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### Introduction: Geography and Urban Development in Panama

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#### The population structure of the Isthmus

Its location on the narrowest and lowest belt of the continent, mid-way between the land masses of North and South America, has made Panama a land of passage for travellers by both land and sea. This geography, a strip of land 700 km long and 100 km wide, with its gently undulating terrain, is made up of an isthmus that separated the oceans relatively recently in geological terms, just 3 million years ago. It comprises two mountain ranges: the volcanic *Cordillera Central*, which extends from Central America, and the *Cordillera del Darién*, which forms a 300 km arc around the Caribbean coast, stretching out to the Gulf of Urabá in Colombia.

As Panamanian geographer Omar Jaén Suárez has explained, the settlement of the Isthmus was initially based on providing a bridge between the land masses, and was therefore uniformly distributed, mainly along the coasts and fluvial communication routes. Although estimates put the indigenous population at between 300,000 and 500,000 prior to the arrival of the Spaniards, by 1520 the figure had dropped to just 25,000, following a process of extermination that wiped all traces of their settlements from the map. The conquest and colonisation of the Isthmus in the 16th century changed the function of the territory, favouring the passage between the seas and organising the land on the base of two terminal cities in the Atlantic and the Pacific. Under this new arrangement, the remainder of the territory was a appendix subordinated to the transit area, thereby generating a new population structure in keeping with the emerging “transit” function.

The first towns founded by the Spaniards on the Caribbean coast were not particularly successful. Santa María de Belén (1503), Santa María la Antigua (1510) and Acla (1516) all disappeared without trace. Following the discovery of the Pacific Ocean (1513), Nombre de Dios and Panamá (both founded in 1519) became terminal cities for the inter-oceanic passage, and were linked by a royal road. The former survived until 1597, when defence needs transferred the Atlantic port further west, to a wider, more protected bay closer to the Chagres River. It was here that the town of Portobelo was established, later replaced by Colon when the Panama Railroad was built in the mid-19th century.

Further inland, west of the transit area, in the eastern Darién region, the early years of the 16th century were years of conquest, resulting in the decimation of the indigenous population. Several towns were founded in Darién during this period but rapidly disappeared, while in the inland savannahs Natá emerged (1522) on the site previously occupied by the main village of the area’s chieftains. During this period the Pacific grasslands also witnessed the formation of a small network of human settlements when mining became the main economic activity of the Isthmus, enjoying a 30-year boom that ended in 1589 but nevertheless earned Panama its nickname of “Golden Castile.”

The dispersion that followed the fall in mining production led the inhabitants of these early towns, hardly any of which have survived, to colonise the more western plains in the present-day province of Chiriquí. The main towns in this newly settled area were Remedios, founded in 1589, Montijo (in Veraguas province) in 1590, Alanje in 1591 and David in 1602, all of which constituted the primary elements in the urban fabric that now characterises the interior. As Jaén Suárez says, thereafter “the transisthmian passage became Panama’s main function and, in practice, its *raison d’être* until the present day”, defined by the course of the River Chagres — the transit route during the colonial period, later transformed into the Panama Canal.

Concentration around the transit area resulted in an interior so sparsely inhabited that towards the end of the colonial period (1808), not even the largest settlements (Santiago, Penonomé, Los Santos) numbered more than 2,000 inhabitants, while the populations of older settlements such as Natá, Remedios and David were below 1,000. Nowadays Panama’s third largest city, David only achieved 5,000 inhabitants in 1930. And even by 1950, with 15,000 inhabitants, it was still the only town outside the transit corridor with a population of over 10,000.

Meanwhile, the central urban fabric was consolidated by the construction of the railway (1850) and the official foundation of the city of Colon (1852), with the so-called “terminal cities” gaining a considerable demographic advantage over the remainder of the country. By the end of the 19th century, prior to the construction of the French canal, Panama City boasted 25,000 inhabitants and Colon 15,000. Despite fluctuations during the French period, and then during the construction of the canal by the Americans, both cities continued to grow throughout the 20th century. In 1930, when the national population had reached almost half a million inhabitants, the terminal cities accounted for over 100,000, or 23% of the overall population. By the year 2000, this proportion had risen to 37%. However, including the metropolitan areas – as the city boundaries have now been crossed and neighbouring towns and villages incorporated – the proportion is 49.7%, or virtually half of the country’s inhabitants.

### **The transit economy**

The transit function played by the Panamanian Isthmus since the colonial period, which is derived from its geographical situation, has determined the history of the country’s economy, giving rise to a marked dependence on the trade and services generated by the passage of goods and people between the seas, exacerbated by weak agricultural production in the interior and, consequently, the focus of the country’s economic life on the transit route. This situation, atypical in relation to the other countries in the region, has become increasingly consolidated over the years, with the result that currently (2006) over two thirds of the gross domestic product (GDP) is generated in the Metropolitan Region, mainly in the transit area or central urban network between the cities of Panama and Colon.

The process that led to this economic specialisation is well documented: since Panama’s integration in the international market, after the colonial trade fairs in Portobelo in the 17th century, its function as an area of passage accompanied the successive transformations brought about by trade movements and the application of technology and telecommunications to inter-oceanic transport. The main milestones in the process were as follows:

- the construction of the Panama Railroad in 1850-55 (which enjoyed a boom period during the California Gold Rush);
- the completion of the canal in 1904-14 (when the so-called “Zone” was established, segregating a large part of the central territory during the 20th century);
- the beginnings of a platform of international services with the creation in 1948 of the Colon Free Zone, Tocumen International Airport and the Panama Hotel;
- the establishment since 1970 of the international financial centre, with over 100 banks;
- the creation in the 1990s, of the economic cluster around the Canal as it was about to be turned over to the Panamanian authorities.

As one of the consequences of the new use of the canal under full Panamanian jurisdiction, port operations in the terminal cities now lead the container shipping market in the whole of Latin America and the Caribbean. Against this background, the construction of the Panama-Colon motorway (currently underway) and the foreseeable extension of the canal via a third set of locks to permit the passage of larger vessels (at the planning stage), simply represent a continuity of the age-old bridge function of this part of the world.

## The capital city and the urban land

As the main urban centre, Panama City is also the country's main stage for urban development and architecture. However, just as the national territory was conditioned by its geography and Panama's integration in the international economic network, urban space has also had to adapt to a series of factors that have impacted on the way in which urban development has occurred and architecture has been conceived. This is clearly illustrated in the role played by the land, which throughout the city's history has underpinned urban activity.

Virtually from the outset, Panama City also acquired a trait that would determine its structure and characterise its urban culture: the scarcity of land available for expansion. Initially, in 1519, the obstacles were geographical, the settlement being located on a strip of land situated between the sea and an unhealthy swampland. Following the destruction of this first capital by pirates, in 1673 a new city emerged, for defence purposes on a small 30-hectare peninsula surrounded by fortified walls and bastions, with limited space from the beginning, based on a habitable area just five streets wide by nine or ten streets long.

This limitation had a series of consequences on the shape of city, producing a narrow expensive environment, with tall slender houses on elongated plots, where land speculation joined the geographical situation and transit status as one of the main characteristics.

Two hundred years passed in this way until the birth of the republic in 1903, when the construction of the inter-oceanic canal gave rise to a new determining factor in the form of the so-called Canal Zone. For seventy-five years, this occupied a considerable part of the territory adjacent to the terminal cities of Panama and Colon, obliging them to adopt different types of land occupation to accommodate their urban expansion.

The "Zone" was created by expropriating land and compensating the owners in question, with the US government making every provision possible to avoid having to pay speculative prices. To conduct this operation it was first necessary to create market mechanisms through the formation of a committee entrusted with evaluating the price of the land, as prior to 1903 a real estate market simply did not exist. Even so, this did not prevent those who owned or had any right over the territory in question from presenting claims, usually on the base of exaggerated expectations that were drastically reduced by the said committee. This is evident from the long list of compensation claims (over 3,500), and the fact that most claimants received a tenth of the sum requested.

The sudden appearance of commercial transactions led to the valuation of suburban and rural estates for the first time, which gained economic significance in foreign circles – but not locally – based on the influence of their geographical situation and even their position in the sphere of real estate ownership. From that point on, the combined effect of the increased demand for developed land – as a result of population growth (between 1900 and 1920 the number of inhabitants in the city almost tripled) and the sudden reduction of space available for urban expansion due to the creation of the Canal Zone – contributed to the rising value of land as a source of wealth. Consequently, urban expansion during the first ten years after independence was almost exclusively the result of the creation of new outlying districts in the north (San Miguel, Guachapalí and Marañón) and west (El Chorrillo), based on an architectural prototype that was to gain numerous followers in the terminus cities. This was the rooming house or tenement building, a way of exploiting the "transit" status of urban space – the tenants were all immigrant workers – and making best use of scarce land.

While it would be inaccurate to state that this situation formed part of a specific strategy or plan, it clearly served to consolidate private interests based on land ownership, as the 19th century had witnessed the formation of an urban oligarchy closely linked to the transit zone and dedicated to commerce, the surplus from which was used to gradually eat up all the land around the capital. The creation of the Canal Zone reinforced the importance of these possessions and contributed to limit the role of the local authorities, which never controlled or led the process of urban development and only played an active role in the execution of public works (roads, aqueduct and drainage networks) and the issuing of regulations, usually designed to benefit private real estate development.

But there was also a precedent to the model, as when the first drainage, paving and water supply works were conducted in Panama City and Colon the newly emerging state of Panama (1905) lacked both technical expertise and funding, and it was the US government, from the Canal Zone, that took control. This measure was justified by an argument that still holds ground in that it constituted a strategy for urban

development and rising property prices, as explained by the Isthmian Canal Commission in 1905.<sup>1</sup> However, when Belisario Porras's government did a similar thing on creating the district of La Exposición in 1912, it purchased the land from several private owners to form a single property but then had to face criticism from the petty interests of local real estate developers who could not conceive that anyone but themselves – not even the state – could benefit from the rise in property prices resulting from these public improvements. As pointed out by Narciso Garay, who managed the Exposición project, “by conducting these brilliant negotiations, which honour it in all aspects, it is hardly surprising that the present government should have damaged ‘established interests’, causing a few disappointments and attracting resentment from numerous quarters.” Despite the resounding success of the project, from that point on no other government dared to challenge the ‘established interests’.

Hence, with only limited participation by the public authorities and led by private initiative, an urban conglomerate gradually emerged in the shadow of the canal. This explains the fact that for over a century Panama City planned its growth on the guidelines dictated by a concise network of roads made up of three main arteries that had little or nothing to do with urban planning measures. The first and most important of these arteries, based on a route that had existed since the colonial period, was the Las Sabanas / Chepo road (the present-day Central Avenue–Vía España- José A. Arango Avenue-J. M. Torrijos Avenue-old road to Chepo). The second artery, whose construction obeyed US strategic and military interests rather than urban planning measures, was the so-called Transisthmian Highway, which opened in 1943 during the Second World War. Finally, the third artery was created in 1948 as an access route to Tocumen Airport (Tocumen Road, now renamed Domingo Díaz Road).

This limited group of roads was gradually complemented by new stretches articulated at different times. Hence emerged the various sections of Balboa Avenue (La Exposición in 1940; Paitilla Airport, now Israel road, also in 1940; Cincuentenario road in 1953; Bella Vista and Punta Paitilla in 1959; Marbella in 1962; and Atlapa in 1974, finally creating a continuous route from El Marañón to San Miguelito). Other examples are Calle 50 or Fiftieth Street, which adopts, adapts and connects the routes through several housing developments (Bella Vista, Obarrio, San Francisco); Ricardo J. Alfaro Road, based on an old colonial track (Tumbamuerto Road), which joined up with the Tocumen Road in 1970. As strange as it may seem, the transition from city to metropolis was brought about by this four-road network (Balboa, Vía España, Transisthmian Highway and Tumbamuerto-Tocumen), which has served to articulate housing developments in various shapes and sizes, and has given Panama City the colourful image it has today and a discontinuous, fragmented structure that complicates the way it functions.

Undoubtedly, the division of the land into lots promotes urban development. The suburban estates of the first half of the 20th century, most of which covered over a hundred hectares, were sub-divided into smaller units and developed to form present-day districts. However, the spatial disposition of these newly available units for development obeyed a somewhat accidental partition of the land, generally coinciding with the boundaries of private estates and distribution between heirs, leading in turn to an haphazardous style of urban development. Moreover, rising land prices eventually produced the division of the land into even smaller properties with adverse consequences for the city, since the custom of almost absolute subordination to private property rights has generated numerous obstacles for the rationalisation of spatial organisation when this does not – indeed cannot – coincide with fortuitous land divisions.

This growth matrix based on the urban development of private estates, patently evident in Panama City, could not be more diametrically opposed to the system used in the occupation of the Canal Zone, where the private property market was abolished and where, therefore, planning became the privileged instrument of spatial organisation, even to the extreme of creating racially segregated areas. The urban planning that prevailed in both sectors clearly illustrates this contrast. In the Canal Zone nature won the day, dotted with groups of rectangular three-storey buildings, austere in style and either aligned with the main road or set in large open spaces on military bases. The residential complexes were made up of neighbourhood units, groups of homes with communal facilities and large landscaped spaces.

Meanwhile, the market-led urbanisation model used in Panama City rejected planning in favour of exploitation of the city as a source of enrichment. Initially, this resulted in the construction of homes to let, and in particular, from 1905 onwards, the massive construction of rooming houses or the so-called tenements. This model was so successful that 75% of homes in the capital were still occupied by tenants as late as 1960, and over half – 55% – were rooming houses, with all the attendant implications: old wooden

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<sup>1</sup> “This sanitary work must be undertaken not as an act of magnanimity to the inhabitants, but as a necessary means of accomplishing the purposes of the United States on the Isthmus. The United States by virtue of its ownership of the Panama Railroad, has the proprietary title to a large amount of real estate in Panama, Colon and La Boca, and by the increase of value resulting from these public improvements, will be greatly benefited financially”.

structures, tiny rooms, shared sanitary facilities, etc. The situation in Colon was even worse, where the figures were 94% and 68%, respectively for homes to let and rooming houses. The outlook changed dramatically under the military government of the early 1970s, with introduced the populist measure of freezing rents below \$250 per month, thereby affecting all working-class homes as well as rented accommodation for middle incomes. This was a mortal blow for the landlords as it drastically reduced the supply of homes for rent, but it did open the doors for the mortgage market, which has flourished ever since. Hence, in the year 2000, homes for rent in Panama City represented just 21% of the total and rooming houses 16%. The largest proportion of housing, 72%, had either become private property or was in the process (via mortgages) of becoming so.

The appearance of the city also changed as the large clusters of rooming houses and high densities that had characterised working-class housing in the centre were gradually replaced by small subsidised apartment buildings and, in particular, the emergence of a business centre around the newly created financial district. The latter also comprised middle and high-income homes in apartment buildings that became taller and taller with rising land prices and the introduction of regulations designed for this purpose. At the same time, outward expansion towards the east and north, along the existing arteries, created two new urban elements: groups of serially produced houses (“housing estates”) and autoconstructed districts (the so-called “*barriadas brujas*” or “poor districts”).

The former are usually very simple isolated projects articulated around a main road with a single access and an internal network of streets aligned with identical housing units. These developments offer little more than a plot and a street, and are often identified as “dormitory towns”. The autoconstructed districts emerge from the seizure of land usually owned by the state and are the product of necessity. They tend to be informal groups of housing on relatively inaccessible land, depending more on pedestrian paths than streets. For at least the last twenty-five years, these two types of housing, with a slight predominance of the autoconstructed variety, have constituted the bulk of the new land developed in the city, that is, the expansion of the “urban sprawl”.

In short, while the shortage of space has always conditioned the history of Panama City, the emergence of the real estate market during the first half of the 20th century gave rise, in the transit zone, to the commercial exploitation of urban space in the form of a city based on housing to let, and in its most extreme manifestation, rooming houses. In these tenements, miserly high-density urbanisation and overcrowding were the norm. However, the change brought about by the sub-division of private property and the availability of mortgages, with a view to creating a home-owning population during the final third of the 20th century, were also accompanied by petty urbanisation, devoid of an integrated vision and based on individual plots competing to attract more intensive uses. The result has been a type of “Darwinian urbanisation” in which only the most financially profitable uses survive —regardless of their effect on the city.

It could be argued that Panamanian architecture —and the country’s architects— have had to adapt to this situation as best they have been able.

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