

UNITED NATIONS  
ECONOMIC  
AND  
SOCIAL COUNCIL



Distr.  
GENERAL

E/1980/6/Add.20  
27 October 1980  
ENGLISH  
ORIGINAL: SPANISH

IMPLEMENTATION OF THE INTERNATIONAL COVENANT ON  
ECONOMIC, SOCIAL AND CULTURAL RIGHTS

Reports submitted in accordance with Council resolution  
1980<sup>A</sup> (LX) by States Parties to the Covenant, concerning  
rights covered by articles 10-12

PANAMA\*

/16 May 1980/

I. MEASURES TAKEN UNDER ARTICLE 10, "PROTECTION OF THE  
FAMILY, MOTHERS AND CHILDREN"

Point A

Paragraph (1). The principal laws, administrative regulations and collective  
agreements designed to promote the protection of the family, and relevant court  
decisions, if any.

With a view to protecting the family, on 10 April 1980, the Panamanian Government established the National Directorate for Children and the Family under the Ministry of Labour and Social Welfare. The main purpose of the Directorate is to strengthen the role of the family as the fundamental nucleus of Panamanian society. The Directorate has a Department for Family Guidance, which focuses on preventive measures representing between 70 and 80 per cent of its activities in 1980. Guidance programmes will also be offered to promote family life, sex education, preschool preparation, premarital and marital counselling, training in behavioural adjustment and the cultivation of desirable habits, communication between generations, nutrition, human relationships and family interaction. Treatment is provided through retraining and family therapy programmes, which are to be expanded and restructured in 1980.

\* The present document contains the report of Panama concerning rights covered by articles 10 and 11. In a letter dated 6 October 1980, the Permanent Representative of Panama to the United Nations Office at Geneva informed the Secretariat that the report of Panama concerning rights covered by article 12 of the Covenant would be submitted at a later date.

The responsibilities of the Department for Family Guidance are reflected mainly in its objectives, which are directed towards strengthening the family as the primary social unit and conditioning it to produce the responsible, critical, thoughtful and free human beings needed in Panamanian society. In order to achieve that objective, we must concentrate on programmes to train and equip people to become better-educated and better-fed citizens with greater opportunities for self-fulfilment in Panamanian society.

The Department's responsibilities are nation-wide. Its activities are carried out primarily through trade unions and the community as a whole. There is also a programme of family allowances, administered by the Department for Family Guidance, which provides the head of a family with 40.00 balboas every three consecutive months in bona fide cases of families with no income whatsoever. Steps are taken to ensure that such allowances and any other type of economic assistance are used to promote gainful activities in the family so as to provide a steady income.

#### Constitution of 1972

In the National Constitution of 1972, the Panamanian Government provided for the enactment of the following legislation for the protection of the family:

Article 51. The State protects marriage, motherhood and the family. Civil status shall be governed by law.

The State shall protect the physical, mental and moral health of minors and shall guarantee their right to support, health, education, social security and welfare.

Article 54. Parental power is the aggregate of rights and duties that parents have in respect of their children. Parents are obliged to support, educate and protect their children in order to ensure their upbringing and proper physical and spiritual development, and children are obliged to respect and assist their parents.

Article 57. The State shall ensure the social and economic improvement of the family and shall regulate the family's assets by determining the nature and amount thereof on the basis of its inalienability and unattachability.

Article 58. The State shall establish a family protection agency with the following purposes:

- (a) To foster responsible parenthood through family education;
- (b) To institutionalize education in special centres for the children of private wage-earners and public employees;
- (c) To protect children and provide care and social rehabilitation for children who are abandoned, destitute, in moral danger or suffering from behavioural problems.

The law shall regulate and govern the operation of the special jurisdiction applying to children, which shall include the investigation of paternity, desertion of the family and problems of juvenile behaviour.

Article 10<sup>4</sup>. In the matter of health, the State has the responsibility to protect mothers and children by providing educational, preventive and curative medical care for pregnant women at appropriate intervals, and to monitor the nutritional state and health of children.

The following special legislation has also been enacted to provide for the care and education of children separated from their mothers or without families.

Act No. 2<sup>4</sup> of 19 February 1951, establishing the Tutelar Juvenile Court

Article 4, paragraph 2. The Court shall be authorized to promote the adoption of children who are living in foundling homes and other institutions for destitute children and children who have not been claimed by their parents or visited by them or by relatives for a period of two years. Adoption through the Tutelar Juvenile Court shall be possible only after a thorough social investigation has been conducted into the family and background of the child and of the parent applying to adopt him.

Article 12, paragraph (b). If a child has no responsible parents to take care of him, the judge shall entrust him to another member of the family who is willing to receive him and provides guarantees that he can take care of him; if there are no such relatives, he shall be placed, for as long as necessary, with a respectable family entered in the register of foster homes to be kept by the Court for this purpose after prior evaluation of such homes.

Article 12, paragraph (c). Should his physical, mental or moral conditions be such as to necessitate treatment in an institution, the judge shall order that he be sent to an educational or rehabilitation institution or a hospital, or to any other suitable establishment for his physical, mental or moral rehabilitation, as appropriate.

Decree-law No. 36 of 22 September 1966, establishing and organizing an institution to provide a home and suitable vocational training for unemployed children, to be called "Children's Town".

Objectives of Children's Town

- (a) To house and educate destitute children and give them a good upbringing in Christian morality and in respect for and the exercise of human rights;
- (b) To prepare them to be citizens of use to society and their country;
- (c) To adopt measures designed to ensure their wellbeing;
- (d) To carry out any projects which may seem appropriate to fulfil the institute's aims.

Paragraph (4). Measures aimed at maintaining, strengthening and protecting the family, such as family allowances, tax-exemption facilities, child-care institutions, etc.

Article 58 of the Panamanian Constitution provides as follows: "The State shall establish a family protection agency with the following purposes: 1. To foster responsible parenthood through family education; 2. To institutionalize education in special centres for the children of private wage-earners and public employees".

Pursuant to this provision, the Panamanian Government proceeded to devise a structure designed to provide an immediate and lasting solution for family groups in which the working mother has to leave her children unattended. Accordingly, child and family guidance centres were set up in 1968, through the Panamanian Special Training Institute (IPHE) (a State institution established on 30 November 1951 - originally for training handicapped children and young people), starting with eight centres in the rural area of Veraguas province with its notoriously widely scattered population and serious economic problems.

The first step was to promote a general awareness in the communities where centres were to be established, with the voluntary assistance of secondary-school graduates, mothers, primary-school teachers, pensioners and civic organizations and with the full co-operation of State health, educational and other institutions. A co-ordinated guidance scheme for parents was devised, covering education, production, family planning, health etc. and starting with care for children up to 5 years of age while their parents are at work.

Similar measures have been taken in the urban areas, according to the social characteristics of the different localities.

These centres are supervised by the Panamanian Special Training Institute and experts from the United Nations Children's Fund (UNICEF) and the Interamerican Children's Institute of the Organization of American States and are established and organized according to the real needs and possibilities of each community, so that the best use can be made of its resources.

Experience in the province of Veraguas has been successful and child and family guidance centres have spread throughout the rural and suburban areas. There are now 12<sup>4</sup> centres catering for 5,000 children.

In connexion with this same paragraph and with regard to measures for maintaining, strengthening and protecting the family, article 51 of the Panamanian Constitution states that: "The State protects marriage, motherhood and the family". The National Government has set up schools for parents to ensure that families receive effective education so that parents can fully meet their obligations as regards the protection, moral training and education of their children.

These schools for parents operate in co-ordination with the child guidance centres and vice versa, because the all-round training of children and young people is impossible without the genuine involvement of parents. More than 1,580 parents, and many other members of the community have already derived lasting educational and cultural benefit from this programme.

### Point C

Paragraph (2). Special measures for the care and education of children separated from their mothers or deprived of a family physically, mentally or socially handicapped children; and delinquent minors.

The Panamanian Special Training Institute, which is responsible for the education of physically handicapped children, started with three small programmes - on mental retardment, hearing problems and blindness - which were rapidly developed and diversified over the whole country, with the help of the specialized teachers, technical and medical staff needed for speedy training.

Today the Institute has 12 schools, with 1,063 pupils from all over the country attending for vocational training. When they leave the schools, the pupils are assigned to private or State enterprises.

In this way, the Institute has given hope and encouragement to young handicapped people and the opportunity of an education and appropriate vocational training which enables them to face life with dignity.

The young people and children attending these schools receive all the medical and technical services of the Institute's specialists. The Panamanian community has been highly receptive to the creation of such centres and gives its full co-operation.

It is important to point out that the work of the Institute has not been confined to the care and training of physically and mentally handicapped children and young people. It has also promoted an intensive country-wide preventive campaign.

The Institute's medical, technical and teaching staff have visited schools and rural areas to give guidance and instruction on the prevention and detection of mental and physical handicaps, with emphasis on prevention of the loss of sight and hearing. The early-action programme begins in the hospitals.

Under the same paragraph, the special measures for the care and education of delinquent minors include:

#### Act No. 24 of 19 February 1951, establishing the Tutelar Juvenile Court

Article 12, paragraph (a). If a minor has been guilty of disorderly conduct or has broken the law, but seems to have no dangerous characteristics, and if

his family is morally and economically in a position to take care of him, he shall be returned to his parents under the supervision of the Investigation and Social Welfare Section of the Court.

Article 12, paragraph (b). If a child has no responsible parents to take care of him, the judge shall entrust him to another member of the family who is willing to receive him and provides guarantees that he can take care of him, if there are no such relatives, he shall be placed, for as long as necessary, with a respectable family entered in the register of foster homes to be kept by the Court for this purpose after prior evaluation of such homes.

Article 12, paragraph (c). Should his physical, mental or moral conditions be such as to necessitate treatment in an institution, the judge shall order that he be sent to an educational or rehabilitation institution or a hospital, or to any other suitable establishment for his physical, mental or moral rehabilitation, as appropriate.

Act No. 6 of 22 January 1965, establishing and organizing a national educational institution known as the Chapala Vocational School.

The objectives of the institution are as follows:

- (a) To rehabilitate, guide and train delinquent minors;
- (b) To adopt control measures with a view to ensuring the welfare of the minors;
- (c) By using modern scientific and technical methods for the treatment of minors, to modify the behaviour of the students at the school so as to adapt them effectively to a normal, respectable life that will benefit society;
- (d) To carry out whatever projects may in the future be deemed necessary for the fulfilment of the purposes of the institution.

Paragraph (4). Provisions governing work by children and young persons, including minimum age for paid or unpaid employment, regulation of hours of work and rest, prohibition or restriction of night work and penalties imposed for violations of such provisions.

Panamanian legislation contains a series of legal provisions relating to work by children and young persons which provide ample protection for minors in Panama.

#### 1972 Constitution

The 1972 Political Constitution of Panama, title III, chapter III, on labour, provides as follows:

Article 65 prohibits all work by minors under 14 years of age, and night work by minors; the employment of minors under 14 years of age as domestic servants and work by minors in unhealthful occupations is likewise prohibited.

/...

1972 Labour Code

Article 117. Prohibits work by minors under 14 years of age, and by minors under 15 years of age who have not completed their primary education.

Article 10. Provides that minors under 18 years of age cannot conclude contracts to work abroad unless they have been expressly authorized to do so by the appropriate person or institution.

Article 118. Prohibits minors under 18 years of age from performing work which, by reason of its nature or the conditions in which it is carried out, endangers the life, health or morality of those performing it.

With regard to the employment of minors in agriculture, article 119 of the Labour Code provides that minors between 12 and 15 years of age may be employed only for light work, outside school hours.

Similarly, article 123 of the same Code provides that minors over 12 years of age may be employed as domestic servants for light work with the prior authorization of the Ministry of Labour and Social Welfare, provided that the aforementioned article 119 of the Labour Code is complied with.

It should be noted that anyone employing a minor of school age must send him to an educational institution at least until he has completed his primary education. The employer must keep a special register recording the family name and given name of the minor and those of his parents or guardians.

Article 121 of the Labour Code provides that contracts entered into by minors under 18 years of age must be concluded with the participation of the parent or legal representative of the minors in question. If the minors have no parents, the contracts must be concluded directly by the minors concerned with the approval of the administrative labour authority.

With regard to the hours of work of minors, article 65 of the 1972 Constitution of Panama provides that the maximum working day of eight hours shall be reduced to six hours for those over 14 years of age and under 18 years of age.

With regard to night work, article 120 of the Labour Code prohibits minors under 18 years of age from working between 6 p.m. and 8 a.m., for exceptionally long working days or on Sundays, holidays or days of national mourning.

In addition, article 122 of the Labour Code provides that the educational needs of the minor must be taken into account in establishing the working day, which may not exceed:

- (a) Six hours a day and 36 hours a week for minors under 16 years of age, and
- (b) Seven hours a day and 42 hours a week for minors under 18 years of age.

If an employer fails to comply with the aforementioned provisions concerning the employment of minors, he is subject to a fine, to be paid to the national Treasury.

In addition to all these provisions, it should be noted that the Republic of Panama has Cabinet Decrees which ratify and bring into force a series of Conventions of the International Labour Organisation (ILO) relating to the employment of minors.

(a) Cabinet Decree No. 164 of 4 June 1970, approving ILO Convention No. 16 concerning the Compulsory Medical Examination of Children and Young Persons Employed at Sea (Official Gazette No. 16.622 of 10 June 1970);

(b) Cabinet Decree No. 77 of 4 June 1970, approving ILO Convention No. 78 concerning Medical Examination of Children and Young Persons for Fitness for Employment in Non-Industrial Occupations (Official Gazette No. 16.645 of 13 July 1970);

(c) Cabinet Decree No. 163 of 4 June 1970, approving ILO Convention No. 15 Fixing the Minimum Age for the Admission of Young Persons to Employment as Trimmers or Stokers (Official Gazette No. 16.622 of 10 June 1970);

(d) Cabinet Decree No. 160 of 4 June 1970, approving ILO Convention No. 10 concerning the Age for Admission of Children to Employment in Agriculture (Official Gazette No. 16.622 of 10 June 1970).

Paragraph (5). Measures taken to prevent the employment of children and young persons in any work which would be dangerous to life.

The Government of Panama has taken measures to prevent the employment of young persons in any work which would be dangerous to life or harmful to their morals or health.

Paragraph (6). Statistical and other data showing the number of children and young persons in the various age groups who are in fact working, etc.

No statistical data showing the number of children and young persons who are employed are available.

## II. MEASURES TAKEN UNDER ARTICLE 11, "THE RIGHT TO AN ADEQUATE STANDARD OF LIVING"

### Point A. General and specific measures taken to achieve an adequate standard of living and a continuous improvement of living conditions of people

A set of projects has been carried out under these provisions.

### Point B. The right to adequate food

Paragraph (1). Principal laws, administrative regulations and collective agreements designed to promote the right of everyone to adequate food, and relevant court decisions, if any.

(a) Adoption of Act No. 66 of 9 December 1976, providing that sugar must be enriched with vitamin A, the aim being to increase consumption of this nutrient whose absence from the diet constitutes a serious nutritional problem for the population of Panama;

/...



(b) Strict monitoring of compliance with Act No. 497 of 13 October 1957 and Act No. 366 of 26 November 1969, providing respectively that flour must be enriched with vitamin B complex, wheat and calcium, and that salt must be enriched with iodine;

(c) Establishment of national policies relating to the production of basic grains, vegetable oils, meat, milk, vegetables and fruits, with a view to increasing production for domestic consumption at reasonable prices.

Paragraph (2). Measures to develop or reform existing agrarian systems, in order to achieve the most efficient development and utilization of natural resources.

Award of land to small and medium farmers through the granting of title deeds that make them owners of the land they work and render them eligible for agricultural credit.

Paragraph (3). Measures taken to improve methods of production and the quantity and quality of food produced, and to increase the yield per unit of cultivated land and to improve methods of animal husbandry, including animal health, by making full use of technical and scientific knowledge.

Particular attention is drawn to the following measures:

- (a) Measures taken for the genetic improvement of crops:
  - (i) Development of varieties adapted to our geographical environment;
  - (ii) Refinement of locally developed or imported varieties;
  - (iii) Evaluation of varieties developed in experimental centres abroad in order to measure the reaction of germ plasma to the environment;
  - (iv) Establishment of a germ plasma bank for the development of fruit-tree varieties adaptable to our environment; and supply of seeds and seedlings required for production and national consumption.
- (b) Measures taken for plant protection:
  - (i) Inventory of the major blights, diseases and weeds which attack staple grains, vegetables, roots, tubers and oil-seeds;
  - (ii) Evaluation of the damage to the major crops caused by blights;
  - (iii) Studies on the extension and establishment of new irrigation projects, especially in areas affected by drought;
  - (iv) Control of blights and diseases affecting the major crops, when economic damage has been determined, by integrated measures so as not to depend solely on chemical control;
- (v) Establishment of a plant health laboratory covering the following fields: entomology, phytopathology, nematology, weeds, pesticides and quarantine.

- (c) Measures taken to improve soil utilization:
  - (i) Laboratory, winter pasture and field tests to improve recommendations on fertilization, by crop and area;
  - (ii) Tests in soil-problem areas to determine their potential use (study on aluminium toxicity, alkaline soils);
  - (iii) Agrological classification of the country's soils.
- (d) Measures taken to improve the quality and quantity of food-stuffs produced:
  - (i) Studies to determine effective methods of managing and conserving agricultural products, basically grains and vegetables;
  - (ii) Construction of small dams in areas normally affected by severe drought, using river water for the production of food-stuffs which would otherwise not have been possible;
  - (iii) Extension and establishment of new plants for drying and storing staple grains (rice, corn, beans, sorghum, kidney beans, etc.) at a cost of 6.2 million balboas, in order to guarantee the support price for the grower and an adequate supply to satisfy consumers' demand;
  - (iv) Improvement of the equipment and physical structure of the country's cold-storage facilities, in order to improve the conservation and quality of perishable products;
  - (v) Training of national technicians through courses at all levels, both local and abroad, in various scientific and technological fields of the agricultural sector, in order to improve production and productivity;
  - (vi) Studies on the control of blights affecting products in storage (insects, rodents, fungi);
  - (vii) Evaluation of seasonal production and nutritional value of graminales and legumes for feeding cattle;
  - (viii) Determination of nutritional deficiencies which limit the production of forage in the major soils;
  - (ix) Identification and evaluation of new sources of feed for cattle;
  - (x) Studies on the conservation of forage crops and by-products in order to increase fodder supplies, basically during the dry season;
  - (xi) Studies on the preparation of pasture additives and substitutes, using national products and by-products, including molasses and urea with added minerals;

- (xii) Improvement of cattle by selection and crossing;
  - (xiii) Study and implementation of the principal animal health practices recommended for specialized dairy herds, dual-purpose herds and beef cattle (vaccinations, dips and sanitary facilities);
  - (xiv) Study and implementation of the principal animal husbandry practices recommended for the various herds (stool control, distribution and rotation of pastures, number of animals per hectare);
  - (xv) Zoning of crops to improve production and productivity by maximizing the use of resources.
- (c) Results achieved in the sector:
- (i) Research on rice-growing has led to the development of two disease-resistant and higher yielding varieties.
  - (ii) Research on tomato-growing has led to the development of a variety resistant to leaf mould and widely acceptable to industry owing to its organoleptical characteristics.
  - (iii) Research on soya-growing has led to the development of two adapted varieties: selection of growing areas, sowing methods and blight control;
  - (iv) Introduction, evaluation and recommendations in respect of new varieties of corn, grain, sorghum, beans, onions, potatoes and cane sugar;
  - (v) Evaluation of 200 forage species: 120 graminales and 160 legumes, of which 25 and 10, respectively, have been selected as adapted to Panama's ecology;
  - (vi) Economically viable results have been achieved in substituting urea for real protein, and in fattening cattle with rice straw or sugar cane bagasse and molasses;
  - (vii) Improvement in the milk-production system, using the semi-intensive technique based on improved pastures and the intensive system of confinement;
  - (viii) Establishment of a germ plasma bank, in order to have an adequate supply of genetic material, as requested under the National Fruit-Tree Plan;
  - (ix) Preparation of technical guide-books on the major crops, which have been distributed to the country's growers;
  - (x) Radio programmes disseminating technical information and promoting the use of improved growing techniques;

- (xi) Establishment of an animal health laboratory, including facilities for the early detection of vesicular diseases, which will ensure better protection of farming and hence of the livestock and national economy. The laboratory will cost 300,000 balboas, including construction and equipment. Bidding for the construction is now in progress and operations are expected to start in mid-1980.

Paragraph (4). Measures taken to improve and disseminate knowledge regarding methods of food conservation, in particular to reduce crop and post-harvest losses and waste, and to prevent degradation of resources.

(a) Distribution of posters, pamphlets and other material illustrating the use of fertilizers, herbicides, pesticides, improved seeds, etc., to educate the rural population in growing techniques;

(b) Concentration of operations in producers' farms, using multi-disciplinary teams of technicians for the transfer of technology;

(c) Talks with farmers and agricultural technicians to disseminate information on food conservation, from harvesting to storage;

(d) Establishment of a programme for the management and conservation of watersheds, for which funds amounting to 16.8 million balboas have been earmarked;

(e) Development of a programme of international technical co-operation on soil management and conservation at high altitudes;

(f) Establishment of a permanent programme of reforestation in areas that have deteriorated as a result of traditional soil utilization.

Paragraph (5). Measures taken to improve food distribution, such as the improvement of communication between areas of production and food-marketing centres, the facilitation of access to markets, the introduction of price support and stabilization measures, the control of abusive practices, and the assurance of minimum supplies to needy groups.

(a) Expansion of existing facilities and establishment of new plants for drying and storing basic food grains (rice, maize, beans, sorghum, kidney beans, etc.);

(b) Establishment of two silos for potatoes from the Chiriquí highlands (Boquete and Cerro Punta), which are also used to conserve other perishable products such as onions, tomatoes and other crops, so that they will keep longer;

(c) Construction and improvement of roads into the farming areas, particularly in areas where there is a concentration of small producers' organizations, to facilitate the marketing of their products;

(d) Construction and equipment of warehouses for the storage and conservation of food-stuffs donated by the World Food Programme (United Nations/FAO), in support of an agriculture and forestry programme for areas whose inhabitants are outside the mainstream of production and consumption.

Paragraph (6). Measures taken to improve food consumption levels and nutrition, with particular efforts to the most vulnerable groups of the population.

(a) Establishment of a farmers' markets programme, which transports small farmers and their produce to various centres where they sell their products directly to the consumer. This results in better prices for the farmer and lower costs for the consumer.

(b) Establishment of "super-kiosks" in marginal areas, where staple food-stuffs are offered to low-income families at moderate prices to improve family nutrition.

(c) Establishment of the National Directorate for Milk Production, resulting in the last few years in a significant increase in the national production of milk, now a staple in the people's diet;

(d) Establishment of the National Directorate of Aquaculture, with a dynamic programme of research and fish production, carried out basically in areas remote from the consumer centres, where there is a high rate of malnutrition, as a cheap source of high-quality animal protein;

(e) Support for a national programme of lowland market gardening which the Ministry of Agricultural Development has been developing through small farmers' organizations, in order to raise the nutritional level of rural families and diversify their income.

Paragraph (9). Participation in international co-operation, efforts and projects aimed at ensuring the right of everyone to be free from hunger, in particular through an equitable distribution of world food supplies in relation to need, account being taken of the related problems of both food-importing and food-exporting countries.

(a) Establishment of a "food for work" project, with the World Food Programme, in order to develop a forestry and farming programme in areas at present suffering from deforestation and soil degradation, with the participation of rural and indigenous families living in these areas (one million family rations);

(b) Promotion and increase of requests for international technical co-operation with various international agencies and friendly countries, through various technical advisory services or training projects for national technicians abroad in various farming specialties.

(c) Intensification of food supplement programmes based on the distribution of food donated by international agencies (CARE, Ministry of Health Project, Red Cross, CARITAS, etc.) directed towards mothers and young children and family groups in the communities, using funds from the national budget:

(d) Completion of a study on the fortification of sugar with iron, with a view to delivering this nutrient to the population and thus helping to solve the problem of nutritional anemias.

Paragraph (10). Statistical and other available data on the realization of the right to adequate food.

(a) Chemical analysis of the nutritional content of food-stuffs for human consumption in Panama, in order to verify their nutritional value: this work is carried out through the laboratory of the Ministry of Health and the Specialized Food Laboratory of the National University of Panama;

(b) Review of all advertising material promoting the sale of food in which reference is made to its nutritional value, with a view to preventing consumer fraud;

(c) Recommendations on low-cost substitute foods in educational programmes directed to mothers and children;

(d) Production projects have been carried out with the active participation of rural communities (community stands, poultry rearing, fish farming etc.) in order to increase food supplies for the rural population.

Point D. The right to housing

Paragraph (1). Principal laws, administrative regulations and collective agreements designed to promote the right to housing, and relevant court decisions, if any.

(a) The legislation guaranteeing the right to housing in Panama includes article 109 of the Constitution which lays down that: "The State shall establish a national housing policy for the purpose of ensuring that all the population, especially low-income groups, enjoy this social right";

(b) The Ministry of Housing was established for this purpose under Act No. 9 of 25 January 1970, in order to establish and ensure in an effective manner the implementation of a national housing and urban development policy, designed to extend the enjoyment of this social right to all the population in particular the low-income sectors, as set forth in article 109 of the Constitution;

(c) In order to carry out the aims referred to in the previous article, the Ministry of Housing will have the following functions:

(i) To determine and direct the housing and urban development policy of all Panamanian public institutions and guide the policy of private investment in these matters;

- (ii) To provide adequate housing for families now without it, giving special preference to families without access to commercial sources of finance;
  - (iii) To adopt appropriate measures to facilitate the implementation of mass housing programmes of social importance by the various agencies and entities of the public and private sectors through the formulation and creation of incentives of all kinds;
  - (iv) To regulate rentals and security deposits for the protection of tenants;
  - (v) To encourage the investment of capital from the private sector in the financing of housing and urban development through the incentives provided by law, including exemption from the immovable property tax, the mandatory discount for landlords and State and private mortgage agencies on rents and mortgage payments, respectively, concessions to liberalize the importation or promote the national production of building materials, and reasonable guarantees for their investments;
  - (vi) To lay down rules regarding the contracting of all loans for housing and urban development for which the State is the lender or guarantor;
  - (vii) To determine the policy of State agencies in respect of mortgage loans for the purchase of housing;
  - (viii) To determine in urban centres the reserve areas and those which are subject to special restrictions in accordance with this Act and the regulations for implementing it;
  - (ix) To undertake, on its own account or with the participation of public or private entities, urban development or renewal activities and the demolition or rebuilding of areas that have fallen into decay or disuse or are unhealthy or dangerous;
  - (x) To promote in the building industry the reduction of costs and the adoption of techniques to increase national production of building materials, and establish, in co-operation with the Ministry of Trade and Industry, a policy for the importation price and quality control of all supplies and raw materials needed for the housing programmes;
  - (xi) To co-operate with the municipalities, the comunal councils and the users' organizations to encourage and promote their progressive participation in the urban development and housing programmes of their respective communities, in particular through co-operatives and self-help arrangements;
  - (xii) In general, to adopt appropriate measures for improving the housing situation in Panama, taking into account the urgent need to provide public housing for the needy classes.
- (d) Under Act No. 10 of 25 January 1973, whereby the National Mortgage Bank was established:

- (i) The purpose of the Bank, which has legal personality, its own property and autonomy as regards its internal organization, subject to the guidance of the executive branch through the Ministry of Housing and auditing by the Controller General of Panama, is to provide financing for national housing programmes designed to ensure exercise of the right set forth in article 109 of the National Constitution;
- (ii) The Ministry of Housing is the Bank's legal representative;
- (iii) The National Mortgage Bank is exempt from paying taxes, contributions or charges and enjoys the same privileges as the State in legal proceedings to which it is a party.

(e) Cabinet Decree 216 of 25 June 1970 established the régime for horizontal ownership or ownership of floors of apartments:

Provision was made for a system of horizontal ownership, or ownership of floors or apartments, under which the property enumerated in the following article belongs to different owners: each owner has exclusive ownership of his floor, floors, apartment or apartments in his building and is co-owner of the property allocated for common use. Owners may be natural or legal persons.

Paragraph 2. Information on measures taken, including specific programmes, subsidies and tax incentives, to expand housing construction to meet the needs of all categories of the population, particularly low-income families.

(a) One of the measures taken in Panama to expand the construction of housing of various categories, particularly for low-income families, is Act No. 93, creating the Housing Assistance Fund. The aim of this Fund is to guarantee the tenant that his rent is paid when he is unable to pay it himself (Act No. 93, art. 41) and to provide for repairs to properties covered by article 31 of the Act;

(b) The Housing Assistance Fund is financed from the following sources: 15 per cent of the revenues from the beer tax provided for in article 806 of the Fiscal Code, after deduction of the amounts earmarked to cover liabilities (art. 53);

- (i) Revenues from fines imposed by the Directorate of Rental Housing of the Ministry of Housing under the powers granted to it under this Act;
- (ii) Such budgetary appropriations as may be established for this purpose by the State and other revenues from public institutions, municipalities or private sources;
- (iii) These funds are deposited with the National Bank of Panama in an account entitled "Housing Assistance Fund".

(c) Rentals paid from the Housing Assistance Fund are treated as non-interest-bearing loans to tenants. The Directorate for Rental Housing of the

/...



Ministry of Housing will establish regulations concerning the manner in which the tenant is to reimburse the Housing Assistance Fund for these payments.

(d) No tenant in arrears may be evicted from a property used for housing if he or the persons living with him are unable to pay the rent because of illness, unemployment or lack of other non-wage sources of income. Such situations must be duly verified by the competent housing commission (art. 41):

(e) In cases of urgent social need, the Ministry of Housing may occupy any vacant property immediately under a temporary rental arrangement. In such cases, the property owners are required to grant the Ministry of Housing use of the property requested (art. 31); any act or omission on the part of the property owner or anyone else for the purpose of preventing enforcement of this article will be punished as provided in this Act;

(f) Act No. 97 of 4 October 1973 establishes a mandatory deduction for payment of housing:

- (i) Any person renting housing premises or a dwelling from the National Mortgage Bank is subject to a mandatory monthly deduction from his salary or wages to cover his rental or, as appropriate, his monthly mortgage payment, including interest, insurance and other expenses; any rental contract or any contract for the purchase of land or housing from the National Mortgage Bank is understood implicitly to authorize the deductions mentioned in this article; in no case will the monthly deduction be in excess of one month's rental or mortgage payment (art. 2);
- (ii) The deductions referred to in this Act have absolute priority over all other deductions, whether established before or after receipt of the order issued under this Act, except for deductions to cover family-support payments, taxes or social security (art. 4):
- (iii) The mandatory deduction established by this Act on behalf of the National Mortgage Bank may also apply, in the same manner, in respect of other official entities or private individuals; the Ministry of Housing determines the procedure to be followed in such cases; the Ministry of Housing issues a decision, accompanied by the relevant explanatory comments, establishing the mandatory deduction, and employers must make the deduction and turn it over to the person specified in the Ministry's decision within the time-limit established in article 3 (art. 5).

(g) Act No. 100 of 4 October 1973 establishes tax exemptions in respect of dwellings or buildings used for low-cost housing: a 25-year property tax exemption is granted, with regard to both land and improvements, to land-owners who, from the entry into force of this Act, begin the construction of housing to be rented initially at 50 balboas or less per month (art. 1); a 20-year tax exemption is granted to owners collecting rents of not over 90 balboas (art. 2); 15-year tax exemptions are granted to owners charging no more than 100 balboas (art. 3); 10-year tax exemptions are granted to owners charging rents of no more than 150 balboas (art. 4);

(h) Under Act No. 104 (art. 33) non-mortgage banks operating in the country and receiving local savings deposits are required to invest in Panama a minimum of 50 per cent of such deposits in housing mortgage loans with minimum maturities of 10 years, or in interest-bearing notes or bonds issued by the National Mortgage Bank;

(i) Act No. 102 of 4 October 1973 established a tax exemption in respect of inheritances and donations: donated properties classified and certified by the Ministry of Housing as filling social needs and having an assessed value of no more than 30,000 balboas are not subject to the inheritance and donations tax and are therefore exempt from payment of such tax (art. 1).

Paragraph 3. Information on the use of scientific and technical knowledge and of international co-operation for developing and improving housing construction, including safety measures against earthquakes, floods and other natural hazards.

(a) The Ministry of Housing maintains direct contact with international financing agencies such as the Agency for International Development (AID), the World Bank and the Inter-American Development Bank (IDB), with regard to academic, technical and vocational training and the financing of urban development and housing projects;

This arrangement has helped to improve the knowledge and training of national specialists in the Ministry of Housing, who have thus learned new techniques for solving the various problems involved in the production of low-cost housing in an environment where socio-economic resources are inadequate, as is the case of the Republic of Panama;

It is worth stressing that these international financing agencies are giving priority to housing problems and to the environmental, ecological and other implications which ensure that better use is made of urban land;

(b) The Government is taking measures to guarantee the stability of construction projects by using advanced technology, by measuring movements of the earth's crust with the seismographs set up at the National University of Panama, in the district of Barú (Chiriquí province), and by marking out rights of way according to the volume of flow of urban rivers;

(c) The Faculty of Engineering and Architecture of the University of Panama is the main State centre of research on these subjects; however, its work in this field is limited to very specific tests on construction materials, soil studies and chemical analyses; the shortage of space and human resources to operate these facilities efficiently, as well as the inadequacy of the budget, greatly hinder this work, it will be possible to expand the research programme as a result of the construction of the Experimental Engineering Centre with a UNIPAN-IDB loan;

(d) Standardized design methods as a means for the efficient production of low-cost housing;

- (i) The concept of standardized design and its technical and economic effects: analysis of specific examples;
  - (ii) Tools, equipment and simple machinery for construction operations;
  - (iii) Traditional and sophisticated construction technology in urban housing.
- (e) An agreement was concluded between the Republic of Panama (for implementation by the Ministry of Housing) and the United States of America (for implementation by the Agency for International Development (AID)), the Panamanian Foundation for Co-operative Housing, the Federation of Savings and Credit Co-operatives of Panama Ltd., and the Foundation for Co-operative Housing: the purpose of this agreement is to develop the capacity and efficiency of housing co-operatives and their service organizations and to integrate them more effectively with the production of housing for low-income families in order to improve the system;

Efforts to achieve this purpose will be made with the technical and financial assistance to be provided by the Foundation for Co-operative Housing simultaneously to the Ministry of Housing, the Panamanian Foundation for Housing and the Foundation of Savings and Credit Co-operatives of Panama, Ltd.

Paragraph 4. Information on the methods taken or envisaged to solve the special housing problems of housing, water supply and sanitary conditions in rural areas

- (a) The measures taken to solve the special problems of housing include Act No. 95 of 4 October 1973 governing the development of areas subject to urban renewal:
- (i) The areas subject to urban renewal are those which, owing to insanitary conditions, obsolescence or for other reasons of social or economic importance, require to be developed, restored, remodelled, demolished and reconstructed (art. 1);
  - (ii) The renewal of urban areas is declared to be of urgent social importance (art. 2);
  - (iii) It is the responsibility of the executive branch, acting through the Ministry of Housing, to determine the areas subject to urban renewal: in the same way, areas to be totally cleared, in which no new construction will be permitted and no existing housing will be developed, may be designated; in both cases, the relevant decree will be transmitted to the municipality concerned and to the Land Office for registration, together with the area plans and, as appropriate, with a reference to the volume, folio and number of the corresponding lot and the area (art. 3);
  - (iv) The Ministry of Housing will be responsible for controlling and regulating the development of areas subject to urban renewal: all development activities to be carried out in such areas by the public or private sector require the prior approval of the Ministry of Housing (art. 4);

- (v) The State may participate in joint enterprises for the restoration or reconstruction of sectors included in areas subject to urban renewal through the National Mortgage Bank; in addition, the establishment of owners' associations may be promoted in accordance with the regulations laid down by the Ministry of Housing (art. 8).
  - (vi) All instruments for the disposal or renting of immovable property situated in areas subject to urban renewal, unless previously approved by the Ministry of Housing, will be totally null and void: the Land Office cannot register any transaction involving the aforesaid property in these areas without confirmation of approval by the Ministry of Housing (art. 9).
  - (vii) So long as they form part of areas subject to urban renewal, lots situated in these areas will retain the cadastral value which they had at the time they were declared urban renewal areas (art. 10).
  - (viii) The executive branch is authorized to issue State bonds denominated "urban renewal areas" for the purposes of this Act (art. 11).
- (b) Act No. 9<sup>a</sup> of 4 October 1973 governing the procedure for condemning or restoring dwellings in urban areas, provides as follows:

The Ministry of Housing is responsible for ordering the restoration or demolition of buildings intended for housing in urban areas which, because of their poor condition, sanitary conditions and deterioration, constitute a serious hazard to the safety and health of the tenants (art. 1).

(c) With regard to the measures for guaranteeing water supply in rural and urban areas, the Ministry of Housing, jointly with the Ministry of Health, the Ministry of Agricultural Development and other ministries, is preparing a series of special rules for controlling the development and use of land in the major drainage basins (basin of Lake Alajuela and Gatún) in order to guarantee the water supply necessary for domestic, agricultural, industrial and other uses; the Ministry of Health is responsible for the drinking water supply in rural areas with up to 1,500 inhabitants, and the Institute of National Aqueducts and Sewerage for areas with more than 1,500 inhabitants which are considered to be urban areas.

Paragraph 5. Measures taken for the protection of tenants, such as rent control and lease guarantees

- (a) Act No. 93 of 4 October 1973, prescribing measures concerning leasing and establishing the Directorate of Leases in the Ministry of Housing, provides as follows:
- (i) The leasing of immovable property intended for housing, commercial establishments, professional use, industrial and educational activities, is a matter of public policy and governed by this Act (art. 1):

- (ii) This Act also governs subleasing and excludes immovable property rented on a daily basis such as: hotels, motels, hostels, boarding houses and vacation houses, provided that the term of the lease, with extensions where applicable, is no more than six months (arts. 2 and 3);
- (iii) Every lease must be drawn up in writing on the forms provided by the Directorate of Leases and specify the date, first names, surnames, identity card number etc. (art. 5);
- (iv) The period of validity and extension of the lease is binding on the lessor and may be terminated by the lessee at any time with no obligation other than prior notice (art. 10);
- (v) It is prohibited to demand any remuneration of whatever kind from the lessee other than the amount of the corresponding rent (art. 12);
- (vi) From the entry into force of this Act, the current rent, or the rent of all immovable property rented without a lease, will be the same as was paid on 31 December 1972 (art. 30);
- (vii) The Ministry of Housing may authorize rent increases if increases occur in the operational or maintenance costs or if, for any reason, the rate of return falls below a level considered fair and reasonable (art. 38);

(b) With reference to the same paragraph, Panama had a rent-control system from the end of the Second World War until 1973; the rents were frozen at a maximum of 80.00 balboas per month. Since October 1973, rents have been in practice frozen at a maximum of 500.00 balboas per month. Even when the owner is legally entitled to an annual return of 15 per cent on his investment in housing, the investment seems to be construed as the initial value and not as the replacement cost or market value.

Paragraph 6. Statistical and other available data on the realization of the right to housing

(a) In Panama housing statistics, as they relate to the right to housing, constitute the main source of information available to the programmer for planning housing programmes; their importance derives basically from the quantitative data compiled from the information supplied by the Directorate of Statistics and Census of the Office of the Controller-General of the Republic in the various publications prepared by that Office;

(b) Two aspects are important for the programming of housing:

- (i) Population;
- (ii) Housing properly speaking: in terms of population, the number of homes and their occupants are analysed and, in terms of housing, the structural condition and the volume of housing produced by the public sector and the private sector;

(c) Our housing statistics are very complete in terms of quantity, but the method of calculating separately the characteristics of each of the vast number of dwellings partly distorts the laborious work done, because it does not provide an over-all picture of the analysis in terms of values: for example, descriptions such as dwellings "without drinking water", "without toilets" and "with earth floors" are given for areas in which there are primary networks of aqueducts and sewerage although the user is not connected to these services, with the result that such dwellings are ultimately considered to be deficient;

(d) The Ministry of Housing is carrying out socio-economic studies for the development of specific projects in rural and urban areas and is accumulating a large amount of information on the specific characteristics of families, including age, sex, employment, income and probable capacity to pay: all this information is used for specific programming and project formulation purposes;

(e) The organization of the Ministry of Housing and statistical information on housing requirements are attached as a supplement to this item.

-----