás Lopez)

The next stage of Panama City’s growth, which Varela labels the Post-Colonial City, happened as a result of the canal’s construction, which lasted from 1903-1914. Workers from Panama’s interior and from around the Caribbean came to work on the canal. Many of these workers moved to Panama City and new working-class neighborhoods were constructed on the north and west edges of the city. The urban core of San Felipe became increasingly congested. Upper-class Panamanians, in order to escape these new arrivals, began to move out to new spacious suburbs built to the north of the Bay of Panama (Map 3.7). Business activity followed the wealthy to the new suburbs (Varela 1998).
Map 3.7: Panama City Metropolitan Growth, the Post-Colonial City

Source: Author

The larger pattern of urban growth in 20th century Panama City was shaped by the presence of the US-controlled Canal Zone (Map 3.8). As part of the original Canal treaty, the United States was given sovereign control over a 40-mile by 10-mile strip of land extending along the proposed canal route from the Pacific to Caribbean coast. At the Pacific side, the border of this colonized zone extended to the western edge of Panama City. This had the effect of forcing Panama City to grow out laterally, away from the original center of San Felipe and pressed between the Pacific Coast and the Canal Zone border, past which Panamanians were not allowed to build, reside, or even travel freely (Espino 2009). The Colonial City core of San Felipe and Santa Ana was increasingly geographically marginalized, with just one main road connecting them to the new city center.
After the end of the canal's construction, jobless laborers who could no longer afford to pay rent in the crowded working class neighborhoods in and around San Felipe, moved out to empty lands to the northeast, leapfrogging the new upper-class suburbs. This stage, which Varela calls a Second Post-Colonial City (Map 3.9), mirrors the spatial pattern of the colonial walled city. The upper classes and business activity concentrated in and around the new geographic center and the lower and middle classes spread out on the periphery in areas like Rio Abajo, Pedregal, and the district of San Miguelito (Varela 1998).
While the socio-spatial distribution in present-day Panama City is still generally in this Second Post-Colonial stage, it is important to note that the decolonization of the Canal Zone by the United States, completed on December 31, 1999, opened up this area to potential residential, commercial, and industrial development. It is beyond the scope or purpose of this paper to explore this in any depth.

The dominance of the commerce and transit-based economy, concentrated around the Canal, ensures that Panama City remains the dominant population center in the country. Over the second half of the 20th century, Panama City's population grew rapidly, driven in part by rural-urban migration. Between 1950 and 2010, the population of the province (also named Panama) grew from 250 thousand to over 1.7 million, an increase of 700 percent. In 2010, this accounted for about half of the country's total population. Most of this is concentrated in Panama City. In the 1990, 2000, and 2010 censuses, around 90 percent of the people living in the province of Panama resided in the
four districts that comprise the Panama City metropolitan area (Panama, San Miguelito, Arraijan and La Chorrera) (Instituto Nacional de Estadística y Censo 2010).

**Pandillas of Panama City**

One consequence of deep inequality and segregation (in addition to other factors) has been the emergence of violent street gangs, *pandillas*, in the poor and marginalized neighborhoods of Panama’s cities. The Panamanian government considers a gang to be any group of three or more individuals that forms with the purpose of committing illegal acts and has at least two of the following traits: an internal structure, hierarchy, territorial control, or identifying symbols (Asemblea Legislativa 2004). By this definition, a gang is not necessarily involved in violent activities. The gangs that this paper is about, however, were all involved in acts violence.

**Social and Economic Violence**

Caroline Moser and Cathy McIlwaine, two British scholars who have worked extensively on issues of violence in Central and South America, have developed a framework for violence reduction. Their definitions of the types of violence are useful for thinking about gang violence. Two of the types they identify are social violence and economic violence. Social violence is “motivated by the will to attain or keep social power and control,” and often manifests as violence between peers, violence over territory, or violence based on identity, such as membership in a group. Economic violence “is motivated by material gain” and is associated with street crimes such as robbery, drug dealing, and kidnapping (Moser and McIlwaine 2006, 93).

**Origins of a Gang**

In Panama, street gangs first emerged in the 1980s. The number of gangs did not begin to really increase until after the US invasion of 1989. Estimates of the number of gangs operating in the country vary by source, in part because Panama’s gangs are constantly forming, merging, and/or dissolving. A Ministry of Social Development (MIDES) official interviewed for this paper estimated that in 1990 there were no more
than 20 gangs in the entire country. There is a general consensus that the number of gangs today is well over 200. According to the National Police Anti-Gang Unit, in the province of Panama alone in 2004 there were 88 gangs, and by 2007 there were almost 200 (Sistema Nacional Integrado de Estadísticas Criminales 2008).

The literature on how and why gangs emerge is vast and points to an incredible complexity of causes. Oliver Jütersonke, Robert Muggah, and Dennis Rodgers⁴ identify a variety of motivations for young men forming or joining established gangs in Central America. At one level are structural factors such as a culture of machismo, social exclusion and inequality, unemployment, access to weapons, and legacies of authoritarianism and armed conflict. There are also family, peer-group, and individual factors, including: wanting to hang out and party, escaping family problems, and joining because a friend was a member (Jütersonke, Muggah, and Rodgers 2009).

Specific to Panama, there are a number of studies that have looked at the factors underlying gangs and youth violence (Sistema Nacional Integrado de Estadísticas Criminales 2008; Turner 2005; Rubio 2006). Furthermore, interviews conducted for this paper support much of what has been written. The picture that emerges from these sources is of a variety of complex and interrelated factors that lead young men into gang violence and crime. Jütersonke’s distinction between structural and family/peer/individual factors is useful for making sense of this complexity.

One reason why gangs expanded beginning in the 1990s was that the US invasion dissolved the coercive security apparatus of Noriega’s military dictatorship. Under Noriega, drug trafficking and distribution networks were famously run by the armed forces (indeed, this was President Bush’s justification for war). The military monopolized contact with foreign drug suppliers. A few local gangs, which reported directly to the military, were in charge of retail drug distribution. As a result of the US invasion, the armed forces were disbanded. The centralized network of drug distribution lasted for a few more years. But by the late 1990s, new criminal groups had begun

⁴ Jütersonke is the Head Research, and Muggah and Rodgers are Research Fellows, at the Centre on Conflict, Development, and Peacebuilding (CCDP) at the Graduate Institute of International and Development Studies in Geneva, Switzerland.
forming and making independent contact with drug suppliers and robbing rival gangs’ drug shipments.

The preceding chapter outlined how political, economic, and socio-spatial structures have shaped and reinforced a highly unequal society. These inequalities block poor young Panamanians from opportunities for advancement through the formal, legal educational system and labor market. A 2008 Crime Report, produced by the Ministry of Government, reads:

“"The urban population groups with the lowest participation rates in the national economy are the same as those that commit crimes at the highest rate. This is the result of two simultaneous phenomena. One, these groups are often surrounded by individuals who are getting rich via illicit activities. And two, these groups have little opportunity to enter into and advance through an increasingly competitive labor market in which high paying jobs go only to the highly educated. This reality presents few opportunities for the young men and women of poor neighborhoods, many of whom are recruited by gangs and organized crime before reaching high school."” (Sistema Nacional Integrado de Estadísticas Criminales 2008, 11, translated by the author)

In interviews, the lack of opportunities for good-paying jobs often came up as an answer for why youth join gangs and why leaving them is so hard. The testimony of Javier, a former gang leader, is instructive. His decision to join a gang at the age of 20 came down to a simple calculation. He could work a full-time, minimum wage job and make around $400 a month. Or he could make that same amount in a couple nights on the street, presumably through robberies and selling drugs. The temptation of the latter was too strong for Javier, and for the other former gang members interviewed.

Deficiencies in the public education system also play a role in gang membership, as many kids drop out of school to join gangs. As indicated in the Crime Report quote, many gang members recruit kids at a young age. Minors are particularly attractive recruits because they cannot be prosecuted as adults, and so are often tasked with carrying drugs and weapons, and committing crimes. Among the former gang members interviewed, the age of first entering or forming a gang ranged from 8 years (Rafa) to 20
Jesus, a member of a now-defunct gang from San Felipe, recounted how he used to teach kids as young as ten how to shoot a gun and use a knife correctly.

Exiting the school system at such a young age makes leaving a gang much harder. Without a basic education, transitioning out of a gang and into the legal labor market without help is close to impossible. Javier claimed that the majority of his former gang was illiterate. One study found that, of school age young men who had been out of school for two years, 53 percent were members of a gang. Of young men who had been out of school for three or more years, 69 percent were part of a gang (Rubio 2006).

There are also factors at the family, peer, and individual level that influence violence and gang membership. In every study and interview, one of the primary causes of violence and gang-affiliation is the breakdown of the family and habits learned early on in the household. Domestic violence, in particular, has a strong impact on a child developing into a violent adolescent. As related by Javier:

"Where do gangs originate? In the home. That's where a gangster is born. Because where does a gangster first learn that violence is an appropriate means to defend oneself? When...a kid sees his father hit his mother; a kid sees his father be violent and fight with his neighbors...This, little by little, starts to affect the kid...” (Javier 2012, translated by the author)

In addition to the push factors of economic exclusion and family disintegration, gangs also have other ways to pull in young men and women. One factor, mentioned in the Crime Report quote, is the visibility in low-income neighborhoods of individuals making money from illegal activities. In addition to money, gangs also provide emotional support and a sense of belonging to marginalized young men who are excluded from mainstream society, viewed as problematic, and lack a true home. As an architect of the MIDES program wrote, gang members speak of their gangs in terms of trust among members; protection against common enemies; a sense of belonging and identity; and self-esteem built through fame, money, and power. In interviews for this paper, former gang members cited various reasons for being attracted to gangs, including the desire for money, fame, and partying, the need to protect themselves from other gangs in their
neighborhood, and pressure from friends and older gangsters. Oscar, one former gang leader, spoke nostalgically of how his gang was like a family that lived and ate together.

**Characteristics of Panama’s Gangs**

As part of the MIDES reintegration program discussed below, a survey of gang members was administered. While the validity of these data is hard to confirm, they give a general idea of the characteristics of Panama’s street gangs that aligns with the information gathered in interviews. According to the survey, the majority of gang members are males aged 13-25. The average size of a gang is between 15 and 25 members. Most gangs are located in poor urban neighborhoods. Most members consume drugs, the most popular being weed, and are more sexually active than non-gang members of their same age group, often becoming parents as teenagers.

Regarding the amount of territory controlled by gangs, the survey did not provide information. But, at least in the historic district, gangs do not control more than a few square blocks, and some are even limited to just one street.

Panamanian gangs take part in a variety of illicit economic activities, including burglary, drug dealing, extortion, kidnapping, assassinations, drug trafficking, and robbing drug shipments (called *tumbes*). Depending on the success of the gang and an individual’s position within the hierarchy, the amount of money that one can earn varies. Those at the top, or with connections to foreign drug traffickers and organized crime, may earn substantial sums of money. Those at the lower levels of the hierarchy, however, who mostly do retail drug deals and petty robberies, do not tend to earn much money. This creates an opportunity to lure them back into mainstream society with decent paying jobs.

Panamanian gangs are perpetrators of both economic and social violence. The money-generating activities discussed above all involve forms of overt violence. Gangs are also often at war with each other. Given the ready availability of guns in Panama, gang wars often involve shootouts on the street and in other public spaces. Wars begin for a range of reasons, including territorial disputes and personal insults, real or perceived.
Reducing Violence: Repression vs. Prevention

There are two ways governments can deal with youth violence: repression and/or prevention. Repression, or control, is a reaction to violence that has already been committed. The police and criminal justice system are the main tools governments can use to control violence and crime, usually by catching and punishing offenders. Prevention, on the other hand, attempts to address the multiple causes of violence and act to preclude future violence and crime.

Repressive control measures, called Mano Dura in Spanish-speaking countries, were most famously employed in Panama by the military dictatorship of Manuel Noriega. Since democratization, successive administrations have implemented Mano Dura policies, although nowhere near the overt repression exercised by Noriega. Many of these measures were motivated by pressure from civil society. Anayansi Turner, a professor in the University of Panama’s Faculty of Law and Political Science, writes that media sensationalism in Panama stokes popular fear of youth as violent criminals, despite a lack of evidence that young people commit more violent crime than adults (Turner 2005). There is also evidence that the visibility of repressive policies makes them politically popular in countries facing problems of violence and insecurity (Jüteronke, Muggah, and Rodgers 2009).

Mano Dura laws and measures in Panama include Law 40 of 1999 and a package of reforms in 2004 that included Law 48. Law 40 lowered the age for adult prosecution to 14 years old. Law 48, originally the Anti-Gang Bill, established the definition of a gang as any group of three or more people who join together to commit crimes and “that has at least two of the following characteristics: internal structure, hierarchy, territorial control, or the use of personal or collective symbols to identify members.” (Asemblea Legislativa 2004) The law made membership in a gang a punishable by 1-3 years in prison. Leaders or financial supporters could be punished with 3-5 years in prison.

In addition to Law 48, the Mano Dura reforms of 2004 included National Police operations in designated areas across the country. In one of these areas, Curundú, Anayansi Turner interviewed an individual who claimed there “was a lot of abuse at the
The operations included police checkpoints, unannounced home searches, and curfews.

One indicator of rising crime and the repressive response of the Panamanian government is the prison population. From 1990 to 2005, the prison population grew by 350 percent, from 18,851 detained to 65,846. This translates to an increase from 8 prisoners per 1,000 persons in 1990, to 20 prisoners per 1,000 persons in 2005 (Instituto Nacional de Estadística y Censo 2013) (see Graph 3.10 in the appendix).

The failure of these kinds of policies, which criminalize youth, has been well documented across Central America. In the early 2000s, El Salvador, Honduras, and Guatemala all implemented some form of Mano Dura to combat rising violence. El Salvador was the first to pass a repressive law as part of their war on gangs in 2003. The law was quickly declared unconstitutional by the Salvadoran Supreme Court for violating the UN Convention on the Rights of The Child. A subsequent law was passed, which did not violate the UN Convention, and lengthened prison sentences for gang membership. The prison population doubled in just five years under this policy.

Honduras soon followed with a policy called Cero Tolerancia, inspired by Rudy Guliani’s Zero Tolerance program in New York. The Honduran law made gang membership a prisonable offence and the response to gangs was securitized through cooperation between police and army. In 2004, Guatemala enacted Plan Escoba, which treated minors as adults and deployed army troops to capital city neighborhoods.

Studies of the effects of these programs have found that, although politically popular for their visibility, actual reductions in crime were mostly temporary. In Honduras, repression had the opposite effect of strengthening gang affiliation and cohesiveness (Gutiérrez Rivera 2010). In all the above countries, gangs adapted to repression by adopting new methods of avoiding capture, improving their internal organization, professionalizing, and moving across national borders (Jütersonke, Muggah, and Rodgers 2009).

As opposed to repressive control tactics, prevention attempts to address the multiple causes of violence and act to preclude future violence and crime. These approaches begin from an understanding that violence is not just about a law being
broken, but is deeply rooted in politics, economics, and social relationships. One way to understand prevention is by looking at the stage at which it is conducted. There are three time-specific levels of violence prevention. Primary prevention efforts seek to preclude youths from ever becoming violent through early interventions in schools, families, and communities. Secondary prevention focuses on youths that are at-risk or are already on the path towards violence. Programs for gang members fall into this category. Interventions at this stage focus on human development, helping dropouts complete school, work training, and labor market insertion. Tertiary prevention focuses on those individuals who have already committed acts of violence, have been caught, and are being punished. Interventions at this level include rehabilitation efforts in the prison system and reintegration efforts for those leaving prison.

Another way to think about prevention efforts is by looking at the unit of intervention. At the individual level, prevention efforts often include developing social, cognitive and problem-solving skills; improving peer relations; and changing individual beliefs. "Wraparound" programs offer multiple services to individuals across sectors like health, education, and employment. Prevention efforts can also intervene at the family-level through efforts to reduce domestic violence and teach parenting techniques. Community and municipal-level interventions address issues like housing and creating safe public spaces. Finally, national-level interventions deal with more structural issues like poverty, inequality, unemployment, discrimination, and access to firearms. In reality, effective prevention efforts probably need to address multiple motivating factors and, therefore, should target multiple levels.

There is a strong theoretical foundation for using preventative interventions to deal effectively with youth violence. One type of prevention is particularly relevant to the case examined in this paper, given the focus on social development. This is the “youth development” model, which tries to facilitate a healthy transition to adulthood for adolescents by using positive adult role models, services, opportunities, and supports (Hoffman, Knox, and Cohen 2011). J. David Hawkins and Joseph Weis, US-based professors of social work and sociology, respectively, integrate control theory and social learning theory to develop a social development model of youth violence prevention. The
model posits that social bonds form at various units (family, school, peers, communities) when youths have the opportunity to interact with "conventional" others and engage in "conventional" activities. But for positive social bonds to develop, youths must experience and evaluate these interactions positively. This, in turn, depends on developing the skills necessary for conventional involvement and on being rewarded via positive reinforcement for successful involvement and skill development. If this is achieved, the authors hypothesize that a youth will form positive social bonds of attachment to conventional society, and will be less likely to associate with delinquent peers (Hawkins and Weis 1985).

There is also ample empirical evidence that certain types of prevention measures have worked. Proven strategies include focusing on early childhood development, increasing access to preschool, offering mentoring and tutoring services, reducing dropout rates and increasing high school graduation rates, preventing unwanted teenage pregnancies, providing parenting training for first-time parents, offering youth-friendly health services, providing family therapy, offering structured activities for youth (such as sports and community service), forcing men to do community-service with a focus on gender issues, and teaching social skills such as problem solving and self-control (Gallardo and Gómez 2008; Hoffman, Knox, and Cohen 2011). Other approaches that involve working with youth that have already exhibited "risky" behavior have not yet been rigorously evaluated but do offer promising paths. These include educational equivalency programs, job-training, financial incentives to finish school, afterschool programs, youth service programs, mentoring, employment services, life-skills training, and entrepreneurship programs (Hoffman, Knox, and Cohen 2011).

Of the programs that have proven effective, there are a few common elements to their success that have made it into the United Nations technical crime prevention guidelines. One, all successful programs involve the active participation of youth, families, and communities in design, implementation, and follow-up. Second, these programs are integrated, multisectoral approaches. Third, they are inclusive approaches that reduce the social marginalization of youth and create spaces for youths and communities to come together. This is important in dispelling the stereotypes of youths as delinquents. Fourth,
programs are targeted and tailored to meet the needs of specific at-risk groups (Gallardo and Gómez 2008; Hoffman, Knox, and Cohen 2011). It is worth pointing out that a key innovation of many of these programs, particularly ones that have worked specifically with gangs, is that they have built interventions “on the basis of a grounded appreciation of local context.” (Jütersonke, Muggah, and Rodgers 2009, 386)

Prevention in Panama

In Panama, secondary prevention efforts targeted at gangs can be traced to the late 1990s in Puerto Pilon, a small city in the province of Colon. In response to the rising violence brought by gang wars, a group of evangelical Christians and gang leaders decided to act. With the help of the mayor, private enterprises, and the National Police, a peace process was initiated that worked on the spiritual, social, and psychological development of the gangsters. As part of the project, gangsters were given vocational training and jobs with private companies in Colon.

In 1997, the national government led by President Ernesto Pérez Balladares (PRD) created the Ministry of Youth, Women, Children, and the Family (which became the Ministry of Social Development, MIDES, in 2005). Since its creation, MIDES has been the national government authority responsible for youth violence prevention. Based on the success of the Puerto Pilon project, MIDES expanded the prevention program to Colon City in 1998 under the name Banda en Positivo, and later as Algo Bueno Esta Pasando en Colón. The program provided social development services, vocational training, and employment to help gang members reintegrate into mainstream society. The role of the evangelical church in providing services and private companies, especially the new cruise ship terminal, Colón 2000, in hiring program participants was crucial. These MIDES programs successfully achieved a peace among the gangs, although this proved temporary. In 1999, the programs were discontinued when the presidential administration changed. Gang prevention efforts were left to civil society. Since 2000, gangs have reasserted themselves, and Colon remains one of the most socially marginalized and violent urban areas in the country.
In 1999, the new administration of President Mireya Moscoso (PPa) shifted MIDES's prevention efforts to Panama City, and specifically the neighborhoods of San Joaquin and Curundú. The new program was named *En Busca de Oportunidades*, and it provided public employment for gangsters. In interviews, one person involved in the Colon projects and another who was working on a project with the gang, *Perros de San Joaquín*, before MIDES became involved, argued that the government’s motivation to work in these areas was superficial and that the programs never effectively addressed the problem of gangs. Towards the end of Moscoso’s administration, Panama implemented its first *Mano Dura* policy, Law 48, discussed above. And once again, when the government changed in 2004, MIDES programs were discontinued and new ones began.

Between 2004 and 2009, the administration of President Martin Torrijos (PRD), son of General Omar Torrijos, implemented both control and prevention measures. MIDES initially launched a prevention program called *Mano Amiga* in 2004. In 2005 the Office of the Minister of MIDES directly launched the *Por Una Esperanza* program, explained in detail in the next chapter. In 2006, the primary, secondary, and tertiary prevention programs run by MIDES were incorporated into a comprehensive public security plan, PROSI (*Programa de Seguridad Integral*), which received a $22.7 million loan from the IDB. Under PROSI, secondary prevention programs based on the *Por Una Esperanza* model were expanded nationwide.

PROSI survived the change in presidents in 2009, when opposition candidate Ricardo Martinelli (CD) took office. It is administered by the Ministry of Government (MINGOB), which has jurisdiction over the police, courts, and prison system. The IDB loan provided funding for two types of activities: One, institutional strengthening and capacity building for MINGOB, MIDES, the Ministry of Education, the National Police, and municipal governments; and two, prevention programs that ranged from primary programs such as extracurricular activities for schoolchildren, to secondary programs based on the *Por Una Esperanza* model, to tertiary programs based in the juvenile detention center. (“Panama Comprehensive Security Program (PROSI) Loan Proposal” 2006)
The Historic District in the Midst of Rapid Change

In 2005, when the MIDES gang reintegration program began, the historic district was rapidly gentrifying. The problems built up by decades of absolute neglect threatened government and private sector efforts to revitalize the district.

The horizontal pattern of Panama City's growth along the Pacific Coast left the historic district geographically marginalized. The outmigration of wealthy Panamanians and businesses left the district increasingly economically and socially marginalized. By the 21st century, the historic district was suffering from concentrated poverty, high unemployment, low educational attainment, informal housing arrangements, and gang violence.

The concentration of lower- and middle-class Panamanians in the new urban peripheries of San Miguelito (and increasingly La Chorrera and Arraijan on the other side of the former Canal Zone), shifted Panama City's population away from the historic district. The share of Panama City's population in the neighborhoods of San Felipe, Santa Ana, and El Chorrillo dropped from 17.1 percent in 1970, to 8.2 percent in 1990, to just 4.6 percent in 2010 (Varela 1998; Instituto Nacional de Estadística y Censo 2010).

Part of this proportional shift was due to fast growth in the peripheral neighborhoods, which absorbed the majority of new arrivals to the city, but the historic district also lost population over this period. Between 1990 and 2010, the population of San Felipe dropped from 10,000 to 3,200; the population of Santa Ana dropped from 27,600 to 18,200; and the population of El Chorrillo dropped from 20,400 to 18,300 (Instituto Nacional de Estadística y Censo 2010) (see Table 3.11 in the appendix).

Data from multiple sources indicate that by the early 2000s, historic district residents were overwhelmingly unemployed or in low-paying jobs, and had low educational attainment. Table 3.12 shows the median household income in 2000 for the three historic district neighborhoods and three neighborhoods in the new urban center (Betania, Bella Vista and San Francisco), as compared to the district-wide median. All three historic district neighborhoods are below the district median, and all three central neighborhoods are well above the median.
### Table 3.12: Median Household Income in the Historic District and Urban Center

<table>
<thead>
<tr>
<th>Place</th>
<th>Median monthly household income (in US$)</th>
<th>Percentage of district-wide median household income</th>
</tr>
</thead>
<tbody>
<tr>
<td>Panama (district total)</td>
<td>$587.40</td>
<td>100%</td>
</tr>
<tr>
<td>San Felipe</td>
<td>$439.40</td>
<td>75%</td>
</tr>
<tr>
<td>El Chorrillo</td>
<td>$378.40</td>
<td>64%</td>
</tr>
<tr>
<td>Santa Ana</td>
<td>$510.70</td>
<td>87%</td>
</tr>
<tr>
<td>Betania</td>
<td>$1,422.10</td>
<td>242%</td>
</tr>
<tr>
<td>Bella Vista</td>
<td>$1,825.50</td>
<td>311%</td>
</tr>
<tr>
<td>San Francisco</td>
<td>$1,338.30</td>
<td>228%</td>
</tr>
</tbody>
</table>

Source: 2000 Census, National Institute of Statistics and Census, Panama

Two studies conducted as part of the revitalization planning process provide a more detailed picture of the socio-economic situation of families in the historic district. One is the master plan for the restoration of the district, developed by the Panamanian government in 1998-1999 as part of the UNESCO World Heritage Site designation. The master plan study found that, in 1998, only 60 percent of heads of households held jobs and earned an income, and one-third of all households had a monthly income of less than $300 (Gobierno de Panamá 2001). The second study was done as part of an economic revitalization plan produced by the consulting firm ECODIT for the IDB in 2003. The ECODIT study found that fewer than 10 percent of heads of households in the historic district had a technical or university qualification, and one-third had only a primary education. Over 80 percent of families earned less than $250 per month (Espino 2009).

While each set of data slightly differs (due, perhaps, to different survey methodologies, changes over time, or the fact that employment and income for many Panamanians is informal and inconsistent), the picture that emerges is one of low educational attainment and low incomes.

As the wealthy left and the historic district became a primarily residential neighborhood for lower- and middle-class Panamanians, many property owners neglected to maintain their buildings. Beginning in the 1970s, new rental laws made renting-out apartments in the historic district unprofitable; and, in response, many property owners simply abandoned their buildings (Espino 2012). In the absence of a formal rental market, an informal market developed to facilitate the transfer of
apartments and rooms, and many residents officially became “squatters.” During the 1970s, the government also used buildings to house victims of fires from the rapidly deteriorating working class neighborhoods surrounding the historic district. In some cases the government paid rent to the owners, while in other cases they occupied the buildings with no compensation (Espino 2009). By the 1990s, a significant proportion of the historic district comprised informal living arrangements. A Ministry of Housing (MIVI) study from 1998 found that 43 percent of residents in San Felipe lived in houses that were classified either as “abandoned” or “condemned.” (Coulomb 2009)

**Gangs in San Felipe**

One consequence of the extreme marginalization of the historic district was an increasing level of gang violence. In 2005, there were four street gangs in San Felipe, *Los Hijos Prodigios, Los Chacales, the Hot Boys,* and *Ciudad de Dios.* Map 3.13 shows their distribution within the neighborhood. Gangs took advantage of the absence of property owners and occupied entire buildings, which served as their homes and bases for their operations. The most dramatic example of this was *Castillo Greyskull,* Panama City’s first skyscraper and still the tallest building in San Felipe, despite being only five stories tall. Originally built as a bank and department store in the early 20th century, the building was being converted into a short-stay hotel (called a *pension*) in the 1970s when the government decided to use it to relocate victims of a fire from elsewhere in the city. When the government stopped paying rent for the relocated families, the building’s owners abandoned the property. Over time, those families who were able to moved out as the building deteriorated. When *Los Hijos Prodigios* formed, they took over the building and renamed it *Castillo Greyskull.* In addition to *Los Hijos Prodigios* members, their families also lived inside.
Violence was a product of the gangs' income-generating activities and inter-gang warfare. For example, Los Hijos Prodigos were made up mainly of kids and were known to be much more violent than the other gangs. The Hot Boys, located on Calle 4ta, originally formed to defend themselves and their street from Los Hijos Prodigos, who would come to steal from cars and tourists. The police would harass the kids on Calle 4ta, thinking they were responsible for the robberies. To stop this, a group of Calle 4ta kids got together, got a gun, and stopped Los Hijos Prodigos the next time they came to their street. The need to buy more weapons for self-defense led them to commit robberies and sell drugs. These eventually became their primary activities, unrelated to their initial mission of self-defense.

Jesús, of Los Chacales, also at war with Los Hijos Prodigos in 2005, explained how many of his own personal beefs started. He would get high and imagine that kids in his
gang were pointing guns at him, threatening to shoot him. In reaction, he would get mad, beat them up, and kick them out of the gang. Those kids would then join rival gangs and eventually start wars of revenge.

Revitalization

The gang violence that spilled into the streets of the historic district clashed directly with the area’s revitalization, a process that began to take off after UNESCO designated the historic district a World Heritage Site in 1997.5

The first efforts to revitalize the historic district date to 1976, when the government passed Law 91, which designated the historic district a National Historic Monument (Consejo Nacional de Legislación 1976). The Panamanian Institute of Tourism (IPAT, later renamed the Tourism Authority, ATP) was put in charge of revitalization, restoration, and conservation efforts. From the 1970s until the late 1990s, restorations of individual buildings, monuments and infrastructure projects were completed. However, there was little involvement of the private sector, which held back a more widespread restoration effort since the majority of properties in the district are privately owned (Espino 2009). There was also a lack of an overarching plan, which caused restoration efforts to be isolated (Barrios López 2011).

The decolonization of the Canal Zone and the 1997 UNESCO declaration propelled forward development efforts, property speculation, and pressure to deal with previously ignored issues such as the gang violence.

Between the signing of the Torrijos-Carter treaties in 1977 and the handover of Canal operations on December 31, 1999, the United States incrementally transferred the Canal Zone lands to the Panamanian state. Finally achieving sovereign control over their entire national territory meant that, for Panamanians, the historic district was no longer isolated at the far edge of Panama City. It now lay in between the urban center and newly

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5 There was an increase in the rate of property restorations from 1.125 restorations per year during the period 1990-1997, to 8.54 restorations per year during the period 1997-2008 (Coulomb 2009, 14).
acquired land that was to be used for commercial, industrial, and residential
development.

Accompanying the UNESCO World Heritage Site declaration in 1997 were two
actions taken by the Panamanian government. The first was Law 9 of 1997, which sparked
an increase in private restoration and development, but also real estate speculation. The
law included financial incentives for private owners to restore their properties and new
rules that facilitated the process of evicting existing residents. Financial incentives
included low-interest loans for purchasing and rehabilitating historic properties, cheaper
mortgages for buyers of restored properties, and tax breaks for property owners and
businesses locating in newly restored buildings. The new rules governing evictions
permitted residents to be evicted from buildings once a restoration plan had been
approved by the National Institute of Culture (INAC) and once MIVI had surveyed
existing residents to determine how much compensation they were owed and who needed
help relocating to new housing. Building owners were responsible for compensating
residents according to the MIVI findings and were obliged to begin restoration and
construction within two years of evictions or face fines (Espino 2009).

The second action, proposed by UNESCO, was to develop an overarching master
plan for the area's architectural and social restoration, revitalization, and conservation. In
1998, the government formed a high commission to develop this plan. In 2000, this body
became the Oficina para la Retauración y Puesta en Valor del Conjunto Monumental
Histórico del Casco Antiguo de la ciudad de Panamá, or as it is commonly known, the
Oficina del Casco Antiguo (OCA). In addition to developing a master plan, which was
completed in 2001, OCA is also formally responsible for managing the physical
restoration of the neighborhood in a way that protects the cultural and human heritage of
the place and benefits existing residents (Oficina del Casco Antiguo 2013). Additionally,
they have funds to undertake restoration projects of properties owned by the national
government.

OCA is a national government office that falls under the institutional umbrella of
INAC. It is an inter-institutional organization with a board comprising the Director of
INAC, Minister of Housing, Mayor of Panama City, Minister of Tourism, and the
Minister of the Presidency. The day-to-day operations are managed by a technical office, which is run by the Director of OCA. The director is a political appointee. To date, no director has survived a change in presidential administrations. The director is responsible for staffing the technical office. As with other government agencies, when the director changes so does most of the staff.

OCA has an explicit mission to manage revitalization in a way that protects and enhances the wellbeing of existing residents:

"...To develop projects that guarantee the wellbeing of those who have lived in the neighborhood of San Felipe for generations..." (Oficina del Casco Antiguo 2013, translated by the author)

However, the increase in investment initiated by the UNESCO designation and Law 9 has tended toward an exclusionary form of development that has displaced existing low-income residents in favor of foreigners with more purchasing power, mainly North Americans and Europeans (Barrios López 2011; Espino 2009). There is reason to believe that a significant proportion of San Felipe's declining population from 1990-2010, mentioned above, can be explained by evictions (Coulomb 2009).

There are three reasons why historic district development may be considered exclusionary. One, the financial incentives of Law 9 attracted property speculators who evicted residents via formal and informal processes (by negotiating compensations outside the MIVI process, for example) but never undertook restoration projects. The means to sanction offenders was included in Law 9 to discourage speculation, but the government did not punish a single speculator during the first seven years of the law. By 2004, 15 percent of buildings in the historic district were either empty or in ruins (Espino 2009, 10).

Two, the master plan and Law 9 both assume that relocation of existing residents is an inevitable outcome of the area's revitalization. Chapter V of Law 9 is dedicated to facilitating the relocation of existing residents. And the master plan states explicitly that the high-cost projects envisioned for the historic district will be out of existing residents' price range (Coulomb 2009, 8).
Three, Ariel Espino, Director of OCA between 2004-2009, writes that there was an implicit consensus between the government and private investors that the revitalization of the historic district should involve the complete displacement of low-income residents to elsewhere in the city (Espino 2009). This implicit agreement became explicit when people began criticizing the Espino administration’s construction of affordable public housing units on publicly-owned parcels in the district (Espino 2009).

In 2004, when Martin Torrijos (PRD) took presidential office, the aforementioned Ariel Espino took over OCA. One of the first things OCA did under his direction was to revise the master plan in order to address the issues of social exclusion and gentrification, and reorient OCA’s mission towards “socially inclusive” development. By doing this, OCA also aligned itself more closely with UNESCO’s vision for World Heritage Sites (Veirier 2008). One aspect of OCA’s new mission was to intervene in the issue of gang violence using a preventative approach.
IV. Gang Reintegration in the Historic District

The secondary prevention programs implemented in the historic district of Panama City between 2004 and 2009 have two main elements. The first was the program initiated and run by MIDES, called Por Una Esperanza, which began as a pilot program and was later expanded nation-wide under IDB-funded PROSI. The second was the prevention program developed by OCA, which began as part of Por Una Esperanza before branching off as an independent program. Both started as secondary interventions whose objective was to prevent violence by reinserting gang members into mainstream society. In the process of implementation, both became parts of larger prevention efforts that included primary prevention measures targeted at adolescents and children.

The decision to act in the historic district in 2004, as previously mentioned, had everything to do with the ongoing revitalization efforts. The violence associated with warring gangs, along with opportunistic muggings of tourists, proved an obstacle to the area’s development (Espino 2009). Furthermore, one inter-gang shootout happened in the vicinity of the Mayor of Panama City, resident of San Felipe, and member of one of the country’s wealthiest families, Juan Carlos Navarro. This event hastened public action, according to a MIDES official interviewed. As Gilberto Toro, the MIDES official in charge of designing and implementing Por Una Esperanza, wrote in a presentation,

> “Given San Felipe’s historic, cultural, economic, political, and tourism value, the present condition of the area and its residents make it a focal point for the current government.” (Toro 2005, translated by the author)

Upon assuming power, the new government of President Martin Torrijos had demonstrated that they would be moving away from the Mano Dura policy implemented toward the end of the Moscoso administration. In 2004, Torrijos launched a prevention effort, Mano Amiga, focused on re-socializing youth rather than imprisonment (Castro 2008; Martínez C. 2004). Confronted with the rising violence in San Felipe, the Torrijos government, directly through the Office of the Minister of MIDES, launched Por Una
Esperanza as an experimental secondary prevention program, beginning in February 2005.

MIDES put Gilberto Toro, an official with experience in the Colon interventions of the late 1990s, in charge of designing and implementing the program. The program was split into three phases.

Phase one was split into three steps. The first step was to motivate the gangs to take part in the program. To do this, the gangs first had to be identified. This was a relatively simple step since everyone in the neighborhood knew who the gang members were and where they were located. Once the gangs were identified, a conversation had to be initiated. Here, a crucial ally was a local Catholic Priest, Padre Juan Carlos, who presided over the La Merced church on Avenida Central and Calle 9a. Juan Carlos had been working with the gangs nearest his church, helping them find work and giving them food and money at times. He helped Gilberto make first contact with the gang leaders. To motivate the leaders to participate, and to let their subordinates participate, Gilberto spent time building trust with them and organized sports tournaments and excursions for the members and their families.

The second task of phase one was to perform an initial diagnosis of the gang members that entered the program. This diagnosis focused on each individual’s mental health, socioeconomic status, employment experience, level of education, family situation, and criminal history. During this process, it was determined that some of the gang leaders and members were beyond rehabilitation. In these cases, Gilberto found ways to convince them to leave the neighborhood. The final task of the first phase was to provide legal counsel to those members who needed it.

After "hooking" the gangs and getting them to enter the program, the second phase involved preparing participants for reentry into society. Individualized personal development programs were created according to the specific needs of each gangster, as determined in the phase one diagnosis. This was made up of three parts. First, using workshops, seminars, conferences, and recreational and artistic activities, the program worked to develop and strengthen certain social skills among the participants. Focus areas included self-esteem, non-violent conflict resolution, effective communication, sexual
and reproductive health, and drug addiction. Participants with serious drug addiction problems were channeled into rehabilitation centers. Second, participants were provided with vocational training to facilitate their insertion into the formal labor market in the next phase. In order to take advantage of this service, participants had to be drug-free, demonstrate a willingness to change, have an interest in a certain skill, and possess a certain level of responsibility and discipline. Third, the program offered services to the families of the participants, mainly their partners and children. Family services focused primarily on health and education, and included scholarships for children's school materials and vocational training for participants' partners.

In order to provide the variety of services deemed necessary through the diagnoses, the program required inter-agency cooperation, which was coordinated by the MIDES leadership team. For example, MIDES social workers and psychologists carried out the diagnoses and led the personal development courses. The Ministry of Health (MINSA) provided all of the health services. And the Instituto Nacional de Formación Profesional y Capacitación para el Desarrollo Humano (INADEH) provided the vocational training courses.

In the third and final phase, participants who successfully completed the first two phases had two options, enter the labor market or reenter school. Those that were ready to start working had three options, depending on their interest and skills. They could get help finding jobs, starting their own small business or forming a cooperative. In order to ensure that all participants leaving the program either had a job or the training and access to resources necessary to open their own business or cooperative, MIDES coordinated with relevant government agencies and the private sector. Participants that expressed a desire to complete their education, that demonstrated discipline and commitment, and that were drug-free, were awarded scholarships to attend school by the Instituto para la Formación y Aprovechamiento de Recursos Humanos (IFARHU).

MIDES officials, gang members, and business owners recounted the different experiences of two gangs who went through the Por Una Esperanza program: the Hot Boys and Los Hijos Prodigos. A few characteristics made the Hot Boys relatively easier to work with than Los Hijos Prodigos. Specifically, they were less violent, better organized,
less committed to their criminal activities and their wars with rival gangs, and thus more willing to participate in the program. Oscar, one of the gang’s leaders, was able to convince the majority of the members to participate. Those who were not interested left the neighborhood at Oscar’s urging. After determining their needs and getting them through the first two phases, the Minister of Tourism, Ruben Blades, agreed to train and employ sixteen of the Hot Boys as tourist guides in the historic district. Oscar displayed entrepreneurial skills and an interest in opening his own business. MIDES connected him to a local real estate developer, who provided a subsidized storefront and assistance opening his own business. Today, Oscar owns a successful business in the neighborhood. He also works full time as a security guard at a downtown government building. The Hot Boys no longer exist as a gang and robberies and shootings on Calle 4ta have become rare. Many of the members still live in San Felipe. However, the jobs as tour guides did not last and most have not achieved the employment stability that Oscar has.

Los Hijos Prodigos were more problematic to deal with for two reasons. First, they were mostly kids, which contributed to their unpredictability and lack of discipline. Second, they were the most violent of the neighborhood’s gangs. Introduced by Padre Juan Carlos, Gilberto began the process of building a relationship of trust with the leaders in order to get them to commit to the project. Before the program could run its course, however, MIVI and the new owners of Castillo Greyskull moved to evict the gang and all other residents. MIVI resettled some of the building’s residents within the neighborhood, while others found alternative housing with family members or moved to the working-class suburbs. The members of the gang that remained in the neighborhood were able to complete the program. However, some of the members did not entirely reform, and simply moved their criminal activities to other parts of the city. Of these, some have since died and others are in jail. After completion of the first two phases, MIDES coordinated with the new owners of Castillo Greyskull, who hired the gang as a construction crew. In an interesting turn of events, former members of Los Hijos Prodigos found themselves working as a construction crew on the very same building they had been evicted from, hired by the company that had evicted them. The government gave a lot of resources to this particular intervention and achieved a measure of success for their spending. All
members eventually got out of the gang and Los Hijos Prodigos no longer exists. Today, of those that completed the program and got jobs, some have permanent jobs while others only work temporarily.

**OCA Gets Involved**

Given its mandate to coordinate all restoration efforts within the historic district and the philosophy of inclusive development espoused by its new leadership, OCA’s involvement in the Por Una Esperanza program was inevitable. Brought into the fold by MIDES, OCA initially agreed to provide jobs for one of the gangs in the neighborhood. They shied away from working with Los Hijos Prodigos, given their violence and instability, and instead agreed to work with Los Chacales, a rival gang that occupied a building on Calle 9a called La Terraza. The OCA budget had funding for restoration projects on public properties, so the OCA team, led by Ana Lorena Alfaro, a nurse who had spent decades working with indigenous and refugee communities in the Darien jungle, decided to put Los Chacales to work on demolition of a subterranean parking structure adjacent to the National Theater.

In the course of their daily interactions with Los Chacales on the job site, the OCA team became aware of the multitude of psychological, social, familial, legal, physical, and other issues that the members of the gang faced. These issues proved barriers to their ability to work. Looking for help, the OCA team reached out to MIDES and the other government agencies that had promised to provide continuing services as part of the Por Una Esperanza program. The majority of these national government agencies backed out. Even MIDES proved unreliable. When OCA requested that MIDES send a social worker to meet with individual gangsters, there were delays. When one finally arrived, he/she was unprepared, uninterested, and simply scared of the gangsters. Additionally, rather than send a psychologist to the neighborhood, MIDES asked that individual gang members travel to their headquarters. This request was unrealistic given that many of these young men couldn’t travel safely through the city.

This did not mean that the MIDES-run Por Una Esperanza program had ended, however. MIDES continued to work with gangs in the area, passing them through the
program phases and making sure they got jobs or help starting their own business. At the same time, the MIDES team was busy incorporating the refined model into a loan proposal for a nationwide security plan, PROSI, which eventually received a $22.7 million loan from the IDB. Per the IDB’s request, Por Una Esperanza was moved out of the Minister’s office and a new office was created for it within MIDES. A technical director was hired and the program was expanded throughout Panama City and to two additional cities.

When asked about MIDES not upholding their end of the bargain, Pitu Jaen, an OCA official, adopted a sympathetic tone, saying that she understood MIDES’ role as a national agency does not permit it to focus all of its resources on one neighborhood. The OCA team, however, had a mandate that was contained to the historic district and believed that if they were to abandon their work with Los Chacales at this point, as the other agencies had done, it would make the problem of gang violence in the neighborhood worse than before. So instead they began to fill in the holes left by the retreating agencies, finding the necessary funding in their own budget.

Building from this first step of hiring Los Chacales as a demolition crew, the OCA team spent the next few years developing a set of integrated services that addressed the ongoing needs of the Chacales members and their families. They utilized alliances with government agencies, private business, and non-profit organizations, similar to what MIDES had done with Por Una Esperanza. By 2009, the OCA team had, among other things, worked with an accredited educational organization that offered courses in prisons to set up a school for gang members who wanted to finish high school; worked with a local non-profit foundation to start a personal development and vocational training course to train the wives of the gang members as hotel housekeepers; set up scholarships for gang members to go to trade school in order to get better paying jobs; and maintained continual contact with the transitioning gang members, even after they got jobs elsewhere, in order to provide emotional support and help them navigate the transition to mainstream society.

The OCA program was successful in helping transition all of the Los Chacales members out of the gang. But when the government changed in 2009, so too did the OCA
staff. The incoming administration accused the outgoing OCA administration of employing gangsters (which was true, but no one asked why they were employing them, or what they had achieved in the process) and discontinued most of the program, although they did keep some elements, including the school. Even after leaving office in 2009, members of the OCA team maintained contact with some of the former Chacales. Not all of the Chacales are fully employed today, but they do credit the program with getting them off of a destructive life course.
V. Discussion

This paper argues that the MIDES Por Una Esperanza program and the OCA spinoff program were effectively implemented for two reasons. First, MIDES and OCA front-line officials were given the discretion to adapt the program to the local context, namely, to the individual needs of the gangs and their members. Second, the emergence of individual “champions” pushed the program to succeed. These dedicated individuals were instrumental in building trust, providing companionship, and leveraging personal relationships to facilitate cross-agency and cross-sector collaborations that enabled integrated service provision.

Discretion and Adaptation

Recalling Matland’s conflict-ambiguity model, adaptation to the local context was essential for effective implementation because both MIDES and OCA were dealing with a problem characterized by a high level of ambiguity and a low level of conflict.

In the case of both institutions, there was a lack of concrete knowledge about how to effectively “solve” the problem of gang violence. Of course, there were some ideas about how to address gang violence, which is why MIDES was tasked with designing a prevention program and why Gilberto designed the program the way he did. But it is also true that gang violence and (non-punitive) government responses to it were a relatively new phenomenon, only taking shape towards the end of the 1990s. Furthermore, although MIDES had active experience implementing prevention programs between its formation in 1998 and 2005, the complete turnover of staff in 1999, and again in 2004, cut off any learning and the formation of institutional memory. Likewise, OCA staff was completely new to prevention programs and had to learn what worked and what did not as they tried to build their program. To do this they used trial and error, and also looked to models from other countries, particularly Colombia, that they could adapt locally.

There was also a very low level of conflict over the program’s goals or who had control over implementation. In part this was likely due to ideological cohesion at the ministry-level between PRD party members. Prevention, rather than repression, as a
response to violence was prioritized by the incoming Torrijos administration, as evidenced by the turn away from Mano Dura and toward Mano Amiga. And MIDES has been clearly demarcated as the entity in charge of prevention activities and, generally speaking, of policy and programs concerning youth, since its creation. The one government agency that might have created conflict was the police. In the historic district there are three distinct police forces, the National Police, the Presidential Police (Servicio de Protección Institucional, or SPI), and the Tourism Police. In OCA’s case, they made sure to coordinate closely with all three forces and had better relationships with some units than others. In general, the police did not interfere with the MIDES or OCA programs.

According to Matland’s model, where policies characterized by high ambiguity and low levels of conflict are concerned, the most important determining factor for implementation is the local context. The phenomenon of gang violence, classified as social and economic violence according to Moser and McIlwaine’s framework, is incredibly complex. The range of variables and experiences that influence each child’s distinct path to join a gang is wide and contingent on his or her surroundings, including family, community, peers, school, and the overarching political and economic structures. This was certainly true in the historic district. Each gang had unique characteristics relating to its origin, composition, activities, etc. Within each gang, individual members presented their own unique problems. For example, the strategies used by MIDES for working with the Hot Boys, who were relatively better organized and less prone to violence, were different than what OCA did with Los Chacales, who needed more supervision and intensive follow-up to keep them off of the streets. In both cases the results were similar, the gang was taken off the streets and violence was reduced.

Discovering the details of the local context, understanding the characteristics of each gang and its members, and figuring out the obstacles and opportunities they faced was only possible because Gilberto, and later Ana Lorena and her team, were allowed the discretion to build relationships with gang leaders and members. And the programs would not have been effective if these street-level officials were not also given the autonomy to take what they learned about their clients through the conversations,
moments of sharing, and daily interactions on the worksite, and mobilize resources to get them the services they needed.

A related aspect from Matland's model is that implementation of these types of policies is experimental. Determining whether a program is successfully implemented should take into account whether or not any learning was produced. At least in the short-term (for the 5-year period of PRD control), the MIDES and OCA experiences produced a great deal of learning within each organization. For MIDES, the pilot experience in the historic district helped to formalize the program model, which could then be incorporated into a comprehensive security program and scaled up nationwide. For OCA, learning from their daily successes and failures was the means by which they developed and expanded their program. For example, as OCA expanded to work with more than just Los Chacales, they learned that a member of a well-organized and well-connected gang can earn far more money on the street than an unskilled construction worker can working a legal job. Given the low educational attainment and lack of work experience of an average gang member, there is little chance of earning more than the minimum wage (a poverty wage in Panama) without further training. OCA realized that, to expand their reach, they needed to offer paths to higher paying jobs. So they organized scholarships for technical training courses, mostly in the building trades, so that program participants could get into higher paying jobs.

As mentioned, most of what was learned by MIDES and OCA staff over this period was lost when the CD took power and the government re-staffed the ministries. Any claim of success based on institutional learning, therefore, comes with the caveat that this learning was short-lived. However, there were some surviving pieces, such as the program shell left in place by the PROSI structure and the OCA school that was carried over by the incoming CD administration. There may also be the hope that some of what was learned by MIDES and OCA over the 5-year period leaked into civil society and can be put into more lasting practice by non-governmental groups.
Program Champions

Pritchett and Woolcock argue in their 2004 piece that services that are highly discretionary (in that decision-making cannot be mechanized) and transaction-intensive (meaning they require lots of face-to-face interactions) depend heavily on the idiosyncratic practices of the local-level implementing officials (in this case, the MIDES and OCA officials, psychologists, social workers, etc.). These types of practices are “intrinsically incompatible with the logic and imperatives of large-scale, routinized, administrative control.” (Pritchett and Woolcock 2004, 8) The importance of the idiosyncratic practices of local-level officials implies that effective implementation was heavily dependent on the dedication of individual “champions” that pushed the program to succeed through their efforts. There are three ways in which the presence of program champions was fundamental to effective implementation: building trust, leveraging personal connections for inter-agency cooperation, and providing companionship.

Building Trust

Given many gang leaders’ attitudes towards the government, building trust between them and government officials, and conferring on them a sense of program ownership, was important for successful implementation. As former program participant, Jesús, described, previous interactions with the government were highly negative and full of unfulfilled promises. During each election cycle, candidates for local representative would come around offering cash payments, bags of food, and promises in return for votes. Their promises ranged from building soccer fields in the neighborhood to offers of free land outside of the city. These promises always went unfulfilled and politicians were seldom seen after election day.

There is also a sense among those involved in gangs that government officials are disconnected from the reality of life in Panama City’s poor neighborhoods. As Jesús said, “The government doesn’t know what life is like in the ghetto.” Javier, who was not involved in the Por Una Esperanza program, voiced a similar opinion. He recalled watching debates on TV about the growing gang problem and was amazed by the “experts” lack of knowledge of what life was like for him and his gang. As he put it,
“there’s a difference between knowing about something, and knowing something...[it’s] hard to understand hunger if you’ve never been hungry.”

Two features of Gilberto Toro and his approach were instrumental in building the trust between him and the gang leaders. The first is his self-described “informal participatory” method of work, which conferred on the gangs a shared sense of ownership over the program. One of the first things he did was allow the initial cohort to name the program. The name they chose says a lot: Por Una Esperanza, which translates literally as, “For A Hope,” representing their hope that the government was truly committed to helping them. The second is his identity as a Rastafarian, which he credited with helping him quickly earn the trust of the gang leaders. In Panama, many people view adherents of Rastafarianism as honest and authentic individuals.

The mediating role played by Padre Juan Carlos should also not be overlooked. As previously mentioned, the Church is the most trusted institution in Panama, and Padre Juan Carlos had already established a relationship with the neighborhood gangs. Making initial contact with the gangs through him probably gave Gilberto a head start.

**Leveraging Personal Connections Across Agencies**

Cross-agency and cross-sector collaborations were an essential part of program implementation. It would have been impossible for MIDES or OCA alone to provide the necessary scope of services to ensure a successful physical, emotional, social, and vocational transition from the gang to mainstream society. As it happened, something similar to the tripartite cooperation that Judith Tendler found in Ceará occurred in the historic district. At the national government level, agencies such as MIDES, MINSA, and the Tourism Authority mobilized resources to provide services to program participants. At the local government level, OCA (a national government organization, but with a local mandate) delivered some services itself but also played a coordinating role. And there were also members of civil society that were involved, including local businesses that hired participants and non-profit organizations that delivered services that government agencies could not.
In the case of the OCA program, these collaborations were facilitated by personal relationships between OCA program staff and officials from other government and non-government agencies. For example, Pitu Jaén, of OCA, cited two personal relationships as particularly important for program implementation. The first was her own connection to Leonor Calderon, Minister of MIDES, through a mutual friend. She argued that this relationship improved the working relationship between MIDES and OCA. The second was through the Escuela Taller, a vocational program set up by the Spanish Embassy that took in some of the OCA participants as trainees. The director of the school was married to a commander of the SPI. Pitu claimed that this relationship helped OCA coordinate their work more effectively with the SPI.

Ariel Espino was also able to leverage his connections to other government ministries in order to mobilize resources for the OCA program. Partly this was due to OCA’s structure as an inter-institutional organization, connected through its board of directors to multiple government agencies. But it was also due specifically to Balbina Herrera, Minister of Housing, whom Ariel credited with being an influential force. Balbina was able to mobilize the other OCA board members in a way that the previous administration had been unable or unwilling to do.

Companionship

OCA staff interviewed believed that it was the personal relationships they built with program participants and the companionship they provided that was the most important reason why so many participants got out of their gangs and stayed out. When Ana Lorena’s team hired Los Chacales after they had completed the Por Una Esperanza process, the gang members still faced significant obstacles to labor market and social reinsertion. There are two ways to think about how the companionship provided by OCA staff to program participants was so important.

First, unlearning a lifetime’s worth of “delinquent” behaviors and attitudes is not something that is likely to happen over a period of months, or simply through workshops and seminars. Instead, a social development model of prevention that teaches “conventional” social skills to participants must reward them for interactions with
“conventional” others. This is a process that takes time and needs to be applied in real life situations, such as the workplace. Ana Lorena and her team, over the five years they worked with their participants, were the foundation for this transition to conventional society. By building personal relationships with the participants, they were able to begin to demand more from them, and set more rules for them to follow. They provided participants with positive reinforcement, giving more work to those who were most disciplined. For many participants this was the first time they had ever experienced positive reinforcement. Rafa’s story from the beginning of this paper is illustrative. Through interactions with program staff and local businesspeople, Rafa learned to be, in his own words, a normal person. He now has positive professional relationships with a range of individuals, of which he speaks proudly.

The Delancey Street Foundation is a good example of a social development model that works, and how time-intensive it has to be. Delancey Street is a non-profit residential rehabilitation facility located in San Francisco, California. The majority of residents come from low-income households; have very low educational attainment; have few work skills or experience; and are drug addicts, ex-convicts, and alcoholics. During the minimum two-year stay at Delancey Street, residents learn basic social skills, basic work skills, earn at least a high-school equivalency degree, and are trained in three marketable skills through the foundation’s twelve for-profit businesses, which also fund two-thirds of the foundation’s operating budget. The residential facility and all of the services and businesses are run by the residents. There are no professional social workers, psychologists, managers, or administrators. The average resident stays on for four years before transitioning, incrementally, back into society. Two long-time residents interviewed in July 2012 said none of the residents come to Delancey ready to change themselves. Instead, they come to avoid a worse fate, such as prison or continued homelessness. But the approach of the foundation is to force residents to “fake it,” and “act as if” they are normal citizens. This behavior is enforced through peer pressure. Eventually, this fake behavior starts to become real, but only after 8-10 months of constant supervision and prodding.
Second, companionship helps to break down the sense of social exclusion and marginalization that drives young men and women to join gangs and commit acts of social violence. As discussed above, many gangs, including those in the historic district, provide their members with a sense of belonging, a common identity, and self-esteem. Social violence often emerges from this group identity, and manifests in wars with members of rival groups. Through their personal relationships with the gang members, Ana Lorena and her staff built alternative social bonds that participants could lean on while navigating the transformation out of their gang. Building these bridges was instrumental in transitioning participants away from their identity as gangsters who felt excluded from mainstream society. Speaking about Ana Lorena, Jesús of Los Chacales said,

“She understood me, she always understood me... I love her a lot. I always say this was the best thing that happened in my life. To have someone just sit and talk with me, and have them listen to my problems and things, damn, because, you know, sometimes you don’t tell your problems to anyone...” (Jesús 2012, translated by the author)

The process of building these personal relationships required strong and compassionate program staff. Ana Lorena is the best example of this. The above quote from Jesús demonstrates the compassion she showed to program participants. Her background as a nurse who worked for decades with refugee and indigenous populations in the Darién jungle is another indication of this. She was also fearless in the way that she confronted situations as they arose. On her first day on the job, there was a shootout between Los Chacales and Los Hijos Prodigos. Rather than wait safely in her office for the situation to run its course, she ran to the site of the shootout to try and broker a ceasefire.

A government worker who was less dedicated to serving the needs of her clients would have been less likely to put herself in harm’s way. Similarly, an employer who was less dedicated to the mission of social development and rehabilitation, most likely would have fired the entire Chacales work crew after finding them getting high on the job, or forging doctor’s notes in order to skip work. But the OCA and MIDES staff comprised
citizen-agents that worked hard and put themselves at risk in order to help members of the historic-district gangs transform their lives.

**Challenges**

Implementation of the MIDES and OCA programs faced two challenges. First, while the scale and scope of the project were sufficient to deal with the individual, family, and community-level factors underlying gang violence, they left unaffected the larger structural forces that cause violence and undermine prevention efforts. Second, the lack of a stable public policy governing youth violence prevention and the politicization of government bureaucracies precluded the continuity of prevention efforts.

**Scale and Scope**

As a neighborhood-level program, both the MIDES and OCA interventions were not at the right scale to affect the larger issues of social, political, and economic inequality. Expanding *Por Una Esperanza* nationwide under PROSI partially negates the issue of scale. However, youth violence prevention remains confined to the realm of social policy. In practice this means that the underlying structural economic causes of gang violence remain outside of the scope of prevention programs. Considering the most recent five-year economic and social strategic plan put out by the government in 2009, there is reason for concern. In it, the Martinelli government explicitly acknowledged poverty and inequality as policy priorities. However, the proposed strategy for addressing these issues does not seem likely to succeed. The economic plan continues to bias growth driven by the service sector, which is at the root of existing structural inequalities. The social strategy focuses overwhelmingly on human capital development to help the poor benefit from economic growth (Gobierno Nacional 2009). In the short term, the construction boom driven by public infrastructure projects is creating enough jobs to employ large numbers of unskilled and semi-skilled workers. Over the long term, however, education and training alone is unlikely to create enough good jobs to counter the economic motivation to join gangs linked to organized crime and drug trafficking.
“Lamentably, it is an historical fact that privileged groups seldom give up their privileges voluntarily. Individuals may see the moral light and voluntarily give up their unjust posture; but...groups tend to be more immoral than individuals.” (King 1963)

The structural inequalities that contribute to gang violence also inhibit the government’s ability to prevent violence by precluding attempts to reduce inequalities. Latin American history is full of examples of elites using their political agency to preserve and strengthen their relative power positions. Recent studies have shown the regressive nature of government expenditures in the region, particularly through social spending on things like pensions (De Ferranti et al. 2003). In Panama, the merchant elites struggled to hold onto political power during the populist and military governments of the 1940s through 1980s. But since democratization, they have successfully reasserted their control via the electoral process. As the Martin Luther King, Jr. quote suggests, the merchant elite is unlikely to give up their privileged position voluntarily.

High levels of inequality and the spatial segregation of classes further precludes serious, large-scale efforts to deal with gangs by concentrating violence in peripheral areas of the city, away from the centers of economic activity and lives of the politically powerful. The historic district was targeted for prevention efforts because it was no longer a marginal area. The integration of the Canal Zone into the metropolitan area shifted the geographic focus of the city and opened up access to the historic district. Economic revitalization reasserted the district’s importance in the eyes of the government. Two examples from interviews support this point. First, when MIVI evicted Los Hijos Prodigos from Castillo Greyskull, some of the members were resettled outside of the neighborhood, in the working class suburbs on the eastern edge of the city. This, in effect, shifted the problem of gang violence to the urban periphery. And, as Ariel Espino said, “no one cares what happens in 24 de Diciembre.” Second, a current advisor to the PROSI program expressed frustration with the lack of private sector involvement in the MIDES secondary prevention program. He believes that delinquency is not yet felt in high society so there is little motivation for businesses to participate. Private sector involvement will probably be

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*24 de Diciembre is a working-class neighborhood on the eastern edge of the metropolitan area.*
important in the long-term since there is no guarantee that high levels of public spending will continue, especially given the capricious nature of public policy.

All of this undermines, first and foremost, the enactment of youth violence prevention policies. Even after action is forced (by civil society or by foreign donors), implementation can be undermined by a lack of resources or seriousness on the part of the government. Resources were not an issue in the historic district intervention, given the neighborhood’s economic, political, and social importance. Nor are they an issue in the expanded Por Una Esperanza program, thanks to IDB funding. However, an interview with a MIDES official previously involved in the national Por Una Esperanza program complained that the government’s efforts are not serious. Among the critiques were that the staff was untrained and unprofessional, and that the ministry’s primary concern was always public relations, photo opportunities, and the outward appearance of success, rather than actually doing the work right.

Lack of Public Policy and Politicization of Bureaucracies

In interviews, government officials cited a lack of continuity as the most important challenge to successful youth violence prevention. Two interrelated factors undermine the continuity of program implementation in Panama: the lack of a stable overarching public policy governing youth development and violence prevention, and the politicization of the bureaucracies.

Aida Selles, Director of the Criminology Institute at the University of Panama’s Faculty of Political Science and Law, points out that the Panamanian state has no overarching policy framework for understanding crime in an integrated manner, which would take into account the socio-economic factors underlying violence. Instead, successive Panamanian governments have treated crime mainly as a police and judicial problem, implementing policies of control and repression. Alternative attempts to intervene comprehensively to prevent crime employ projects and programs that are short-lived and have weak mechanisms for planning, evaluation, and modification.

The short lifespan of government prevention programs has everything to do with the lack of seriousness of government efforts to prevent crime and violence, discussed
above, and the politicization of the bureaucracies that they are housed in. Since
democratization, thanks to the real (and perceived) corruption and inefficiency of each
government, the opposition candidate has won every presidential election. From 1994-
2009, the PPa and the PRD traded terms in office. In 2009, frustration with both parties
catapulted CD candidate, Ricardo Martinelli, to victory on a platform of change. As
explained earlier, each transfer of executive power is accompanied by a purging and re-
staffing of ministries, largely in order to award party members and loyal followers. It can
be argued that this process serves to expel corrupt members and inject new energy and
fresh ideas into the ministries. But complete turnover by nature is not surgical and,
therefore, tends to throw out most of the good along with the bad. An important
consequence is that most of the learning accumulated by staff over their five-year term is
lost. This shortens institutional memory, and incoming staff must start from scratch. This
has two potential consequences. One, projects and programs run by one administration
can be completely shut down and either replaced with new programs or not. This is what
happened in the case of OCA. Two, the program's structure can remain in place but all of
the staff can be replaced, setting back implementation by restarting the learning process.
This is what seemed to happen in the case of Por Una Esperanza.
VI. Conclusion

This paper argues that government-run gang reintegration programs in the historic district of Panama City were effectively implemented between 2004-2009 for two reasons. One, the workers in charge of implementation were given the discretion to adapt the programs to their client’s needs. Two, these officials were dedicated to their jobs and pushed the program to succeed by building trust and personal relationships with the participants, and leveraging their inter-agency and cross-sector connections to get the participants the services they needed. The stories of how these programs were implemented, as recounted by the government officials and gang members involved, provides ample evidence to support this argument.

That discretion, adaptability, and government worker dedication explain successful implementation supports what international development scholars Michael Woolcock, Lant Pritchett, and Judith Tendler have written about effective solutions to complex problems. Solutions cannot be rigidly dictated from above, or abroad. Rather, as Charles Sabel and Sanjay Reddy explain, the best way forward in development is through a “learning-centered approach” that favors local experimentation to solve local problems, while also exchanging knowledge between local sites to learn what we can from others (Sabel and Reddy 2007).

Regarding Panama’s need to face the growing challenge of gangs and violence, there is reason to be optimistic. Panama is comparatively well positioned, financially and economically, to address some of the economic causes of gang violence. Compared to El Salvador, Honduras, and Guatemala, the scale of gang violence in Panama is small. As a middle-income country in possession of a highly lucrative resource, the inter-oceanic Canal, Panama has access to enough financial resources to invest substantially in its youth. And, the current period of economic growth, while problematic for its inequality enhancing effects, offers plenty of opportunities to integrate marginalized young men with relatively few skills into the economy via the building trades and public works.

What is still missing in Panama is the political will to do two things: one, create the institutional structures that can effectively implement these types of programs with
continuity; and two, address inequality and class segregation at a significant scale. The lack of an overarching policy framework for violence prevention undermines the continuity and coherence of prevention programs. Inequality and segregation ensure that poor young Panamanians remain marginalized and excluded from opportunities for upward economic mobility and meaningful political participation.

How can this political will be constructed? Returning for a moment to the Medellin experience mentioned earlier, it is useful to note two (of the many) reasons for social urbanism's successful implementation. First, there was broad-based citizen support for the social urbanism agenda. Sergio Fajardo, who brought social urbanism to Medellin as mayor from 2003-2007, had spent the previous decade or so building a coalition of business people, community organizers, and the middle class, all of whom shared a common vision of Medellin's future (Bahl 2011). Indeed, social urbanism can be thought of as a social movement that eventually infiltrated the political system and became translated into public policy.

Second (and very related to the first point), there was institutional and policy continuity across mayoral administrations. Fajardo's social urbanism built on the knowledge accumulated from nearly two decades of municipal experience with informal settlement upgrading programs. Particularly important was PRIMED, the upgrading program run by the municipal government since 1993. Many of the actors who had participated in PRIMED also took part in implementing social urbanism programs, which allowed for them to build on existing knowledge and efforts (Bahl 2011). Also important was the fact that Fajardo's chosen successor, Alonso Salazar, won the mayoral election of 2007. Salazar continued to implement policies in line with the social urbanism movement. This represented the first time that two mayors with the same political roots were elected to successive terms (Bahl 2011).

The Medellin experience seems to highlight the importance of broad-based support (particularly among the middle and business classes) for comprehensive, large-scale violence prevention policies. But it also appears to be the case that broad-based support for alternative (non-repressive) strategies was achievable in Medellin in part because the level of violence had become so extreme that it was impossible for the upper
classes to isolate themselves from it. In Panama, as mentioned above, violence is not felt at the upper levels of society, and so it follows that there is less motivation to act. But waiting for violence to become so extreme in Panama as to force action is certainly not a recommended strategy.

Instead, (non-violent) external pressure is needed to force political action on policies and reforms that would address the underlying causes of gang violence (no less than a reconfiguration of Panamanian society towards a more equitable and inclusive system). One source of this pressure may lie with religious groups, who appear to have the potential to be leaders of a grassroots movement for three reasons. One, as was mentioned earlier, the institution of the Church is highly regarded and trusted in Panama, far more than any other institution. Second, most of the existing rehabilitation work being done with gangs in Panama is through religious groups. These range from gangsters-turned-evangelical preachers proselytizing in prisons, to Catholic priests who provide services to their neighbors, to a group of Catholic businessmen who have teamed-up with evangelical pastors to open a network of comedores (soup kitchens) that serve at-risk youth in the most dangerous neighborhoods in Panama City. Third, and lastly, the Church, while not free from the obstacle of class segregation, unites a wider range of Panamanians than any other institution. For public pressure to be effective, a broad spectrum of Panamanians must make their voices heard, especially since the voices of those directly affected by gang violence are far too easily ignored by those in power.

At a deeper level, the experience of gang reintegration efforts in Panama City’s historic district demands a reexamination of how we treat each other, and most importantly, how we treat those who are most in need of our compassion. Repressive policies that criminalize youth by lowering the age for adult prosecution, legalizing prison sentences for group affiliation, or enforcing a nightly curfew for teenagers, not only fail to reduce crime and gang violence, but make it worse by destroying the bonds between young people and society. If among the many reasons for gang affiliation is the sense of belonging a gang provides, the social solidarity of the group, and the self-esteem associated with being recognized, then further excluding kids from society will only increase their need for alternatives like gangs. What the historic district reintegration
programs demonstrate is the power of compassion to bring the exiled back into society, even when the politically expedient path is to push them farther away.
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Appendix

Graph 3.1: Annual GDP Growth Rate

Source: World Bank national accounts data, and OECD National Accounts data files

Graph 3.2: Unemployment among the economically active population (15 years and over)

Source: Labor Market Survey, National Institute of Statistics and Census, Panama
Graph 3.3: Higher unemployment among males ages 15-24

Source: International Labour Organization, Key Indicators of the Labour Market database

Chart 3.4: Unemployed men by educational attainment, 2008

Source: International Labour Organization, Key Indicators of the Labour Market database
Graph 3.5: Percent of Non-Agricultural Labor Force in Informal Employment

Source: Household Survey, National Institute of Statistics and Census, Panama

Chart 3.10: Prison Population

Source: Police, Municipal and Court records, compiled by the National Institute of Statistics and Census, Panama
<table>
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<th>Neighborhood</th>
<th>1990</th>
<th>2000</th>
<th>2010</th>
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<tr>
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<td>10,282</td>
<td>6,928</td>
<td>3,262</td>
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<td>El Chorrillo</td>
<td>20,488</td>
<td>22,632</td>
<td>18,302</td>
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<td>Santa Ana</td>
<td>27,657</td>
<td>21,098</td>
<td>18,210</td>
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</table>

*Source: 1990, 2000, and 2010 Census, National Institute of Statistics and Census, Panama*