

WHAT HAVE WE LEARNED FROM THE NORIEGA CRISIS?

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- CONDITIONS NOT OF THEIR CHOOSING: THE GUAYMI INDIANS AND MINING MULTINATIONALS IN PANAMA.* By Chris N. Gjording (Washington, D.C.: Smithsonian Institution Press, 1991. Pp. 409. \$42.50.)
- LABOR AND POLITICS IN PANAMA: THE TORRIJOS YEARS.* By Sharon Philipps Collazos. (Boulder, Colo.: Westview, 1991. Pp. 196. \$28.00.)
- THE NORIEGA YEARS: U.S.-PANAMANIAN RELATIONS, 1981-1990.* By Margaret E. Scranton. (Boulder, Colo.: Lynne Rienner, 1991. Pp. 245. \$32.00.)
- PANAMA AT THE CROSSROADS: ECONOMIC DEVELOPMENT AND POLITICAL CHANGE IN THE TWENTIETH CENTURY.* By Andrew Zimbalist and John Weeks. (Berkeley and Los Angeles: University of California Press, 1991. Pp. 219. \$40.00.)
- PANAMA: A COUNTRY GUIDE.* By Tom Barry. (Albuquerque, N.M.: Inter-Hemispheric Education Resource Center, 1990. Pp. 154. \$9.95.)
- PANAMA: MADE IN THE USA.* By John Weeks and Phil Gunson. (London: Latin America Bureau, 1991. Pp. 131. \$8.00 paper.)

Given the level and intensity of U.S. ties to Panama throughout the twentieth century, it is surprising how little scholarly inquiry has focused on Panamanian domestic politics. As a result of the negotiations over new canal treaties, some excellent work was done on U.S.-Panamanian diplomatic relations during the late 1970s and early 1980s.¹ Yet few books produced during this period by U.S. scholars devoted more than passing attention to domestic political considerations and developments.²

Although Panama is still subject to only sporadic bursts of scholarly interest, the tendency to focus most attention on external aspects of the country's behavior appears to be changing. The catalyst was the latest

1. See, for examples, William J. Jorden, *Panama Odyssey* (Austin: University of Texas Press, 1984); David N. Farnsworth and James W. McKenney, *U.S.-Panama Relations, 1903-1978: A Study in Linkage Politics* (Boulder, Colo.: Westview, 1983); and William L. Furlong and Margaret E. Scranton, *The Dynamics of Foreign Policymaking: The President, the Congress, and the Panama Canal Treaties* (Boulder, Colo.: Westview, 1984).

2. One of the best in this regard is Walter LaFeber's classic, *The Panama Canal: The Crisis in Historical Perspective* (New York: Oxford University Press, 1978).

in the long series of crises in U.S.-Panamanian relations. When Dr. Hugo Spadafora was brutally murdered by members of the military in 1985, this assassination initiated a four-year period of growing turmoil in Panamanian politics. It ended in December 1989 with the U.S. invasion that ousted General Manuel Antonio Noriega from power.

The most recent period of U.S. interest in Panama has also yielded its share of journalistic and scholarly works focused heavily on Panama's external behavior.³ Yet the nature of this particular crisis demanded a better understanding of domestic politics in order to make sense of external developments. What aspects of Panama's political system best explained the overall fragility of civilian rule? What were the sources of domestic support for the military regime that allowed it to fend off occasional U.S. attempts to promote democracy there? And how might the shifts in the relative strength of various domestic political actors under military rule (1968–1989) affect the attempt to reestablish a civilian democracy following the U.S. invasion? This review essay will critically assess some of the most recent works with an eye to determining their contributions to answering these questions.

Explaining the Fragility of Civilian Rule

Past research on Panamanian politics has focused on three goals: determining the specific nature of the "socioeconomic formation" that undergirds the political system, assessing the differences between this formation and those found elsewhere in the region, and calculating its impact on general patterns of political domination and distribution of power. Panamanian scholars such as Ricuarte Soler and Omar Jaén Suárez have long noted that their country has historically been "dominated" by a weak urban commercial elite because of the economic centrality of the transit function in this isthmian country and the absence of a strong traditional agricultural sector.⁴ In *Panama at the Crossroads: Economic Development and Political Change in the Twentieth Century*, Andrew Zimbalist and John Weeks systematically examine this thesis and attempt to explain the recent crisis in these terms.

Zimbalist and Weeks take as their comparative point of departure the fact that coercive rural labor systems elsewhere in Central America have allowed rural oligarchies to marry control over the means of eco-

3. The former genre includes Frederick Kempe, *Divorcing the Dictator* (New York: Random House, 1990); John Dinges, *Our Man in Panama* (New York: Random House, 1990); R. M. Koster and Guillermo Sánchez, *In the Time of the Tyrants* (New York: W. W. Norton, 1990); and Kevin Buckley, *Panama: The Whole Story* (New York: Simon and Schuster, 1991).

4. For examples, see Omar Jaén Suárez, *La población del istmo de Panamá del Siglo XVI al Siglo XX* (Panama City: Impresora de la Nación, 1978); and Ricuarte Soler, *Formas ideológicas de la nación panameña* (Panama City: Tareas, 1985).

conomic production to methods for ensuring their political dominance. Unlike Guatemala or El Salvador, Panama had no rural oligarchy because no large pool of native peasants existed there to be subjugated formally or informally. Rather, Panama developed an urban commercial elite that attempted to monopolize political power but could not avail itself of major economic means to reinforce its central political role. Zimbalist and Weeks further observe that the elite's relative vulnerability vis-à-vis the masses was heightened by racial differences.

The implications of this general thesis for future Panamanian politics are profound. If the commercial elite has no major economic leverage that it can use to ensure lower-class compliance (and hence electoral support of its candidates in democratic elections), it will be saddled not only with a weak political position but also with ambivalent attitudes about democratic governance. The elite will necessarily have to use additional "political means" to ensure its grasp on political power. Zimbalist and Weeks suggest that the elite has traditionally employed two such means. First, it has compensated for its weakness in economic compliance by controlling the lower class "through the police power of the state itself." Second, in instances where the commercial elite lacked such reliable domestic police support, it has been able to rely on its close historical ties to the United States.

This thesis of the fundamental weakness of the urban commercial elite, its vulnerabilities, and response patterns is powerfully supported by events before and after the U.S. invasion in 1989. Lacking both legitimacy and the means of economic coercion, the elite was easily ousted from power by the military in 1968. After more than twenty years of military rule, the elite was restored to power only via a U.S. invasion. And its durability and attitudes toward democratic governance have yet to be tested in a free and open election.

Panama at the Crossroads offers additional support for the thesis that the country's civilian elite has a tenuous hold on power, but Zimbalist and Weeks's attempt to link the crisis of the 1980s to a particular phase of Panama's economic development is more problematic. In addition to stressing the elite's fragility, they argue that the crisis also resulted from a "distorted" economy that was almost entirely service-oriented. They further suggest that this "structural weakness" had two major debilitating effects: it tied the economy to the fluctuations occurring in the global economy during the 1980s, and it produced a high domestic wage structure that hindered the economy from moving on to the next development phase of stable labor-intensive import-substitution industrialization or export-oriented industrialization.

Although Zimbalist and Weeks devote considerable attention to the structural roots of the crisis of the 1980s, they never really link their theoretical discussion to their descriptive account of the Noriega years. Rather,

they focus exclusively on the crisis as a function of deteriorating U.S.-Panamanian relations and on the differing U.S. goals during the Reagan years from those prevailing in Panama under Noriega.

Nor is any satisfactory explanation given for the relative success of elites in other countries historically dominated by service economies in moving toward higher and more balanced phases of economic growth. For example, Singapore was able to reduce its historical ties to the predominant colonial power (Great Britain) and to create a strong governing coalition that ensured political stability. Its service economy managed to survive cyclical swings in the global economy, and these swings were even used by the elite as a rationale for adapting and promoting new development strategies.⁵ Perhaps the real reason that Panama never made the successful transition (as did Singapore and Hong Kong) from entrepôt economic activities to import-substitution industrialization or export-oriented industrialization was that Panamanian leaders never had to face an economic crisis of sufficient magnitude to encourage real structural change.⁶ Such a crisis may arise when the United States begins to remove its military forces from Panama in the 1990s.

Changes in Domestic Political Actors under Military Rule

The structural weakness of the urban elite has been a fixed feature of Panamanian politics, but major changes have also taken place. Panama endured twenty years of military rule between 1968 and 1989, one of the longest in recent Latin American history.⁷ Extended periods of military rule encourage the formation of new political coalitions and frequently activate historically "dormant" groups. This was particularly the case in Panama because the military government that seized power in 1968 was an inclusionary populist regime bent on challenging the traditional dominance of the urban elite.

Two of the books under review here offer considerable guidance with regard to these recent political changes. In *Labor and Politics in Panama: The Torrijos Years*, Sharon Phillipps Collazos focuses on labor policy between 1968 and 1981 to analyze evolving bargaining relationships among

5. For a more comparative study of Latin American and Asian patterns, see *Manufacturing Miracles: Paths of Industrialization in Latin America and East Asia*, edited by Gary Gereffi and Donald L. Wyman (Princeton, N.J.: Princeton University Press, 1990).

6. Hong Kong faced such a crisis in the 1950s following the Communist takeover in mainland China. Trade from the mainland was reoriented away from Hong Kong and toward the Soviet Union, and the United Nations instituted an embargo. Singapore's commercial elite had to adapt in the 1970s, when plans for a common market with Malaysia collapsed following the withdrawal of the British military in 1971.

7. For one explanation of the durability of military rule in Panama from 1968 to 1989, see Steve C. Ropp, "Explaining the Long-Term Maintenance of a Military Regime: Panama before the U.S. Invasion," *World Politics* 44, no. 2 (Jan. 1992):210-34.

the regime, the labor sector, and the urban commercial elite. More specifically, she examines policy enactment and implementation on three key pieces of legislation passed between 1972 and 1981, which first granted the labor sector broad new rights and then reduced some of them.

Phillipps's findings generally concur with Zimbalist and Weeks's analysis of the domestic weakness of the urban elite, noting its lack of "articulation" with various other domestic political sectors including labor.⁸ Her primary focus, however, is on the Torrijos government's achievement of a certain degree of relative autonomy from this elite during the early 1970s, which allowed it to promulgate progressive labor legislation. Phillipps argues that the military regime's autonomy was rather quickly eroded, as suggested by the partial reversal of its labor policies by 1976, and she attributes this reversal to its fragile "Bonapartist" nature.

Phillipps presents a compelling analysis of labor's initial victories and subsequent setbacks, but it is difficult to agree with her conclusion regarding the military regime's loss of autonomy by 1981. The regime not only survived under changed leadership following the sudden death of Torrijos in 1981 but also maintained a relatively high degree of autonomy from the various socioeconomic groups that attempted to foster its demise.

Two observations may help to explain Phillipps's apparent overemphasis on the regime's loss of autonomy. First, the Marxist-derived Bonapartist model stresses the importance of shifting and unstable class coalitions in weakening such regimes, while ignoring a range of additional factors that may enhance regime durability. Second, what appears to have been renegotiated in Panama between 1972 and 1981 was not the military's fundamental autonomy but rather the terms under which that autonomy would continue to be exercised. These terms included tacit agreement concerning the specific policy areas where such autonomy would be somewhat reduced (labor policy) in exchange for continuation in other areas where autonomy would be maintained or even expanded (such as foreign policy).

In *Conditions Not of Their Choosing: The Guaymi and Multinationals in Panama*, Chris Gjording also deals with political changes taking place under military rule. He studies the proposed Cerro Colorado copper project (1977–1985), which was aimed at developing in Chiriqui Province one of the largest open-pit mines in the world. Gjording presents a multilevel analysis that demonstrates how broad patterns of capitalist development in Third World countries affect specific subnational "micro-populations."

Whereas Phillipps discusses the evolving bargaining relationships

8. The arguments advanced by Zimbalist and Weeks and by Phillipps concerning the weaknesses of the urban commercial elite are really two sides of the same coin. Zimbalist and Weeks note the elite's lack of strong historical ties to rural popular sectors while Phillipps focuses on its exclusive links to foreign capital.

among the military regime, civilian elite, and labor, Gjording focuses on the regime, the copper multinationals, and the Guaymi Indians. Throughout the period under discussion, the military regime and copper corporations are presented as consistently strong political actors. Even so, Gjording argues, new modes of opposition to military and multinational rule emerged during these years. The indigenous Guaymi begin to organize for collective action and also allied themselves with the Catholic Church.

Both the Phillipps and Gjording monographs contribute to overall understanding of Panamanian politics through analysis of the changing dynamics of group and institutional interaction under military rule. Previously weak political actors including labor, Indians, and the Catholic Church gained new strength through processes of internal change and emerging patterns of alliance. The enduring legacy of these two volumes will be to inform future discussions of political dynamics during the post-invasion period of Panamanian civilian governance by detecting changes in the relative power of various domestic groups and institutions.

U.S. Influence on Panamanian Politics

Although past scholarship has tended to focus inordinately on U.S.-Panamanian relations, close historical ties between the two countries suggest that domestic political developments cannot be understood fully apart from the bilateral relationship. The crisis in U.S.-Panamanian relations that occurred following General Noriega's assumption of power in 1983 offered yet another opportunity to examine the nexus of relationships between U.S. interests and Panamanian domestic politics.

The latest crisis has stimulated an outpouring of journalistic works of varying quality and sophistication. Among the more academic treatments of the subject, Margaret Scranton's *The Noriega Years: U.S.-Panamanian Relations, 1981-1990* stands alone as a careful attempt to model the crisis and provide a detailed elaboration of the changing mix of U.S. security concerns, crisis-generating events in Panama, and U.S. decision-making reactions.

In attempting to explain the pattern of U.S. reaction to the crisis, Scranton poses two fundamental questions. Why did the U.S. government tolerate Noriega for so long, particularly following the murder of Hugo Spadafora by members of the military in 1985? And why did the government experience such difficulty in encouraging the general's departure, once the decision to remove him had been reached in 1987? To answer these questions, Scranton develops a three-tiered conceptual framework. At the most general level, she examines changes in the international system that affected the perceptions of U.S. decision makers concerning Panama's place in the regional "security equation." Scranton's second level of analysis is the nation-state, and she spends considerable

time discussing the various domestic political developments in Panama that triggered the crisis. Finally, she focuses on the decision-making level and on the peculiarities of crisis dynamics during the administrations of U.S. Presidents Ronald Reagan and George Bush.

Scranton's analysis mainly addresses the first of these two questions. She concludes that the United States supported Noriega primarily for reasons of state related to his aid for military efforts in Central America. Following the Iran-Contra debacle and with the end of the cold war, Noriega became a major domestic liability. Scranton suggests that the crisis dragged on largely because of certain personal traits of President Reagan and sui generis characteristics of his foreign-policy decision-making team. As an example, she notes Reagan's unwillingness to choose between the options for removal presented to him by his top advisors, presumably out of fear of personally offending any of them. This non-response forced the issue down to lower-level routine channels in the bureaucracy. Scranton also cites the weakening of the formerly "activist" National Security Council in the wake of the Iran-Contra scandal.

These factors, coupled with Noriega being what Scranton calls an extremely crafty opponent, no doubt account for much of the delay in removing him. Still, it may be suggested that the difficulties experienced were more than just a matter of imperfect U.S. decision-making instruments and the "battle of wills" between Noriega and Reagan officials. One must also note the existence of a popular base of Panamanian support for any military leader who would stand up to the United States. Although this popular base had been badly eroded by the time of the crisis, it survived because of its grounding in fundamental socioracial opposition to the urban elite.

U.S. influence on Panamanian politics is also discussed in two other books under review here. John Weeks's and Phil Gunson's *Panama: Made in the USA* as well as Tom Barry's *Panama: A Country Guide* were both produced by small, private nonprofit organizations. Both works take a highly critical view of the U.S. role in the Panama crisis.

As suggested by the title of their book, Weeks and Gunson argue that Panama as a state is nothing more than a historical expression of U.S. policy objectives in the Western Hemisphere. Although the United States was clearly "present at the creation" of the Panamanian state, the view that Panamanians themselves neither participated in the long-term liberation of the Isthmus from Colombian hands nor continued this struggle throughout the twentieth century is one that is rejected by most scholars.

Barry's *Panama: A Country Guide* contains a mixture of useful general information and highly charged commentary on recent U.S.-Panamanian relations. The central premise is that a "good" period of military leadership (the Torrijos years) was followed by a "bad" period of dictatorship (the Noriega years). During the good years, participation expanded

and the country's political system was "stabilized" under populist governance. Barry views Noriega as an aberration who corrupted the system and destroyed the military-led populist regime in the process.

Although this bifurcated chronology dovetails neatly with the ideological proclivities of those who would like to preserve the mythic purity of the Torrijos years, it bears little resemblance to reality. The case is more easily made for continuity throughout the period from 1968 to 1989 rather than for change. The fundamental nature of the regime remained the same (military-dominated, inclusionary, and authoritarian), as did the mechanisms for maintaining regime autonomy (widespread corruption) and the socioracial base.

What Have We Learned?

The specific nature of the latest crisis in U.S.-Panamanian relations has forced scholars to reexamine some of our fundamental premises about the nature of Panamanian politics, including the nature of the various economic, social, and racial groups undergirding periods of civilian and military rule. To the extent that the academic literature emerging from the crisis has addressed questions of domestic political structure rather than concentrating exclusively on patterns of U.S.-Panamanian relations, the recent studies represent a major step forward.

Some of this literature has strengthened and confirmed things we already knew about the general fragility of civilian governing coalitions. Some of it has forced us to look more closely at the reasons for the long period of military rule in Panama and the changes this period produced. We have also been reminded of the strongly interactive nature of the relationship between U.S. policy interests and developments in Panamanian politics. It is to be hoped that these advances in understanding Panama's domestic political structures will produce better future decisions and outcomes in both Panama and the United States.