

PANAMA: INDIGENOUS PEOPLES

*Socio Economic and Demographic Characteristics
Key Social Policy Issues to alleviate their poverty*

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I. General background

Panamá since her independence has had a free market oriented economy with the highest degree of openness in Latin America and a very active social policy framework for decades.

The per capita amount spent yearly by the Public Sector in Social Investment is among the highest in the Region in both absolute and relative terms. A high percentage of the GDP is spent in Education and Health, and a universal and very comprehensive Social Security System has been developed over the years. In spite of all those policy efforts the country displays a very concentrated income distribution together with a relatively high degree of poverty for its per capita income.

Besides the modern capitalistic free economic system, Panamá enjoys a relatively advance institutional framework. A Republican type of Government with the three conventional independent powers, Executive, Congress and Judiciary, and other advanced institutions that provide empowerment capacities to the people and minorities. They have a system of Corregimientos that is a kind of local authority that enjoy some administrative and legal authority over the neighbouring citizens. As part of this empowerment the Indigenous Peoples of Panamá enjoy a certain degree of autonomy through their Comarcas that are related to certain geographical areas linked to those communities and their origins.

In spite of these relatively advanced institutions and public policies, Panamá still face equity problems that are especially deep among the indigenous peoples.

The main purpose of our research will be to find out through econometric methods whether these inequalities are inherent to the indigenous people culture and characteristics or they are just another expression of the national problem of income concentration and social exclusion that affect certain Panamanians. Special attention will be given to the fact that Indians are clearly more affected than the non-Indian population.

For the econometric analysis we shall use the recent Living Standard Household Survey of 1997, carried out by the Ministry of Economics and Finance (MEF) together with the General Comptroller Bureau (Contraloría General de la República), institution in charge of the Population Censuses and Household Surveys in the country, with the technical advice of the World Bank and the Inter American development Bank (IADB). The 1997 Survey was the first one of this class that covered the whole Panamanian population. The previous surveys did not cover the indigenous population areas because of geographical access difficulties and language barriers.

The main purpose of the Survey was to assess the evolution of the magnitude and nature of poverty, but through a very long and comprehensive questionnaire, a vast number of key social and economic issues were investigated. Among them, the characteristics of the Indian population from both individual

and family perspectives, in terms of their socio economic and demographic profiles.

II. Indigenous population background

Language and geographical location were the keys to identify the Panamanian Indian population by the Survey. The country was divided in three main areas, namely, urban areas; non-indigenous rural areas; and indigenous areas.

Three main indigenous groups were analysed, the Ngobe-Buglé (called guaymies), the Kuna Indians that live in the autonomous Comarca of San Blas, and the Embera-Wounan (called darienitas or chocoes) that live in the Province of Darien, that is part of the Colombian Chocoe Area.

Quantitatively speaking, the Panamanian Indian population represented 8 per cent of the total population estimated by the Census of 1990. Around 200,000 inhabitants. The largest group is the Ngobe-Buglé ethnicity, which accounts for almost two thirds of the Panamanian Indian population. This group inhabits the western provinces of Bocas del Toro and Chiriquí. The geography of their area is with mountains, making agriculture very difficult. Their main crops are rice, beans, corn, roots, bananas and coffee. Their work is linked to seasonal migrations to harvest bananas, coffee and cattle.

In 1997 the Comarca Ngobe-Buglé was officially recognised by law as an autonomous Comarca, together with the General Congress and Regional Congresses of the Ngobe-Buglé community. They elect a Cacique General, a Governor of the Comarca, regional and local Chiefs. In spite of their autonomy, the Central Government control public expenditure and tax revenues.

The second largest group is the Kuna, with around 50,000 persons according to the 1990 Population Census, representing one fifth of the total Indian population of Panamá. They live in the Comarca San Blas, called Comarca Kuna Yala, which is an archipelagos conformed by 365 islands at the Atlantic Coast. Another important group of Kunas live in the Province of Panamá, where the Capital City is, in an area called Comarca Kuna de Madungandi.

Their main activity is agriculture, with crops like corn, bananas, coconuts and avocados. They carry out fishing activities as well, together with the production of handicrafts, such as molas (textiles) and wooden goods.

It is clearly the most organised group. The Kuna General Congress was created in 1945 and they meet twice a year with the presence of representative of their 48 communities, represented by a Chief (Sayla) and five delegates of each community.

The third group called Embera-Wounan (Chocoe) live in a tropical area of the Provinces of Darien and Panamá. Their main activities are agriculture, fishing

and chasing. In 1983 the Comarca Embera-Wounan was created and a General and Regional Congresses were organised.

III. Poverty among the indigenous population

Poverty affects over 83 per cent of the indigenous population. While 33 per cent of the non-indigenous population is poor. Extreme poverty, defined as a per capita income level that would not allow for the purchase of their minimum daily calorie requirements, affects 70 per cent of their population instead of only 13 per cent among the non Indian population. The communities most affected by poverty are the Ngobe -Buglé with 92 per cent of poor, the Embera-Wounan with 80 per cent, and the Kuna with 65 per cent.

Poverty among Indians is larger and deeper within those geographical areas linked to the Indian population as compared with the poverty they faced in non-indigenous areas. As a matter of fact, poverty affects 53 per cent of the Indian population that lives outside their geographical areas. Extreme poverty is 25 per cent in the outside areas instead of 87 per cent inside their areas.

The Kuna Indians Community enjoys the lowest degree of poverty outside their areas, a degree that is even lower than the national average. To escape from poverty is the primary reason for Kunas to leave their geographical areas and migrate to other areas of Panamá.

For the other two main communities, the chocoes (Ngobe-Buglé) and guaymies (Embera-Wounan), the situation is different. Their poverty is lower outside their communities but not in the high proportion of Kunas.

The poverty studies carried out so far with the results of the 1997 Survey conclude that geography seems to be a determinant factor to explain poverty among Indians, instead of ethnicity or culture. Our goal is to find out that relationship through objective econometric methods instead of instinct, or feelings.

Besides location, language seems to be a key factor to explain poverty among certain Indian families. Almost all families headed by monolingual parents, that do not speak Spanish, live in extreme poverty.

IV. Main socio economic and demographic characteristics of the Indian population

The size of households among Indians is by far the largest among Panamanian families, due to both their higher fertility rates and because they house additional members of the family in an enlarged concept of family (grand parents, other relatives). While the national average size of non-Indian families is 4

members, Indians families have an average of 6.6 members, being the guaymies the communities with larger families in the country. Fertility rates among Indian women is 3.5 while for non-Indians is 2.9 children born alive. As a consequence of the previous characteristics, the Indian families have a higher dependency rate as compared with the non-Indian population.

V. Assets availability of the Indian population

Capital, in the form of machinery and tools is very scarce among the Indian population, and consequently their access to modern technology and methods of production.

Land ownership, on the other hand, is more common. Half of all Indian households own some land. In average they own 7 hectares per household. Nevertheless, land ownership is linked to poverty. Small land ownership means poverty within Indian families and land ownership in general means lower family income as compare with Indian families that do not own land. Title of ownership is another problem, and with it their access to formal credit. The 1997 Survey established that more than three quarters of indigenous people do not have property titles.

Financial assets under the form of savings and access to credit are more important that could have been expected. Around 19 per cent of the population has some sort of savings and they deposit those resources in the Public National Banking system, namely in the Banco Nacional de Panamá, a Commercial Bank owned by the State, and the Caja de Ahorros, a National Savings institution runned by the State as well.

Only 8 per cent of the Indian population had in 1997 credits approved by the formal financial institutions. Most of the credit requested by Indians was granted, being the major obstacle to achieve larger credit coverage their distrust to be indebted, and the fear for not being accepted as debtors. The amounts approved were in average between US\$3,750. - to US\$4,000.- dollars, very similar to the non-Indian population.

Perhaps one of the most important asset ownership among the Indians is their Social Capital. Meaning by social capital, the set of norms, trust and reciprocity networks that facilitate the mutual co-operation within the communities for their common benefit and interest, which in turn reduces vulnerability and enhances opportunities.

The Living Standards Survey of 1997 had a qualitative survey on social capital (ECCS) that identified four positive aspects of the Indian social capital in Panamá.

1. Indian communities have a greater social capital than non-Indian communities.
2. Among Indians, the social capital seems to be stronger between those that live inside the indigenous areas than those that live outside.

3. Social Capital seems to provide a more positive vision of welfare in general.
4. Social Capital seems to be an important mechanism to obtain external help, either from the Government or NGOs.

Human capital, in the form of good nutrition, good health and education, seems to be the key assets that could be provided through public policies as a way to alleviate poverty and improve the quality of life of the Panamanian Indian population. This is so because labour is the most abundant asset among Indians.

Malnutrition among indigenous children follows a very similar pattern like the poverty profiles of the different indigenous groups. Half of total Indian children suffer from malnutrition, while only ten per cent of the non-Indian population suffers malnutrition. The guaymies are the ones that suffer most the drama of malnutrition.

Infant mortality among the Indian population is around 40 to 50 children for every 1000 born alive. While the national average is only 19, a rate very advanced for Latin American countries. The huge difference between the Indian rate and the national one is another expression of the nature of income concentration in Panamá and the insufficient efficiency of social public policy to reach the poor and the Indians.

The access of Indian population to formal health services and institutions is satisfactory but limited, probably due to the dispersed nature of the population and due to the distance between the families and the nearest medical service centre. In average it takes an Indian family between 40 to 50 minutes to reach a near medical service.

Panamá has a good educational system, which is a great advantage to fight poverty through human capital investment. But while among the non-Indian population literacy represents 100 per cent, among Indians almost one third do not know how to read or write. The problem of Indian illiteracy concentrates among women, being 50 per cent in the guaymies communities.

With regard to the levels of instruction, in general, the non-Indian population achieve in average four more years of education. The degree of development of the different Indian communities is closely related to their respective levels of education. The Kuna Indians, for example, have in average 7 years of schooling, while the guaymies, only three years. The problem among families that do not speak Spanish is the deepest one; they achieve lower years of schooling and are the poorest among the poor.

The enrolment of the Panamanian population in primary education is almost universal, while in the case of Indians there is a 16 per cent of children between 6 and 11 years old that are not enrolled. The problem again is related to monolingual families and the lack of educational services that provided bilingual teaching.

Dwelling and basic services is another area of scarcities for Indian communities. They live in huts with usually two rooms housing up to 5 to 6

members in each room. The materials are poor especially in roofing and basement. Beyond the housing problems there are lack of basic services such as potable water and sanitation. That lack of basic social infrastructure is responsible for diseases such as diarrhoeas, typhus and other health problems that affect mostly children.

Panamá has carried out recently, during the nineties, a very aggressive programme of privatisations of their energy and telecommunications public enterprises. The cash paid for those privatisations has been deposited in a Trust whose yearly interest will be used to finance for the dwelling needs of poor families. Now that there will be money for building houses for the poor there is an opportunity to put the social capital of indigenous people at work and carry out those public programmes with the participation of beneficiaries, specially in terms of taking into account their needs and respecting their cultural habits while training them in building abilities and promoting the local production of construction materials for dwellings.

VI. Labour force

Labour is the abundant asset among the indigenous peoples. But as we have explained in the previous paragraphs, their labour force lacks productivity because of their low educational levels and low human capital in terms of nutrition and health. The main employment problem amongst Indians is not open unemployment but underemployment. In both types of underemployment, because of lack of hours of work and insufficient incomes.

Employment is heavily concentrated in agriculture (50%) and in informal activities (67%), and self-employment is very high. Only 60 per cent of household incomes come from work, being income transfers from the public sector one fifth.

Remuneration to work seems to be affected by discrimination. According to econometric analysis, applying the Oaxaca model, show that only 45 per cent of wage disparities can be explained by observed characteristics such as education, experience, employment, there is a 55 per cent of the gap between Indians and non-Indians that has no explanation, that could constitute discrimination.

VII. Identification of key policy issues

The 1997 Survey that we propose to exploit econometrically it is not only the first such a survey that covers the indigenous population of Panamá, but does so with a highly sophisticated questionnaire that allows for extremely complete profiles of the Indian population its characteristics and relationships to family poverty.

A number of econometric models will be applied with the purpose of identifying key policy areas that should be taken into account by policy makers in order to focalise their programmes, if a higher degree of efficiency of the social public expenditure is decided to be attained.

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