

Destination Panama: An Examination of the Migration-Tourism-Foreign Investment Nexus

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Abstract

Panama has emerged as an important destination for US citizens seeking an affordable and 'exotic' place to invest, relocate or live out their "golden years". The result on the Panamanian landscape to date has been uneven and its implications to the Panamanian economy and society warrant attention. The flow of new residents and money, both of which have been made relatively easy by liberal government policies, have spurred growth immediately evidenced by the abundance of half-built skyscrapers in the capital city and burgeoning non-urban communities complete with golf courses and other amenities typical of retirement communities in the US. The objectives of this paper are twofold: first, we aim to build a conceptual framework in an effort to better understand the myriad of factors that intersect to establish such movements; and second we examine how this rapid influx of US culture and economics promote and perpetuate what we argue is a questionably sustainable neoliberal economic agenda.

Keywords: residential tourism, globalization, neoliberalism, Panama

Introduction

Panama is an increasingly important destination for the flows of people, money, and ideas that circulate throughout the Americas, often with uneven results. Panama has found, at least temporarily, a niche within the region (and world) as a safe place to invest and the concomitant economic advantages are now evidenced by rapid commercial and residential development in the capital city and in more remote yet often more economically and/or aesthetically desirable locales throughout the country. The country has established a highly favorable tax climate for investors, including homeowners, while at the same time launching an extensive marketing campaign in combination with many

local and foreign private companies to lure tourists and potential long-term residents to what is promoted as an environmentally rich country friendly to international tourists, investors, and retirees. Our emphasis throughout the paper is on the growing North American (primarily US) communities whose inhabitants range from retirees, part-time residents, tourists, to investors. The intense promotion of the tourism and real estate industries (not necessarily separate as we discuss later) has obviously hastened human and capital flows into the country with economic, social and environmental implications. Indeed, based on a report by Prima Panama, a real estate promotion company, there are now 107 residential towers of at least 20 stories each valued at \$3.2 billion under construction in metropolitan Panama City alone (see Lakshamanan 2007). The same report claims there are 11,000 apartments scheduled for completion by 2010. The average price on a new condo in Panama City is US\$289,000, but some luxury places can go well into the millions. In an effort to analyze the confluence of these activities and their potential for sustainable, equitable growth in Panama we borrow from several streams of literature including: globalization/neoliberalism, residential tourism, international retirement migrant and citizenship/identity. As such our paper is cognizant of the territorial institutions of governance that regulate these spaces and the extent to which opportunity has availed itself to all members of society in a democratic fashion.

Situated within these broad frameworks, we tie together several strands of inquiry that help to define contemporary Panama. Because of this mode of development, Panama is similar to many countries in the region that have become highly reliant on foreign investment and the influx of people (i.e. investors, tourists, seasonal residents, and laborers), a situation that leaves Panama exposed to the uncertainties characteristic of the

hyper-capitalistic neoliberal world. As such, our focus here is on macro-level developments with some discussion of local-level phenomena. Panama is by no means the only country experiencing these trends, but it does seem to be at or near the forefront of a model of development that is highly dependent on foreign investors, foreign visitors, and foreign-born residents and therefore could be a “bellweather” for things to come around the region and globe.

Global-Local Connections

Our discussion of the dominant economic imperative in Panama can be seen in the work of McMichael (1996: 26-7): “Local processes, and local expressions of globalization, are then situated in an historically concrete, rather than an abstract context.” We believe this is a very concise and apt description of the term “new economy” especially as it pertains to the North American homebuyer’s engagement in a specific economic transaction. One attribute of a globalized new economy is the extreme hypermobility of capital, particularly its ability to overcome the historical and political boundaries of nation-states. A second attribute is the effect of the new economy on spatial outcomes at local scales, chiefly within the global city that Sassen (1998: 86) describes as “strategic sites for the valorization of leading components of capital and for the coordination of global economic processes.” These two characteristics identify both the economic transactions and the cultural implications of our engagement with these new economies of globalization.

The ability to acquire commodities such as a home in Panama, a process made easier by the Internet and organized sales forums, is indicative of the changes in scale and speed that typify globalized financial activities. “Money,” according to Barnet and Cavanagh (1996: 361), “has become free of its place.” The Internet functions as a site for

transactions, a place completely free of labor unions, minimum wage laws and other ‘encumbrances’, particularly taxes (Mander and Boston, 1996) where North Americans, as consumers, are able to eliminate any temporal-spatial limitations that interfere with their desire to purchase a commodity. Buyers are able to largely bypass the normative real estate agent-facilitated transaction and are thus placed within the nexus of deregulation – their money has now indeed “traveled faster, farther, and in ways never envisioned by banking legislation and regulatory authorities” (365). Buyers are capable of making these forms of transactions because price controls on their desired commodity have been lifted, creating attractive price differentials. The middleman (i.e. real estate agent) is transformed by, or at least now subordinate to the Internet or the group sales activities that are the chief facilitators of such transactions and, at the same time, create a sub-industry of potential buyer tourism, i.e. those who travel from abroad to tour potential retirement/investment properties throughout the country. These types of transactions have contributed to the economic reorientation towards home ownership in foreign countries brought about by the Structural Readjustment Programs discussed by Bello (1996). Buyers have become part of the dynamic economic restructuring process – through the liquidity of capital they have transgressed the local and positioned themselves within the global. By utilizing the globalizing effects of deregulation, buyers have contributed to a further loss of significance for the Panamanian state and to the emergence of the supranational. In this instance, the primary role of the state is as facilitator by creating an attractive investment/retirement destination.

The new Americanized communities become local expressions of globalization. The urban developments embodying the sensibilities of the intruders reflect the

architectural aesthetics of the home country itself, a landscape that contains several conflicting elements: contemporary consumer capitalism embodied in modernist architecture that sweeps away all trace of local history and tradition and local qualities of space that are to be respected. McMichael (1996: 42) states, “As global integration intensifies, the currents of multiculturalism swirl faster. Under these conditions, which include the juxtaposition of ethnically distinct labor forces and communities, the politics of identity tends to substitute for the civic (universalist) politics of nation-building.” This concept of speed is common to the creation of North American communities in Panama: things move too fast – the available commodities are increasingly valorized so there is little time for contemplation of effect because of the desperation to keep pace with something that is always on the verge of disappearing. Sassen (1996: 84) comments on “experiences of membership and identity formation that represent new subjectivities” and McMichael (48) states “global integration crystallizes the local, even to the point of generating reaction to global analysis.” The purchases of North Americans present a struggle for space within the now threatened geographic place of Panama and the economic, social, and political confrontations within the amenity-rich (which not by coincidence also investment-friendly) spaces depict the end of history for the Panamanians. These occupied spaces represent a community struggling to survive a contested problematic future for a globalized capitalist Panama that is now both consumer and consumed.

The economic transactions that make Americans part of the new economy has also given them access to this contested space. Culture has itself become a form of capital and, like its financial counterpart, culture has become hypermobile and transnational. The

visual expressions of the processes of globalization that are represented by the homes of the North American relocators resonate with equal intensity to multinational consumers of the landscape. A landscape that must meet the imaginary of the US retiree ensuring that their international foray is not too alien. They have thus participated in the new economy in a multi-level manner. They have used the financial aspects to find advantageous consumer conditions that are supranational in nature. They have also redefined local affects, within the contested spaces of the globalized city, through their representations of America in a Panama that struggles to comprehend its hybrid identity.

Residential Tourism/International Retirement Migration: Structures and Agency

Just as the lines between international tourist and international migrant can get blurred, so has the terminology surrounding this subject. The two most commonly used terms are International Retirement Migration (referred to elsewhere as IRM; see King, et al. 1998 for a detailed discussion) and Residential Tourism. We prefer the latter for this discussion for several reasons as outlined by McWatters (2009): 1) it has a scholarly tradition in describing the movement of Northern Europeans to Southern Spain (see also Rodriguez, 2001); 2) their pattern of behavior is often similar to that of tourists; and 3) it conscientiously drops the word “retirement” because many of these individuals are not retirees. Another potentially slippery issue is defining who is actually a residential tourist. For example, some may be seasonal migrants who continue to work in some capacity either in their host country or are able to work from afar.

The accelerated movement of people from the United States or Canada to Latin America, is fueled by several interrelated factors. First, many people in the US are retiring at a younger age and/or living longer with greater resources and in turn greater

flexibility with their retirement decision-making. Second, many more people have greater international experience and familiarity with foreign places which makes places like Panama more accessible and more desirable. Finally, many traditional retirement destinations in the United States have become expensive and many are perceived or experienced as too crowded, thereby negating the major pull factors that initially lured retirees to destinations like Florida or Arizona. These adverse factors have driven a greater number of investors/retirees to seek international destinations, as is evidenced by the recent real estate boom in Panama.

In many ways, Panama has supplanted Costa Rica as the ‘trendy’ place for US citizens to relocate. In the 1980s, Costa Rica offered many incentives to lure US investors there but has since rolled back many of these policies to curb migrant flows. The incentives currently offered by Panama are inspired by 1980s Costa Rica and include: liberal landownership laws, a one-time tax exemption of up to \$10,000 on imported goods, a tax exemption on newly constructed properties for 20 years and a low 2.1% tax on other properties, low cost healthcare (most US migrants purchase private insurance), a dollarized economy, not to mention discounts at movie theaters, restaurants, medical services (e.g. dental, optometry), hotels and resorts, utilities, et al. These incentives have given Panama a comparative advantage over many of its neighbors; not to mention the historical linkages to the Panama Canal.

The increasing flow of individuals from the United States and Canada to Central America in many ways imitates the retirement migration to Florida in the postwar period but, as is the case with Panama, there are potentially adverse consequences to the local economy, culture and environment. This is not to say the mass migration to Florida did

not create problems locally but the move further south to Central America represents a migration stream that is ripe for investigation.

The Individual: tourists, migrants or both?

One of the initial obstacles in doing research on residential tourism is obtaining accurate and/or reliable statistics. Within the US, the Department of State (DOS) collected this information until 1999, but has since stopped due to security reasons. Even when they did collect this information they were little more than estimates based partly on registration with the US embassy in the host country. Data can be gathered from host country censuses, but of course they would not necessarily be accurate because many residents would not be counted, notably those who are part time residents. By any estimate, the number of US residents in Panama has historically fluctuated due largely to political events. The Panamanian census reveals an increase of 136% between 1990 and 2000, due likely to the 1989 overthrow of Manuel Noriega and return of former canal workers and US military personnel who left when the Canal was handed back to Panama (MPI 2006). There has not been a census since 2000, but by all accounts there has been a swell in the number of US residents in Panama since that time.

Visa statistics are another way to obtain data on the number of US residents living in Panama. Of course, these numbers are also prone to inaccuracy as not everyone needs to apply for a visa as many apply for tourist visas if they live there part-time. Nonetheless, these numbers highlight that the number of migrating retirees/relocators is on the rise, as the number of visas issued to US residents more than tripled between 2003 and 2005. Panamanian officials state that US citizens represent 2/3 of foreign resident visas issued over the past several years and between January 2003 and March 2006 at

least 1,379 Americans have received such visas (see Lakshmanan 2007). Granted, this is not a huge number but it should be viewed as more useful in revealing trends than enumerating migrants.

Categorizing and conceptualizing this type of movement raises some provocative questions without easy answers. Are these individuals who decide to buy a home (which, it should be noted, is often a second home) in a foreign country and reside there for only several months a year considered a resident of that country? If they retain citizenship and an address in the US are they migrants or tourists? Neither? Both? With the onset of globalization and the increasingly free flow of money and people these population movements are becoming increasingly more complex and difficult to pinpoint. Urry (1995) has argued the need to examine these leisure-related activities amid the wider social relations in which they exist, a condition that Williams and Hall (2000: 29) argue is pertinent to the study of tourism and migration because of their complex causal connections. Indeed, tourist destinations become relocation/retirement destinations because they are both often amenity-rich areas.

Much of the previous work on the links between tourism and migration has focused on how European tourist destinations can become retirement destinations (see for example Williams, et al. 1997). This tourism-retirement nexus is hastened by second-home buyers who, upon retirement, turn their vacation home into a retirement home (Williams et al. 2000). We argue that the popularity of owning a home in Panama is related to scalar economic and cultural outcomes of globalization. How this process defines and complicates conceptions of citizenship is much less clear. We believe the term “residential tourism” functions best in its ability to define conceptions of citizenship

and spaces of contestation. The use of this term within the economies of Panama transforms the ‘home’ into a commodity that is a part of the much larger rubric of consumed goods within the global marketplace.

Residential tourism thus becomes a historically concrete outcome, similar to McMichael’s ‘set of relations’ and based on and constructed by social forces put into place and supported by a set of capitalist relations driven by the *desire* to consume and to own. Residential tourism becomes another industry designed to perpetuate the hegemony of the Northern capitalist economies. For Panama, the subordinate cultural and historico-economic relationship complements the First World notion that buying and selling is ‘natural’ and that Panama is thus more ‘natural’ in this respect than the United States. Spatial availability in destination countries like Panama are often the result of the inequalities of the historical processes of capitalism and are, according to Wijers (1998: 71), “relegated to the informal and unregulated labor market – without rights and without protection [where] more dubious and unprotected labor markets have developed internationally.” Residential tourism becomes, then, an economic manifestation of desire that constructs the spaces of Northern pleasure and fantasy.

Linking Tourism and Retirement

We argue that there is a strong connection between tourism and relocation/retirement in both the economic and social spheres. Panama emerged from the Noriega era embracing a new economic model that included promoting tourism and attracting investors from the United States and Canada. To see the effect of this model one has only to note that the number of international tourist arrivals (it is logical to assume that investors/relocators are part of this trend and data on them alone is not available) increased from: 345,000 in

1995; 534,000 in 2002; and 795,000 in 2006. Once a tourist arrives in Panama, it is near impossible to avoid being bombarded by the real estate mania sweeping the country. In addition, even a cursory exploration of Panama-related websites will reveal a link to or information about living in Panama, further illustrating the dramatic effects and prominence of this new economic phenomenon.

Panama's National Tourism Council was founded in 1983 to promote tourism and like many government agencies began to lose its power as a result of the recent shift toward neoliberalism and the concomitant increase of tourism investments that allow tourist exemptions from import duties, income, and real estate taxes--pull factors that have helped open the door for the residential tourism increase. Thus, as soon-to-be investors from the United States and Canada were looking for options outside normative communities the Panamanian government was creating an enticing environment for potential investors and residential tourists. Not surprisingly, opportunists seized the moment to connect the two.

It is important to note that the Panamanian government has not made the investor friendly policies uniform throughout the country. Rather they have identified certain areas as "tax free zones" as illustrated by the map below, which not surprisingly encompasses the most aesthetically pleasing and tourist friendly locales throughout the country. The subsequent description of each of these areas highlights their amenities.

Figure 1. Panama's Free Zones.

Zone 1, La Amistad: Located in the provinces of Chiriqui and Bocas del Toro, characterized by the presence of La Amistad International Park and Baru National Park. The structure is composed of 61 attractions (47 are natural and 14 are cultural) which make this zone propitious for ecological tourism. The main areas of this zone are concentrated in Boquete and to a lesser extent Cerro Punta, Volcan and the Sereno River.

Zone 2, Bastimentos: The province of Bocas del Toro has one of the largest Marine Parks in the country which includes beach areas, reefs and the presence of the Afroantillian culture which is most present in the architecture of the city of Bocas del Toro. The tourist areas of this zone are made up of 78 attractions (58 are natural and 20 are cultural), predominating sandy, white beaches and crystalline waters which are ideal for diving and ecological tourism.

Zone 3, Arco Seco: The Arco Seco is conformed by the coastal areas of the provinces of Herrera and Los Santos, unique for their traditions and socio-cultural events which attract large amounts of visitors.

Zone 4, Farallon: Farallon includes 80 kilometres of Pacific Coast, distributed between the provinces of Panama and Coclé. Its tourist potential is comprised of 24 natural attractions of which 17 are beaches and the remaining attractions are in the area of the Anton Valley for ecological tourism.

Zone 5, Metropolitan: The principal attractions are related with Panama City, shopping, business activities, historical and cultural attractions as well as the natural parks that surround it. This zone has 126 attractions (72 are natural and 54 cultural).

Zone 6, Portobello: Portobello is located in the province of Colon; it consists of beaches and innumerable diving areas, a National park and an assembly of Historical Monuments. Zone 6 accounts for 82 attractions (54 are natural and 28 are cultural) mainly reefs for underwater explorations and ruins of the forts of Portobello.

Zone 7, San Blas: The Caribbean of the Kunas, an exotic place due to its islands and areas of corral reefs and white sandy beaches guards one of the most traditional and native of the Americas.

There are 200 attractions in this zone (173 are natural and 27 are cultural). Its potential is characterized by more than 300 coral based islands and associated white sandy beaches.

Zone 8, Archipelago de Las Perlas: Composed of more than 30 islands and 83 beaches in the Pearl Island Archipelago, complimented by ample coral reefs and innumerable sport fishing areas. Zone 8 is made up of 136 attractions all of which are natural, characterized by beaches and fishing spots.

Zone 9, Darien: The tourist potential of this zone is made up of 72 attractions (39 natural and 33 cultural). The main attraction is the Darien National Park declared by UNESCO as a Biosphere Reserve ideal for the ecological and adventure tourism, additionally it integrating the indigenous groups that live in this zone.

Source: <http://www.panamarealtor.com/real-estate-law-incentives/projects-in-special-tourism-zones>

Who's behind the push?

While nearly all of the big real estate companies (Century 21, Coldwell Banker, Re/Max to name just three) from the United States now operate in Panama, one particular company, International Living (www.internationalliving.com), maintains a niche by connecting potential residential tourists to desirable destinations around the globe, including Panama. Created in 1979, International Living now plays a vital role in promoting real estate investments around the globe, including Panama, as evidenced by their advertising slogan: "Living better, for less, overseas." Although one of the company's primary interests is to increase investments in Panamanian real estate, International Living also offers a wide variety of travel activities including river rafting and various sight-seeing adventures, as well as touring residential communities, thereby making an explicit link between tourism and migration.

International Living has also contributed to the increase of investments in Panamanian real estate by offering a complete range of housing from luxurious houses to apartments, from properties in metropolitan Panama City to properties in the foothills of the mountains to multi-acre beach lots. Panamanian real estate is especially presented as more affordable and more desirable than other places in Central or South America due to the fact that foreigners in Panama are offered the same property ownership rights as Panamanian citizens in addition to the low price of property insurance and lower taxes are all presented as incentives appealing to potential retirement migrants from the United States and Canada. As a result, Panama has been ranked by the *International Living*

Newsletter as the world's best place for Americans to live abroad, an accolade that further contributes to the increase in residential tourism to Panama.

In addition to the aforementioned amenities geared to investors and retirees, Panama has the additional pull factor of numerous U.S.-standard healthcare facilities staffed with U.S-trained, English-speaking doctors that are readily available and easy to access. Panama's modern technology infrastructure also helps ease the transition for Americans moving into a new environment and lifestyle. Panama has easily accessible satellite television and high-speed, voice-over Internet. Although technology is beneficial for communication it nonetheless has the potential to distance them from the Panamanian people, culture, and lifestyle.

Thus, for many expatriates, Panama is the perfect place to enjoy a low cost of living, a booming economy, and a government that supports business and foreign investment. However, how is this all benefiting Panama and how long will it last? The country is posting tremendous growth numbers in real GDP (7.5% increase in 2007), but distribution remains an issue and the separation among class and ethnic lines is of great concern. In fact, 40% of Panama's population lives below the poverty level and their wealth distribution is second worst in the hemisphere, next to Brazil. This situation is all too characteristic of the endemic neoliberal economic policies introduced by the Panamanian government in the 1980s and 1990s, especially those emphasizing privatization and market competition, that threaten lower income communities in Panama and elsewhere throughout the region. The separation of classes, often easily visible on the landscape, is becoming increasingly evident as new high rise residential complexes, gated communities, and resort areas typically have a strong security presence, either

through gates and/or security guards, effectively separating them from the local population.

One of the distinguishing features of the Latin America society at-large is its stark and widening socio-spatial differentiation that caters to the elites, and in this context including the transnational residents. For example, in his research on Managua, Rodgers (2004) argues that with this new pattern of segregation in cities dotted with walls and enclaves, public space is eroded and those living on the “inside” feel little responsibility for those on the “outside.” This would be particularly true for Anglo residents who can easily escape the local realities of Latin America while being surrounded by people of a similar background inside the gated community, elite high-rise, or isolated rural enclave thereby challenging or at least questioning the notion of citizenship or belonging.

Of Citizenship

Exactly what is meant by the term ‘citizenship’ is open to many definitions and meanings within the various political nation-states and cultures of the world. Sennett (1994: 310) endows citizenship with a particular freedom, “the ability to move anywhere, to move without obstruction, to circulate freely, a freedom greatest in an empty volume.” Mitchell (2000: 138-39) directly links citizenship to freedom of individual movement within the spaces of the landscape. This type of citizenship is based on the externalization of those deemed ‘undesirable’ and can be accomplished through “design or through law [enforcing] the fact that such exclusions are seen as a wholly desirable aspect of citizenship.” Holston (1998) draws on T.H. Marshall’s work on the civil, social and political rights of citizenship and sees citizenship as a ‘membership’ in or of a political unit (usually the nation-state) that secures certain rights and privileges to those who fulfill

certain obligations. Thus citizenship becomes a concept that formalizes the conditions for full participation in a community such as the residential tourism communities of Panama. Within these concepts, tensions and spaces of resistance are created between local, national and supranational units. There are continuing struggles to maintain power over defining the rights of citizenship and the economic forces necessary to maintain those rights. People can create their own, alternative spaces of citizenship which either challenge or reinforce the inconsistencies and inequalities built into the political systems of nation-states at any scale.

Economically, residential tourist citizenship takes one of two forms. One, membership in a political unit gives an individual (or even a group) the ability to fully participate in society that brings with it the protection of property rights and personal wealth. By participating in the economy (as consumer or producer), members are guaranteed the rights and entitlements contained within the free market society. A second form sees market inequalities denying some members their citizenship entitlements. This allows the state to intervene and offset these inequalities thereby ensuring the opportunity and the right of everyone to participate in the complete range of social activities.

For residential tourists to be citizens (not necessarily in the legal sense) there must be some degree of interaction within the economic structure of a larger membership-providing entity. In Panama, these interactions are often controlled by the “third party” or the dealmakers who bring the investor and property together thereby easing the transaction process, but at the same time minimizing or eliminating the degree of interaction typically characteristic of the road to citizenship, in a formal or informal sense. Becoming part of the community allows residential tourists to recombine what

their new culture has differentially transmitted to them, create new value from these recombinations and make the new value available to each other through exchange. Growth, either personal or some form of nationalism, comes from the differences in the transmission of culture facilitated by the entitlements of citizenship, but if those exchanges are minimized then how do we come to understand these interactions?

Cosgrove (1989: 123) states, “Any human intervention in nature involves its transformation to culture, although that transformation may not always be visible, especially to an outsider.” Most humans live in societies that are divided – by class, caste, gender, age, and ethnicity or even physicality. Citizenship, as Mitchell has stated, is often grounded in exclusionary practices, intentional or otherwise. An economically dominant group like residential tourists will seek to establish its own experience of the world as the objective and valid culture of all people. Power is then sustained through the reproduction of culture. This is clearly shown in the residential tourism industry, be it through gentrification (or redevelopment), through modernist urban constructions such as the high-rise condominium boom in Panama City, through one-size-fits-all architecture that inhibits bodily motion, and through the struggle to obtain a livable wage. If anything, residential tourism is a good indication of the varying interpretations and forms of citizenship and how there can be great differentiation across political boundaries (formal or informal) and at any scale or economy. Also worthy of consideration, but beyond the scope of this paper, are the perceptions of Panamanians and residential tourists have of each other. Do the Panamanians view the hundreds of foreign residents housed in the mountain enclave of Boquete as citizens? Similarly, do the new residents care to be considered Panamanian while they are insulated in their community protected by the

security of their American neighbors, gates, and guards? Also, one must consider the role of the Panamanians who build, clean and protect these properties. Obviously, there is the necessary employee-employer capitalist relation, but within these communities who is the insider and who the outsider?

According to Kempadoo, paraphrasing Marx (1998: 25, n.6), “humans make their own history, but not in circumstances of their own choosing.” The ways in which Panamanians produce and reproduce their social, economic and political life emphasizes this interwovenness of human agency and social structure helping to make clear the contested and problematical nature of the domain of the residential tourist. Panama, for some Panamanians, is becoming a marginalized economic endeavor complicated by the unavailability of those most affected to provide a voice offering a more provocative reading of the Panamanian landscape.

The popularity of residential tourism defines the concept of neoliberal reterritorialization in two ways. The economies associated with the industry reinforce the dominant capitalist social constructs of globalization and illustrate the commoditization of Panama and its consumption by a Northern hierarchy. Promotional web pages on the Internet are clearly a site of capitalist desires in which space (in its globalized hypermobility) is easily transported to or visited by participants in the economies of residential tourism. Appadurai (1996: 35) likens these to ‘mediascapes’ that, “tend to be image-centered, narrative-based accounts of strips of reality, and what they offer to those who experience and transform them is a series of elements . . . out of which scripts can be formed of imagined lives, their own as well as those of others living in other places.” The removal of the physicality of the transaction complicates issues of this imagined

neoliberal utopia even more. No matter the space, be it real or cyber, Panamanians are deprived of a voice or, as of yet, are unable to be heard within the discourses that attempt to speak *for* them. This absence of a voice, although defining in one way, complicates matters of transnational landscapes in others. To attempt to provide a voice without having existed within or experienced the social, political and economic life of the Panamanian is yet another exoticizing of the Other based in Western neo-colonial traditions.

Seen as a form of neocolonialism, the formation of these residential spaces would seem to indicate a growing awareness of the vulnerability of the disenfranchised to the desires of a residential tourist capable of exploiting deficiencies in the Panamanian economies. This further exposes the problem that markets are by nature indiscriminate and inclined to reduce everything – including Panamanian territory – to the status of commodities. Those commodities are often held to have little or no value to their previous occupants – especially when based on economic class or race – and are excluded from newer postcolonial social formations that treat them as waste products better used for profit-based ventures within capitalist economies such as residential tourism.

Clearly, Panamanian land (and the residences on that land) has a historical meaning that can embody histories from personal scales to international scales. This land-home dialectic has economic meanings that can embody conceptions of both slavery and privilege but can also contain meanings relating to cultural imperialism. The ability of the Panamanian individual to contest any question of ownership as articulated by the state might result in a resistance to the homogeneity created by the new reterritorialization. The neocolonial retirement communities transcend scale, to realize an ‘imagined

community' thereby enlarging scalar space from the Panamanian local to the international residential tourist industry. That industry imposes its own meanings of land ownership onto the landscape by incorporating narratives of desire and consumption into the transactional process and Panamanian meanings and histories are often lost in the objectification of the desires of the capitalist North. Thus, transnational residential tourism can inflect these formations only by a transgression of meaning – local histories and personal meanings are now reinscribed on Panama and its new occupants.

A Bit on the Local by way of Conclusion

What this rapid transformation is creating is an unsustainable pattern of development that is prone to crises and disenfranchisement, and that is ultimately leading to economic and social decay. The fickle nature and local hardships resulting from this 'fast' capitalism is well documented (see for example the Asian and Argentine crises during the last decade). The amenities that are luring investors and migrants into Panama is being replicated in many areas throughout the world as evidenced by the International Living website where places from Uruguay to Bulgaria to Vietnam are advertised. Thus, there is obvious competition and once the potential profit in Panama becomes minimized or superceded, new opportunities will avail themselves and the dollars and people will likely follow.

Latin America has a long history of 'boom and bust' economies that historically involved agricultural and mining activities. We are even witnessing it now with the loss of maquiladora jobs to lower cost markets such as China. There is no reason to believe that the same will not occur with the residential tourism model. Perhaps it is best to recognize the tourist-residential experience as an export vulnerable to shifts in global demand and the vulnerability of these markets, since they are as reliant as activities

beyond their borders as they are on activities within the host country. Again, note how quickly temperaments toward Argentina changed once their economy hit a bump in the road and investment fled the country and is still slow to return.

While the emphasis of our argument is at the macro- or national scale, the emergent spatial pattern within the country is revealing. Panama City remains the hub of most real estate activity, particularly that which caters to entrepreneurs who in turn serve foreign clientele. It is also the 'jumping off' point for most visitors to the country and the majority spend at least a day or two there to experience the Canal and other urban attractions before heading off to the rainforests, islands, and/or rural communities. The few skyscrapers that dominated the skyline of Panama City a few decades ago were referred to as the "cocaine towers" due to the belief that they were built on cocaine money laundered through real estate purchases during the Noriega regime. They no longer stand alone as new investment has poured in building office towers and high-priced mixed-use condominium/retail developments. Now the many unfinished buildings represent the new flood of money from eager investors looking for the next investment opportunity. On the rapidly growing outskirts of Panama City, there are high-priced residential communities sprouting up complete with the services designed to accommodate the new residents such as schools, shopping areas, and improvements to the local infrastructure. Prices in these exclusive neighborhoods can easily reach US\$500,000, although a similar place in South Florida or Southern California could fetch three times as much. At the same time, older areas of the city are slow to improve as many neighborhoods are neglected.

As a final point, it should be noted that this model of development also has its critics within Panama. The “boom” is certainly underway as evidenced by the small retirement haven of Boquete in the Chiriqui province near the Costa Rica border (see McWatters for a detailed chronicling), which is expected to add at least 5000 more retirees in the next 15 years, creating serious social and economic concerns. One of the pressing issues is employment. Ruben Lachman, President of the consultancy Intracrop (as quoted in Batista 2007: 78), adds that “..in Boquete alone there will be the need for a workforce of 25,000 by 2008, while seven years ago only 6,500 people were employed in this area.” In Panama City, Jose Bern of Empresas Bern, a large hotel and real estate firm, said one of his biggest problems is finding enough workers to complete the projects (as quoted in Lakshmanan 2007). This type of growth puts enormous pressure on the local environment and culture. The potential negative impacts are amplified because, as Raisa Banfield, a local architect, puts it “...no plans of organization or long term sustainability have been implemented” (quoted in Batista 2007: 78).

Another leader in the international retirement migration is movetopanama.com. The services they provide include: real estate advisory, insurance and immigration assistance. Similar to other companies, they organize tours to urban and rural residential communities. Panama is also aided by the positive press it has received over the past few years, often hailed as the best or near the best places in the world to retire. They have capitalized on the baby boomer population that is now reaching retirement age, but that demographic bubble has its limits. As Mario Vilar, owner of Move to Panama, comments “we cannot expect a 20-year boom in residential tourism. Being conservative, I give it ten more years” (as quoted in Batista, 2007: 79).

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