

PANAMA

Recent trends

Panama has made progress in several development indicators in the last decade. The share of the population living on less than USD 5.5 a day (2011 PPP) decreased from 26.7% to 14.6% between 2008-16. Over the same period, the population living on USD 5.5-13 a day (2011 PPP) shrank from 33.3% to 27%. Life expectancy improved to 78 years and is now slightly below the OECD average of 80.1 years. The infant mortality rate is 13.9 per 1 000 live births, just below the Latin America and the Caribbean (LAC) average of 14.7. However, the maternal mortality ratio remains high, at 94 per 100 000 live births.

Although its gross domestic product (GDP) per capita almost tripled between 1990 and 2017 and is now more than one-and-a-half times the LAC average, Panama is marked by uneven development. Labour productivity, education and income equality still lag behind other countries in the region. The average labour productivity in terms of GDP per person employed is 55.7% of the OECD average. Poverty and vulnerability levels are low, compared to the region. However, Panama's net secondary enrolment rate, 69.7%, is below the LAC average of 74.4%. It is outperformed by poorer countries such as Bolivia (78%), Colombia (78.7%) and Ecuador (87.2%).

National strategies and international co-operation for development

"Panamá 2030" National Strategic Plan (PEN in Spanish) is a guide towards a state with high human, economic, social and technological development articulated across the four transversal principles of equality of opportunities, interculturality, environmental sustainability and decentralisation. The five main objectives also show strong links with all the Sustainable Development Goals (SDGs), especially with SDG 16 (peace, justice and strong institutions) and SDG 9 (industry, innovation and infrastructure) (ECLAC, 2018). At the same time, the PEN 2030 aligns with the Government Strategic Plan (PEG) 2015-2019.

The objective "Grow more and better" groups public policies that promote economic growth through the development of skills; the creation of decent jobs; and the increase in the competitiveness and dynamism of strategic sectors at the national level. The promotion of inclusive and sustainable industrialisation, the increase in the hourly wage of workers and the expansion of the coverage of social protection programmes are some of the policies proposed to decrease inequality and spur productivity.

The objectives of "Democracy, institutionality and governance" and "Strategic alliances for development" are oriented towards the modernisation of justice, implementation of transparent processes, accountability throughout the state apparatus and establishment of precise criteria for allocation of resources and management evaluation. The modernisation process of public institutions guides each of the actors to combat corruption, violence, crime and discrimination.

The objective of "Good life for all" focuses on public policies to eradicate poverty in all its forms. It aims to ensure the reduction of hunger and the promotion of food security, with the support of small and medium-sized producers. Likewise, it includes policies oriented towards well-being and healthy living, establishing health systems that guarantee quality interventions and essential services. It also promotes transformation of the curricular model to achieve an inclusive, relevant, equitable and quality education. Panama also adopted a national Multidimensional Poverty Index (MPI) in 2017 based on data from the Multi-purpose Survey (EPM in Spanish). The MPI consists of 17 indicators grouped in five dimensions: education; housing, basic services and internet access; environment, neighbourhood and sanitation; employment; and health.

In terms of public financing capacities, Panama's total tax revenues were 16.6% of GDP in 2016 (vs. 22.7% in LAC and 34.3% in the OECD). The country initiated an e-invoicing pilot programme in 2018. Panama is also a signatory of the Multilateral Competent Authority Agreement on Automatic Exchange of Financial Account Information to fight tax evasion.

In 2015, the Viceministry for Multilateral Affairs and Co-operation (*Viceministerio de Asuntos Multilaterales y Cooperación* in Spanish) was created within the Ministry for Foreign Relations (*MIRE* in Spanish) to manage international co-operation funds. Panama participates in the co-operation economy as both donor and beneficiary. The country benefits from the co-operation programme between the European Union and Central America, in place since 2007. The "Panamá Cooperación 2030" [Panama Co-operates 2030] Plan lays out the co-operation priorities of Panama, focusing on the Sustainable Development Goals. Among key goals are sustainable economic development, social inclusion, gender parity, and improvement in government services and institutions. Panama and Mexico have a bilateral co-operation programme focused on deterring and preventing violence through the sharing of intelligence, juridical co-operation and joint action on border affairs.

	Key Indicators					
	Panama		LAC [1]		OECD [2]	
	2007	2017	2007	2017	2007	2017
	2006	2016	2006	2016	2006	2016
Income and productivity						
GDP per capita, PPP (constant 2011 international USD) [3]	14 006	22 267	12 603	12 970	38 972	39 586
Labour productivity relative to OECD (%) [4]	41.2	55.7	38.3	36.8	100	100
Households and NPISHs final consumption expenditure per capita (constant 2010 USD) [3]	4 206	5 694	4 305	5 491	22 098	20 441
Economic Complexity Index [5]	0.5	0.7	-0.3	-0.3	1.1	1.1
Average annual change in total factor productivity, 2000-17 (%) [6]	NA		-0.7		0.1	
Social vulnerabilities						
Share of people living in poverty, less than USD 5.50 a day (2011 PPP) (%) [7]	26.7	14.6	34.9	24.0	NA	NA
Share of people living in vulnerability, USD 5.50-13.00 a day (2011 PPP) (%) [7]	33.3	27.0	35.5	36.5	NA	NA
Life expectancy at birth (years) [3]	76.3	78.0	73.7	75.6	78.7	80.1
Mean years of schooling (population at 25 and older) [8]	NA	NA	7.4	8.6	11.0	11.8
Net enrolment rate, secondary level (%) [9]	63.3	69.7	66.6	74.4	78.7	90.3
Share of population that did not have enough money for food in past 12 months (%) [10]	36.0	44.0	34.8	44.3	12.0	13.0
Gini index [3]	52.8	50.4	50.8	46.2	32.7	36.5
Share of workers in vulnerable employment (% of total employment) [11]	27.8	32.1	32.6	31.0	12.8	12.6
Infant mortality rate (per 1 000 live births) [3]	18.7	13.9	19.4	14.7	7.9	5.7
Maternal mortality ratio (deaths per 100 000 live births) [3]	89.0	94.0	87.1	74.4	19.0	14.0
Mean PISA score in science performance [12]	376	NA	406	412	501	493
Social Institutions and Gender Index (SIGI) (%) [12]	NA		24.6		17.3	
Environment						
Change in forest area, 2000-15 (%) [3]	-5.1		-1.2		0.8	
PM _{2.5} air pollution, mean annual exposure (micrograms per cubic metre) [3]	14.1	14.1	24.7	20.3	15.1	14.9
CO ₂ emissions (kilograms per PPP USD of GDP) [3]	0.16	0.11	0.25	0.23	0.32	0.24
Share of population satisfied with air quality (%) [10]	83.0	79.0	74.0	73.2	74.0	79.0
Share of population satisfied with water quality (%) [10]	83.0	75.0	75.0	70.8	78.0	84.0
Institutions and perceptions about public services						
Total tax revenue as a share of GDP (%) [12]	15.7	16.6	20.8	22.7	33.7	34.3
Share of population satisfied with the educational system (%) [10]	78.0	69.0	68.1	65.0	64.0	68.0
Share of population that believes in honesty in elections (%) [10]	37.0	36.0	36.9	34.9	53.0	60.0
Share of population that thinks corruption is widespread throughout government (%) [10]	91.0	80.0	72.9	74.5	60.0	54.0
Share of population with confidence in national government (%) [10]	25.0	39.0	40.9	36.1	41.0	45.0
Share of population satisfied with roads (%) [10]	46.0	59.0	54.4	53.4	61.0	66.0
Share of urban population satisfied with the availability of quality healthcare (%) [10]	60.0	55.0	55.5	49.9	69.0	69.0
Share of population satisfied with standard of living (%) [10]	73.0	76.0	68.6	69.3	73.0	77.0
Share of population that feels safe walking alone at night (%) [10]	53.0	52.0	46.8	46.2	61.0	72.0
Homicide rate (per 100 000 inhabitants) [3]	8.1	11.3	23.7	21.9	2.0	1.8

Sources, footnotes and technical details can be found at the end of the country notes.



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