"No Place Like Home:" Revitalization in the Neighborhood of San Felipe de Neri in the Historic District of Panama [City], Panama

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Abstract

San Felipe de Neri, a neighborhood located in the Historic District of Panama, is the object of physical, economic and social transformations that are affecting its residents' daily lives. Revitalization and gentrification drive these transformations as wealthy Panamanians invest in the neighborhood, and affluent foreigners flock to it since it became a World Heritage Site in 1997. This dissertation addresses perceptions and reactions residents have because of these physical, economic and social challenges.

This study poses four main questions: 1. What physical, economic, and social (quality of life) changes have taken place in the Historic District of San Felipe from the early twentieth century to the present? To what extent are these changes the result of global processes, local processes, or both? 2. How do residents perceive these changes? Is there any significant difference in opinions and attitudes among residents regarding changes that revitalization and gentrification impose on the neighborhood? If so, how and why are they different? 3. To what extent have residents participated in these transformations? and 4. How do residents who have been relocated perceive these changes?

My research analyzes Smith's five characteristics of a third wave of gentrification: first, the transformed role of the state; second, the penetration by global finance; third, changing levels of political opposition; fourth, geographical dispersal; and fifth, the sectoral generalization of gentrification and its relevance for my case study of San Felipe.

This methodology enlists quantitative and qualitative methods to address these research questions to gain insight about residents' perspectives regarding these transformations. Findings indicate that both residents and ex-residents of San Felipe view the outcomes of revitalization and gentrification in mixed ways. Both groups mostly agree that the improvement of the physical conditions of the neighborhood is a positive outcome for preserving the material heritage, and for encouraging international and national tourism benefiting the country.

Regardless of their economic and social status, residents claim that the place where they have lived for a long time is no longer theirs, except in their memories. They face the threat of eviction and an uncertain future. Former residents—those who have been displaced—have mixed views as well. On the one hand, they have improved their living standards because they now have better housing infrastructures. On the other hand, their new locations are scattered about the city and are

often in dangerous areas that lack the amenities of San Felipe. Others feel that in the process, they have lost a home; a place filled with meaningful memories and to which one day they dream of returning.

A diverse residential population is the only way to save historic centers from becoming museums that present a pastiche and a "façadism" catered to the international consumer. Preserving the human and physical patrimony is the most viable way to achieve sustainability and development in historic areas.

Associations had no permanent places to meet with residents. This eroded the desire of residents to participate, and encouraged them to accept whatever owners wanted to give them to move out of the neighborhood. In the end, they became disenfranchised.

A lack of both leadership and strong social movements, and the dissemblance of grass-root organizations through co-optation, clientelism, and even deception became the norm in the neighborhood.

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General Audience Abstract

This dissertation explains the transformations of San Felipe de Neri, a neighborhood (*barrio*) that is part of the Historic District of Panama. The barrio is challenged by revitalization and gentrification. I study the physical, economic and social changes that have confronted this neighborhood since 1997, the year it was declared a World Heritage Site. The study period continues until 2008 and enlists qualitative and quantitative approaches. Beyond the transformations of the neighborhood, I analyze how residents and ex-residents of this neighborhood perceive these changes and how, in turn, those have affected their lives.

This research posited these key questions: What physical, economic, and social changes have residents and ex-residents observed in this neighborhood? Are these changes part of global processes, local processes or both? How do they perceive these changes? Are there differences in their opinions?

Both residents and ex-residents perceive revitalization and gentrification with mixed results. On one hand, they consider the improvement of selected parts of the built environment and tourism promotion as positive outcomes. On the other hand, residents and ex-residents believe strongly that revitalization and gentrification create eviction and displacement and threaten neighborhood diversity. The urban social movement of resisting gentrification was unsuccessful because of an inability to garner sufficient political and economic resources despite the strong feeling of place attachment among those who remained and those who left the barrio.

Keywords: Revitalization, gentrification, social movements, historic districts, Panama

Dedication

To God who is my shield and strength, especially in the most difficult times.

To my husband Ralph Steven who with his love, understanding, and encouragement helped me to endure through the years of this research. For the many hours he spent providing feedback and encouragement.

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LIST OF ABBREVIATIONS

UNESCO   The United Nations Educational, Scientific and Cultural Organization

MIVI   Ministerio de Vivienda (Housing Ministry)

BUR   Banco de Urbanización *(*Urbanization and Rehabilitation Bank)

ICOMOS   International Council on Monuments and Sites

SFRA   San Felipe Residents' Association (Asociación de Moradores de San Felipe)

DNPH   Dirección Nacional de Patrimonio Histórico (National Office of Historic Heritage)

INAC   Instituto Nacional de Cultura (National Institute of Culture)

OCA   Oficina del Casco Antiguo (Office of the Historic District)

CHAPTER 1

Gentrification and Revitalization as a Matter of Study in

Latin American Historic Districts

Introduction

Latin American city dwellers are increasingly challenging power structures and public spaces as market forces encroach upon private spaces and modest lifestyles. This contestation of space is often present in historic districts where local residents confront revitalization[1] and gentrification[2], processes that affect housing conditions and the general quality of life. Revitalization not only alters the physical appearance of the urban fabric, but can also destroy neighborhood housing markets. Revitalization tends to increase land property values, rent and taxes and may encourage higher-income residents to move into historic districts because of the amenities not present elsewhere. The result is the displacement of low-income residents out of the neighborhood, and their relocation to other areas of the city where they face problems finding affordable housing.

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[1] Revitalization is the general physical and socioeconomic enhancement of a designated built environment (Scarpaci 2000: 725). The term has also been used as a synonym of urban renewal programs (Visser 2002), urban regeneration (Visser 2002; Smith 2002), and urban renaissance (Lees 2003a).

[2] Gentrification is a movement of high-income newcomers into the area and the displacement of lower income residents in the area (Johnston, Gregory, and Smith 1994).

Gentrification is a physical, social and cultural phenomenon that commonly involves the invasion by middle-class or higher-income groups of previously working-class neighborhoods or multi-occupied 'twilight areas' and the replacement or displacement of many of the original occupants. It involves the physical renovation or rehabilitation of what was frequently a highly deteriorated housing stock and it is upgrading to meet the requirements of its new owners. In the process, housing in the areas affected, both renovated and no renovated, undergoes a significant price appreciation. Such a process of neighborhood transition commonly involves a degree of tenure transformation from renting to owning (Hamnett 1991: 175).

Gentrification is the process by which central urban neighborhoods that have undergone disinvestment and economic decline experience a reversal, reinvestment, and the in-migration of a relatively well-off, middle- and upper-middle-class population (Smith N 1998: 198).

In particular, the studies on gentrification, mostly conducted in developed countries (e.g., advanced market economies), have shown that, regardless of the geographical area, gentrification affects residents' livelihood in key ways. However, we know little about the effects of revitalization in poorer countries outside the industrialized nations of the North Atlantic. This is especially true in historic districts where this revitalization promotes gentrification by local wealthy and entrepreneurs, nationals as well as foreigners, who believe they are part of a global village and are always looking for new and exotic areas to live.

Thus, my research aims to inform theoretically and empirically how residents of the neighborhood of San Felipe de Neri in the Historic District of Panama perceive and react to revitalization and gentrification, whether they are participating in the decision making these processes engender, and in which ways these processes transform their lives. With this study I expect to contribute to enhance our understanding of how gentrification and revitalization affect residents and ex-residents' life in the historic district of Panama using diverse methodologies, and how this example might contribute to creation of beneficial policies.

Problem Statement

Historic districts in Latin America are areas of great material and non-material patrimony, since they are examples of the footprints of cultural manifestations and aesthetics.[3] Until the 1970s, many of these areas were in various states of deterioration because of population changes, from both high-income population leaving and low-income population moving in. Thus, a filtering

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[3]According to Baltá, Portolés and Madorran (2011) state that "the 'cultural footprint' might be defined as the effect of public or private interventions on a community's or region's cultural capacities and particularly, on its capacity to create, produce, reproduce, transmit or access its own linguistic or cultural meanings, values and content and to have sufficient resources to enable future generations to enjoy the same ability, from a sustainable development viewpoint… The 'cultural footprint' includes both positive and negative effects, and is especially important in the context of interaction and inequality between cultures, including political and institutional, economic or social inequalities

housing process took place, in which high-income residents left the older quarters of the city in search of more spacious and luxurious homes located at the suburban edge. Low-income newcomers to the city, especially from other parts of the country, would arrive and seek out the older quarters as a foothold to start a new life or as a cheaper, temporary place to live until they could afford their own homes. Accordingly, the majority of the new arrivals to the historic districts were people of modest means who were mostly renters. This was described nearly a century ago by the early 'urban ecologists' at The University of Chicago's sociology department as forming the invasion-succession process. They considered that "The city is not…merely a physical mechanism and an artificial construction. It is involved in the vital processes of the people who compose it; it is a product of nature, and particularly of human nature" (Park et.al, 1925: 1)

That these historic areas became somewhat affordable places for low-income people to live contributed to the deterioration of the infrastructure. Subdividing big houses and mansions into small rooms, coupled with landlord neglect, exacerbated a general decline in the built environment, as I explain in Chapter 4. Thus the housing rental business was not profitable, and the logic of the housing market gave landlords few incentives to maintain the buildings. Despite this neglect, many of these historic districts retain a vibrant community life. As life in the cities of Latin America becomes unbearable with high-rise buildings, congested traffic and other externalities, historic districts maintain a particular allure for high-income citizens and foreigners, especially once the districts are named a World Heritage Site by UNESCO. Restoration and revitalization have begun in historic districts, attracting gentrifiers as land prices skyrocket. As a result, residents have been displaced and tensions have surfaced.

The literature review on Latin America regarding revitalization and gentrification has revealed three shortcomings: (1) there is scant but growing research published that addresses this

topic; (2) there is a need to hear the opinions of all the actors, especially residents who might be affected by transformations of their communities; (3) the need to use different approaches and research techniques to study these transformations. My study aims to fill these gaps and contribute to the literature regarding revitalization and gentrification, using both qualitative and quantitative data to analyze residents' perceptions and reactions to these transformations from 1997 to 2008. I am likewise interested in analyzing to what extent these residents have participated in these transformations as a community, and what possible measures they have taken to have their voices heard. In the literature there has also been a lack of analyses on how ex-residents perceive these changes and how their lives have changed because of displacement. Are the displaced merely passive or voiceless actors? If so, what contributes to this lack of engagement in the process?

The Historic District of Panama has not escaped these transformations. Its population has drastically declined in the historic district, especially after 1997 when UNESCO declared it a World Heritage Site with the official title of Archaeological Site of Panamá Viejo and Historic District of Panamá[4]. This dissertation provides an empirical and theoretical foundation to study residents and ex-residents' perceptions and reactions related to the physical, economic, and social transformations that are occurring in the Historic District of Panama.

The purpose of this study is to assess residents' perceptions and reactions to the physical, economic, and social changes related to revitalization and gentrification that are shaping the Historic District of Panama and then situate it within the broader literatures I will review. For this study, perception is defined as opinions, feelings, or awareness that residents, specifically heads

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[4] As I will explain in Chapter 4, Panama City was first established in what is today known as Panama La Vieja (Old Panama). Then, the city moved to what we know today as "Casco Antiguo" and San Felipe. UNESCO officially named it as the Historic District of Panama. This includes all the neighborhood or borough (in Spanish *corregimiento*) of San Felipe and part of the boroughs of El Chorrillo and Santa Ana (see map 1). For methodological purposes this study focuses in the *corregimiento* of San Felipe where most of the population of the Historic District of Panama lives and the great majority of its heritage is located.

of households, have regarding physical, social, and economic changes that have affected their neighborhood from 1997, when San Felipe, as well as other parts of the Historic District of Panama, became a World Heritage Site, to 2008, when most of its residents, especially from low-income strata, were still living there and gentrification was increasing. I assume that gentrification is a process that had already begun in the Historic District of Panama. Evidence of this process is shown in newspaper accounts, and my visits to the area show that this neighborhood's improvement had resulted in wholesale resident relocation. This neighborhood change portends interesting perceptions and reactions from current residents as well as those residents who have been displaced.

The interrelated literatures guiding this research are associated with several bodies of knowledge: gentrification, revitalization, social movements, and neighborhood participation. The findings reported in the literature in developed and developing countries, especially as it concerns Latin America, of these themes and their presence or not in my case study will be discussed in more detail in Chapter 2.

CHAPTER 2

Relevant Conceptual Frameworks: Revitalization and Gentrification in

Developed and Developing Countries

The interrelated studies guiding this research are associated with several bodies of knowledge: gentrification, revitalization, social movements, and community participation. Each of these topics will be discussed below in more detail with the purpose of setting the stage to analyze them in the next chapters within the context of San Felipe de Neri in Panama. Social movements and neighborhood participation will be discussed at the end of this chapter.

The first part of the literature addresses gentrification and revitalization in developed[5] and developing[6] countries with the purpose of finding similarities and differences that allow us to better understand the outcome of these processes. Within this section, I will review approaches to gentrification and revitalization in developed countries, and the recent trends and studies pertinent to developing countries, specifically within the Latin-American context. The second part of this section synthesizes literature on neighborhood participation and social movements where I assess the influences of these new dynamics for neighborhoods. I address in Chapter 5, as well, how people engage in social movements to respond to these challenges.

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[5] A country that has evolved through the demographic transition and is technologically advanced, capital-intensive, highly urbanized, and wealthy (Park and Allaby, 2013).

[6] A low-income country with an economy that is largely based on agriculture and/or the extraction and export of minerals, which may be going through the demographic transition, is often in the process of industrialization, and usually has few resources to spare to solve its own socio-economic and environmental problems. Most developing countries are in the southern hemisphere. They were formerly known as Third World countries (Park and Allaby, 2013).

Defining Gentrification in Developed Countries: Where it All Started

Gentrification is a process that has been studied for more than fifty years in advanced capitalist countries. The gentrification literature in the developed realm abounds and is robust (Hamlett 1991; Smith 1979 and 2002; Atkinson 2002). Since Ruth Glass (1964) coined the term "gentrification" to capture changes in social composition and in the housing market in London, many other studies have followed. Not surprisingly, the conceptualization and operationalization of gentrification is fraught with controversy and debate. In many cases, the term has been associated with inner-city revitalization (Ley 1986), neighborhood revitalization or renovation, urban regeneration (Smith 2002; Visser 2002), and urban renaissance (Lees 2003a). Some authors describe gentrification as a process in which houses are upgraded, leading to overall improvement in neighborhoods (Slater 2002; Weissenberg 2002). Lees (2003a) points out, gentrification today differs in its complexity from how researchers described and interpreted this process when it was first conceptualized, to the point that the original definitions merit modification. Some of the principal debates regarding gentrification range from identifying the characteristics of gentrification (i.e., regional housing market, location in city, housing types, tenure and price, value, people, migration, consumer wishes), the processes of gentrification unit by unit, actors, and its positive and negative effects, and the degree to which gentrification impacts local labor market changes (Wassenberg 2002; Atkinson, 2002).

An important dimension of the debate on gentrification in developed countries is whether the process of gentrification can be best explained from the consumption side, the production side, or a combination of the two (Hamnett 2003). Hamnett divides the previous literature on this debate into three, rather than two positions. One group of researchers argues that gentrification has its origins in the changes inherent in a move from a predominantly industrial blue-collar to a

professional white-collar work force. These changes have influenced the lifestyle patterns of this professional middle class, which has become more interested in living closer to inner-city areas where they can enjoy cultural amenities (Ley, 1981; Ley, 1986; Ley, 1996; Butler, 1997). Retailing might change, for instance, to include more coffee shops, bookstores, boutiques, nightspots, and other services that cater to clients with more disposable income. Changes in the household structure, as when an additional family member is employed, have also allowed families to live in a recently gentrified inner-city area (Ley 1986; Butler and Robson 2003). Other groups that have chosen to live in these areas are the so-called 'empty nesters' (married couples whose children have left the home and who wish to locate downtown) or the so-called DINCs (dual-income no-children) who are not concerned about schools for children (Hamnett 1991). The result of these changes in household composition and housing tenancy might add pressure to housing availability among long-term, lower-income residents.

A second explanation of gentrification focuses on the production side (Smith 1979 and Smith 1987). This focus is related to changes in the value of land in inner-city areas, where the "potential value" is still high, but the value of buildings decrease as the built environment deteriorates. This situation creates a rent gap: the difference between the potential and real value of the land in the market (Smith 1979). Accordingly, investment opportunities ensue that often prove to be profitable for the middle class, whereas the lower class might be excluded from the benefits, since they do not have the economic means to take advantage of these investment opportunities.

Third, the production and consumption points of view only address one side of gentrification and only partially explain it. This is because gentrification first requires a supply of properties in the city where there exists an opportunity for gentrification to occur; this

characteristic by itself does not necessarily mean that gentrification can take place. Rather, there must be a group of potential gentrifiers willing to invest and have available "mortgage finance" (Hamnett 1991). Thus, we need to discover the origin of the gentrifiers and their reasons for moving into gentrified inner-city areas, how the land to be gentrified is created, and what the ties between these two aspects of gentrification are (Hamnett 1991).

A better understanding of the different elements of gentrification will help to explain this process in areas where it is beginning to appear and the implications for local residents. Gentrification is a complex process with many nuances and as if is in developing countries difficult to define causes challenge public policies (Atkinson 2003).

Economic processes are not the only important factors in choosing a place to live; tastes and lifestyles within social and political structures are also important (Ward 1993). Thus, different social groups will respond to economic changes in different ways with the result that some group's interests will be met whereas others will not.

Smith (2002) draws on Hackworth's work (2000), in which Smith distinguishes three waves of gentrification in North America and Europe. A first wave took place in the 1950s, when gentrification was an irregular process. A second wave occurred during the 1970s and 1980s and moved in tandem with economic restructuring and deindustrialization. A third wave surged in the 1990s, when gentrification became greatly generalized; it was not restricted to specific areas, due to broad structural forces (e.g. suburbanization, declining manufacturing base, loss of rust-belt jobs).

This third wave has reached several developing countries with a solid economy and cultural aesthetic values, as in the case of Panama City. Economic forces are driving San Felipe's revitalization and gentrification. The rent gap approach explains the gentrification process, which

in turn is reinforced by speculation. At the same time, because San Felipe is a World Heritage Site, it is vital to recognize the influence that cultural aesthetic has played in the gentrification and revitalization of the area. It might be less than the economic approach but we cannot deny its influence (i.e. the biggest jazz international festival in Panama takes place in San Felipe).

According to Smith, gentrification has five characteristics and encompassing "the transformed role of the state, the penetration by global finance, changing levels of political opposition, geographical dispersal, and the sectoral generalization of gentrification" (Smith 2002). Smith argues that gentrification has changed since the 1980s, from a time when there was almost no state participation and support, to the present, where growing partnerships between private capital and the state make it a challenge to disentangle the forces behind neighborhood change.

The second characteristic of gentrification is the influx of global capital into the local economies, especially in the form of neighborhood development (Smith 2002); this situation is increasingly more visible in historic districts, as economically advantaged groups with ties to global capital invest in revitalization in these areas. Third, Smith argues that, although opposition to gentrification has not resulted in what he calls "city-wide movements," opposition to gentrification has occurred in different cities around the world. In certain cases, he identifies "antigentrification" movements that have been repressed for the purpose of "making the city safe for gentrification" (Smith 2002: 442). The fourth characteristic of gentrification refers to what Smith calls "the diffusion of gentrification from the urban center" (2002: 442), where it begins to spread throughout the city, changing patterns of the urban landscape and increasing the price of land, where even dilapidated properties fetch high prices. The fifth and final characterization is the sectoral generalization of gentrification, where public and private partnerships are participating together in the gentrification of the city. All these features of the third wave of gentrification, in

one way or another, play a role in the shaping of neighborhoods, including those in cities of developing countries, where global and local interfaces meet.

In spite of this, Smith argues that this third-wave gentrification improves housing infrastructure (e.g., water supply, public lighting, and waste removal) and other sites and services such as retailing, restaurants, cultural facilities, and open spaces, and improving employment opportunities. These elements of the built environment are perhaps the most visible signs of gentrification. In other words, real-estate development becomes a key factor that justified gentrification because it brings jobs, taxes and tourism to the areas (Smith 2002).

Gentrification and Globalization: The Dilemmas and Challenges of Cities in a Changing World

Most of the research on gentrification assesses conditions at the neighborhood level or groups of neighborhoods within a city or group of cities (e.g. Ley 1986; Hamnett 2003; Butler 2003; Lees and Carpenter 1995). This pattern has gone from local to global where the extant literature suggests that gentrification is a phenomenon particularly pronounced in global cities such as London, New York, and Toronto. In the case of these global cities, an important question is how globalization is changing gentrification (Lees 2003). This is also a concern that is beginning to emerge in cities in developing countries.

In a study done in 2002, Smith compares examples of cities around the world to study gentrification as a global phenomenon. He argues that there is a new relationship between what he calls "neoliberal urbanism" and "globalization." This is increasingly evident in Latin American, Asian, and even African cities, where "redefinition of the urban scale" and "discourses of globalization" are ever changing (Smith 2002).

An important aspect of gentrification as a global urban strategy is that a process that was once localized in places such as London, New York, and Los Angeles, has become widespread vertically and laterally. For Smith (2002), "vertically" refers to smaller cities in the urban hierarchy; "laterally[7]" suggests that gentrification has become a process that has spread toward different countries. The relevance of this phenomenon is that gentrification, a process originally found in large global cities, is increasingly manifesting itself in smaller cities, especially in developing countries; thus, a process once localized in these cities is becoming an important subject in urban studies (Smith 2002). These findings in the literature are pertinent to a country like Panama, where the global economy has found a niche in Latin America to develop all kinds of economic activities, especially related to the tertiary and quaternary sectors, making this country the one with the highest economic growth in Latin America. The Historic District of Panama has benefited through economic growth by heritage tourism and gentrification.

Increasing interest for studying gentrification and its manifestations around the world is recognized. Lees, Slater and Wyly (2008: xvi) identify eight reasons why researchers continue to study gentrification.

1. Gentrification has provided a novel urban phenomenon for geographers, planners, political scientist, and sociologists to investigate.

2. Gentrification poses a major challenge to the traditional theories of residential location and social structure.

3. Gentrification is a political and policy-relevant issue, as it is concerned with regeneration and the cost of displacement.

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[7] This is akin to vertical and horizontal linkages used in economic geography.

4. Gentrification has been seen as constituting a major 'leading edge' of contemporary metropolitan restructuring.

5. Gentrification represents one of the key theoretical and ideological battlegrounds in urban geography and planning.

6. Gentrification is the leading edge of neoliberal urbanism.

7. Gentrification has gone global and is intertwined with processes of globalization.

8. Gentrification is no longer confined to the inner city of to First World metropolises. Sigler and Wachsmuth, following Butler and Lees (2006), agree as well that "gentrification and globalization are now inextricably intertwined phenomena" (2015: 14).

Earlier than Smith, Ward (1993) made a similar claim when he wrote that "in any interdependent economy, and in today's global economy especially, the broad economic conditioning process will drive societies and societal change in similar directions: hence convergence" (1993: 1132). Although convergence does not necessarily mean that all places will become homogenized, his statement suggests that gentrification is becoming more globalized. Indeed, Ward was one of the first Latin-Americanist urban geographers to argue that processes taking place in the United Kingdom and the United States were also present in Latin America, albeit to a different degree. His student, Gareth Jones, continued this line of research in Cartagena, Quito, Cuenca, and especially Puebla (Jones 2015). Although these are important contributions, there is a need to build on our understanding about how processes such as gentrification unfold in other Latin America's historic districts.

Revitalization and gentrification have been reported to have positive and negative effects on the population living in the areas where they take place. In the case of cities such as London

and New York, the narrative in describing urban restructuring in these places now uses the term urban regeneration. This semantic ploy has important implications, since the power of language is a key factor in the way people see and react to a given process. Using neutral words make the process seem innocuous, when it might cause positive and negative outcomes for communities. Freeman argues that to understand the impact of gentrification it is necessary to analyze how residents living in neighborhoods that are facing gentrification view this process (Freeman 2006: 7). Freeman's argument that gentrification must be analyzed from the residents' points of view is valid, especially in areas such as the historic district in Latin America.

Panama, like other smaller countries such as Uruguay and Singapore, has become globalized as a center of international banking and financial services. It also increasingly is a prime destination for international tourists. Even more, there is growing competition among cities at the global level to promote themselves as residential and tourist destinations (Smith 2002).

Urban Regeneration and Gentrification as Alternatives for Boosting Socio-Economic Life

in Cities

During the last two decades, researchers have increasingly used the term "urban regeneration" in urban studies research. This term in many cases is associated with gentrification, especially in the literature discussing European cities such as London and Paris. Regeneration is usually used within the context of programs that have been created to provide incentives to invest in areas of the city that have deteriorated as a result of abandonment or lack of incentives to upgrade them. Therefore, it has become the norm in management and planning, especially in preexisting urban areas (Couch, Fraser and Percy 2003).

Regeneration has its critics. Lees (2003b) and Smith (2002) contend that regeneration connotes the positive aspects of the gentrification process and very little about the negative aspects

this process brings with it. Lees, for example, points out that reports such as the "Urban White Paper" promote gentrification as a part of urban regeneration and socio-economic policies without taking into consideration that most of the research on gentrification in British cities have reported that gentrification has damaged communities (i.e., original lower-income residents) instead of helping them (2003b: 573). Smith (2002) argues that in several European countries, changing gentrification to regeneration might influence government (public) and commercial (tourism) discourses. Regeneration, for example, implies that gentrification is a natural process that produces no winners or losers. This "organic" approach to urban change goes back to the Human Ecology school at the University of Chicago in the 1920s and 1930s, which analogized that plants competing for a location, light and sustenance in a given biome, paralleled different socio-economic and ethnic groups vying for housing and jobs (Park and Burgess 1967).

Significantly, these approaches of urban geography and urban sociology are presented apolitically and are largely conceptualized to be unproblematic. Although the ideas of "invasion-succession" and the ghetto persist over time, matters germane to issues of social justice receive little attention. Smith points out that the word regeneration comes from the biomedical and ecological fields. Therefore, it implies that organisms are able to flourish; in the same way, the use of the word "regeneration" portrays gentrification as a natural process with no culpable winners or losers. As an illustration, Smith (2002: 445) assesses urban trends in Europe, arguing that although gentrification brings with it displacement, documents such as the British manifesto for urban regeneration and the European-wide Paris conference do not address the displaced population. He further argues that the language of regeneration "sugar coats gentrification" since European regeneration does not aim to bring displaced people back to the city. Instead, it favors the middle and upper classes. Therefore, discourses on regeneration imply that gentrification is a

natural process that follows the mandates of the real-estate market. Thus, the term carries mostly positive connotations and is viewed as a necessary environmental strategy.

In relation to this topic, the literature also addresses how the globalization of the gentrification process has contributed to the use of more neutral words, urban regeneration for example, a definition that may undermine the positive and negative consequences of gentrification (Smith 2002). The use of this more neutral term has also made its way into the Latin American urban literature; Ward (1993) mentions the word 'regeneration' several times in his work. Although Ward (1993) does not define the term urban regeneration, he believes that if a process of periodic reinvestment and urban regeneration of inner-city areas takes place, as other authors have suggested, then, in the case of Latin American inner cities, a similar process could transpire, but with different outcomes. Such neutral usage could render gentrification[8] as harmless when in reality people's lives are greatly affected by this process either in a positive or negative way. Therefore, it is necessary to study gentrification in Latin America, keeping in mind that it is a new context where different topics can be studied; other topics will not be considered relevant (Diekjobst, Froidevaux, and Jüssen 2012).

Scarpaci's (2000) study of Old Havana makes it clear that there are obvious winners and losers in this contest for the older quarters of that Latin American city (see also Scarpaci 2005); indeed, the use of language and the power of narratives frame these discussions in subtle yet important ways. The use of the term 'regeneration' within the urban literature to refer to revitalization and gentrification in the inner cities is increasingly becoming a disingenuous and uplifting word. It is, moreover, misleading to use revitalization and gentrification mostly as

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[8] The general term used in Latin American Planning circles is *gentrificación*, a clear Anglicization of the term gentrification.

positive processes without taking into consideration the negative outcomes. Both sides of the argument must be considered in gentrification and revitalization studies.

Revitalization and Gentrification in Developing Countries: Have They Become an Issue in Latin American Historic Districts?

In explaining gentrification, the literature has focused on two approaches. The first approach emphasizes the importance of the rent-gap in inner city areas as an explanation for gentrification, in which there is a gap between property values and land values, a situation that provides the opportunity for investment and improvement of these areas (Smith 1979). The other explanation emphasizes the importance of cultural factors, architectural diversity, amenities, and life style in the decision-making process of the middle class in their movement into inner city areas (Ley 1986). Both explanations are viable to study gentrification and revitalization in cities in developing countries where the interface between global and local processes is becoming stronger (Thomas 1991; and Jones and Varley 1999). Of special interest has been how gentrification is changing the built environment as well as the socio-economic conditions of the population living in neighborhoods that have become gentrified.

This increasing interest in gentrification has also been reinforced by the fact that authors suggest that gentrification brings positive and negative outcomes as it has been discussed above. Such negative outcomes warrant carefully grounded field research in cities so that scholars can connect to the broader literature about the gentrification process in developing countries (Ward 1993; Visser 2002). In fact, it is necessary that studies of gentrification in Latin American cities be incorporated into the agenda of Latin American urban studies (López Morales, 2009: 157). Therefore, a better understanding of the gentrification process in developing countries, in turn, is crucial for designing appropriate policies and revitalization projects in historic areas.

In comparison to the abundant literature on revitalization and gentrification on North America and European cities, there is a lack of literature on the study of gentrification in Latin American cities, especially in historic districts. Historic districts have gone through stages from a flourishing life to dangerous places with deteriorated environments. Hardoy and Gutman, two well recognized authors who are pioneers in the study of historic centers, agree that:

> Rethinking the historic center means starting to overcome the stigma of a dangerous neighborhood, who only is visited during daylight hours, as usually advised to a non-resident or a tourist who wants to go out at night to stroll through the historic center of Panama and Salvador or certain sectors of the old city of Montevideo or the center of Lima or Quito "..." If we want to sincerely have better preserved cities and historic districts and to encourage coexistence, we must begin by eliminating the causes of poverty instead of displacing the poor to remote areas of the city or isolating the historic center and other slums as if they were ghettos" (Hardoy and Gutman, 1992: 314-315 (My translation).[9]

Other particularly important pioneering studies have been conducted in St John's, Antigua (Thomas 1991); Puebla, Mexico (Jones and Varley 1999); Cartagena, Colombia; Cuenca, Ecuador; and Havana, Cuba (Scarpaci 2002b and 2005). We need more studies in the region that will allow us to make further conclusions regarding how gentrification affects Latin American cities.

Ward's seminal article (1993) suggested that gentrification had not been a main issue in historic districts in Latin America two decades ago. He based his argument on the premise that there were several factors not contributing to redevelopment and, therefore, there was little to encourage gentrification. Among the factors he identified were the role and nature of the state, a lack of strong planning authorities, a lack of interest from the private sector to encourage the

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[9] Repensar el centro histórico significa comenzar a superar el estigma de barrio peligroso, que sólo se visita durante las horas con luz, como suele aconsejarse a un no residente o a un turista que quiere ir de noche a pasear por el centro histórico de Panamá y Salvador o a ciertos sectores de la ciudad vieja de Montevideo o del centro de Lima o de Quito"… "Si aspiramos sinceramente a ciudades y centros históricos mejor conservados y que alienten la convivencia, debemos comenzar por eliminar las causas de la pobreza y no desplazar a los pobres a áreas alejadas de la ciudad o aislando al centro histórico y a otros barrios pobres como si fueran *ghettos*." (Hardoy and Gutman, 1992: 314-315, my translation.)

promotion of redevelopment, and the nature of the demand for housing (Ward 1993). Most Latin American planning authorities and departments are not usually politically strong enough to promote significant changes that could be implemented in the built environment. In addition, Latin American local governments are very weak because of a strong dependency on central governments (Scarpaci and Irarrázaval 1994). The role of the private sector in redevelopment is another aspect that influences gentrification. Ward found in his study that in Latin America this sector was not interested in promoting redevelopment in inner-city areas. He attributes this attitude to a lack of political security and the high risk that investment on large redevelopment projects pose for this sector that are not conducive for long-term investments, especially in areas where the rent gap is not a strong investment incentive.

Finally, Ward argues that Latin American countries continue to be a "classist" society with pronounced spatial segregation of space among classes, where middle and upper income classes tend to separate themselves from the poor. He describes the case of Rio de Janeiro this way: "Only a few bohemians, artists, unmarried, and young professionals are likely to provide any significant demand to live near the central-city area, and they, too, usually come from class backgrounds of the privileged and wealthy" (1993: 1152). Most importantly, Ward emphasizes that the reason why members of the upper-income class in Latin American cities were not interested in living in areas with architectural styles was related to their desire to find a place with physical amenities and location instead. In his study, Ward points out that the old parts of the cities were not even being considered as areas to be potentially revitalized and gentrified. He concludes, "Gentrification is likely to be modest, at best, as is commercial recentralization and population displacement" (Ward 1993: 1155).

The significance of Ward's article is that it shows that revitalization and gentrification were not a main concern in the Latin American urban literature during the beginning of the 1990s, since the conditions for promoting these processes were very weak; the exception included a few small projects, specifically where the embellishment of plazas (*plazismo*) was usually the main theme. However, this situation has clearly changed; historic districts experience a rise in public and private programs to revitalize these places with the resulting increase in land property values over the last several years.

Gentrification in Latin America is no longer as incipient as when observed it over three decades ago. On the contrary, as it becomes more globalized and heritage sites become important components of heritage tourism, this process is becoming increasingly more visible. Among the possible reasons for this increasing interest in living in the historic districts is the desire of the middle and upper class to recuperate their roots along with a desire for a nostalgic past. Still there is a need for more studies that address revitalization and gentrification in Latin American cities because "[i]n comparison to the comprehensive and critical documentation of North American and British cities, few scholars have paid attention to gentrification in other world areas—and this is particularly true of Latin American and Spanish metropolitan regions. This gap is usually associated with different temporalities of the processes of gentrification" (Janoschka, Sequera and Salinas 2013: 6).

As noted earlier, it was not until the 1990s that the first studies on Latin American gentrification shed some light about how this phenomenon worked in the region (Thomas 1991; Jones and Varley 1999; and Scarpaci 2002b and 2005). In his study on gentrification in St John's, Antigua, Thomas (1991) documented class conflict in a waterfront redevelopment project in the Redcliffe Quay area and nearby Fibray's squatter settlement in Antigua where a new group of

professionals with higher income were using gentrification as a "way to purchase class ideology and social position that is embodied in the built environment" (1991:472).

In their study of gentrification in the historic district of Puebla, Mexico, Jones and Varley (1999) argued that a new middle class does not necessarily promote gentrification. This gentrification was carried out by an existing middle class that wanted to recuperate history as a symbolic place, even if the idea of the city they had was imagined or recreated as pastiche. They were particularly interested "with the meaning which gentrifiers write into or read from gentrified landscapes, or with how this landscape was constructed and discursively organized" (1999: 1549). Furthermore, they addressed how discourses on poverty, race and heritage are portrayed to allow gentrification to continue. To this end, these researchers analyzed the conservation program in Puebla and the underlying discourse put forward to justify the middle class's need to recover this historic center. This discourse was tied to the rebuilding of middle class identity and how the private sector responded to the real-estate market. They argued that the movement of the middle and upper middle class to the center of the city was associated with their desire to "reconquer" a space that both reminded them of a romanticized view of the city and eliminated certain types of uses and people from the historic district. These "undesirables" included the informal sector, such as hawkers and street vendors and minorities (indigenous people, people of color, and immigrants from neighboring countries).

This effort to purge "undesirable nuances" thus often carries connotations of racial differences. Jones and Varley's discussion stems from the middle class retaking of the historic center: "gentrification does not require the occupation of renovated properties by a new residential population, but involves the rehabilitation of deteriorated properties and a change in the social group *using* the property" (1999: 1548, emphasis original).

The symbolic gentrification described by Jones and Varley goes hand in hand with policies to attract gentrifiers to historic centers. As Janoschka, Sequera and Salinas point out:

> The quantitatively most important strand in gentrification research in Latin America discusses different forms of *symbolic gentrification* that are often entangled with policies that restage the rich architectural heritage of Latin American city centres. However, several authors evaluate this strategy as a pretext for bringing local elites and middle-class households back to the historic city centres (Hiernaux, 2006; Bélanger, 2008). As Botelho (2005) shows, this can happen through a superimposition of traditional developer-led gentrification processes and symbolic gentrification grounded in retail and consumption. (2013: 1243, emphasis in original)

In another study, Scarpaci (2005) showed the diurnal change of land use in the Puebla's *Plaza de los Sapos* in which mariachi musicians and day laborers occupy the town square at the crack of dawn, just when the boutique bars and nightclubs are releasing their patrons. However, by mid-day, the day laborers are gone, the mariachis have lined up their engagements for the day, and the tourists, local schoolchildren and retirees trickle into the square. The day's cycle ends with Puebla's elite and international tourists patronizing the bars and clubs around sunset.

Even socialist Cuba has not escaped gentrification. Scarpaci (2000: 725-726) points out that whereas the "gentry class" in developed countries belongs to the same nationality and is, as a class, better educated, gentrifiers in Cuba include foreigners, extended-stay tourists, or businessmen from developed countries and Latin America. Moreover, the nature of the prevailing political and economic regime in power does not always predict either the levels of gentrification or community input.

Other strategies have been used to gauge perceptions of Latin American historic district residents. Scarpaci (2005) uses focus groups formed by eight to twelve persons of different demographic and socio-economic characteristics as a proxy for his analysis on how residents in historic districts of Havana, Cuba; Cartagena, Colombia; and Cuenca, Ecuador perceive the social

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and economic transformations their neighborhoods are going through. Both Jones and Varley and Scarpaci's research are starting points to study such a novel topic in Latin America as revitalization and gentrification in historic districts as these studies demonstrate how certain Latin American cities face changes that challenge the life of residents. As Inzulza Contardo points out: "Without a doubt, the metamorphosis of the physical and social fabric is a reality that crosses the boundaries of the Latin American towns. Specifically, changes in the land use patterns and on the market housing supply are identified, as well as the social tendencies with new types of 'gentrifiers' and their urban life styles found particularly in historic neighborhoods" [My translation] (2014: 6). Recently, Janoschka, et.al. (2013) have attempted to outline the perspectives and debates over Latin American gentrification (Appendix A.1). In this thought-provoking article Janoschka, *et.al.* (2013) make the point that gentrification studies in Latin America and Spain have major variations from the North America and European perspective.

The Merits and Detriments of Gentrification

The debate on whether gentrification and revitalization bring positive or negative outcomes to residents' lives has been a motive of constant discussion in the gentrification literature (Slater 2003; Cameron 2003; Atkinson 2003). Gentrification does repair and maintain old buildings, both of which require considerable investment. Private and personal initiatives may also contribute to improve and maintain the characteristics and charm of the built heritage, including the social spaces of parks and plazas. This in turn promotes an increase of activities generating investment and economic development for the area (Blomley 1997, Atkinson 2000). Gentrification may also raise tax revenues, property values, the "social mix," and contribute to improvements to the physical environment.

The process, however, is not without its detriments. Residential displacement is an undesirable consequence of gentrification, occurring when lower-income residents, who can no longer afford to live in the area, are forced to leave to make room for a middle class. As this relocation process works itself out, it may lead to a shortage of housing and thus weaken social network and structures (Wassenberg 2002). During inter-censal periods, it is difficult to measure the amount of residential displacement and replacement in a gentrified setting. What is clear is that displacement has a social cost represented by increasing overcrowding, homelessness, need for more housing, as well as resentment among the low-income population. As Atkinson states, "Displacement removes social problems and rearranges rather than ameliorates the causes of poverty, environmental decay and the loss of neighborhood vitality—problems are moved rather than solved" (Atkinson 2000: 163). Atkinson summarizes gentrification's merits and detriments in Table 2.1.

Atkinson notes that gentrification may give life to inner-city communities by reversing urban decline and abandonment. In other cases, this process might bring community displacement and loss of social diversity. Thus, neighborhood participation in the decisions taken regarding changes that occur in their communities is a key factor to diminish the negative impacts gentrification and revitalization might bring with them.

Table 2.1. Summary of Neighborhood Impacts of

Gentrification according to Atkinson

Positive Aspects
Stabilisation[10] of declining areas Increased property values Reduced vacancy rates Increased local fiscal revenues Encouragement and increased viability of further development Reduction of suburban sprawl Increased social mix Decreased crime Rehabilitation of property both with and without state sponsorship Even if gentrification is a problem it is small compared to the issues of: - Urban decline - Abandonment of inner cities
Negative Aspects
Displacement through rent/price increases Secondary psychological costs of displacement Community resentment and conflict Loss of affordable housing Unsustainable speculative property price increases Homelessness Greater take of local spending through lobbying/articulacy Commercial/industrial displacement Increased cost and changes to local services Displacement and housing demand pressures on surrounding poor areas Loss of social diversity (from socially disparate to rich ghettos) Increased crime Under-occupancy and population loss to gentrified areas Gentrification has been a destructive and divisive process that has been aided by capital disinvestment to the detriment of poorer groups in cities.

Source: Atkinson 2002: 8.

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[10] This is Atkinson´s British spelling.

Neighborhood Participation and Social Movements: When One Voice, or Many, Matter

Neighborhoods[11] in historic districts often reflect the material and non-material expressions of their residents, although interpreting those patterns can be a challenge. Urban space is a mere container surrounding the human processes that shape it and give it life. Thus, space by itself does not have power (Jones 1994, and Scarpaci 2002b Lefebvre 1991). Power structures and human processes give form to space. Hence, relationships of power that take place in those spaces constantly shape cities and neighborhoods in Latin America (Scarpaci 2002b: 15). Low's twenty-five years of research in Costa Rican cities shows that "Physical space at the urban level…is ordered by and reflects the power structures to which the community is subordinated, although the community may contest this subordination through local political action and use of the space" (2000: 50). Consequently, different groups claim control over different parts of the city. It is here at the grassroots level that the interface between local and global processes takes place and where social and political movements may develop.

In many cases, in this fight for contested spaces, those who have less power have little say in the decision-making process. As Janoschka (2013) points out, besides housing, the privatization of public spaces and the decrease of activities by citizens in these areas are aspects related to neoliberal politics represented by gentrification. Thus, it is necessary to discuss gentrification in relation to the importance of public spaces in the Latin American round. An example of this situation is the appropriation of public spaces by private interests such as restaurants.

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[11] Neighborhood is a district within an urban area. Although the term was coined to describe a district within which there was a community of individuals, it is frequently applied in general usage for any small residential district, irrespective of the degree of social integration of the residents (Johnston et al., 1994: 409).

Once gentrification starts, this appropriation of public space takes place more often. Scarpaci (2005) has documented this contestation of space in several historic districts in Latin America, where community participation in decision-making has had very little influence in the revitalization and land-use changes. Cities trying to promote heritage tourism and historic preservation need to be aware of the negative externalities they may bring with it. Scarpaci´s findings are a baseline to a better understanding the gentrification phenomenon in Panama. It shows the complexity that heritage tourism brings about when it becomes a key activity, where it could bring positive outcomes, but negative nuances as well, principally when communities are not effectively considered.

Conflicts over the control of local social space brings the interest of residents to initially participate in neighborhood associations and meetings, first to know what is taking place within their neighborhoods, and how their individual lives and community life will be affected as a result of these changes. This interest increases when communities consider that revitalization and gentrification have become a threat to their stability. As Atkinson, 2003 states:

> Conspicuous changes in central-city neighbourhoods[12] have provided a sparring-ground for academics, policy-makers, practitioners and, not least, community activists. These groups have variously cast the 'upward' neighbourhood changes associated with gentrification as both savior and destroyer of central city validity. While the visual improvements associated with such rehabilitation may be welcomed, the process has led to less perceptible population displacement and internalized social conflicts over the ownership of local space. (2003: 2344)

Sometimes it takes time for a community to realize or foresee what the real effects of these changes will be. Community responses may range from making their voices heard to not having any participation at all. In Latin America, neighborhood participation and social movements have ranged from grassroots popular organizations, mass protests, organized demand-making and

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[12] The author used British spelling

electoral support (Portes and Itzigsohn 1994: 491), to complete submission and almost no participation at all (Gilbert 1994).

Unlike the idea of mass radical participation that has been portrayed by popular sources, popular sectors represented by low-income groups in these countries adapt themselves to the social system as long as they can obtain advantages from it (Portes and Itzigsohn 1994). They conclude, "Sympathy for grassroots organizations there is aplenty, but rational adaptation to reality dictates that actual investments of time and effort should go mostly towards those organizations capable of delivering individual favours and improvements in precarious living conditions" (1994: 506). Residents' attitudes about obtaining personal advantages to improve their quality of life often conflict with the achieving of common goals that could in the long run benefit the majority of the members of the community.

Alan Gilbert (1994) asks why there is so little protest in the Latin American city, especially in low-income neighborhoods, despite problems with bad housing conditions, overcrowding, and lack of services. He mentions four reasons for this situation: community attitudes, clientelism, leadership, and cooption and repression. First, the majority of the Latin American urban population is politically conservative. They do not have much time to participate in political activities, since they are busy daily, working long hours, maintaining their homes, and taking care of their families. In spite of this, residents still usually participate in meetings in their neighborhood in the earlier stages of the settlement development. Second, politicians use clientelism to keep political protests under control, promising favors or rewards, such as improvements in infrastructure or services to the community that in many cases do not materialize. Third, leadership and co-optation may occur when a leader in the community obtains resources, from politicians and other influential people.

Finally, repression is a powerful tool that governments in Latin America have used to discourage

protests in communities with devastating consequences for these communities (Gilbert 1994).

Although local neighborhoods are essential actors in the preservation of cultural resources,

researchers have often neglected their participation in management and implementation of

programs. For example, a decision to request official bids to build up to 4,000 hotel rooms on the

Caribbean coastline only kilometers from Trinidad, Cuba (a World Heritage Site since 1988),

created serious concerns among the residents of this historic district over losing their heritage

(Scarpaci 2002a). Significantly, the Ministry of Tourism did not consult local Trinidadians.

Scarpaci (2002b) found a similar situation in Cuenca, Cartagena, and Havana where policies

applied to develop cultural tourism have not taken into consideration the communities' aspirations.

Furthermore, residents living in these three historic sites perceive that there is no point in fighting

since local authorities and other sectors of the society will not listen to their claims.

Residents living in Latin America inner-city areas have also shown their frustration

regarding their lack of power, government's carelessness and apathy to solve their problems, and

their own shortcomings in successfully organizing their neighborhood. Scarpaci's focus groups

and content analysis of residents of historic districts revealed that.

> In Havana and Cuenca, historic district residents hold very strong feelings
> about public authorities, investors, tourism, and the future of their neighborhood
> […]. Generally, residents of all three historic districts [including Cartagena] are not
> optimistic about the future, have negative things to say about local authorities, and
> feel that tourism will bring more harm than good. (Scarpaci 2005: 152)

Thus, contrary to the common and perhaps overly "romanticized" belief that urban social

movements in Latin America traditionally have been strong, these findings and those of others

indicate that there is little input from communities once global and local forces act together to

impose physical and social transformations in these historic districts. In their quest for solving

individual and community problems in many areas of the world and Latin America, social movements have become a door to fight back what residents consider a threat to their neighborhoods using a wide range of strategies. We need to discover what types of strategies locals employ and what results they have obtained from such strategies, especially when they need to confront the transformations that revitalization and gentrification impose on their lives and their local areas.

Before discussing urban social movements and noting any relevance these movements have for San Felipe, I must first define two concepts: social movements in general and urban social movements in particular.

Conceptualizing Urban Social Movements

The meaning of a social movement and what it consists of have been widely discussed in the literature. Nevertheless, a consensus has been hard to reach, as Schuurman and Naerssen recognize, when each author offers their own definition of the phenomenon (1989: 11). Johnston, Gregory, and Smith define a social movement as a group of people that gather and act based upon a specific cause (1994: 566). Diani (1992:13) considers a social movement as "a network of informal interactions between a plurality of individuals, groups and/or organizations, engaged in political or cultural conflict on the basis of a shared collective identity" (in Johnston, Gregory and Smith, 1994: 566). Johnston, Gregory and Smith present the concept of urban social movement in a particularly germane manner: "A form of protest challenging the State provision of urban social services and/or environmental regulation, such as popular movements against expressways, to preserve neighborhoods threatened by redevelopment or squatters' rights movements" (1994: 663). Zald and Garner define a social movement organization (SMO) as "[A] complex, or formal, organization that identifies its goals with the preferences of a social movement or a

countermovement and attempts to implement those goals" (Zald and McCarthy1987: 20). They further contend that a social movement represents the conscientious efforts that a group of people makes with the purpose of changing the current state of a situation that exists in an institution or group of institutions in a society (1987: 123). Although these definitions have different foci, they conceptualize social movements as having three core attributes: 1) a group of people who share a collective identity, 2) a common purpose, which usually entails the desire to change a current situation, and 3) of trying to create linkages with other organizations to achieve their goals.

In the search of a more complete definition of social movements, authors also discuss the concept of identity in the context of a geographic area. Schuurman and Naerssen consider that an organization that constitutes a social movement is also characterized by being attached to a place that gives them a sense of identity in their struggle for achieving their goals. Thus, they define a social movement as "a social organization with a territorial based identity, which strives for emancipation by way of collective action" (1989: 2). This clarification has four implications: First, people who live or are located in a space or area decide to gather to address an issue or problem that affects their lives; they aim to remedy the problem. Second, such people create networks of information with other actors who also have a stake in a desired outcome. Third, people try to achieve their goals by using these networks of information and other resources through collective action. Finally, social movements have a collective territorial identity base. Most recently, new social movements use cyberspace to obtain information and support regarding their cause from diverse sources. All these characteristics contribute to identify social movements occurring around the world, whenever economic, social, and environmental issues menace people's daily lives.

Social movements have evolved from geographically small, territorial based entities to global organizations with an international perspective where a wide range of issues are addressed.

For example, Köler and Wissen (2003: 942) argue that social movements have the characteristic of being identified by the names of cities where they have taken place. In turn, these cities are reservoirs of issues and institutions that are denounced by social movements as the source of their problems. Thus, they maintain that "…cities represent to a large extent the global and local focal points of social movements, because a large part of the issues and institutions criticized by the movements are located in cities" (Köler and Wissen 2003: 942). In the same line of thought, Rebecca Smith (1984, 1985; cited in Miller 2000: 21) argues that neighborhood participation, in making social claims, is linked with variables such as home ownership, education, and income.

Resource Mobilization Theory as a Venue to Explain Social Movements in Areas Undergoing Revitalization and Gentrification

Resource Mobilization Theory is a framework that analyzes why urban social movements take place, and what kind of assets these movements use to obtain their goals. This framework was applied from the mid-1960s until the 1980s, but today it is also used within the framework of political processes and new social movements (NSMs) (Miller 2000: 19), a topic to which I return later on in this chapter. According to Zald and McCarthy,

> The resource mobilization approach emphasizes both societal support and constraint of social movement phenomena. It examines the variety of resources that must be mobilized, the linkages of social movements to other groups, the dependence of movements upon external support for success, and the tactics used by authorities to control or incorporate movements (1987: 16).

Organizations operate in a changing world and they must adapt to their environments in order to survive; since organizations live in this changing environment, social mobilization organizations (SMOs) must interact with other actors "…who are deliberately trying to influence, control, or even destroy it" (Gamson 1987: 2). Adaptation can be problematic, since it requires

shifts in goals and the structure of organizations because different pressures emerge in the course of their struggle (Zald and Garner 1987: 122). Thus, organizational interaction and an organizational infrastructure are two main aspects in a social movement organization (Zald and McCarthy, 1987). Tension between competition and cooperation are present among social movement organizations. However, Gamson claims that resource mobilization theory is often not grounded in a cultural context; resources (time, expertise, local knowledge, money, advertising, allies) assume different levels of salience over space and time. He argues that there are cultural differences between countries that must be considered, maintaining that Zald and McCarthy pay little attention to cultural trends or the "social psychology" of resource mobilization, and thus "There is little here of loyalty, commitment, solidarity, consciousness, or the role of face-to-face interaction" (1987: 6). Money and time do afford members of social movement organizations key assets. Nevertheless, members risk being arrested, losing their jobs, and even being killed in the process of achieving their goals.

Zald and McCarthy recognize that in social movements the acquisition of resources such as labor materials and money needed for collective action is not easy, and usually there are costs attached to it (1987: 11). As we shall discuss in Chapter 5, San Felipe's association of residents and its supporters have incurred costs as they evolved from a confrontational position to a conciliatory one of accepting whatever advantages they could obtain for people who were participating in the movement, to become later on confrontational again.

Place and space are two elements that are necessary to consider in the study of social movements. People develop a sense of place attachment that it is the result of their familiarity with spatial elements or icons that become part of their daily life. Therefore, place and space play an important role in social movements, as we shall analyze in the next section.

The Role of Place and Space in Social Movements

Issues surrounding collective consumption (housing and public spaces, police and fire protection, land, health care access) may trigger the organization of social movements. Housing is one form of consumption where the struggle for satisfying this need takes place in a geographical area. The quest for housing is exacerbated in cities because of the dynamic nature of rural-urban migration and the turnover of housing stock. Housing issues in cities can be further aggravated because "[u]rban space is rarely neutral or apolitical. In most cities almost any change in the use of existing urban space, or any proposed new use of space, is likely to engender competition among different actors" (Herzog 2006: 153). The concept of a place is related to an area whose limits are bounded by symbolic elements that might expand through networks and relationships (Lindon 2007).

The struggle people go through to secure a home in low-income neighborhoods and renovated areas such as San Felipe provokes instability in these neighborhoods where residents, especially old residents, have developed ties in the community. Many San Felipeans were born there, raised families there, and have become attached to the amenities such as local markets, parks, and monuments. Understandably, we might anticipate strong reactions from them when they feel threatened by eviction and relocation. Some have decided to participate in meetings and protest actions; others have just watched the events unfold, witnessing how events develop. Understanding social movement mobilizations implies the need to understand how a place works and the relationships within this area for strengthen collective identity (Miller, 2000: 14). Thus, place plays an important role in social movements, and San Felipe is no different from other studies of place-based movements in the literature. Schuurman and Naerssen describe a similar phenomenon when referring to places as "habitat," a concept that

refers to items of individual as well as collective consumption within a common territory, which in the present case involves micro spaces within the urban contexts of the Third World. These micro spaces are often referred to as "the local space." Urban social movements, then, have as their basic aim the improvement of the quality of individual and collective consumption within marginalized local spaces. (1989: 2)

Schuurman and Naerssen conclude that many social movements begin as an alternative for people to pressure and break with the establishment when they believe their needs are not being met, and when they then seek a higher quality of life. However, in the search for finding alternatives to solve their problems, social and political struggles may continue until local space is not enough to keep the collective consciousness; and if a movement is not able to go beyond local space through class-consciousness, the state could co-opt the movement (1989: 17).

If local space constitutes the setting where urban social movements struggle for recognition, we must not overlook the fact that we live in a globalized world where linkages and networking among groups and organizations are each day more frequent and stronger than several years ago. Köler and Wissen (2003: 946) emphasize this local-global aspect of urban protest when they request at the local scale the improvement of their conditions, and at the more global scale more participation, and access to equal goods and services, among others.

The application of Resource Mobilization Theory as an approach in less developed countries is not without its critics. Schuurman and Naerssen (1989) argue that a variety of structural conditions differ greatly between the developed industrial nations and the rest of the world, noting that collective consumption in developing countries, for instance, is due less to a disarticulation between production and consumption than in developed countries. This has huge implications as household members sacrifice time at home or in the workplace to devote their resources to the confrontation of the power structures. Furthermore, foreign debt, the influence of

international financial organizations, and political repression keep the costs of labor low. Due to this situation, social movements in the Third World are primarily considered "survival strategies" (1989: 15).

Schuurman and Naerssen (1989) criticize Zald and McCarthy because the latter overemphasize the importance of money, labor, legitimacy, and facilities as resources needed for a social movement to advance and survive. Such resources are scarce or even lacking in the case of many social movements in less developed countries, where "urban social movements are struggling to get access to exactly those resources mentioned by Zald and McCarthy: money, legitimacy and facilities" (1989: 16). In contrast, consciousness, cooperation, commitment, and loyalty may have comparable value in the developing realm, underscoring the importance of having a culturally and geographically specific sense of what constitutes "resources" in less developed countries.

Today participants of many social movements are very aware of the importance of having ties with international organizations, groups, and sympathizers. In San Felipe, for example, at the different stages of the group's mobilization, they have been in contact with national representatives from international organizations, including UNESCO and the Court of Interamerican Human Rights to obtain support for their cause, as I discuss in the fifth chapter.

The Globalization of Eviction and Relocation in Developing Countries: Tactics and Strategies Used in Several Case Studies and their Impact on Communities.

The tactics powerful actors use to evict residents in rapidly gentrifying neighborhoods share similarities around the world. Although the natures of these cities vary, the methods used to evict and relocate people have been highly effective. For example, in a study in Madras (Chennai), India, Wit (1989) tells us the story of an eviction. In the first stage of negotiations between

community leaders and the housing board, an agreement was reached to compensate each relocated family. Not all the dwellers accepted. The evictions then began in 1982 with the demolition of a number of huts by a bulldozer. Residents agreed that they were unable to stop the eviction because of their lack of cooperation and "the fact that the slum dwellers had been divided into groups, each of which had pursued its own strategy" (Wit 1989: 71). They also blamed a lack of coordination and the co-optation of their leader. Although this study is almost 30 years old, it shows that even in the 21st century these traditional tactics described above are still used in different parts of the world, including Panama. Like San Felipe, a "divide-and-conquer" strategy was useful in allowing investors, lawyers, and realtors to claim the coveted neighborhood.

Similar cases have been presented in the literature on social movements. In São Pedro, a neighborhood of Victoria, the capital of the State of Espirito Santo, Brazil, after attempting several struggles to formalize the movement, a president of the movement was tempted and co-opted by the mayor; other members of the movement believed that he "could not resist the temptations of public spoils and he was co-opted by the mayor" (Banck and Doimo, 1989: 135). Another president of the movement, a woman, accepted the construction of a storage room by municipal workers, and this contributed to weaken the movement (Banck and Doimo, 1989: 137).

The central area of Santiago de Chile in the 1950s is another place where low-income residents were displaced to outlying areas where services and goods were limited. These evictions accelerated from 1979 to 1985, especially in the high-income neighborhood of the Barrio Alto (Rodríguez & Icaza, 1998; Scarpaci et al., 1988). The squatters in the Barrio Alto were relocated under the justification that their houses were deteriorated and that a park would be built for all residents in their former location. However, one of Santiago's first malls was built there. The costs

of travel—temporal and monetary—were great for the residents of the former shanty. (Scarpaci et al. 1988).

In a study on urban renewal and evictions in Santo Domingo, Dominican Republic, Morel and Mejía (1998) document several measures residents used to avoid eviction: neighbors would unite to protect one another and show solidarity, conduct and continue vigils, make up and chant slogans and demonstrating in the streets, march to the public office responsible for the evictions as well as to the presidential palace, and hold press conferences and grant interviews to reporters.

These disparate tales of residential displacement around the globe indicate that the perception of the disenfranchised having success or failure is a key variable that contributes to helping or hurting social movements. People become discouraged if they participate in protests, meetings, and demonstrations, but do not see tangible results. Many of them will drop out of the movement just because they feel that, if nothing is accomplished, they are wasting their time. This attitude erodes movement coherence and leads to attrition, as San Felipe's case illustrates.

From Passive Attitude to Collective Action: Approaches to Community Involvement in Latin America and the Rise of New Social Movements.

That social movements are not always successful does not mean that people are not willing to stand up for what they believe. Any Latin Americans' dissatisfaction over housing tenancy is one of the principal causes of community involvement, especially when communities confront evictions, rising land prices, and neighborhood instability related to revitalization and gentrification. In addition, power struggles can occur when economic and political interests intervene to the detriment of people's well-being. As a result, conflicts develop and, as Köler and Wissen state, "… terrains are formed which are highly structurally selective, so that powerful actors find favourable conditions for generalizing their own interests and marginalizing the

interests of weaker actors. Constraints are created which heavily influence the terms of national and local conflicts" (2003: 946). Thus, social movements flare up when people have needs that are not fulfilled, especially those related to housing issues, leading powerful interests to intervene.

Latin America is one of the regions in the world where economic, political, and social inequalities have long persisted. As a result, neighborhoods from Mexico to Argentina and throughout the Caribbean have witnessed a rise in contestation and social movements. These venues are often the only way citizens can make their voices heard. Schuurman and Naerssen consider that in these countries social movements have certain central characteristics, including a political consciousness, a specific ideology, a minimum level of base-participation, clientelism (patronage) with outside organizations, a particular role of leaders, and different types of action (1989: 3).

Similarly, the degree of participation is a response to the needs that the community or a group wishes to fulfill. This neighborhood participation with social movements range from grassroots popular organizations, mass protests, organized demand-making, and electoral support (Portes and Itzigsohn 1994: 491) to almost no participation at all[13] (Gilbert 1993). The reasons why people respond differently to neighborhood participation defy easy interpretation; it varies with area, objectives, collective cohesion, as well as accomplishments people perceive the organization is achieving.

Although local neighborhoods are essential actors in the preservation of cultural resources, researchers have often neglected their participation in management and implementation of

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[13] In his research Gilbert's (1994) observed that despite bad housing conditions, overcrowding, and lack of services, there is little housing protest in Latin America. As I argue in the last chapter, many of San Felipe's residents live in rented housing that is in dilapidated, overcrowded conditions; and this is especially true of rented and condemned buildings that have plumbing deficiencies because these buildings were not originally built to hold so many dwellers. Despite some protests, residents accomplished very little in relation to the magnitude of the housing problem.

programs. For example, Scarpaci (2005) found a similar situation in Cuenca, Cartagena, and Havana where top-down policies to develop cultural tourism have not taken into consideration the communities' aspirations. In these cases, community input has been minimal and local protest is slight due to restrictions in the political system (in the case of Cuba), the influence on money laundering (in the case of Cartagena), and the social class differences between Hispanic and indigenous (in the case of Cuenca). As a result, residents living in the three historic sites perceive that there is no point in fighting, since local authorities and other sectors of the society will not listen to their claims.

Scarpaci (1991) found the shantytown health care movements were successful in Santiago de Chile. But in many parts of Latin America, many social movements anchored in housing and tourism issues have not been successful, as has been traditionally perceived (Scarpaci 2005). San Felipe's social movements, their accomplishments and failures have been more cyclical, and I will argue that if we are able to weigh their achievements, taking into consideration their limited resources, they have been able to accomplish some benefits for the residents.

The role of culture is an aspect that Zald and McCarthy neglect, as Gamson (1989) has already pointed out, and thus is not discussed as a characteristic of Research Mobilization Theory. This weakness, the lack of a cultural approach, has been included in the new social movement literature, where the concept of identity plays a significant role. Scholars used identity during the 1980s to divide new social movements from traditional social movements, arguing that one's identity and attachment to place are important for the new movements, since it represents "new forms of doing politics" and sociability, while the old movements were just a struggle for resources (Alvarez, Dagnino, and Escobar 1998: 6). Nevertheless, these last movements also "mobilize collectively on the grounds" where people are fighting against powerful interests. Thus, "[f]or all

social movements, then, collective identities and strategies are inevitably bound up with culture"

(Alvarez, Dagnino, and Escobar 1998: 6).

Other authors, such as Sousa Santos, argue that

"…although new oppressions must not make us lost track of old oppressions, the fight against these must not be made in the name of a better future in a society to be constructed. On the contrary, emancipation laying struggle, aims to transform the everyday victims of oppression here and now and not in the distant future. Emancipation starts today or never starts. Hence, NSM, with the partial exemption of the ecological movement, does not mobilized due to intergenerational responsibilities. (Sousa Santos, 2001 (my translation).[14]

Thus, new social movements, unlike traditional social movements, respond to problems that affect people's daily lives, requiring solutions to be reached in a relatively short period of time.

Summary and Conclusions

The extent and scope of the benefits and detriments from gentrification remain a matter of debate. This literature review underscores the fact that the studies of revitalization and gentrification in developed and developing countries are increasingly important, especially as the world becomes more globalized and people have the opportunity to travel and connect with other people and places around the world. Migrants coming from Europe and North America who migrate to coastal destinations and historic centers in Latin America form what Prado (2012) calls 'global gentrification' (cited in Janoschka, Sequera and Salinas 2013: 14)

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[14] "Por último, aunque las nuevas opresiones no deben hacer perder de vista las viejas opresiones, la lucha contra aquellas no se puede hacer en nombre de un futuro mejor en una sociedad por construir. Al contrario, la emancipación por la que se lucha, tiene como objetivo transformar lo cotidiano de las víctimas de la opresión aquí y ahora y no en un futuro lejano. La emancipación o comienza hoy o no comienza nunca. De ahí que los NMS, con la excepción parcial del movimiento ecológico, no se movilicen por responsabilidades intergeneracionales."

CHAPTER 3

Motivations for the Study, Research Questions, Objectives,

Hypotheses, and Methodology

In this chapter, I first describe my motivations for the study of this area. I outline the main research objectives of this dissertation, the formulating hypotheses, and the diverse methodologies I used to achieve these objectives, how I collected the data, and the organization and analysis of the data.

My Motivations for Research and Entrance to the Field Research

My personal interest in the historic district started at an early age and has increased with time. My familiarity with the area, its proximity to the place where I work, and my awareness of the importance of this national and international heritage is what has motivated me to pursue a research topic related to the historic district and its people. I first visited San Felipe in 1974 as part of a sixth-grade field trip to Panama City. The majority of my classmates and I were seeing the capital for the first time. I can still remember how much I enjoyed looking at the old buildings and the vitality of that area, especially the view of the ocean that one is able to enjoy along the seaside promenade, the *Paseo de Las Bóvedas* and the Presidential Palace. Later I had the opportunity to visit the historic district on another field trip when I was a senior in high school. By the time I was a senior in the Geography Department at the University of Panama, I gave a tour of the Casco Antiguo[15] to a group of students that had come to Panama City from the United States. All these experiences helped me to appreciate this place and to be able to compare it at a later time.

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[15] In this dissertation the words *Casco Antiguo* or *Casco Viejo* (that literally mean "the old shell" or "old quarter"), as well as *Centro Histórico* (historic center) and *distrito historico* (historic district) will be used interchangeably to refer to San Felipe since the whole neighborhood is located inside of this historic district conformed by 44 hectares. Only a small part of this historic district is located in the boroughs of Santa Ana and El Chorrillo. It

In 2001, twenty-seven years after my first visit to San Felipe, I noticed that the structure and demographic composition of this neighborhood was undergoing a major change. That drove my interest in understanding the reasons for these changes. A few people from higher income levels had moved into the neighborhood. Newspapers were publishing as well that people were willingly and unwillingly moving from the area. The same year I left Panama to pursue my doctorate in the United States, I visited San Felipe to take some photographs of the neighborhood and its monuments, so I could show the place I wanted to study. Little did I know in 2001 how radically the historic district was going to change from the moment I saw it for the first time as a schoolgirl, to the moment I started my research in 2005; and it continues up to today.

As I became more acquainted with the academic literature on urban geography and planning, I realized that the changes in San Felipe were not the product of chance or some 'natural' consequence. On the contrary, my inquiry into the literature made me realize that these transformations were linked to revitalization and gentrification—two processes that were unfolding in the historic district. I wanted to research residents' perceptions of revitalization and gentrification in Panama for three reasons. First, the literature of historic districts in Latin America analyzing revitalization and gentrification was very scarce. In particular, there had been very few studies that address residents' perceptions regarding these changes. Second, none of those studies addressed the case of Panama.[16] A third reason was that the studies that I found on Latin American revitalization and gentrification had mostly used qualitative research (focus groups, in-depth interviews, newspaper and archival accounts); very little primary data had been gathered that could be generalized statistically and inferentially.

is necessary to mention that in the Law 91 of December 22, 1976 that the name that appears to refer to this area is *Casco Antiguo de la Ciudad de Panamá* (Old Quarter of Panama City),

[16] Researchers interested in Latin America have overlooked this country since it is more known for its Canal.

Finally, I assumed that my field research was not going to be terribly challenging since I am from Panama and had been in San Felipe before. I am usually able to begin a conversation with a person I do not know[17], and I could gain entry by identifying myself both as a doctoral student conducting research and as a professor at the University of Panama. However, little did I know at that time that these elements that I thought were advantages would not be so helpful in contacting interviewees. Therefore, I needed to establish several trusted contacts; as Jackson has noted, "Contacts are sometimes necessary to get the work started. A contact can be anyone who helps you say hello comfortably to the first few people to whom you want to say hello. After that introduction things usually move along on their own" (1987: 44). Jackson also advises being careful with contacts, because a negative reputation or a specific position this contact has may influence interviewee's decision to participate in the interviews.

The need for this research comes from the fact that economic development programs would require models to predict the acceptability of gentrification programs based on the community's perceptions and reactions as well as on the facts of the real situation of the neighborhood. It will provide, as well, a wide range of information regarding the neighborhood's social history that constitute the base for understanding the current situation of this neighborhood and the processes that are shaping it.

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[17] Jackson calls this a cold canvassing technique that salespeople use door-to-door. He further states: "If you have that kind of easy sociability and the kind of personal style that gets strangers to trust you right off the bat, you'd best start with people you know or find people who can introduce you to the people you need to know" (1987: 45).

Research Questions and Research Objectives

Specifically, four main questions drive this dissertation:

1. What physical, social, and economic changes have taken place in the historic district of San Felipe from the early twentieth century to the present? Are these changes the result of global processes, local processes, or both?

2. Have leaders and residents willingly participated in these transformations and, if so, how have they done that?

3. Is there any significant difference in opinions and attitudes among residents regarding changes that revitalization and gentrification are bringing to the neighborhood? If so, how and why are they different?

4. How do residents who have been relocated to other areas perceive these changes that are occurring in San Felipe? What are their opinions regarding their new place where the live?

Based on these research questions, this dissertation aims to accomplish these four objectives.

1. To write a social history of San Felipe de Neri that entails the physical, social, and economic changes in this historic district from the early twentieth century to the present.

2. To analyze the opinions and perceptions of stakeholders such as community leaders, residents, and ex-residents regarding their participation on the physical, economic and social (quality of life) transformations of San Felipe and what the outcomes have been.

3.   To measure the perception residents have about the physical, economic, and social (quality of life) changes related to revitalization and gentrification in San Felipe de Neri. For the social changes I will use several indicators that are related to the quality of life (QOL) in the neighborhood.

4.   To explore how those residents who have been relocated to areas outside of San Felipe de Neri perceive and react to these changes.

Formulated Hypotheses

For this study, the following set of hypotheses are tied to objective 3 regarding the relationship between residents' perception of changes in the neighborhood and physical, social (quality of life (QOL)), and economic variables are tested. These hypotheses are:

1. H_1: Length of residency is positively associated with residents' perceptions toward physical, economic, and social (QOL) changes in the neighborhood.

2. H_2: Income is positively correlated with residents' perceptions toward physical, economic and social (QOL) changes in the neighborhood.

3. H_3: Education is positively correlated with residents' perceptions toward physical, economic and social (QOL) changes in the neighborhood.

4. H_4: Residents' attachment to the neighborhood is positively correlated with residents' perceptions toward physical, economic and social (QOL) changes in the neighborhood.

5. H_5: Housing tenancy is positively correlated with residents' perceptions toward physical, economic and social (QOL) changes in the neighborhood.

6. H_6: Employment is positively correlated with residents' perceptions toward physical, economic and social (QOL) changes in the neighborhood.

7. H_7: Sex is positively correlated with residents' perceptions toward physical, economic and social (QOL) changes in the neighborhood.

8. H_8: Age is positively correlated with residents' perceptions toward physical, economic and social (QOL) changes in the neighborhood.

Another second set of hypotheses stem from objective 4 based on the semi=structured interviews with ex-residents of San Felipe regarding their perception on the changes that are occurring in the neighborhood.

Methodology

First, for the analysis of the data I used a combination of quantitative and qualitative methods, because a single methodology does not suffice for a wider understanding of revitalization and gentrification. This will assure triangulation to corroborate the findings using different methods to verify them (Yeasmin and Rahman, 2012).

Second, prior to initiating my field research, I conducted content analysis of recent newspaper articles that described changes in San Felipe. A similar approach was used by Jones and Varley (1999) in their study of Puebla Mexico, where they gathered information from newspaper articles, and talked to neighbors and local planners, and other stakeholders. Through the analysis of this data, they were expecting to uncover the underlying meanings of the gentrification process in Puebla, Mexico.

Third, I knew that evictions had occurred and were occurring in the neighborhood that the process of residents leaving the neighborhood had already started, so I expected some reticence. As a result, I decided to use different strategies described as "convenience sample" to approach my interviewees, such as participating in fairs or sitting in the main park, approaching residents that were by their doors, participating in meetings as an observer, among others. I would as well

try to initiate a conversation and to explain my research. Using this technique, I obtained both positive and negative answers. The target population for the interviews was residents in the neighborhood older than eighteen years old.

Even with refusals to collaborate, my experiences with these snowballing techniques corroborate Jackson's findings in which he (1987) states "The contacts need not be informants themselves, nor must the contacts always understand fully what you're doing and why" (1987: 45).

Another time I contacted potential informants in a coincidental way through acquainted people. That is how I interviewed one lady who had been living in San Felipe for thirty years[18]. This interview was very important in my field research because she introduced me to another person who knew a lot about the neighborhood and had been involve in some of the meetings. This is similar to what Jackson mentions in his book where he states that "Contacts may bring you and other people together and help get you started; more often they'll say, "You should see Joe. Tell him I sent you" (1987: 44).

Although snowballing was a necessary technique to find contacts, this technique has its pitfalls. I decided that the best way to be acquainted with the residents of the neighborhood was to visit the area as much as I could. Therefore, during the period from the end of 2004 to 2008, I visited San Felipe many times during weekdays and weekends, during normal times and during holidays. These visits allowed me to meet several of my interviewees.

I employed a qualitative methodology consisting of in-depth semi-structured interviews with both residents and ex-residents.

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[18] Many people have left San Felipe from the moment I finished my fieldwork in 2008 but this lady refuses even today (2016) to leave the neighborhood that she loves so much.

Research Methods and Data Collection

Among the techniques and resources I enlisted are documentary analysis of available information regarding San Felipe that included land use changes; government publications such as master plans, national and international decrees, and laws such as UNESCO's declaration of the Historic District of Panama[19] as a Human Heritage Site; construction and analysis of timetables with demographic and economic information from the census; analysis of historical documents' and testimonies from interviews conducted with residents, real estate agents, and people in the formal and informal sector.

Qualitative methods included ethnographic research through in-depth and semi-structured interviews with open-ended questions. There are four guided questionnaires designed for different stakeholders. I as well use manifest and latent content analysis, and participant observation (by joining community meetings and workshops and seminars to which I was invited). Appendices E.2 through E.4 show the set of questions with which I guided the interviews. I formulated the questions based on concepts such as participation, changes in the neighborhood, quality of life, attachment, and neighborhood. The information respondents provided both complemented the social history of the neighborhood, and the household survey. In-depth interview questions about neighborhood changes were concerned with the quality of life and were represented by variables such as improvement of services, quality and affordability of housing, and aesthetic value. Examples of these types of questions are "What changes have you observed in the neighborhood?" "What is your opinion of these changes?" "How has the neighborhood changed in the last 10 years?"

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[19] In 1995 there was a proposal to UNESCO to give San Felipe the badge of World Heritage Site, and it was granted. In 1997 there was a law that expands the historic center to a sector of Santa Ana and el Chorrillo. See map in Chapter 4.

I use quantitative methods to analyze the socio-demographic and economic changes of the neighborhood using variables such as sex, age, marital status, and birth rates, employment, and economic activities through a time-series analysis from the census to corroborate the presence of gentrification.

The group of interviewers I trained conducted a face-to-face survey to gather primary quantitative data from two hundred and five heads of households in San Felipe. The reason for choosing heads of households is that in developing countries such as Panama these are the persons who supports their families and make most of the decisions.

This sample size was selected from the number of heads of households who were still living in San Felipe. The main issue here was that this survey was conducted in 2005, just between two censuses. The earlier census was in 2000 and the next census was expected to be in 2010. During this time that the neighborhood was showing a rapid depopulation, I tested eight hypotheses. I derived these hypotheses from objective 3. The transformations in the neighborhood that represent revitalization and gentrification were operationalized using physical, economic, and social surrogate indicators. In the case of social indicators the surrogate indicators I used were related to the perception residents have regarding an existence or lack of services that affect their quality of life. Therefore I used quality of life (QOL) represented as a surrogate measure for social changes.

The process of gentrification transforms a population by influencing changes in the neighborhood's social composition of an area, namely tenancy, price, and condition of houses (Hamnett 1991). These perceived physical, social (QOL), and economic changes in the neighborhood that represent revitalization and gentrification were correlated with several demographic, social (QOL), and economic variables such as length of residency, income, education, residents' attachment to the neighborhood, housing tenancy, and employment, and sex

and age from the survey. Since poorer people are relocated in most of the studies regarding gentrification, it is important that these methods address both the variables representing gentrification and the variables representing social (QOL), economic and demographic characteristics of the residents living in the area.

Indicators Representing Gentrification

Physical indicators included attributes of housing, such as housing structure and the physical conditions of these structures. It likewise includes variables that represented housing conditions from very good to very poor conditions, as determined by a five-point Likert scale. The same scale was used for the economic and social (QOL) indicators. Other attributes include residents' satisfaction with their dwelling, the cleanliness of the neighborhood, street lighting, traffic congestion, noise, and the general state of the parks and plazas.

Economic indicators include availability of jobs and the number and quality of businesses in the area, e.g., existence of mom-and-pop stores, low-order and 'appropriate' retailing,[20] and housing costs. Quality of Life (QOL) and social indicators are represented by neighborhood involvement in civic affairs, satisfaction with services such as water, electricity, sewage system, and safety and occupation among others.

These are assets that influence the life of people, especially in areas that are economically depressed (Tables 3.1 through 3.3). All these variables are part of the survey. I asked interviewers questions about their demographic profile and those regarding changes in the neighborhood to complement the survey questions.

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[20] Gentrification often brings in jobs, but those jobs and businesses may not be useful to the long-standing residents of a community who do not frequent these establishments. For instance, high-end art galleries, fine dining, jewelry stores, and other mid- and high-order businesses are less likely to be used by locals than the gentrifiers or tourists.

Table 3.1. Variables Representing Changes in the Neighborhood

Variable	Definition
Physical	These variables that will be obtained from the survey measure the perception of residents in reference to five years ago.
Housing conditions (head of household interviews)	Satisfaction with the "curb appeal" of the building and the neighborhood. Scale: Very dissatisfied, somewhat dissatisfied, neither satisfied nor dissatisfied, somewhat satisfied and very satisfied.
Neighborhood conditions (head of household interviews and resident surveys)	Conditions include cleanliness of the area, street light conditions, plazas, parks, traffic congestion, system of streetlights, noise, transportation system, general conditions of the area, and cleanness of the neighborhood quality of life and the existence of infrastructure for tourist activities. Scale: ranked with 1 and 5
Economic	These variables measure the perception of residents compared with five years ago.
Housing costs	Cost of housing (Monthly mortgage or rental payment in $)
Job availability	Refers to the number of jobs, and the level of jobs in the neighborhood.
Retailing in the area	Satisfaction with the number of stores, pharmacies, restaurants, hotels, shopping opportunities and parking lots.[21]
Social[22] (indicators that affect the Quality of Life (QOL)) in the neighborhood	These variables measure the perception of residents compared with five years ago regarding an existence or lack of services that can affect their quality of life. The following dimensions refer to:
Water	The satisfaction residents have with water service.
Electricity	The satisfaction residents have with electricity service
Sewage system	The satisfaction residents have with sewage system
Street maintenance	How satisfied residents are with streets are maintenance.
Transportation	How satisfied residents are with access to public transportation
Garbage recollection	How satisfied residents are with garbage recollection.
Health services	How satisfied residents are with the health services
Safety	How satisfied residents are with safety brought by police.[23]
Fire department	How satisfied residents are with the fire department when there are fires.
Ambulance services	How satisfied residents are with the ambulance services.
Street lights	How satisfied residents are with street lights
Cleanness and maintenance of historic monuments	How satisfied residents are with monument cleanness and maintenance.

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[21] This item is operationalized using questions such as "How satisfied are you with the amount of stores, pharmacies, etc., available in San Felipe?" (These items will be ranked on a Likert scale from 1 to 5).

[22] Variables surrogated variables related to Quality Of Life (QOL) will be used because they affect the social conditions of the neighborhood.

[23] Questions such as: How satisfied are you with the security in San Felipe? (This item will be ranked on a Likert scale from 1 to 5).

Table 3.2 Demographic, Social (QOL), and Economic Variables

Variables	Definition
Length of residence	Number of years living in the neighborhood.
Income	Measures family income
Education	Number of years a resident older than 18 years old attended school.
Housing tenancy	Owned or rented
Employment	Refers to occupational structure (Professional/technical, executive/administrator, middle management, sales/marketing, clerical or service, tradesman/mechanic, operator, self-employed, business owner, government, educator, other, specify. (In this case, a hierarchical scale will be used).
Neighborhood Attachment	This is measured using a 0-5 scale[24]
Sex	Sex of the interviewee.
Age	Age of the interviewee.

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[24] Legend: 0 = completely disagree, 3=neutral and 5= completely agree for three questions: "I enjoy living in this neighborhood" and "If I had to move, I would really miss my neighborhood." These items come from Jeffres et al., 2002: 393. From Jeffres I also chose the following question: "I feel like I belong in this neighborhood," a question that was listed as perceived community solidarity.

Table 3.3 Relationship among Variables Representing Population and Indices

VARIABLES	INDICES
Sex Age Length of residency Income Education Housing tenancy Employment Neighborhood Attachment	Physical changes Social changes (Quality of Life (QOL)) Economic Changes

Since physical, social (QOL) and economic indices are three important pieces to achieve sustainability, thus there is a need to explore the relationship between these indexes and variables representing physical, economic and social (QOL) indicators.

Population and Sample Size

Originally, for this research objective, I intended to use focus groups, but I had to change this methodology for semi-structured in-depth interviews with residents living in different areas within the neighborhood. The reason for the change in the methodology was that people with whom I talked were more comfortable speaking one on one than in groups. Informants claimed that evictions and harassment were taking place, and speaking in groups could make them susceptible to these problems. Thus, there were residents who had moved out of the neighborhood and relocated in other areas such as El Chorrillo, El Marañón (near San Felipe) and Tanara, Arraiján and others (located in the outlying areas of the city as I will explain later). In short, the conditions were not the most favorable for conducting focus groups, since people were less

willing to participate in them. This fear of civic engagement and reprisals is, tragically, all too common in Panama, where people feel powerless due to their social and or economic conditions.

I began collecting information using semi-structured in-depth interviews. I conducted ten interviews with residents of the neighborhood during the period from February to November 2005. After that period, I interviewed seven more residents from December 2005 to 2008. All these interviews were transcribed. I decided to conduct more interviews because I saw that the situation in San Felipe was very complicated with too many issues and I needed to comprehend, for example, how residents were living in condemned houses for so long without having electricity or water services cut off; how the system of "renting" room from person to person took place, etc. It seems that I was only scratching the surface of the problems and expectations that residents have for San Felipe. As I conducted these other interviews I began to have a better understanding of nuances that have taken place through the years and especially after 1997. I stopped conducting interviews with residents once I realized that they were repeating similar answers to my questions. As Berg (2001) and others have stated this is a good strategy of knowing when to stop interviewing.

The subjects I interviewed were women and men between 18 and 80 years old, including architects, teachers, informal-sector workers, domestic employees (maids), housewives, and retired people. I conducted seventeen interviews and I stopped when I discovered that people were repeating the same events. I followed Bertaux, who uses the concept and instrument he calls saturation. According to him, a topic can be considered complete when a new history does not add anything different from what the other histories have mentioned before. Therefore, tales can multiply until there is no more news. At that moment, it is considered that a topic is reasonably saturated (Moreno, 2007).

I asked predetermined questions in a systematic and consistent order but interviewers were allowed freedom to digress. As I was doing my research, I noticed that I was obtaining more questions than answers from the interviews. That made me realize that I needed to have more in-depth interviews if I wanted to know more about how payment was conducted between renters living in condemned houses and property owners, and why residents consistently blamed fires in other places as the source of the deterioration of the built environment.

I used this information to establish instrumental validity, that is, for assuring that the questions I had constructed for my heads of households survey were the most appropriate to collect the information regarding changes in the neighborhood (Scarpaci, 1993). I will analyze these interviews in Chapter 6. Because data collection is a key element in any research and entrance to the field setting is fundamental to obtain this data, I will explain how I was able to obtain my semi-structured in-depth interviews at the setting, for as Scarpaci states, "I wanted to know how locals felt about the upgrading of their neighborhoods since they had been 'discovered' by international tourists" (2005: 37).

Informants lived in all eighteen census-tracks. Several of them were living in sectors that were being gentrified; others lived in sectors within the neighborhood that had not yet been gentrified. Such an approach meant that all the areas of San Felipe were represented in the survey. The questions for the interviews were similar to the ones originally planned for the focus groups. All the interviewees were approached in a similar way as noted above. Before each interview, I read the confidentiality form for the study to each of the interviewees and I asked for permission to tape record each of them and to write down notes as we talked. Once I explained the methodology of the interviews, I asked each of the interviewees to sign the consent form, which they did with the exception of an elderly woman who agreed to give me the interview but refused

to sign the form. She argued that she did not want to sign any document because she was in a

process of a legal battle with the owner of the house where she had lived most of her life, and her

lawyer had told her not to sign any document. I proceeded with the interview because it was clear

that she understood the scope of the project, and knew that I would respect her confidentiality and

anonymity. I tell these stories to demonstrate the difficulties a researcher must face to obtain

accrued information. I taped recorded all interviews, including the one the lady who did not sign

the consent. Although she was not willing to sign the consent she agreed to allow me to tape the

interview. This gave me a total of around fifty hours of interview tapes with just the residents. This

excludes the interviews I conducted with community leaders, real estate agents, and ex-residents

of San Felipe that have been mentioned in Chapter 4 and 5. Table 3.4 summarizes the profile of

the interviewees.

Table 3.4 Characteristics of the Residents Who Participated in the In-Depth Interviews in San Felipe: 2005-2008

Informant		Primary occupation
1.	Female	Housewife
2.	Female	Retired
3.	Male	Retired
4.	Male	Architect
5.	Female	Retired /bilingual secretary
6.	Female	Housewife
7.	Female	Public employee
8.	Female	Retired /jeweler
9.	Female	Single unemployed mom
10.	Male	Lawyer
11.	Female	Independent work/ housewife
12.	Female	Building owner let her be in charge of renting the apartments in the building in San Felipe
13.	Male	Lawyer
14.	Female	Retiree
15.	Male	Homeless living in condemned house
16.	Female	Housewife
17.	Male	Foreigner retired businessman

Source: Interviews conducted by the researcher.

Procedures Used to Analyze the Data

I transcribed and coded the in-depth interviews using manifest content analysis and latent content analysis.[25] I used an inductive, somewhat phenomenological approach to the research because I allowed the words and codes to "emerge" from the transcription data. I was, of course, interested in essential concepts including, but not limited to, changes in the neighborhood, quality of life, and attachment to the place. Content analysis is a tool that measures the frequency of occurrence of an item in a text or document with the purpose of identifying key themes or associations (Hoggart et al., 2002). This technique allows messages to be coded using a system and thereby objectively identifying characteristics of these messages allowing for the making of inferences. Manifest content analysis is more objective than latent content analysis because in manifest content analysis data are organized under specific criteria, allowing others to read the same text and obtain the same comparable results. Latent content analysis is used for interpreting and analyzing the underlying meaning of the message. Within the original proposal of this research I proposed to analyze words that would help me to obtain these underlying meanings. These words were attachment, changes in the neighborhood, participation, quality of life, and neighborhood. Such terms are not usually mentioned textually in the interviews since I was interviewing residents with different economic and social status, as well as level of education. So, for example, for attachment I looked for common words as indicators that represented this variable within the interview, like to miss the neighborhood, to live, neighborhood, and community. For changes in the neighborhood I used words like to buy, to sell, change, transformations, to invest, to refurnish, services and infrastructure.

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[25] This transcription was done word by word, which took several months of work.

As I will address in Chapter 6, the counting of these words and the analysis of their underlying meaning was not enough to be able to explain the perceptions residents and ex-residents had of San Felipe´s transformations. I needed to add other terms that were related to the transformations and changes in the neighborhood. These words were heritage, authorities, government, kicked out from the neighborhood, and tourism. As I advanced in my research I realized that to understand San Felipe´s complex situation and changes it was necessary to come up with a classification of these words within a label or labels that best collected the implicit meanings that are peppered through most of San Felipe´s residents and ex-residents' interviews. In tables 3.5 and 3.6 I present the labels I created according to words residents mentioned in their interviews and that became the basis of chi square analyzing how these residents and ex-residents interviewed perceived the changes the neighborhood was facing.

I used latent content analysis to code the underlying meaning within a sentence or paragraph. In addition to manifest and content analyses, I used non-parametric tests such as Chi-square to analyze the results of in-depth interviews. Chi-square is a test of significance that compares joint distribution of two variables with the assumption that there is no relationship between them (O'Sullivan and Rassel 1999). I likewise guaranteed confidentiality and anonymity to the informants and, read to them the protocol instruments that were approved by the Institutional Review Board, Human Subjects Review, at Virginia Tech.

Table 3.5. Most Frequent Key Words Used by San Felipe Residents during the

Interviews by Categories

CATEGORY	CATEGORY
Words of Attachment To live Neighborhood/Community San Felipe Family Neighbors Attachment /Belonging To miss	**Words of Aesthetic Value (expectations for the community)** Beautiful/Good Tourism Restoration Preservation/ Conservation Historic Heritage
Words of Resistance and Community Involvement Participation Authority/Government To kick out/To leave (the neighborhood)	**Community Challenges (Problems in the Community)** Quality of life (security) Housing Speculation
Physical, Economic and Social (QOL) Changes Changes / Transformations To buy To sell To Invest / Investment Refurnished Services/Infrastructure	**Satisfaction with their Neighborhood** Disadvantages Advantages

Source: Classification made by the author based on the literature and the interviews.

Table 3.6. Most Frequent Key Words Used by San Felipe Ex-Residents during the

Interviews by Categories

CATEGORY	CATEGORY
Words of Attachment To live Neighborhood/Community San Felipe Family Neighbors/Friends Attachment /Belonging To miss	**Words of Aesthetic Value (expectations for the community)** Tourism Restoration Preservation/ Conservation Heritage
Words of Resistance and Community Involvement Participation Authority/Government To kick out/To leave (the neighborhood)	**Community Challenges (Problems in the community)** Quality of life (security) Housing Speculation
Physical, Economic and Social (QOL) Change Changes / Transformations To buy To sell To Invest / Investment Refurnished Services/Infrastructure	**Satisfaction with their neighborhood** Disadvantages Advantages

Source: Classification made by the author based on the literature and the interviews.

Household Survey

In the second stage of the research for reaching Objective 3, I conducted a household survey. A sample size of 205 head of households[26] was obtained from a universe of 2,172 households at the 95% confidence level. I measured association among variables such as length of residence, income, level of education, and land ownership, among others.

Before conducting the survey, a questionnaire was pre-tested with a small population group with similar characteristics to the population later on interviewed in San Felipe. A group of 23 students from the Department of Geography at the University of Panama applied the pre-test and the survey instrument. The instrument was adjusted for clarity and coding discrepancies.

I proceeded to explain to them my research on San Felipe, the importance of the research, the justification for the research, the objectives, hypotheses, as well as the methodology that I was using in this research. Then I distributed one copy of the survey to each student who read each question aloud. Afterwards, we talked about each question and responded any doubts they had about it. Once this exercise was done in the classroom, I asked each student to apply the survey to people in his or her neighborhood as a simulacrum of the heads of households. A total of fifteen interviews were conducted and brought back to the class. The average time for each interview was between 35 to 45 minutes. This also helped to check each of the questions and the way they were phrased.

In addition, the pre-test questionnaire helped me to correct any mistakes related to the categorizations of the questions, to determine the possible amount of time for each questionnaire, and to determine if the organization of the questions were presented in a logical and comprehensive

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[26] This survey was used in 2012 by a group of researchers, including Panamanian and American students, as a base to have an overview analysis of the transformations in the Historic District. See Solis, Price and Adames de Newbill, (2015).

manner for the respondents. In order to avoid bias in the collection of the data and assure reliability, the interviewers used standardized instructions and protocol. They were asked to behave in a similar fashion with each of the interviewees.

Once I made the corrections to the survey, I gave each student another copy of the corrected survey; I then paired them, and asked them to interview each other. The purpose of doing this was that they would have another opportunity of becoming more acquainted with the questions of the final survey and the order of the sections. Once the survey was pre-tested the survey was applied to the heads of households in San Felipe. The steps I followed are described below.

First, I collected information from interviews in the subject's residence. Second, using *Contraloria General de la República de Panamá* (The National Census Bureau) information that divides the neighborhood of San Felipe into eighteen sectors, I used the population data for these sectors reported in the 2000 census to obtain a stratified sampling based on the percentage of households in each sector. The sample size in each sector was proportionally weighted according to the neighborhood's population [27] (Table 3.7). Third, I used systematic sampling with a random start to select the households that I interviewed. By the time I began this study in 2005 the only reliable information regarding number of occupied houses and population in San Felipe was from the 2000 census. Within a period of five years the neighborhood had already suffered a rapid depopulation. Many buildings were empty, and residents confirmed my initial observations during my visits to the area that the neighborhood was undergoing this process of depopulation. In addition, previous to conduct my survey I visited the Census Office where they also confirmed that it was hard to know how many people were still living in the neighborhood. As evictions took

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[27] The use of stratified sampling is recommended to ensure that "appropriate numbers of elements are drawn from homogenous subsets of that population… Within a city, stratification by geographical location usually increases representation in social class, ethnic group, and so forth." (Babbie 1998: 217).

place, it became harder to interview the population because many buildings were empty and many people were reluctant to talk due to a tense situation. Therefore, the estimated population is probably higher than the actual number, making my sample size more accurate than it first appeared.

Table 3.7 Distribution of Surveys according to the Number of Houses[28] and Zones: 2000

Zone	Number of occupied houses	Sample Size obtained	No of surveys applied in each sector[29]
001	119	11	9
002	127	12	9
003	117	11	16
004	78	7	6
005	149	14	8
006	117	11	10
007	129	12	14
008	151	14	12
009	124	11	13
010	141	13	14
011	97	9	10
012	88	8	8
013	130	12	15
014	112	10	10
015	81	8	9
016	122	11	11
017	121	11	13
018	169	16	18
TOTAL	**2,172**	**205**	**205**

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[28] The number of sectors and houses are from the year 2000 and I obtained them from *the Contraloria General de la República de Panamá* (The National Census Bureau).

[29] I sample more heavily in the last nine sectors (from 009 to 018) because, after several visits to the area, I observed that these sectors have a larger concentration of population due to the fact that San Felipe was rapidly depopulating, especially in the first sectors, although there was not precise information of how many people the neighborhood had lost from 2000 to 2005 (date of the survey).

For the household survey, a group of students from the University of Panama interviewed heads of households in San Felipe based on the methodology previously established. Since there was a possibility that there may be residents with limited literacy, the interviewer read each question to all the interviewees to ensure a standard reading to diminish the risks of biased answers. I trained the interviewers, mostly geography undergraduate students, how to perform a survey to avoid interviewers' influences in the interviewees' answers.

The interviews were conducted during the daytime, including weekends. On certain occasions, it was necessary that interviewers had to return to the neighborhood if they were not able to finish the number of surveys. If the interviewer went to a dwelling and the person was not there or refused to answer the questions he or she would move to the next dwelling. This situation was very common in San Felipe because there were buildings where no one lived because the previous residents had already moved out, whereas other buildings had quite a few residents.

After administering the questionnaires, I compiled the indicators representing each category (e.g., physical, economic, and social (QOL)) into an index that represents the general category. To construct an index for physical, economic, and social (QOL) changes, I selected indicators that represented each variable that are part of a summary measure. The advantage of indices is that they have more validity than single variables. As Babbie (1998: 162) states, "An index is constructed through the simple accumulation of scores assigned to individual attributes." I constructed these indices following Babbie's methodology that consists of selecting possible items, examining their empirical relationships, combining some items into an index, and validating it.

For example, to construct an index that represents physical changes in the neighborhood, I first selected a set of items or indicators that have been used in the gentrification literature to

represent these types of physical changes. Second, I used a Likert scale to measure the residents'

opinions about physical changes. Third, each item had several ranked responses. Fourth, I assigned

a numerical value to each response and the values are summed to obtain a single number that

constitutes the index for that set of items or indicators. This Likert–scale index produces an ordinal

measurement (O' Sullivan and Rassel 1999). I used the same procedure to obtain the economic

and social (QOL) indices.

The information obtained from the household questionnaires was processed using SPSS

software. Univariate analyses were conducted to describe the distribution of cases where single

variables were analyzed. Since bivariate analysis allows one to do comparisons between groups

and subgroups, I used bivariate analyses to examine the relationship between variables. This was

done with subgroup comparisons using two variables (Babbie 1998). The results of these bivariate

relationships were used to construct explanatory bivariate tables. For the elaboration of these

tables, cases were divided into groups and then these subgroups were compared. These results are

discussed in Chapter 7.

Instrumentation and Data Collection: Problems I Encountered and How I Dealt with Them

One problem I faced was that when I began my field research, the authorities had evicted

groups of residents that lived in condemned houses, and many were afraid to answer questions.

This was an unanticipated demographic change in my study site, which reflects maturation in

research design. Maturation, according to Girden, poses a "threat to internal validity…in which a

change within the participants following the pre-test can just as easily account for the results" (200:

353). Although I was not conducting controlled experiments found in laboratory settings in

psychology or natural science research, the effect of a rapid depopulation indirectly imposed an

unanticipated form of stratification of informants with whom I worked in San Felipe. Put another

way, as rapid gentrification, condemning of buildings, and forced displacement unfolded between 2000 and 2005, the resident population of the study site was increasingly reduced.

In addition to the quickening population loss, I faced another problem: I had to be careful for my physical safety in securing interviews. Although the Presidential Palace of the Republic of Panama is located in this area and there is a strong police-presence in San Felipe, there were also four notorious gangs in the area. Today the situation has improved due to pilot programs the two last governments have implemented to incorporate gang members and other people at social risks into programs related to tourism. All of these factors posed challenging research conditions, and I will discuss this situation again throughout the thesis and explain how I confronted these problems.

Researchers sometimes face the situation that they are not able to apply the methodology they originally planned because when they arrived to the real world it presents a different prospective[30]. When I began my research in 2005, I had developed a specific methodology and I was ready to begin collecting my data. However, as I became reacquainted with the area I realized that the built environment had deteriorated considerably and that the population was unevenly distributed. On the one hand, San Felipe increasingly displayed lots and city blocks reminiscent of war zones. On the other hand, there were parts where revitalization and gentrification had already taken off; buildings had been gutted and reconstructed with new wiring and plumbing; cafés restaurants, and art galleries had opened. Other sectors, however, had empty buildings and semi-demolished lots, and yet in other sectors there were high residential concentrations.

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[30] As Jackson notes, "Fieldwork requires constant attention and the willingness to continually modify your design as your sense of the possibilities change…So by all means have a good idea of what you hope to find and prepare yourself to uncover that sort of information. But when you get out there, be prepared to dump your plan if something better comes along or if what you learn in the field teaches you that you didn't understand earlier what you would better have been looking for" (1987: 59).

Originally, I had planned to use a random table of numbers to choose the dwellings within the sectors, but many of the coordinates landed on places where residents had been already relocated or the buildings were empty (the so-called 'war zone' sectors noted above). That research design made it very difficult to establish how many households were in each building. Some sampling led me to a whole block of buildings that did not have residents and other areas where the concentration of the dwellers in one building was higher. Consequently, the methodology I finally decided upon was a systematic sample, with a random starting point, followed by using a stratified sample. This made the most sense given the conditions in San Felipe, conditions that were unprecedented in Latin American urban literature: rapid depopulation, un-investment, and re-investment in San Felipe.

I made sure to explain to prospective informants the research and the objectives of the research. In certain cases, I received a positive answer, but at other times, the resident did not wish to participate. I gave a copy in Spanish of the Virginia Tech's IRB agreement (informed consent) to participate in the study to those residents who agreed to participate in these interviews as I mentioned above.

I obtained a map from the National Census Office. The map had all the buildings that existed in the neighborhood in the previous 2000 census. In addition, they gave me a list with the number of sectors in which the neighborhood of San Felipe is divided and the population in each sector from the 2000 census. I was not able to obtain data at the city block level of the 18 census tracks since the census office decided that the population was so small, that its release could compromise confidentiality and privacy. Therefore, I chose to use the division of these zones. Each zone was divided into what is called *manzanas* (city blocks), with each *manzana* having approximately ten houses. Thus, it was easier to have an idea of how many houses were in each

sector. The sectors also had a clear division between streets, and I also observed that the boundaries between several zones in relation to the others zones were streets where the revitalization process was taking place, so I could aggregate zones as needed according to the social status of the area and then be able to map them. The sample size for each zone was obtained using the stratified method[31], taking into consideration the proportion of houses that were in each sector according to the 2000 census. A random starting point and a systematic sample size minimized possible surveyor biases.

Accordingly, students randomly picked a starting point within the sector of the map to which they were assigned, and then they would count three buildings and enter this third building. If the building had several dwellings, then they were to interview every third apartment or room starting from the right. If the person was not at home, the unit was empty, or the person refused to be interviewed, then the student would interview the room or apartment right beyond that one. Such a stratified sampling based on the percentage of households in each sector was based on the 2000 census. Next, the sample size in each sector was proportionally weighted according to the number of households. I also used a systematic sampling with a random start to select the households that were interviewed.

We conducted the survey in San Felipe during the last week of November 2005. The students possessed the needed section of the map for the sector that I assigned them. Although the majority of the students had previously been in San Felipe a few days before we conducted the survey, I contacted four residents of the community and a teacher who was a graduate from the Department of Geography at the University of Panama to guide the students in the different zones.

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[31] The use of stratified sampling is recommended to ensure that "appropriate numbers of elements are drawn from homogenous subsets of that population…within a city, stratification by geographical location usually increases representation in social class, ethnic group, and so forth" (Babbie 1998: 217).

I gave the guides a map with all the zones and I specifically asked them to only help the students to locate a house or apartment on the base map, if they had any doubt, to avoid that they would cross zones that did not belong to the sector they had to survey. Guides were under strict order not to accompany students to a specific house or apartment.

A total of 205 surveys were conducted from a sample size of 205 surveys. I will discuss the results of this survey and the semi-structured interviews in Chapter 7.

I conducted in-depth interviews to explore how those residents who have been relocated from San Felipe de Neri perceive and react to changes in this neighborhood. I located a group of ex-residents of San Felipe de Neri who left the neighborhood after 1997. Former residents are defined as those residents living in the historic district after 1997 but who moved from the area after that date. I gathered information of the places where they moved to conduct several in-depth interviews.

I conducted in-depth interviews with key informants who were chosen from residents who had lived in the historic district of San Felipe de Neri during the period of 1995 to 2005, but who no longer lived there. These in-depth interviews informed me about the perception of residents who had already moved and what they thought about the revitalization that was taking place. I prepared a group of questions for this group (Appendix E.2). The sample size for these in-depth interviews was difficult to establish *a priori* because there was no single sampling frame available. I contacted these former residents by obtaining information from other residents, newspaper articles, and from the relocation office for residents of San Felipe, located in the Ministry of Housing. The ex-residents I contacted actually live in areas like the *El Centenario* Building in Calidonia, the *San Felipe de Neri* Building in El Chorrillo, the borough of San Francisco, the

interior of the country (Rio Hato), and in Pacora, located in the eastern part of the city. These efforts yielded thirteen in-depth interviews.

Taking the Proper Security Measures

As noted above, the presence of gangs in the study site was an issue that I had to take into consideration when organizing this research. I developed three strategies to avoid putting the students or myself in danger. First, I openly explained to my students that we needed to be aware of the possible risks of going inside the darkened corridors of buildings. I wrote a letter to the chief of the police of San Felipe informing him that we were going to be in the area conducting a survey. Second, the surveyors were going to deal with different types of persons, so I asked them treat them with respect and at their pace since they were the ones who were volunteering their time. Third, interviewers needed to be aware that there were buildings in poor condition, and they would have to be careful when they went into those buildings to avoid accidents; many stairs had holes in the floors or lacked secure verandahs.

I had to wait until November 2005 to do this survey for two reasons. One was that I was training the students for the survey. A second reason was that in September of 2004, a new national government took power, and during the first part of 2005, several institutions were conducting surveys in the area. I heard repeatedly that the residents suffered from "survey fatigue."

Some interviewees assured them that although they had been interviewed several times, no one had asked them what they really thought about San Felipe and the changes that have taken place. This was a reassuring finding and gave everyone—including the students—some much needed confidence about the applied and basic research components of the project.

Once the students finished the canvassing, I asked them to write about their experiences regarding the execution of the survey. I specifically asked them what their expectations were before going into the field setting, and to compare those expectations with what they discovered.

Summary and Conclusions

Chapter 3 lays out the most important personal and theoretical reasons that motivated me to analyze the transformations that were occurring in the historic district. In this chapter I explain the methodologies I used to more deeply understand the current situation of the neighborhood and its residents. Thus, it was imperative to begin my study with a social history of the neighborhood that could help the reader to understand the present situation of the neighborhood while analyzing how different past social and economic processes have shaped the neighborhood as well. All these changes have encouraged residents to become involved and establish a social movement in the neighborhood. Thus using and analyzing in-depth interviews with residents, community leaders and secondary data from newspapers I explain the degree of community participation, and the movements' accomplishments and failures.

In this quest of analyzing the literature for both the global north and the global south (developed and developing countries), I realized that no other study has used a statistical profile of a historic neighborhood in Latin America using a large sample size within the population. It also makes me aware that there was no information on what happens to residents who willingly or unwillingly move out of the neighborhood. Furthermore, no such analysis of this data using in-depth interviews and qualitative methods exists. So, I as explained above, I am using these qualitative methods to further understand how the life of ex-residents have changed since they moved out of San Felipe.

In the next chapters, I proceed to develop each of the objectives explained here. For example, Chapters 4 and 5 respond to objective 1. In these chapters I address the social history of the historic district with the purpose of understanding the roots of revitalization and gentrification in the neighborhood; Chapter 6 refers to objective 2. In this chapter I explain the struggles residents have had trying to remain in the neighborhood, the ways they have organized themselves to be able to stay in the neighborhood, and their accomplishments and failures; in Chapters 7 and 8 I discuss the results of the survey and the in-depth interviews concerning the perception residents and ex-residents have of the transformations San Felipe was facing. Finally, in Chapter 9, I state the conclusions of this research.

CHAPTER 4

The City as a Memory and as a Place to Live: The Urban Historical Geography of

San Felipe de Neri

"As this wave from memories flows in, the city soaks it up like a sponge and expands. A description of Zaira as it is today should contain all Zaira's past. The city, however, does not tell its past, but contains it like the lines of a hand, written in the corners of the streets, the gratings of the windows, the banisters of the steps, the antennae of the lightning rods, the poles of the flags, every segment marked in turn with scratches, indentations, scrolls" (Calvino 1972: 10-11).

Introduction

It is very difficult to understand San Felipe's current physical, social and economic situation without analyzing the transformations this neighborhood has had during different periods of its history and what makes it what it is today: A Patrimony of Humanity and a place where revitalization and gentrification have become visible processes. Accordingly, chapters 4 and 5 aim to set the stage to summarize the most important issues that have contributed to what this neighborhood is today.

History permeates the Historic District of Panama in which the neighborhood of San Felipe de Neri is located. Its allure includes a mixture of neoclassical, Baroque, neo-Gothic, Spanish, American, and Art Deco architectural styles. Parks, narrow cobblestone streets, and remnants of the Spanish legacy are reminders in the people's collective memory of the key role San Felipe once played in the economic, social, and political life of Panamanian society and the continent itself.

The need to preserve this past was recognized internationally when UNESCO included San Felipe in its World Heritage List in 1997, "…a list containing cultural and natural heritage sites considered by UNESCO and its affiliated expert bodies to be of outstanding universal value, and

part of the common and invaluable heritage of humankind" (Turtinen 2000: 1). As Calvino remarks in his book *Invisible Cities,* each feature of this historic neighborhood reveals its past and indeed even contains it, promoting a national identity as a "consumed object" to promote economic development. This consumption of heritage (Graham, Ashworth & Tunbridge 2000) is what some authors consider an activity that "sells tradition and history in a tourist driven market" (Wyllie, 2000: 72). This has been emphasized in recent years due to globalization, where technological advances and networking have recast San Felipe and Panama into what Urry (1990) calls the "tourist gaze."

Today one can find in San Felipe's streets tourists from all over the world. In this chapter, I will discuss San Felipe's past as a way to better understand its present and to foreshadow what the expectations are for its future with the purpose of writing a social history of this place. Specifically, I will emphasize several aspects, including its geographical site (Figure 4.1) and social and economic changes. I will show that San Felipe's particular interwoven fabric, as well as its significance in the history of Panama, has contributed to the awakening interests of nationals and foreigners to live in this area. I also argue that this sudden interest to live and visit this area is not a particular feature of this historic district; on the contrary, this process is taking place in other historic Latin American districts associated with broader processes such as globalization, gentrification, and heritage tourism. In this chapter, I first depart from the present so the reader has a sense of what San Felipe is and why the study of this neighborhood is relevant. Then I shall highlight the most important aspects of San Felipe's history to facilitate understanding of the present situation of this neighborhood and the reason why it has become an area of contestation and hope.

UNESCO, in 1997, officially inscribed San Felipe in the World Heritage Site list as "The Historic District of Panama, with the *Salón Bolívar*.[32]" (Appendix B.1) This neighborhood preserves its colonial grid pattern that is common in most of the colonial towns and cities of Latin America and that were reinforced with the Spanish New Town Ordinances of 1573. (Clawson 2004).

Figure 4.1. Panoramic View of the Historic District of Panama from the Top of Ancon Hill [33]

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[32] *Salón Bolívar* is a room in a building located the Historic District (Appendix B.1). The building was originally a church ruled by the Franciscans until 1821. Most of Latin American countries were freed from the dominium of Spain by 1821. In 1826 Simon Bolivar also called the Liberator of the Americas (*El Libertador de America*) called for representatives from Perú, Colombia, México and Central America met in this room in Panama to promote an alliance among countries in Latin America. Bolívar was one of the most important generals whose ideas and actions were key for the independence of several Latin American countries from the domination of Spain.

Although Bolivar was not able to attend this meeting, it was called the *Congreso Anfictiónico de Panama* (The *Anfictionic* Congress of Panama). It created a coalition of countries within Latin America to unite the cultural, economic, and social ties among these countries. This is considered the antecedent of the Pan American Union, and what today is Organization of American States, which is headquartered in Washington, D.C.

[33] Images are the author's, except where noted.

San Felipe is a blend of the few vestiges remaining from the Spanish colonial period (1501 to 1821) and the rich tangible and intangible legacies of different cultures. In this neighborhood one can find residents from Spanish descent, as well as *Mestizos*[34], Blacks, Indians, and Europeans. Panama has a slogan that represents this mixture of peoples and culture: "Panama: a Rainbow of Ethnicity " (*Panamá: Crisol de Razas).* The ethnic diversity that exists in Panama is closely related to its size and its relative location as a pathway between the Caribbean Sea and the Pacific Ocean, a comparative advantage that has made it an attractive area for international migration since colonial times to the present. Furthermore, this geographic position has contributed to the building of important infrastructures, such as the Panama Canal and the Inter-oceanic Railroad, and has helped to consolidate the Panamanian economy as an international banking center, a duty-free international port, and, most recently, as a tourist attraction within the Caribbean basin.

The history of San Felipe is of course closely related to the events specified above as well as others that have shaped Panama into the nation it is today. Many of these changes have been experienced in Latin America and the Caribbean, associated with the process of modernization and globalization (Gwynne and Kay 1999). Some of these changes are related to economic transformation, changes in governmental systems, and environmental phenomena, among others. Naomi Klein (2007) maintains that at the international level there are milestones, natural or human or both, that mark a country as a place for investment, where certain groups within or outside of a country use it to obtain advantages, principally economic advantages, a process she calls the "shock capitalism doctrine." According to Klein, once a country is hit by a natural event (such as a hurricane) or a human event (such as a war) the people and the economy of the country begin to experience a state of shock coinciding with a moment when major investors come into an area and

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[34] *Mestizo* is the name traditionally given to a person descendent from the union or marriage between an Indian and a White Spaniard.

change the pre-established rules for their benefit. For example, one response to shock might be to redevelop areas that otherwise during normal circumstances would not be redeveloped. Klein observes

> the original disaster—the coup, the terrorist attack, the market meltdown, the war, the tsunami, the hurricane—puts the entire population into a state of collective shock….Like the terrorized prisoner who gives up the names of comrades and renounces his faith, shock societies often give up things they would otherwise fiercely protect. (2007: 17)

Klein mentions several examples where she analyzes "shock events" such as the overthrow of President Salvador Allende's democratically elected government in Chile (1970-1973), the Iraq war (2003-2010), the Tsunami in South-East Asia in 2005, and hurricane Katrina in Louisiana in 2006. In the case of Panama several events have occurred, albeit to a lesser degree. These shocks weaken institutional oversight in which events have allowed investors and businessmen to profit with nominal opposition by locals. Panamanian shocks include in turn, the construction of the Inter-oceanic Railroad (1850-1855) during the American gold rush era, the first attempt to build a canal by the French (1881-1889), the construction of the Panama Canal by the United States (1903-1914), World War II (1939-1945), the 1968 coup d'état, the signing of the Canal treaties in 1977, the United States invasion of Panama in 1989, the application of the neoliberal privatization policies suggested by the IMF and the World Bank, and the transference of the canal by the United States to Panama in 1999 (Table 4.1).

Each of these events has allowed capital to move into the country and to aid national investors to consolidate their own assets as well as provide an opportunity for international investors to take advantage of the moment. In the case of San Felipe, I argue that in addition to these main events shown in Table 4.1, there are three main aspects at the local level that have acted as shock elements and have contributed to people taking advantage of the economic swings these

events have created: fires (arson), the laws as a result of San Felipe becoming a World Heritage Site, and the collapse of buildings at the end of the twentieth and beginning of the twentieth-first centuries. These events have displaced San Felipe's residents, mainly renters, induced rampant speculation from owners and real estate agencies, and further deteriorated the built environment. Together, these three events set the stage for gentrification.

As I address the history of San Felipe de Neri, I will point out how these main and micro-level events have affected this neighborhood's built environment and its residents' lives.

Table 4.1. Major Events that Have Impacted Panama and San Felipe from the Nineteenth to the beginning of the Twenty–First Centuries

Year	Historical Event	Impact On Panama's Political Economy	Impact On San Felipe Built Environment
1849-1859	The California Gold Rush and the Building of the Intercontinental Railroad	➤ Multitudes of people come to Panama on their way to California for the gold rush. ➤ An American company built the inter-oceanic railroad from 1850 to 1855. ➤ This is the first railroad in the world that took passengers from the Caribbean to the Pacific Ocean and vice versa in a few hours with an extension of 80 kilometers. "This new opportunity integrates the Isthmus of Panama into the capitalist world market to provide services, instead of continuing as an agro-export region" (Figueroa Navarro, 1982, p. 261 [My translation]). Countries such as the United States, France and England will take advantage of this position.	➤ The urban structure of Panama City is transformed due to population growth from 4,897 people in 1843 to 13,311 people in 1864. "Commerce, passenger transportation, their host (*hospedaje*) and food provision, especially during the period before the functioning of the railroad (1849-1855) constitute sources of tangible richness in favor of the members of the urban oligarchy (Figueroa Navarro, 1982, p. 262[My translation]). ➤ From 1849 to 1869 the Panamanian housing owners take advantage of the prosperity in the Isthmus by renting houses and selling land in the city; What Figueroa Navarro calls the oligarchy did not hesitate to sell their old mansions to foreigner capitalists in exorbitant prices (1982, p. 281). ➤ In San Felipe, during the nineteenth century six families own most of the properties there. Thus, these families are the ones that took advantage of the California gold rush, through the renting and selling of urban properties.
1880-1903	The beginning of the Construction of the Panama Canal by the French and Ferdinand de Lesseps	➤ A new wave of migrants comes to Isthmus of Panama and stays in Panama City to work in the building of the Panama Canal by the Universal Company of the Inter-oceanic Canal created by the French. ➤ In 1880, there were 12,000 people in Panama City and by 1883, there were 20,000 people. ➤ Most of the workers come from France, Jamaica, Barbados, Martinique and other countries. (Siegfied, 1948 in Figueroa Navarro, 1982, p. 348 and 349). The work of this company is	➤ Rent triples in Panama City. "An apartment that would cost only 2,000 francs in the elegant neighborhoods in Paris, costs 6,000 without water and gas (Molinari, 1887, p. 117 in Figueroa Navarro, 1982, p.350. [My translation]). ➤ The owners of houses rent them but they do not build additional housing or repair the ones they already owned.

		not completed and terminated in 1894, called the Panama Scandal by France.	
1904-1914	The built of the Panama Canal by the Americans	➤ After Panama's secession from Colombia Americans begin to build the Panama Canal a task that brought a large number of foreigners, more than in the first wave when the work was begun by the French.	➤ City authorities faced the daunting task of housing this large number of foreign workers that arrived to work on the Panama Canal. Accordingly, from 1905 to 1911, the city's population rose from 21,984 to 45,555
1925 and 1932 rent strikes	A national law to freeze rents	➤ Most of the owners of these new constructions failed to maintain buildings properly. Thus, in 1924 renters organized the *Liga de Inquilinos y Subsistencias* (League of Renters and Subsistence [My translation]). Massive worker influx led to overcrowding, which negatively affected the lives of Panama City residents. ➤ From 1925 to 1932, renters faced increases in their rents. The world economic crisis of 1929 exacerbated their situation and many lost their jobs. Thus, a second tenancy strike began. (Gasteazoro, Araúz and Muñoz, 1980).	➤ The pace of new construction did not fulfill housing needs. This led to overcrowding in Santa Ana, El Chorrillo and Calidonia boroughs, a situation that worsened because of the renters strike in 1925 and 1932. ➤ Promulgation of a temporary law called Law 18 of November 15, 1932
1940	War World II	➤ The beginning of the construction of the third lock chambers for the Panama Canal in 1941 brought foreign workers and employment opportunities for Panamanians. There was a short economic boom, but it did not influence the salaries earned by workers in the Panama Canal Zone (Gasteazoro, et. al. 1980, p. 206).	➤ The majority of the new workers stayed in Panama City and the surrounding areas with the result of their requiring housing, putting more pressure on the already existent housing shortage.
1968	The Coup by the Panamanian military	➤ General Omar Torrijos takes power after overthrowing the government of Arnulfo Arias. His government begins social policies, among them many related to housing. He holds governmental power from 1968 until his death in 1981, when other generals take command until 1984 when General Manuel Antonio Noriega takes and holds power until 1989 and the U.S. invasion (see below).	➤ Reports from the in-depth interviews I have conducted and newspapers show that General Torrijos used the Pension Garcia, and other buildings in San Felipe to house people from surrounding areas that had lost their dwellings due to fires. This will contribute to the deterioration of the neighborhood and increasing the rent gap effect, which in turn has been used by investors to buy cheap land and to re-sale it for higher prices.

1977	The Torrijos-Carter Treaty	➤ The United States signed a treaty to Panama to give back the Panama Canal Zone in1999, when the last American troops left the country	
1989	The invasion of Panama by the United States	➤ On December 20, 1989, the United States invades Panama. Part of El Chorrillo is destroyed, the banking industry freezes its assets, and the economy operates in the red.	➤ The destruction of El Chorrillo also contributed to a relocation of people in San Felipe, thus increasing the amount homeless in the neighborhood.
1994	The creation of the Master Plan for tourism in Panama The beginning of neoliberal reformed laws	➤ In 1994 becomes in effect the master plan for tourism in Panama. ➤ There is improvement in the country's economic conditions with the application of fiscal reforms that attracted foreign investment.	➤ As the country begins making efforts to compete in the tourism market, San Felipe becomes an icon to showcase the country for attracting international tourists and investors. This area is included in what is called zone 5 in the tourism development plan for the Metropolitan Region.
1999	The reversion of the Panama Canal from the United States to Panama	➤ Panama takes complete control of the Panama Canal. The canal has become a successful economic asset for Panama with an unprecedented high economic growth for the country. ➤ Buildings that previously were used for military purposes are now being reformed and converted into hotels and other infrastructures for tourism. Such is the case of hotels like Meliá Panama, and the construction of the Gamboa Rainforest hotel in the Canal area.	➤ The increase of facilities for tourism has also promoted an increase of tourists in the country, with an emphasis on the Panama Canal and the historic district (Casco Antiguo).
2007	The beginning of the work for the widening of the Panama Canal	➤ As investors seek the opportunity to participate in the widening of the Panama Canal, they also have personnel that would need housing.	➤ The demand for housing in San Felipe may increase if foreigners and tourists are attracted by the business opportunities and visit the area. Several real estate agents have mentioned that they often receive foreigners interested in living in Casco Antiguo.

San Felipe's Geographical Site and Boundaries

From the administrative point of view San Felipe is a borough that belongs to the district of Panama located in the province of Panama. Panama City administratively is located within the District of Panama, which is a bigger administrative entity than the boroughs (*corregimientos*) (Figure 4.2). The census then divides the district into thirteen (13) Panama City boroughs and the rest of the district boroughs into eight (8), yielding 21 boroughs in the district. Panama City's boroughs include San Felipe, El Chorrillo, Santa Ana, Calidonia or La Exposición, Curundú, Betania, Bella Vista, Pueblo Nuevo, San Francisco, Parque Lefevre, Río Abajo, Juan Díaz, and Pedregal. Thus, for comparative purposes, I will only emphasize the neighborhoods near San Felipe, and whenever it is needed and to have a broader picture of the issues such as city's growth, I will examine the 21 boroughs.

San Felipe de Neri in the Historic District of Panama, is located on a peninsula with a surface area of 29.4 hectares. In 1976, Law 91 in its article 37 declared the limits of the Historic District of Panama.

In 2003, UNESCO approved the extension of the Historic District of Panama to include 28 hectares more of monuments that belong to the first city of Panama, called the Archaeological Site of Panamá Viejo located a few miles east from San Felipe. UNESCO considers these two areas as one, since the Spaniards built the Historic District of Panama after pirates destroyed the city of Old Panama (Panama Viejo). Thus, this organization gave it the rather convoluted name of "The Archaeological Site of Panamá Viejo and the Historic District of Panamá" (UNESCO 2006). Together, this heritage site has a total of 57.4 hectares. The Historic District of Panama's northern limits are 5th Avenue (Avenue B) and the Bay of Panama; to the south and east to the Bay of Panama; and to the west to 12th street. The 2000 census reveals a population of 6,928 inhabitants,

while in 2010 its population was 3,362 inhabitants showing a decrease by almost a half (*Contraloría General de la República de Panamá*).

Figure 4.2. Political and Administrative Division of the Province of Panama by District and Borough: 2010
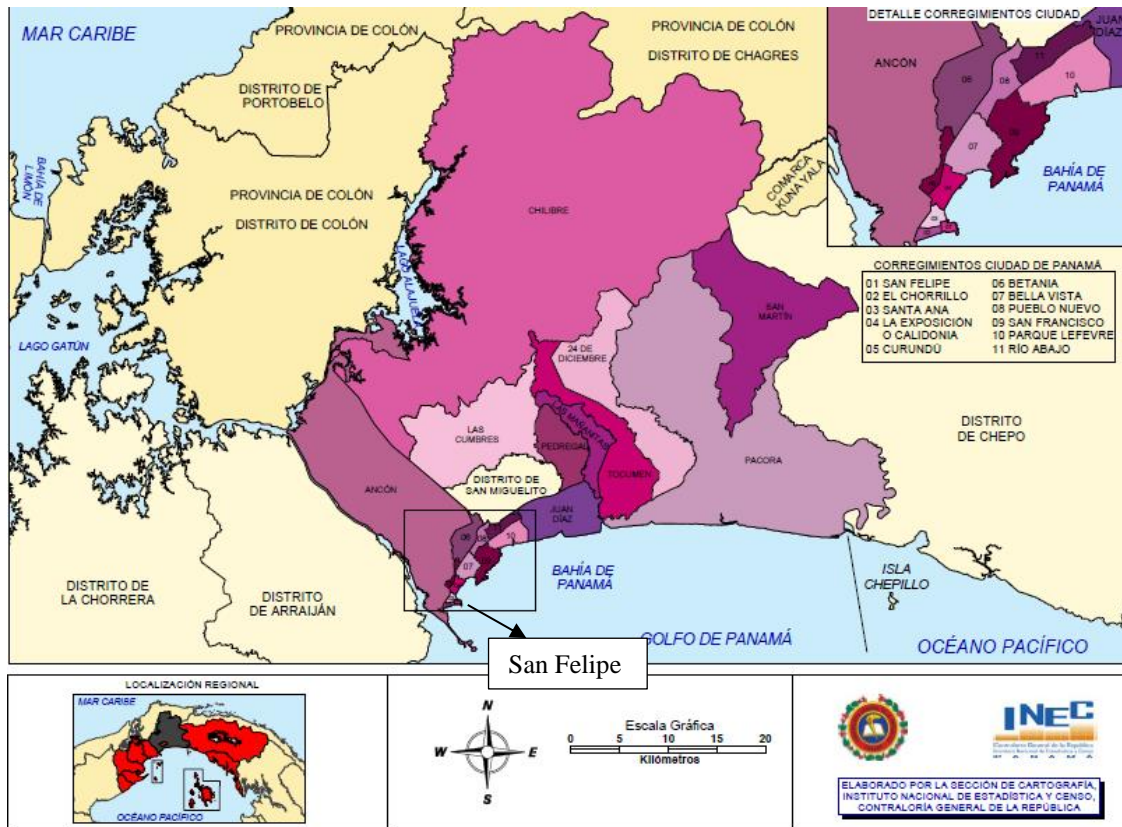
Source: Contraloría General de la República de Panamá. Instituto Nacional de Estadística y Censo (INEC).

Since 1997 rapid changes occurred in the neighborhood such as depopulation, especially from low income, restoration and remodeling of buildings, and entrance of trendy shops, accelerating in a way that defies an easy interpretation. Thus, it is important to sort through these changes and try to understand what epistemologies and processes are driving them. Who are the main actors driving these changes? What roles do the residents of San Felipe play? As the balance

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of this chapter will show, locals have observed how their neighborhood has changed with amusement, gladness, sadness, and even bitterness. Residents wonder how their lives will change because of these transformations. There are residents who have stated in interviews and in survey questions their worries and anxieties through revitalization processes that, according to their views, neither take them into consideration nor incorporate them into any meaningful dialogue.

The first objective of this dissertation is to determine how urban social change occurred and where the residents of San Felipe fit into the neighborhood's transformation driven by local, national, and international forces. To situate the contemporary study site into its proper context, a brief explanation of San Felipe's historical geography is in order. This historical geography must include the Old City of Panama, the previous settlement where the city was established.

A Tale of Two Cities: The Demise of the Old City and the Birth of the New

It is almost impossible to write about San Felipe de Neri, also called "*Casco Viejo*" and most recently "*Casco Antiguo,*" without referring to its ancestor, the Old City of Panama. In 1501, the Spaniard Rodrigo Galván de Bastidas discovered the Isthmus of Panama[35]. But it was not until 15 August 1519 that Pedrarias Dávila built the first city of Panama, the first settlement built on the Pacific coast in the Americas (Araúz, Arosemena de M., & Conte Porras 1977: 23).

From its founding to 1671, Panama became the center of expeditions to the Northern and Southern areas of the American continent, and Panama City became its main urban center and trans-shipment point. In 1671, Sir Henry Morgan besieged the city and left it in ruins. After this attack, the Spanish authorities decided that this area was not secure enough and its proximity to a

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[35] There are several versions regarding the origin of the name Panama. Some authors argue that in indigenous languages this name means abundance of fish; others claim that it means an abundance of butterflies; others contend that the Indians used to call a tree by the name of Panama.

swamp made for dreadful physical conditions. They proposed to move the city to a nearby area in a small peninsula called *Ancon,* located eight kilometers to the Southwest of the first city (Appendix B.2). This area had better sanitary conditions, having a peninsular shape and a natural elevation, and it was close to a port called *Perico* (Castillero Calvo 1999: 22).

The second site of Panama City as well as other Spanish cities followed, as noted above, the norms established by King Felipe II in 1573. These planning laws, called *Normativas Urbanísticas* (Urban Norms), indicated how cities in the Americas ought to be built. In this way, the uniformity of urban and landscape criteria to lay out cities in *Hispanoamérica* was assured (Quintana 1999: 1).

On 21 January 1673 Don Antonio Fernández y Córdoba y Mendoza founded the new Panama City (whose center was San Felipe) according to these laws. This settlement had a reticular (grid) layout with churches, convents, and government buildings all anchored by a main square (*plaza*) (Tejeira Davis 2001). The city acquired economic, military, port, and governmental functions having an arsenal, infantry headquarters, the Royal Audience, and other buildings. It had two main entrances: the sea door located next to the ship port, close to where the actual presidency is now located, and the land door. From that time the door has disappeared and many colonial buildings have disappeared as the result of fire and negligence.

Between 1673 and 1686, Spaniards protected the newly built city with a wall to keep the city fortified and safe from pirate attacks. These walls, 10 feet wide and between 20 and 40 feet high (Castillero Calvo 1999: 60), divided the city into a dualistic social structure separated by the walls and a pit (*foso*) (Figueroa Navarro 1982 80). Within the city walls, called in Spanish the *intramuros*, was the San Felipe parish where the convents, churches and houses of the wealthy were located. Strict social segregation codes and colonial norms mandated the rest of the

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population to live outside the wall (*extramuros*), including blacks, "colored people,"[36] *Mestizos* and Indians. This area was referred to as the *arrabal*[37] of Santa Ana. By 1748 the city was vivid having bull riding and other activities. In appendix B.3 there is a painting of how the city looks like at that moment.

Tejeira Davis states that in common Panamanian speech there is a difference between the old quarter of San Felipe and the *arrabal* of Santa Ana. The old quarter is associated with the historic elite, whereas Santa Ana is synonymous with common, even poor people. As he points out:

> The outer walled area was practically the same size as the inner walled area, and according to historical maps, it remained relatively unchanged until the end of the colonial period. The highest point was chosen as the sitting [sic] of a square, currently Santa Ana Square (2001: 29).

Although today there are only remnants of this wall (see Figure 4.3) this is a permanent remain that with the physical, economic and social transformations the neighborhood is facing related to gentrification and revitalization other invisible walls might be present as well.

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[36] In Panama, the term "colored" refers to the mix between blacks and whites. The term *mulatto* was also used in Panama as well as elsewhere in the Caribbean basin.

[37] The *arrabal* is the area outside of the walls of the old City of Panama, where most of the people living were Indians, blacks, and the combination of other ethnicities.

Figure 4.3. Remnants the *Mano del Tigre* Wall that Divided the City into Inner Wall and Outer Wall (*intramuros y extramuros*).

The meaning of the wall as a place to keep the lower-income people out of the city was almost forgotten once this wall was torn down, and low-income and middle-income individuals moved into the area. Today only remnants of this wall remain. Nevertheless, there are residents who believe that, due to the economic and social transformations that are taking place in the neighborhood today, an imaginary wall will still be there; a symbol of what San Felipe may well become in the new millennium: a place where only high-income people who can afford to pay the high prices of the properties and rents will live, whereas the old lower-income residents will be pushed into the *arrabales* again. As we will see, the literature shows that once a neighborhood has become a tourist area, physically upgraded with trendy shops and fixed-up residences, displacement soon follows.

The construction of the railroad across the isthmus from 1850 to 1855 brought an increase in population and trade to Panama City and the surrounding areas. This served as a "shock event" that further would shape the demography and economy of this region. The railroad, which the Americans built to transport people and commodities going to California during the gold rush, was the first in the western hemisphere to connect the Pacific Ocean with the Caribbean Sea. Travelers such as British Vice Consul Toll Bidwell in 1856 described Panama City as a place with a population between 10,000 and 12,000 inhabitants, where houses had two floors and balconies (Rubio 1950: 55).

Figueroa Navarro (1982) observed that during this period the first cadastral census for San Felipe of 1854 indicates that six families owned most of the houses in the area, and in the cadastral census of 1871, there is a decided presence of foreign businessmen who had married women from the aristocratic families of San Felipe. These nouveau riche hailed mainly from Ecuador, France, Italy, the United States, Germany, Colombia, and an assortment of Jews from throughout the world. This situation marked the internationalization of Panama City and its apparent cosmopolitan character (Figueroa Navarro 1982: 291). The 1871 census reveals the huge differences between those who lived within the city's walls (*los de adentro*) and the ones living outside of the city (*los de afuera*). Those in the first group paid up to 328 *pesos* in taxes for their properties in San Felipe, whereas those in the second would pay between 1.70 and 3.00 *pesos* in taxes annually for theirs (Figueroa Navarro 1982: 288 and 291).

The end of the construction of the transcontinental railroad in the United States in 1869 provoked a profound recession in Panama. This situation improved from 1880 to 1888, when France began the construction of the French canal (Figueroa Navarro 1982: 62), a project that required many workers who needed housing and other services and that provided national property

owners and international investors an opportunity to make a profit. These efforts to build a canal failed, and the beginning of the twentieth century found Panamanians anxious to obtain its separation from Colombia, since the economic and social situation of Panamanians had become progressively worse. They achieved this goal in 1903. It is important to mention that in one way or another San Felipe has been tied to several of these events since it was the heart of the city at that moment. Expressions of this period are present in the architecture of several buildings from the nineteenth century and beginning of the twentieth century where there are distinct French and American influences. These buildings once renovated and restored have become desirable for wealthy national and international buyers.

Leaving the Old City for the Modern City and Back Again: Demographic and Social Patterns in San Felipe during the Twentieth and Twenty-First Centuries

The advent of the twentieth century found Panama as an independent country. During this period San Felipe began a process of social, economic and physical restructuring. The social group living in San Felipe from the colonial times to the beginning of the 1900s was mostly the elite, formed by whites, *peninsulares*, and *mestizos* who had made their way into the society. From the 1920s to 1990s, the neighborhood suffered a dynamic filtering process as it shifted from predominantly high-income to low-income residents. From the 1990s to the present, high-middle-income to high-income groups have begun to enter the neighborhood again. This return of wealthier groups is as the hallmark of gentrification. As noted in Chapter 2, gentrification mainly developed around the world after the 1990s and by no means is unique to San Felipe. I will explain this gentrification process by examining the consumption and production side of the housing market.

Filtering Process before 1960s: The High-Income Groups Leave and the Low-Income Groups Arrive

Modernism generated by industrial capitalism brought significant changes in people's lifestyles, especially among the wealthy at the end of the nineteenth century and the beginning of the twentieth century. With these changes came a new view of architecture and city planning where there was a "…concern for Functionalism and new technology, a rejection of ornament…," and an attempt "…to create new solutions for architecture and urban design appropriate to the social conditions of the [twentieth century]" (Fleming, Honour, and Pevsner 1999: 384). This modernism contributed to changing the life and functions of the historic district of San Felipe de Neri. One of these key changes was the high-income groups moving out of the historic center to dwellings that offered more comfort as a better infrastructure. This shift occurred in other historic districts in Latin America during the late nineteenth and into the early twentieth century (Scarpaci 2005: 11).

An example of how this modern view of cities brought about the physical transformation of the original core of the city can be seen in the map of Panama City, drawn up in 1904 by the Italian architect Carlos Bertoncini (Figure 4.4). This is one of the first maps of San Felipe in the twentieth century. The map does not show the original wall that surrounded the city, since it had already been torn down in 1856 (Rubio 1950). This is an indication that the city had become modern, providing the space needed to accommodate the use of trolleys into the historic district, a need that was later made permanent with the introduction of the automobile, as neither could have been introduced as long as the existence of this original wall between the inner city and the main avenue connecting the outlying areas was an obstacle.

Figure 4.4. San Felipe Area in the Bertoncini's Original Map: 1904

Source: Original Map designed by Carlos Bertoncini. Picture taken by the author from the Original Map on February 9, 2007. Courtesy of Prof. Consuelo Tempone, Director of the Research Center. Department of Geography. University of Panama.

The beginning of the construction of the Panama Canal (1903) is another milestone that provoked 'shock' changes in the living conditions of the country, the city, and San Felipe. Among these changes was the migration of canal workers from other provinces of Panama and from foreign countries, along with improvements in the city's health and sanitary conditions, including the eradication of yellow fever. The latter accomplishment took place under the direction of Dr. William Crawford Gorgas. Dr. Gorgas established an aggressive battle against the mosquito's habitat in 1904 through massive fumigation, the use of mosquito nets, regularized garbage collection, the construction of the sewer system and the paving of streets in both Panama City and Colón (Cornejo 2004). He also built the city's first water-supply network, a system that replaced the colonial *aguadores*[38] (Rubio 1950: 82).

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[38] *Aguadores* were people that pick up barrels of water from a nearby source of water called El Chorrillo and sold them to the city's residents.

An out-migration of higher-income homeowners from San Felipe to the new residential neighborhoods of *Vista Mar*, *Bella Vista* and *La Cresta* (Sea view, Beautiful view, The Ridge, respectively) the aesthetic tastes of the high-income living in the historic district (Sucre 2003). In addition, the introduction of modern architecture into Panama discouraged the ornamentation and decoration in building design; minimalism began to replace Victorian, and neo-classical detailing, beaux arts, and neo-classical detailing. Inasmuch as the wealthy strived to be in vogue with new lifestyles, they left the big houses they owned in San Felipe; President Belisario Porras met the housing needs of the wealthy in a timely manner. As the old part of the city became crowded and the Panamanian government was incurring a mounting public debt, President Belisario Porras (1912-1916), decided to stimulate urban development through the creation of *La Exposición Universal* (The Universal Exposition) in 1916. This exposition proportionally was comparable to the Columbian Exposition in Chicago in 1893 and its subsequent versions, the World Fairs. These expositions and fairs were a form of "boosterism" to promote the economy, industry, commerce, and culture of a region, as took place with the California Expositions to celebrate the opening of the Panama Canal (Appendix B.4). As Weingroff notes,

> Boosters in California's three major coastal cities saw the Panama Canal as a potential bonanza. With a population under 40,000 as of the 1910 census, San Diego was the underdog. Los Angeles (319,000) and San Francisco (416,000) were far ahead of their southern rival. Nevertheless, San Diego expected to be a principal port of call for the Atlantic-Pacific trade. Los Angeles, which had the same idea, annexed the port towns of Wilmington and San Pedro to try to capture the trade that would expand after the opening of the canal. San Francisco, still recovering from the devastation of the Great Earthquake and fire of 1906, also wanted to take advantage of the expected boom in trade. (n.d.: 3)

In Panama, the main purpose of this Universal Exposition was to commemorate the four-hundredth anniversary of the discovery of the *Mar del Sur*, known today as the Pacific Ocean, by Vasco Núñez de Balboa on 25 September 1513. To this end, the government bought a piece of

land called El Hatillo for $856,000 to construct pavilions for the fair; Law 42 of 31 December 1912 legalized this land-development deal. On 25 September 1913, the first stone was set in the construction project. Several countries, including Spain, the United States, Guatemala, Cuba, and Venezuela, participated in the exposition that took place on 6 February 1916. In return for their participation in this project, the Panamanian government gave the land to these countries for the construction of their embassies. Soon, this section of *Bella Vista* became an attractive place for the well-off residents to live (Universidad de Panamá, Gobernación de Panamá y Universidad de Arizona 2004).

By 1928, a plan of Panama City drawn by the engineer Alonso Lavergne had revealed that the Exposition neighborhood had gone from a place where there was an international fair to a neighborhood made up of six streets. These streets ran east-west, and five avenues defined the neighborhood's north-south axis (Appendix B.5 Figure 4.12). Its grid layout—with wide streets and gardens and mostly middle- and high-income residents—characterized the social geography of this area (Universidad de Panamá, *Gobernación de Panamá y* Universidad de Arizona 2004). Another aspect that contributed to the moving of the elite from San Felipe was the rebirth in the preference for architecture that reflected more the Hispanic heritage that was showcased in the Barcelona International Exposition of 1929.

As the wealthy moved out of San Felipe, a filtering process began to take place, as has happened in other Latin American historic neighborhoods. As Scarpaci notes,

> [g]radually, a new class of residents occupied the historic districts of Latin American towns and cities, and many among them are the urban poor. Urban impoverishment (*tugurización*) means that food, clothing, and other bare necessities get top priority in allocating household income, instead of spending on building maintenance." (2005: 11)

In the case of Panama City, this process of filtering was aggravated by the influx of workers for the construction on the Panama Canal, and city authorities were faced with the daunting task of housing them. One account claims that from 1903 to 1914 there were more than 50,000 workers living in the city who had come from the United States, the Caribbean, Europe, Central America, and South America. In fact, from 1905 to 1911, the city's population rose from 21,984 to 45,555 (National Census of 1940). These workers required many kinds of support services, especially housing, but the Panamanian government was not ready to take on this task of housing accommodation, with an increase of provisional shelter in neighborhoods like El Chorrillo and Marañon (Angel Rubio. 1950). Table 4.2 shows Panama City's explosive growth that will also affect San Felipe and its further physical deterioration.

Rapid urbanization of Panama City at that time was similar to what is found elsewhere in the literature. Scarpaci, quoting Gilbert, states, "Because renting in Latin American inner cities has been on the rise since the middle of the last century (Gilbert 1994), property maintenance and upgrading are deferred and fall mainly to absentee owners, corporate landlords, or the state" (2005: 11). This dynamic of a filtering process, in the case of San Felipe, has taken place for nearly seventy years, as a popular song (or *copla*[39]) from the 1950s suggests: "*Se fueron para Bella Vista las rabiblancas de Panamá"* (The *rabiblancas* [40] from Panama left to *Bella Vista*). As the well to do left San Felipe, new challenges were on the horizon for this neighborhood regarding its built environment and its social conditions.

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[39] Although I have not found a reference, a History Professor told me that this written song is attributed to Mrs. Pepepina Bermúdez de Sosa.

[40] A name with which lower-income people called upper-income people, and it remains in the popular argot. According to Isaza Calderón(226), it is: "An ironic denomination applied to high-class people" (My translation)

Table 4.2. Population of Panama City: 1905 to 1940

Year	Population	Percentage Change	
1905[a]	21,984	--	
1911	46,555	111.8	(1905-1911)
1920	49,458	6.2	(1911-1920)
1930	74,402	50.4	(1920-1930)
1940	111,893	50.4	(1930-1940)

(a) Estimated population calculated by the "Oficina *de Sanidad del Canal de Panamá"* (Health Office from the Panama Canal)

Source: República de Panamá. Contraloría General de la República. Oficina del Censo. Censo de Población. 1940. Vol II. Provincia de Panamá y Ciudad de Panamá.

Housing Crisis in the City's Old Neighborhoods: Overcrowding and Renters' Strikes.

The need to provide housing for workers who remained after the construction of the Panama Canal triggered a boom in the housing market between 1910 and 1920. New housing consisted mainly of wooden dwellings built in the neighborhoods of Santa Ana and El Chorrillo, areas adjacent to San Felipe. Tejeira Davis captures the moment like this: "The rent business had its golden era during these years, when it eclipsed all else in the city. There was a great demand for housing for the thousands of Canal workers. Local high-income-shopkeepers and landlords had few other alternatives for investment" (2001: 63, my translation).

But the shock waves would continue. Massive worker influx led to overcrowding, which negatively affected the lives of Panama City residents, and, as noted above, the pace of new construction did not fill housing needs. Most of the owners of these new building projects failed to maintain buildings properly. This led to overcrowding in the boroughs of Santa Ana, El Chorrillo and Calidonia. As a result, in 1924, renters organized the *Liga de Inquilinos y*

Subsistencias (League of Renters and Subsistence), a civic group that would organize the renters'

strikes in 1925 and 1932.

Conflicts came in 1925 when the government increased property taxes, and owners merely

transferred these taxes to their tenants in the form of higher rent. This increment was between 25%

and 50% and precipitated the *Movimiento Inquilinario* (Tenancy Movement), "…the first

organized, politically motivated working class movement in the modern history of the city"

(Tejeira Davis, 2001: 65). As we shall see later in this dissertation, the movement a) is similar to

the present-day debate over San Felipe, and b) was better organized than the current polemic

surrounding housing in San Felipe.

On 1 October 1925, renters went on strike and refused to pay rent leading the government

of President Rodolfo Chiari (1924-1928) to request the intervention of the American military

forces posted at that time in the Panama Canal Zone. Six hundred American soldiers went into

Panama City on 12 October 1925 and confronted the strikers until 23 October. Several

Panamanians died in violent confrontations with U.S. soldiers (McKay 2004: 7). Thus, from 1925

to 1932, renters faced increased rents.

The stock market crash of 1929 exacerbated the economic situation of many low-income

workers and many lost their jobs. A second tenancy strike ensued. Although the government

repressed the movement, this time the movement achieved the promulgation of a temporary law

called "Law 18 of 15 November 1932" (Gasteazoro, Araúz & Muñoz: 1980). The law allowed

President Harmodio Arias (1928-1931) to regulate the rent market and to create the Tenancy

Council that would act as the intermediary between tenants and the owners and was the final arbiter

on requests for evictions. This law furthermore forbade the eviction of unemployed renters and

attempted to control rent prices based on assessed property values. According to Tejeira Davis

(2001), the result was a rent protection policy that has remained in force up to the present, especially in the historic center where most houses were built before the 1930s. The grandfathering effect of this law has had a huge impact on San Felipe's built environment up to the present. Economic logic dictated that owners were not compelled to repair buildings because it was not profitable. Indeed, many buildings in San Felipe today are so run down that several have collapsed in recent years. Chapter 5 reveals that some properties had a manager or administrator who would collect the rent and carry out necessary repairs. The chapter also shows that there were renters who took care of their own building repairs, since they knew they could not afford any comparable housing for the rent they were paying.

The overcrowded conditions in the inner boroughs of Santa Ana, El Chorrillo, Curundú, and Calidonia exacerbated conditions. The national census of 1930 revealed the large percentage of foreigners (Table 4.3), dominated by an almost 5:1 ratio of Caribbean islanders from British colonies, and lived in these areas of the city. These foreigners were of the mass of migrants that stayed after the end of the construction of the Panama Canal.

During the 1940s, a similar situation occurred when the project to build the third locks to expand the Panama Canal began, and the nation experienced another wave of migrant workers. Heightened demand for housing in the rental market surged again, compounding the housing shortage (Rubio 1950: 86). Although this project was interrupted by the outbreak of World War II, many of these workers remained in Panama City, contributing to population growth and a debilitated housing stock in San Felipe, Santa Ana, El Chorrillo, and Calidonia. So overcrowded were these neighborhoods, that Rubio described San Felipe in his book as follows: "It preserves the structure and the most important monuments of the old city, where more than 10% of the city lives (around 40,000 inhabitants) in a very tight population density per hectare (349 people per

hectare), with a *mestizo* population (59%) and a white population (34%)" (Rubio 1950: 102 [My translation]). m

Table 4.3. Foreign Population Living in Panama and Panama City: 1930

Five Largest Foreign Populations Living In Panama	Foreigners		
	Republic of Panama	**Panama City**	**Percentage living in Panama City**
British Colonies	23,075	9,839	42.6
China	2,742	1,437	52.4
French Colonies	2,690	702	26.1
United States	2,906	831	28.6
Colombia	6,083	1,935	31.8

Source: 1930. *Censo Demográfico. República de Panamá. Secretaría de Agricultura y Obras Públicas. Dirección General del Censo. Tomo I. 193: 21-23*.

When landlords attempted to profit from this housing shortage and subsequently increased rents, the government stepped in and issued Decree 31 of 1945, which froze rents as was done in the 1920s and 1930s. With profits diminished, many landlords again reduced building maintenance, a feature that continues to shape and mark the history of San Felipe. It was only from the 1940s onward that the national government began to invest in modern infrastructure in a serious way throughout the historic district: public lighting, sewer lines, telegraph and telephone networks, street cars, road paving, and related elements of modernization. A strong link between Panama and the rest of the world was anchored in San Felipe, with its streets and buildings mirroring the vicissitudes of twentieth century urbanization.

Planning Issues in Panama City and San Felipe before the 1960s: Proposed Master Plans for the City's Improvement

By the 1940s Panama City had grown disproportionately faster than the rest of the country due to the increased migration from outside and inside the country, and it created multiple urban problems. In 1940 the government of Panama hired Dr. Karl H. Brunner, an architect from Vienna, as a consultant to develop a master plan for Panama City. Experts in urban planning often came from Europe since this field did not exist in Latin America outside of Brazil, Mexico, and Argentina. Brunner produced his *Informe Sobre el Desarrollo Urbano y el Plano Regulador de la Ciudad de Panamá* (Urban Development and Master Plan Report for Panama City) (Araúz, Arosemena &Conte 1977), which is reviewed in detail below.

**The Brunner Report of 1941 and Suggestions for the Old Urban Center of San Felipe (*Antiguo Centro Urbano de San Felipe)*

Dr. Brunner had vast experience in city planning in Bogotá, Colombia and Santiago de Chile. The latter resulted in the preliminary master plan for Santiago, which was the first comprehensive metropolitan plan among Latin American countries (Violich 1987: 100). His report for the Panamanian government was the first effort to regulate urban planning in Panama and the first diagnosis of the urban problems along with their possible solutions. Although the original report was lost, two copies have survived (Rubio 1950). In 1950, the publication *Ingeniería y Arquitectura* (Engineer and Architecture); a magazine edited by the Panamanian Society of Engineers and Architects, published the original text of Brunner's report. However, the editors did not include maps since most of them were lost.

In the report, Brunner proposed several changes to improve the lives of Panama City residents, among which are the widening of several streets, the creation of parking lots, the

improvement of the sanitary conditions of the most congested neighborhoods, the enhancement of

the commercial area, and the general beautification of the city (Table 4.4).

Table 4.4. Brunner's Suggestions to Improve Panama City's Urban Growth

1. The construction of a viaduct from Balboa Avenue to 17th Street to end by the National Bank.
2. To build lateral ramps on both sides of the Central Avenue.
3. The creation of traffic circles in different streets of the city.
4. The creation of recreation areas like botanical gardens, basketball courts and baseball fields, and swimming pools.
5. The creation of working-class neighborhoods following the concept of the Garden City to the west of the city.
6. The creation of plazas and parks on avenues.
7. The creation of a port with a duty-free zone between *Bella Vista* and the east side of the city.
8. The zoning of the city to avoid land-use conflicts.
9. The construction of low-cost housing to relieve overcrowding conditions (*hacinamiento*).

Source: *Ingeniería y Arquitectura*. Revista de la Sociedad Panameña de Ingenieros y Arquitectos, 1950

Figure 4.5. Streets suggested by Brunner
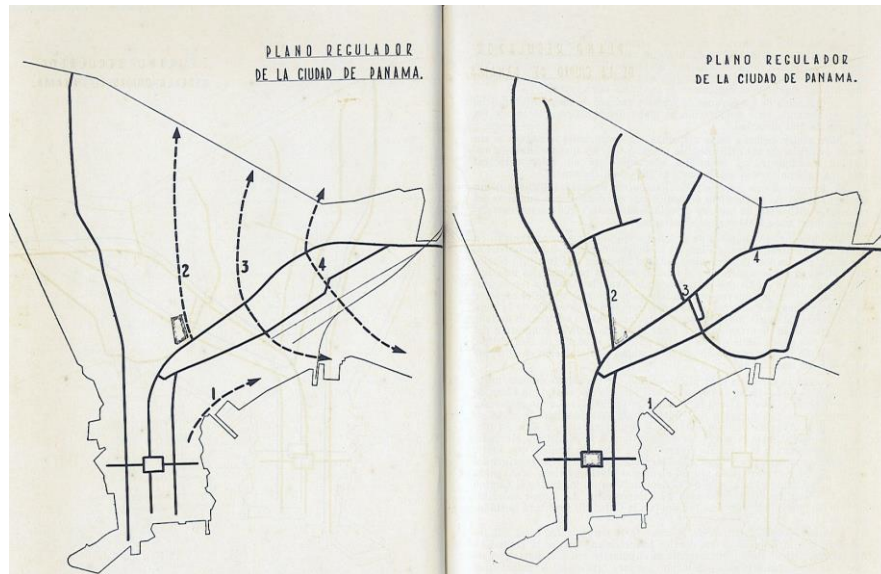
Source: Rubio 1950: 114-115.

The most widely executed part of the Brunner plan was the construction of several low-income housing projects. Brunner believed that housing for the poor should not be ruled by the principle of supply and demand; on the contrary, he argued that the valuation of the housing by the owners needed to be taken into consideration since private capital could turn away from the construction of public housing if their interests were threatened. Furthermore, by selling revitalized areas, the government could use the money to increase its tax base and build cheaper neighborhoods for the poor in El Chorrillo and Calidonia. Although the government was to play a major part in the acquisition of land for these projects, Brunner advised the national government not to take charge of the actual housing construction for the poor. Rather, he promoted a private housing corporation to undertake this task. The owners of rental property would need to invest part of their profits in improving their buildings. Such a public-private partnership was essential, according to Brunner, so that residents would not perceive these projects as social assistance and default on their mortgage or rental payments (Rubio 1950: 122-123).

Brunner recommended the creation of an institution whose task would be to draw detailed plans and maps of the old city and the new neighborhoods. The agency would also monitor the physical conditions of the rental market and have the legal authority to demolish dwellings in case it was needed. Unfortunately, this report was seen only by a handful of people until it was published in 1950. Thus, many of the improvements the city could have benefited from were not accomplished at all or only accomplished partially. Several of Brunner's suggestions were carried out, including Law 78 from 1941 that offers the regulations concerning the construction of residential developments in the country, the scale of plans or maps, the minimum widening of streets, and the land use permitted in an area, among others (Rubio 1950: 124).

Brunner proposed that the Panamanian authorities should improve San Felipe's traffic circulation and parking limitations. Using data from the municipality, he reported that there was an increase from 600 to 1,000 vehicles circulating in Panama City annually. This situation worsened due to an increase in retailing and wholesaling that stretched from Independence Park to Central Avenue.

To relieve this congestion, he recommended that another street that connected Central Avenue to Independence Park (located in the heart of San Felipe) should be opened, further connecting 31st street in the Exposition Neighborhood to Independence Park located in the Cathedral area in San Felipe (Rubio 1950: 116). He believed that the multiplier effects of this enhanced road network would be so great that a tax for a period of five to ten years could be implemented to finance the transportation and other public works projects (Brunner, 1941 in *Ingeniería y Arquitectura*, 1950: 367).

David R. Williams, an architect and urban expert from the Institute of Inter-American Affairs, developed a master plan suggested for Panama City and Colon in 1944. He came up with

similar conclusions to the ones Brunner proposed, especially about improving the sanitary conditions of the inner-city neighborhoods as well as the widening and reorganizing several main streets. Although the recommendations offered by Brunner and Williams were not fully implemented, the government did create the Bank of Urbanization and Rehabilitation (BUR), an institution that would be in charge of the housing issues in Panama to the present (Currently this institution is the Ministry of Housing and Land Use).

The Creation of the Bank of Urbanization and Rehabilitation[41] in 1944

In 1944, the government, following Brunner's advice, created BUR. Its aim was to implement more organized city growth and to solve housing problems in Colón and Panama City, especially in the most populated neighborhoods of El Chorrillo, Malambo, and el Marañón. Its primary objective was to lend money for housing at affordable interest rates. In order to provide the bank with some initial funding, the government gave to the poor the titles obtained from the lots that were acquired by the Panama Railroad Company, and urban lots established in Law 14 of 1941. The bank was able to use the money obtained from bond sales, donations, loans, and funds from the national budget. The government only kept those lots that it was already using. The board of directors was formed by six people: a general manager and five representatives formed by the following entities: one member from the Ministry of Health, one from the Ministry of Roads and Construction (as acting president), the president of the National Bank of Panama, the president of the Social Security, the Accounting General, and a civil engineer or an architect appointed by the Society of Engineers (*Ingeniería y Arquitectura* 1944). Significantly, not a single representative from the neighborhoods that would have benefited from the bank's actions formed part of the board of directors.

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[41] *Banco de Urbanización y Rehabilitación* (BUR)

The personnel of BUR conducted several neighborhood studies and found that in the central core of Panama City there were neighborhoods with excessively high population densities, one of which was Malambo, near San Felipe, located between El Chorrillo and Santa Ana. A major problem with these overcrowded conditions was that the excess population spilled over into surrounding neighborhoods such as San Felipe. BUR's task was to improve this situation, to create new neighborhoods for the working-class people outside of the perimeter of the old city, and to establish a plan to lend money to this population so they could buy new dwellings in neighborhoods like *Vista Hermosa*.

As the infrastructure of the city developed and the city's physical limits expanded, there was both a practical and conceptual need to develop models to explain this growth. Angel Rubio (1950) approached this problem by conducting a study based on the city's growth from 1673 to 1949. He divided this growth into three defined areas: *el Núcleo* (the core), *el Ensanche* (the widening), and *el Extrarradio* (the outer ring). Within the core Rubio distinguished two sections: el *núcleo primitivo* (original core), and *el núcleo adventico* (emerging core). Rubio's scheme, applied to each of these sections of Panama City, is shown in Figures 4.6 and 4.7 and Table 4.5.

Rubio's attempt to describe the city's growth through a model may be the first to be proposed for Panama City. It is worthy of note that this model called for a land use pattern similar to that described later on by Griffin and Ford (1980) for the Latin American cities, whereas Rubio's nucleus could correspond to Griffin and Ford's old part of the city, the widening corresponds to the spine in Ford and Griffin's model, and the extra radius relates to the outlying areas in Ford and Griffin (Figure 4.8). In his improved model for the Latin American city, Ford is one of the first to add a gentrification zone located close to the maturity zone. In the case of Panama City, San Felipe is that area that is undergoing revitalization and gentrification.

Figure 4.6. Panama City Limits in 1938
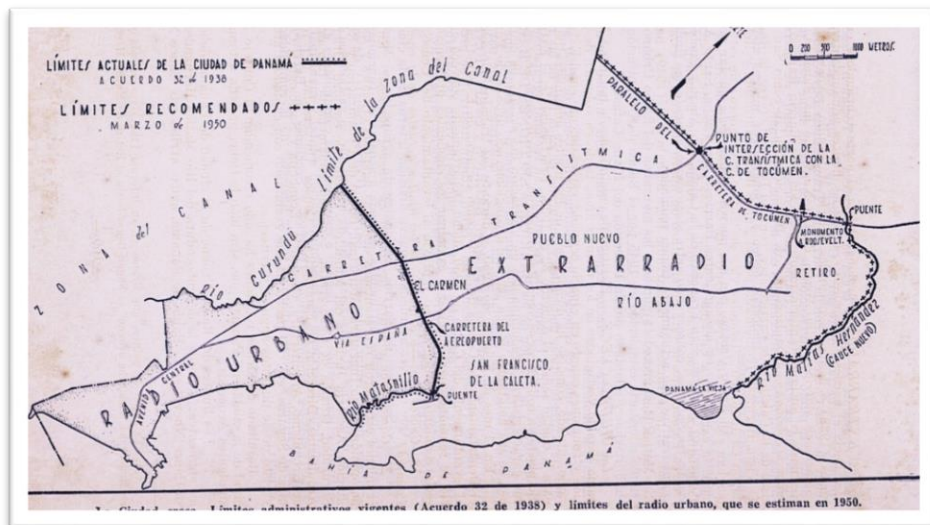
Source: Angel Rubio 1950: 101.

Figure 4.7. Panama City's Urban Radius: from 1673 to 1949

Source: Angel Rubio 1950: 99.

Table 4.5. Panama City's Physical Expansion from 1673 to 1949

AREA	CHARACTERISTICS (developed by Angel Rubio)	Ford and Griffin's model of 1981
1. *El Núcleo* (From 1673 to 1914) (The core)	The oldest part of the city. Divided into *núcleo primitivo y núcleo adventico.* Consists of the boroughs of San Felipe, Santa Ana, and El Chorrillo formed this area.	Zone of Maturity
1.1. *Núcleo Primitivo (original core)* (1673-1904)	Where the city was first built in 1673 surrounded by walls, and part of the area outside of the city's walls where the mestizos, Indians and Blacks lived. Largely where San Felipe is today.	
1.2. *Núcleo Adventico* (**Emerging core (1904-1914**)	Where the neighborhoods of El Chorrillo, el Marañon and Calidonia are located. Highly populated by 1914, mainly by construction workers from the canal construction. Most of these houses were made of wood and had badly overcrowded conditions.	
2. *El Ensanche* **(1915-1938)** (**The spreading**)	The city grew farther to the North East due to the Municipal Agreements from 1915 and 1938 that expands the city limits. New residential neighborhoods are created such as La Exposición, Vista del Mar and the Stadium sector.	The Spine and Elite residential sector.
3. El Extrarradio 1938-1949 (**The outer ring**)	Streets like Vía España, Transístmica, and Tocumen contributed to the development of new settlements. The city continues growing to the northeast beyond the administrative limits of 1938. New neighborhoods are created. Some of them appeared spontaneously, for instance: *Río Abajo, Pueblo Nuevo de las Sábanas, Vista Hermosa la Antigua* (known before as the Italian neighborhood); and others planned, for example: *San Francisco de la Caleta, Parque Lefevre, and Barriada de Vista Hermosa.*	Zone of in situ accretion and on the outliers, a zone of peripheral squatter settlements.

Sources: Rubio 1950: 96 to 98; and Ford and Griffin 1981 and 1996

Figure 4.8. Ford's Improved Model for the Latin American City

FIG. 1—A new and improved model of Latin American city structure. (Model graphic rendered by Irene Naesse)
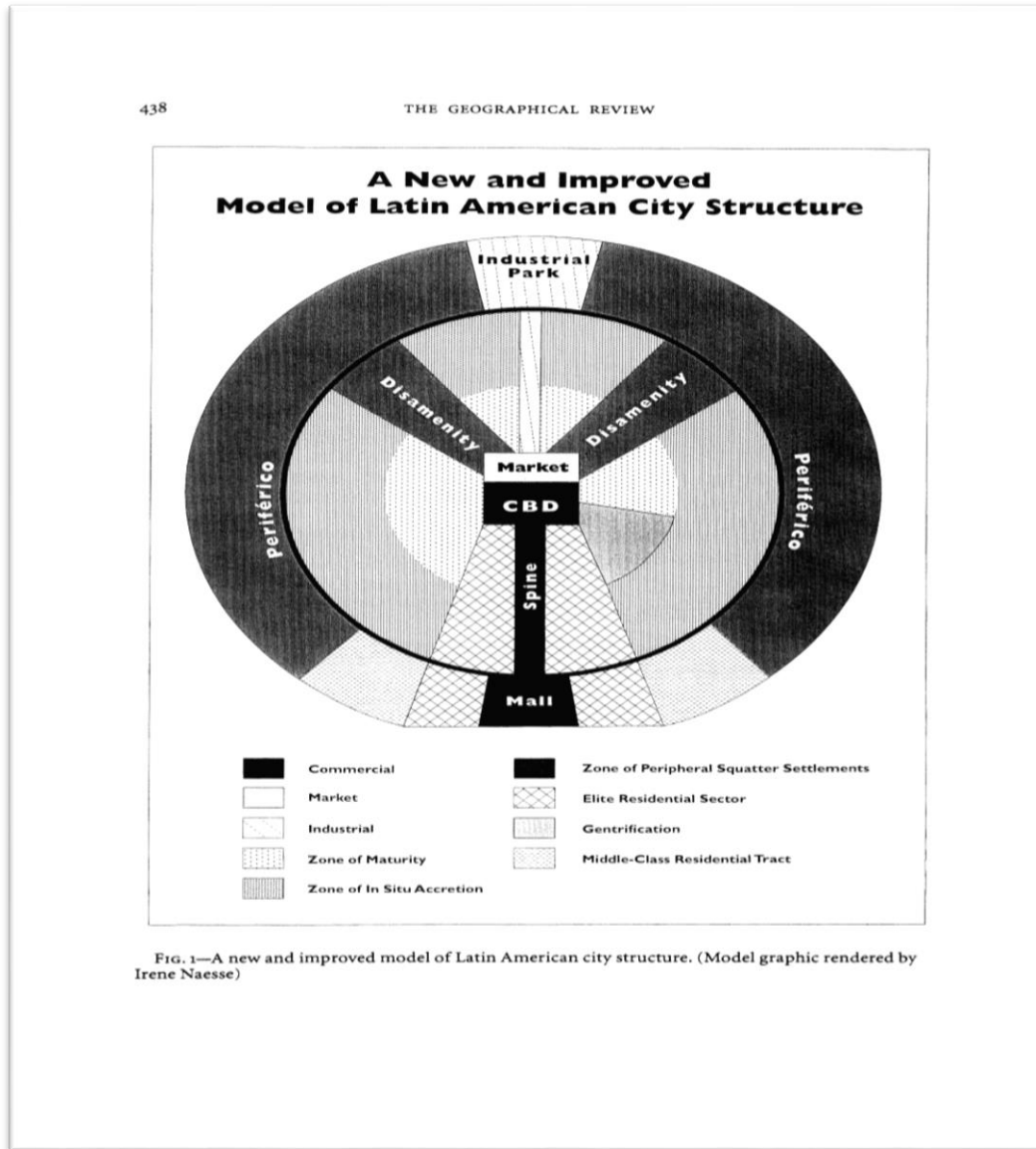
Note. From "A New and Improved Model of Latin American City Structure," by L.R. Ford, 1996, Geographical Review. Vol 86, No 3 Latin American Geography. Reprinted with permission.

Population Changes in San Felipe after the 1960s

San Felipe has lost population compared to other boroughs of Panama City and the province of Panama[42] in the last thirty years. This is an expected pattern as old sections of cities in Latin America, as well as inner-city areas in developed countries, have usually lost population through time due to deindustrialization and capital disinvestment. As a result, dilapidation, poor housing, and economic and social deprivation take place (Johnston et al., 1994: 290). Most of the neighborhoods surrounding San Felipe (El Chorrillo, Curundú, Santa Ana, and Calidonia) had negative population growth between 1960 and 1970 as well. This is a continuation of the out-migration that started a few decades before to outlying boroughs like Betania, Bella Vista, Río Abajo, San Francisco, and Juan Díaz. During this period, San Felipe registered the city's lowest growth and the pattern continued from 1970 to 1980, and boroughs, including San Felipe, that had shown some growth registered lower and even negative growth than in the previous decade.

At the same time, the boroughs surrounding San Felipe continued losing population. Only Curundú registered slight growth. A similar situation occurred during the period from 1980 to 1990 when El Chorrillo, Calidonia, and San Felipe experienced the highest negative growth. Furthermore, from 1990 to 2000 San Felipe suffered the greatest population loss. Population declined at double the rate registered during the previous inter-censal period. A similar situation occurred during the inter-censal period from 2000 to 2010 (Figure 4.9). San Felipe's neighboring boroughs of Santa Ana and Calidonia also lost residents, but less than San Felipe[43]. Outlying neighborhoods that had grown before such as Río Abajo, Betania, Pueblo Nuevo and Parque

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[42] The country of Panama is politically divided into provinces and three indigenous land areas called *comarcas*. Each province is subdivided into districts; each district is subdivided in *corregimientos* (boroughs) and each corregimiento is subdivided into neighborhoods (*barriadas*). Thus Panama has nine provinces,

[43] The most recent population data from the 2010 Census shows that San Felipe lost half of its population from 2000 to 2010: its growth for this period was -52.9%. The surrounding neighborhoods of El Chorrillo and Santa Ana lost a significant amount of population as well.

Lefevre lost population as well. The decrease in San Felipe's population is expected to continue and this has been corroborated in a publication from the census bureau. The estimated population projection for the District of Panama and its boroughs until the year 2015 shows that San Felipe will continue losing population at a higher rate than adjacent boroughs (Table 4.10).

Figure 4.9. Population Change in Panama City's Boroughs: 1960 to 2010
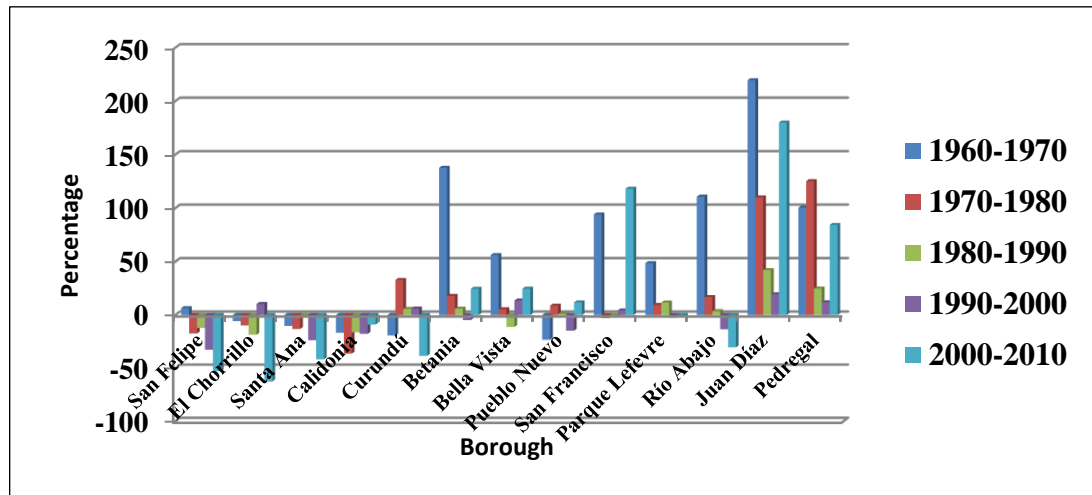
Source: *Contraloría General de la República de Panamá. Censos Nacionales (National Census), From 1960 to 2010.*

The data show that by the year 2000, this borough had lost 32.1% of its residents Thus, this situation might be an indication that other phenomena might be taking place in San Felipe, besides the expected deterioration of the built environment. As Freeman points out, "Without knowing how much displacement would occur in the absence of gentrification, one cannot assume that any observed displacement is due to gentrification" (2006: 5). Thus, the analysis of the neighborhood's demographic behavior is necessary together with economic, and social factors that take place when gentrification is present in an area.

Figure 4.10 Estimated Population Change for San Felipe and

Neighboring Boroughs: 2000-2015
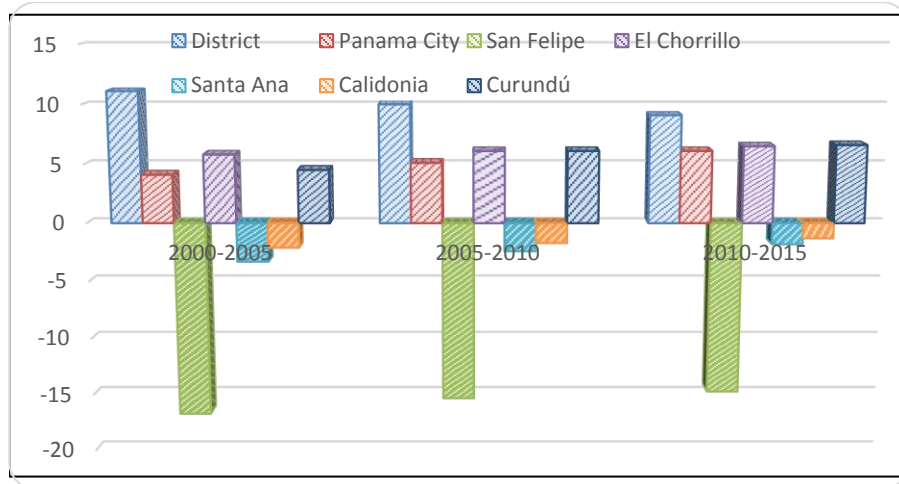
Source: *Contraloría General de la República de Panamá (2006).*

Demographic and social variables concerning the population living in San Felipe may shed some light whether this gentrification process is increasing by studying residents' profiles, since

> Longtime residents and gentrifiers differ in several important ways.…Without statistical analysis, it is not clear which demographic characteristics – socioeconomic, status, race, length of residence, or tenure status –are most salient in explaining opinions about gentrification (Monroe Sullivan 2006: 596).

In San Felipe other demographic variables like sex and marital status need to be considered. These variables will reveal female-headed households who are affected by increases in rent and the rise of land prices. Although these variables do not indicate gentrification per se, they give us an idea of who is affected by the changes that take place because of gentrification.

San Felipe has more female-heads of household than most of the boroughs in Panama City.[44] This percentage of female-headed household emerges where women, in addition to working

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[44] The male-female ratio might be an indicator of social issues in the neighborhood like single-parent households. Although in San Felipe, the percentage of male-headed households exceeds female-headed household (65.1% for men versus 34.9% for women in 2010), if we compare only the female ratio in San Felipe in relation to other political

outside of the home, care for children and maintain the household. Many times they do not make enough money to satisfy the minimum requirement the family has, and thus they are the most affected by gentrification. If they have to move to outlying areas they would have a more difficult time, especially if they have young children in school. Their expenses for transportation, food, and housing would rise, and they may end up in worse housing and neighborhoods than they were before since, as Violich and Daughters note, Latin-American metropolises confront problems with the provision of necessary public services such as water, sewerage, food distribution, and transportation mainly due to a lack of coordinated planning, and the influence of social, economic, and political inequalities (1987: 28). Besides, in San Felipe, it is necessary to observe what is happening in the nearby neighborhoods regarding their demographic and economic structure since they are affected as well by the transformations that are occurring in San Felipe where the *Casco Antiguo* was expanded into parts of the neighborhoods of El Chorrillo and Santa Ana.

In contrast, high-income professional women might be willing to live in areas that offer a convenient place to live as well as cultural and economic amenities. Smith for example, after analyzing data from the US Department of Commerce, found that there was an increase in the number of women who could afford to purchase housing in areas that were experiencing gentrification. For him the importance of this data is that "at the top end of the nationwide income hierarchy, a significant expansion in the number of women is taking place and this group represents a reservoir of potential gentrifiers" (1987:157). Although gentrification is a novel phenomenon in

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administrative units and the country, it is necessary to note that the percentage of female-headed households was greater in San Felipe than for the rest of Panama City and the country: 33.8% for San Felipe versus 29.7% for the District of Panama and 28.4% for the country as a whole in 2000. The 2010 census showed the same situation[44]. The 2010 census also revealed that if we compare San Felipe with the nearby boroughs the percentage of female head of household in this borough was the lowest (34.9% for San Felipe, 42.3% for El Chorrillo, 37.7% for Santa Ana and 41.3% for Calidonia).

San Felipe, there may be indications that professional women are moving into the neighborhood; in 2006 Paco Gómez, a newspaper reporter, interviewed Patrizia Pinzón, a 30-year-old professional woman who now lives and works in San Felipe, where she is the president of *Arco, a* real estate company that sells property in *Casco Antiguo*. This professional is the kind of worker and resident that the gentrification literature would expect (Smith 1985).

In the case of San Felipe, the sex ratio was 48.5% men and 51.4% women in 1970. By the year 2000 this situation had changed to 54.3% men and 45.7% women; and for 2010 this ratio was 55.1% men and 44.9% women. The rest of the boroughs nearby had a sex ratio where women and men had almost the same percentage with the exception of El Chorrillo, which had the highest percentage of women (51.2%). These higher sex ratios for San Felipe (119 men per 100 women for the year 2000, and 123 men per 100 women for the year 2010) counters the normal pattern in which there are more women than men in cities (Appendices B.7 y B.8).

In terms of the age distribution of the population, the 1990 census reveals that from the 10,282 people living in San Felipe, 7,248 were more than 18 years old, representing 70.4% of the population. According to the 2000 census, San Felipe was largely comprised of adult residents: 7 of 10 were over 18 years of age. Furthermore, San Felipe had a large amount of population between 20 and 44 years old (44%), a situation that indicates that it still has a significant economic active population. The group less than 19 years old represents 29%, whereas the population with ages between 45 to 69 years old represents 21% of the total population. Finally, the population older than 70 years represents 5.7% of the total population. The median age for the population 15 years and older is 36, an important variable to analyze since, in Panama, the population that is between 15 and 62 years old belongs to the work-force, and they require means of transportation to get to

their jobs. This segment of the population may be employed or looking for a job, and thus there is a need to create new job opportunities in the neighborhood for those of working age.

Concerning marital status, the family in Latin America, as in other societies, remains the fundamental unit of society (Roberts 1992: 63), yet Table 4.6 shows that San Felipe has a higher percentage of people who are living together, widowed, separated, or divorced than the rest of the District of Panama. In fact, the percentage of separated couples for San Felipe is twice the percentage of the District of Panama. Neighborhoods with higher percentages of broken families and single-mother headed households have a population who do not tend to finish a high-school education. Therefore, they are less likely to earn livable wages and are more likely to face difficulties to afford higher housing rent related to the gentrification process. Giving this evidence, this variable might be an indicator of the social conditions of the area. In the case of San Felipe, the 2000 census reveals that 34.8% of San Felipe's population is single, compared to that of the District of Panama average of 34.1%. This percentage is slightly higher than the percentage registered for the whole district. The percentage of people cohabiting had the second highest percentage (26.1%), with married couples the third highest percentage (18.8%). This situation is not uncommon in Latin-American countries where consensual unions frequently take place, especially among the poorest sectors of the population, as Violich and Daughters also discovered, in the case of Bogota's poor population. They state that

> As in most Latin American cities….the family unit consists of a mother who has been abandoned by her spouse (to whom she may not have been legally married) and who must face the responsibility of supporting her children. More often, however, the nuclear family is stable enough to serve an important social role with relation to the extended family. (1987: 220).

Thus this group is more vulnerable to be affected when processes such as revitalization and gentrification begin in neighborhoods like San Felipe.

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Table 4.6. Marital Status of the Population 15 Years and Older in the District of

Panama and Borough of San Felipe: 2000 and 2010

Marital Status	District of Panama (%)		San Felipe borough (%)	
	2000	2010	2000	2010
Single	34.1	31.7	34.8	41.6
Married	29.4	27.9	18.8	16.3
Living together	23.1	27.2	26.1	28.0
Widow / widower	3.6	3.4	4.1	3.2
Separated	7.7	7.8	13.9	8.9
Divorced	2.0	1.9	2.3	1.9

Source: *Contraloría General de la República de Panamá. Censos Nacionales de Población y Vivienda*. 2000 y 2010.

Table 4.6 shows that San Felipe has a higher percentage of people who are living together, widow/widower, separated and divorced than the rest of the dictrict of Panama. In fact, the percentage of separated couples for San Felipe is twice the percentage of the District of Panama. This situation indicates that for these people trying to find affordable housing there might be some difficulty, since usually there will be only one person in the household working; therefore their possibilities to acquire a house or apartment will diminish. As gentrification and revitalization takes place in the neighborhood it becomes harder for these group of the population to afford a house or an apartament in the area. Single mothers confront more trouble when they move out of the neighborhood since, in the case of San Felipe, they lose the established relationships with other neighbors who may have helped them in household tasks and child care, as will be discussed later. A similar situation is reported in the 2010 census where the highest percentage of residents declared that they were single.

Education

Because differences in the years of schooling are related to an individual's purchasing power, education is a necessary variable to analyze. As Bridge, argues "The influence of education might help to explain the existence of the gentrification aesthetic in terms of the acquisition of good taste "through middle-class background and/or middle-class (higher) education" (1995: 243). Gloria,[45] the director of a real estate agency, confirmed this attraction of aesthetics for middle and upper-income groups. When we asked her in an interview why she thought investors were buying in San Felipe, she told us it is because of its historic and architectonic value, that many had already experienced living in places such as *Casco Antiguo* and that they enjoy living in a historic place. I obtained similar responses from Antonio, another real estate businessman, who also mentioned that besides its historic value buyers like the affordability of property prices in San Felipe as compared to other historic areas[46].

Thus, years-of-schooling is a variable that has been considered as an indicator of gentrification, especially if there is an increase through years of population with higher educational degrees such as masters and doctorates. If we compare years of schooling between San Felipe and Panama City in 2000, residents of San Felipe averaged 9.1 years of schooling, roughly the same as the 1980s census that registered an average of 8.9 years of schooling and slightly below the District of Panama (9.3). The 2010 census reported a decrease in the years of schooling, falling to 8.9 for San Felipe.

For the years 2000 and 2010, the census based this average on the population four years old and above. For the census of 1980 the average was based on the population fifteen years and

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[45] The names of informants have been changed to guarantee them anonymity.

[46] Both interviewees answered a questionnaire I sent them via Internet in January 2008.

older. That the average years of schooling in ten years did increase might be an indication that, at the moment the national census took place, the number of upper-income people who had moved in was probably not enough to raise the year of schooling (Figure 4.11). San Felipe in the year 2000 had a higher percentage of people with several years of high school than Panama City (49.9% in San Felipe as compared to 40.2% for the District of Panama), and was slightly above the average for non-university degrees (e.g. technical schools) and vocational studies. However, the percentage of people with masters and PhDs in San Felipe were slightly below that for the District of Panama as a whole. In spite of the low percentages of residents with post-graduate work, the residents of San Felipe still demonstrated a higher level of schooling for 2010.

Figure 4.11. Schooling Years in San Felipe and Selected Boroughs:

2000 and 2010
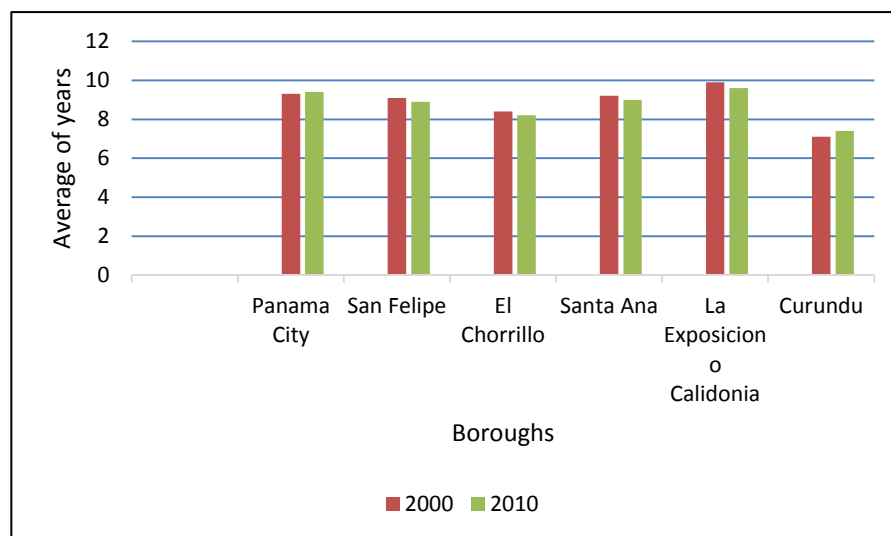
Source: *Contraloría General de la República de Panamá. Censos Nacionales de Población y Vivienda. 2000.*

This low-level of formal schooling presents a challenge for authorities and the population living in San Felipe, especially because the activities related to historic preservation and tourism

require an educated workforce; obviously, it would be beneficial if employment in the area could be filled by the local population to work in tourism and other activities that could be developed in the historic district. The Office of the Historic District (*Oficina del Casco Antiguo*) since 2004 has created several programs to prepare the local population in several kinds of employment, including occupations in construction, culinary, craft, and tourism among others. In the case of San Felipe, the 2000 census reports that 17% of the population eighteen years and older have some post-secondary studies, compared with 27.2% within the District of Panama.

These data suggest that more educated are not coming into San Felipe on the scale that would be expected in a "classic example of gentrification." This situation, however, could be misleading because it is only after the year 2000 when one can observe more improvement within the neighborhood and the arrival of foreign residents. Besides, if we only take into consideration the number of residents in San Felipe who in both census (2000 and 2010) declared they had a masters and a PhD, in the year 2000, thirty residents had a master's degree, and four noted they had a PhD. In 2010 fifty-seven residents stated they had a master degree and eight declared they had a PhD. Although the numbers are small we can observe that the number of residents with higher degrees almost doubled during the two census periods. Thus, this might be an indication that there is a rise in interest in the area by national and international professionals.

In the same interviews mentioned above, Gloria informed me that the profile of the typical buyers in San Felipe includes young professionals, businessmen, and retirees. Antonio, another real estate businessman, added workers from international organizations to his list of typical buyers.

Salary, Income, and Economic Activities in San Felipe

The majority of San Felipe's residents are still low income. Between 1980 and 2000, the median salary for San Felipe was below the median salary for the District of Panama: $230.00 for the latter and $206.80 for the former in 1980. In 2000 it was $363.00 for the District of Panama and USD$ 311.00 for San Felipe. Even in 2010, this median salary was $503.00 for the District of Panama, and $433.00 for San Felipe. This median income is slightly above what has been established for Panama as the poverty line. In both years this borough had the third lowest median salary from the eight boroughs constituting the oldest part of the city (Table 4.7).

Table 4.7. Median Monthly Salary in Selected Panama City Boroughs: 1980 – 2010

Selected Boroughs	Median Salary Income in 1980	Median Salary Income in 2000	Median Salary Income in 2010
Panama City	230.00	363.00	503.00
San Felipe	206.80	311.00	433.00
El Chorrillo	194.40	294.20	400.00
Santa Ana	212.80	322.70	433.00
Calidonia	237.60	368.20	515.00
Curundú	164.80	250.30	385.00
Betania	331.20	647.30	950.00
Bella Vista	389.60	782.10	1200.00
San Francisco	282.00	591.10	1083.00

Source: Table calculated by the author with information from the 1980, 2000 and 2010 National Census.

In San Felipe, the median monthly income reported in 2000 was $305, but rose to $400.00 in 2010. This figure is half and one third of that found in the middle class boroughs like Betania ($684 and $800.00), Bella Vista ($912 and $1000.00), and San Francisco ($646 and $1000.00), neighborhoods that consist of people in medium to upper-income groups. This situation highlights San Felipe as a predominantly low-income borough (Appendix B.9).

At $439.00, teaching was the economic activity that paid the highest median monthly income in San Felipe. Nevertheless, only one in thirty San Felipeans worked in this category. The second highest was activities related to finance ($395) and it represented 2.0% of the total employed population from San Felipe. However, from the 3,174 employed workers living in San Felipe in the year 2000, the top 22.4% of incomes came from commerce, auto repair, and the repairing of domestic and personal items (Appendix B.10 and B.11). This group earned $253.00 monthly, which is below the poverty level. The lowest income registered belonged to 37 people working in fishing who represented only 1.2% of the total working population and who earned $175.00 monthly. Only 40 residents in 2000 earned monthly salaries higher than $2,000, and they worked mostly in activities related to real estate and business activities, and other community, social and personnel service activities.

San Felipeans worked largely in petty commerce and low-skilled jobs in the 1980s. The 1980 census showed that 35% worked in activities related to public, social and personal services; 25.8% worked in activities related to high and low commerce, restaurants and hotels; and 13.6% worked in activities related to the manufacturing industry sector. In fact, San Felipe has the highest percent of population working in services and manufacturing activities when compared to the rest of the District of Panama.

In 2000 the employed population in San Felipe fell by almost 100 persons. The highest percentage of employed workers was in the high and low retail commerce, vehicles and motorcycle repair, and the repairing of domestic and personal items (22%), and it is higher than in the District of Panama. The rest of the population was employed in activities such as public administration and defense, obligatory social affiliation plans, and hotels and restaurants. Nevertheless, this population labored in the lower-paid jobs within these economic occupations; the median income

in 2000 is lower than the median income for the rest of the city. A similar trend was observed in 2010, when the total employed population of San Felipe went down by almost a half. This situation confirms the fact that this neighborhood is losing population very rapidly. Although there are fewer employed individuals in San Felipe, it is important to note there has been a slight increase, compared to the total employed population, in activities related to hotels and restaurants, public administration and defense, extraterritorial organizations, and in new economic activities reported in the 2010 census such as professional and scientific activities and entertainment, arts and creativities. Employment in these two last activities might be an indicator of gentrification in the area due to the level of specialization that they require (Table 4.8).

Unemployment is another factor that has steadily increased in San Felipe from the 1970s to the present. By 1970 this borough reported a 7.3% unemployment rate. A decade later this rate had increased to 9.5%; in 1990 this percentage had again increased, this time to 14.1%. The 2000 National Census showed that around 16% of San Felipe's population was unemployed. By the 2010 National Census the unemployment rate in San Felipe showed a decrease of more than half of its unemployment, but it is still higher than that for Panama City. At this point it is necessary to emphasize that it is difficult to affirm whether this diminution of unemployment rates in San Felipe is the result of the creation of more jobs or just the decrease in the population living in the area that has moved somewhere else.

Table 4.8. Employed Population of Ten Years and Older in San Felipe according to Economic Sector: 2000 and 2010

Economic Activity	2000		2010	
	Employed population	%	Employed population	%
Agriculture, cattle, hunting, forestry, and fishing	49	1.6	38	2.4
Mines	2	0.1	1	0.1
Manufacturing industry	310	9.8	107	6.8
Electricity, water, and gas	16	0.5	16	1.1
Construction	178	5.6	135	8.6
High and low retail commerce, vehicles and motorcycle repair , and domestic and personal items	712	22.4	312	19.9
Hotels and Restaurants	316	10.0	191	12.2
Transportation, storage and communications	190	6.0	92	5.8
Finance	69	2.2	31	2.0
Real State, business and rent	204	6.4	28	1.8
Public administration and defense, obligatory social affiliation plans	445	14.0	242	15.4
Education	116	3.7	51	3.3
Social and health services	117	3.7	40	2.6
Other community, social, personal and services activities	250	7.9	50	3.2
Private homes with maids*	170	5.4	75	4.8
Extraterritorial organizations	3	0.1	52	3.3
Activities not well specified	27	0.9	**	**
Professional, scientific and technique activities	***	***	63	4.0
Entertainment, arts and creativity	***	***	41	2.6
Total	3174	100.0	1565	100

*For the 2010 census this category appears with the name of home activities: employers, different activities of good production and home services.
** This category does not appear in the 2010 census.
*** These categories did not appear in the 2000 census.

Source: *Contraloría General de la República de Panamá. Censos Nacionales de Población y Vivienda. 2000 y 2010.*

Table 4.9. Unemployed Population in Selected Neighborhoods in the District of

Panama: 1980 to 2010

Panama City's Boroughs	1980	1990	2000	2010
Panama City	9.5	12.7	13.1	6.8
San Felipe	9.4	14.1	16.0	9.1
El Chorrillo	14.0	19.2	21.8	13.5
Santa Ana	10.7	14.6	14.8	10.5
La Exposición or Calidonia	10.4	14.2	13.7	8.6
Curundú	20.6	20.6	22.1	11.7

Source: *Censos Nacionales de 1980 al 2010.*

As Table 4.8 makes plain, there were fewer people (almost 50% less) working in different economic activities for the year 2010 than for the year 2000. These high levels of unemployment exist in other nearby neighborhoods, and the high levels in San Felipe are in line with increases in all but one of the selected neighborhoods. This situation creates serious problems within communities, since people are not able to fulfill their basic needs; this in turn contributes to creating more social problems in the neighborhoods such as delinquency and gang related issues.

Housing Changes from the 1960s to 2007

Recall that housing conditions in the inner boroughs deteriorated in Panama City during the twentieth century, and this trend continues today. The historic district of San Felipe was hurt by population growth, as a filtering process began to take place both within the neighborhood and into the surrounding areas. This filtering process started when the low-income population, most of who were laid off after the construction of the canal was completed, became the new residents of these areas. The new tenants, who subdivided the larger rooms into smaller ones, transformed houses that once had three levels with spacious rooms. In addition, the frozen-rent laws worsened the neighborhood's built environment as owners neglected to maintain their properties. Figure 4.12 shows that the boroughs that had a predominantly low-income population within the city core maintained similar monthly rents for thirty years. Other boroughs, that became homes for middle-income families, almost doubled the amount of rent in the same period. This pattern shows that the lowest rent payments were in San Felipe, el Chorrillo, Santa Ana, Curundú, and Calidonia o la Exposición.

Numerous housing laws are on the books (Appendix B.12). Since the 1960s, several laws and decrees regarding housing in Panama were approved. These laws have also shaped the present conditions of the housing market in the country and have contributed to what San Felipe is today. Key aspects of these laws are that rents are set for three years, there can be no sub-leasing, and owners must make improvements to repairs within 60 days. Herein lies the crux of the San Felipe housing dilemma: There are reasonable rental safeguards that have not been implemented by public authorities.

Figure 4.12. Average Monthly Rent Payment for Selected Panama City

Boroughs: 1960 to 1980
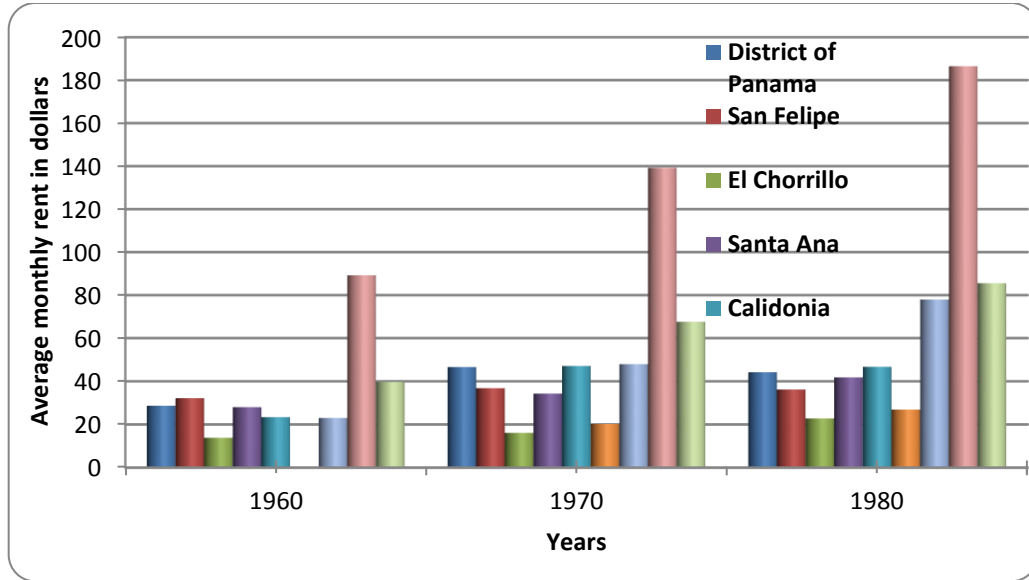
Source: *Censos Nacionales de 1980. Volumen VII. Sectores Censales de los distritos de Panama, San Miguelito y Colón.*

San Felipe has a relatively smaller proportion of housing than the rest of Panama City. The pattern shows a steady decrease in the percentage of houses since 1960, when San Felipe had the lowest rate (Figure 4.13). The probable reason for this situation is that this area is physically small compared to the other neighborhoods and has restrictions for constructing new dwellings because of historic preservation codes and regulations. In addition, many of these buildings are so deteriorated that they have been condemned and are not suitable for occupancy; indeed, several have already collapsed, a situation that has impacted the district's housing stock and limits the amount of affordable housing.

Figure 4.13. Percentage of Houses in Selected Panama City Boroughs:

1960 to 2000

	1960	1970	1980	1990	2000
SAN FELIPE	4.6	4.0	3.2	2.8	1.2
EL CHORRILLO	10.7	8.0	7.1	4.4	3.7
SANTA ANA	14.3	10.3	8.1	7.3	3.6
LA EXPOSICIÓN O CALIDONIA	21.2	17.7	8.3	6.6	3.3
CURUNDÚ	0.0	0.0	4.0	4.2	2.8
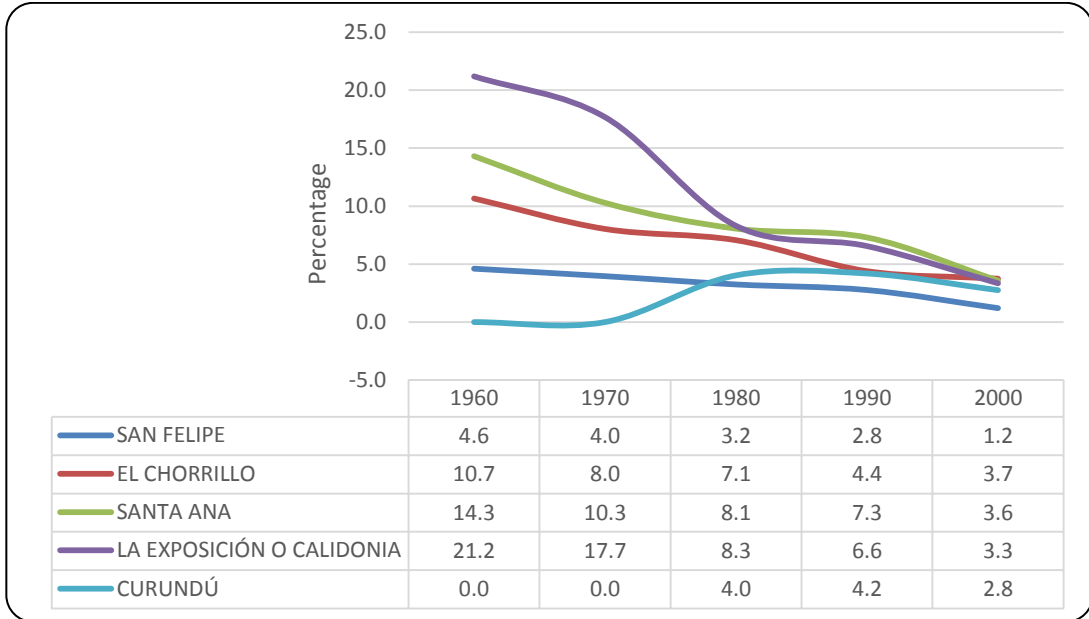
Observation: During the years 1960 and 1970 Curundú was counted as part of La Exposición or Calidonia.

Source: *Contraloría General de la Republica de Panamá.*

San Felipe and its surrounding boroughs did not show a high percentage of houses with dirt floors, or those lacking water, toilette, or electricity in 1990. Curundú was the only borough that showed such gross inadequacies, where, for example, 13% of the houses lacked an indoor toilet. San Felipe had less than 1% (0.8%) of its housing with no electricity.

Patterns for these housing attributes remain constant in 2000 and 2010, but for someone not acquainted with the area, these data might be misleading. Although it is important to know the percentage of houses without modern infrastructure, it is equally important to focus on the conditions of these apartments, water supply, and bathrooms. My fieldwork revealed that deteriorating conditions prevail in ways that are not always measurable. For instance, many

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tenement houses have raw sewage running through their patios, the wooden floors are rotten, and plumbing is falling apart. As for the principal services these boroughs have, San Felipe had a smaller percentage of houses without telephones than the rest of Panama City. Nevertheless, there are other boroughs, like Curundú and El Chorrillo that have an even larger percentage of houses without residential telephones. This situation does not mean that they do not have a means of communication; this is especially true when looking at the 2010 data, since cell phones have become very popular even in poor neighborhoods. A high percentage (60%) of San Felipe tenements are subdivided, renting a room to several families or individuals. This type of tenement housing is called *vecindad*. The other relevant percentages were apartment buildings and single-family housing.

Land tenure plagues San Felipe's residents and bedevils government authorities. In the case of owned houses and those that were transferred in the last forty years, property ownership has declined. However, there is an increase in the total number of condemned[47] houses. In fact, the percentage of houses owned and rented for the year 2000 compared to 1980 diminished to the point that it even reveals a shortage (-3.2 for owned houses, and -59.3 for rented houses). The percentage change of condemned houses reached its highest point during the period from 1960 to 1980 (845.7%), whereas for the period of 1980 to 2000 the percentage change for this variable was 121.6%. This trend contrasts with the District of Panama, where in the period from 1980 to 2000 there was both a decrease in the percentage of owned and rented houses as it was in San Felipe,

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[47] The census of 1980 defines condemned houses as occupied houses that are considered no habitable by the Security office of the Fire Company, the department of Municipal Engineering and the Sanitarian Department of the Ministry of Health. Due to poor hygienic conditions and deterioration, they constitute a great danger for the security and health of their residents. The occupants do not pay rent, but they pay water and electricity. The same definition is used in the 2000 Census.

but unlike this neighborhood it had a decrease in the percentage of condemned houses (Appendix B.13).

The large stock of condemned houses in the neighborhood provides an opportunity for investment, so that speculators can take advantage of the rent gap described by Smith (1979, 1987). This occurs when changes in the value of land in inner-city areas increases, where the "potential value" is still high, but the value of buildings decreases as they deteriorate. The 2010 census showed that San Felipe had 419 condemned houses out of 2,968 houses that were reported for the District of Panama, which means that 14% of houses in the district in this condition were in this borough. But if we pay closer attention to the percentage of condemned houses in the neighborhood as compared to the total number of houses in the neighborhood (1,053), then we have 40% of the houses in San Felipe falls into the category of condemned houses. This is an indication of the neighborhood's deterioration of its built environment (see Appendices B.14 and B.15).

Whereas in many U.S. cities "blighted" neighborhoods have been "modernized" through demolition for public housing projects, highways, parking lots, or convention centers (Levy 2006), San Felipe has been spared this fate. Yet all is not well. Even though most of the original grid pattern and built environment of San Felipe have survived, deteriorating conditions of these tenements have led to illegal occupation by squatters, vandalism, arson, and a blighted landscape that increasingly dominates certain sections of San Felipe. Residents who live in these deteriorated dwellings rely on the government and public institutions such as the Ministry of Housing to solve their housing needs. This behavior has been found in other studies. For example, a 1995 study regarding housing demand among Panama's middle-and low income population in Panama City and David, a main city located in the western province of Chiriquí close to the frontier with Costa

Rica, found that usually households rely more in government resources to have access to land than households in David (Katsura and Romanik 1995: 17).

Land Use, Zoning and Planning in San Felipe after 1960

Effective urban and regional planning are most difficult to implement in Panama. This is not due to a lack of planning regulations and laws, but rather a lack of commitment to enforce laws. Moreover, there is a lack of understanding between the technicians and political decision makers, a prevalence of rule bending, and a rapid urban growth that makes many plans outdated even before they are put in place. Nevertheless, it is necessary to review the key planning laws and regulations that relate to San Felipe's land use planning.

In 2005, the Cartography Division of the Ministry of Housing mapped the condition of buildings in San Felipe. Figure 4.32 shows orange, dark pink, light pink, and yellow areas that are dilapidated or empty structures. In addition, the map reveals another group of buildings, especially houses that have been condemned for various reasons, yet remain occupied, representing an immediate danger for the population living there. Finally, the map shows a group of houses that are occupied and whose physical conditions represent a danger for the population living there at the present. Unfortunately, the map does not show the percentage of structures in a general poor condition.

Commercial and Industrial Use

The arrival of new businesses indicate that San Felipe is becoming more globalized, upscale, and showing signs of gentrification. Freeman describes the telltale signs of gentrification this way: "Associating increased retail activity with gentrification does beg a chicken-or-egg type of question…When this revival [of depressed inner–city neighborhoods] occurs either in a hot

market, a neighborhood with an attractive housing stock, or a neighborhood with a good location, gentrification will often accompany the revival.' (2006: 62)

The number of businesses reported in San Felipe between 1990 and 1999 decreased by 2.3%., while the District of Panama had a 24.9% growth in the number of businesses. A similar situation occurs with other business data. In 1999, three businesses manufactured clothing and three others were dedicated to bakery products, detergents, and wood furniture. Since 1999, San Felipe has had fluctuating numbers of businesses; among these are a bookstore/coffee shop, and an ice cream shop (where a serving of ice cream is relatively expensive at $2.50). There is a shop that sells emeralds that also doubles as a small museum, where they display how these stones are obtained. The establishment, located in front of the Cathedral Park, is Colombian, a country where emerald jewelers are internationally renowned. Obviously, these businesses are intended for new residents and international tourists rather than for neighborhood residents whose median monthly income is USD $305.00. As Holcomb observes about the marketing of cities in the North Atlantic, "in the case of city marketing, efforts are made to enhance the product for tourist consumption, which may or may not be in the interests of city residents" (1999: 56).

The 2010 census revealed changes. There were more restaurants in the area, especially between 1st and 5th streets, where most of the revitalization has occurred. My fieldwork in the neighborhood from 2005 through 2008 found just three family-owned shops ("mom and pop shops") in the area. Moreover, an ice cream parlor, several art galleries, museums and upscale shops selling handicrafts denote a decided shift to upscale consumers.

Planning in San Felipe after the 1960s: Challenges and Accomplishments

Planning has been one of the most problematic issues in Panama as a whole and in Panama City. Neighborhoods suffer from a lack of appropriate infrastructure and the enforcement of planning laws. I argue that the main planning problems, especially in Panama City, are the rapid demographic and spatial growth that the city has experienced, along with a lack in the willingness to apply laws, norms, and codes. This is why there have been several attempts to give the city and the country planning guidelines, but each has been a failure.

In 1961, architect Gaspar Pacheco, who had broad experience in planning, conducted an urban analysis of Panama City. His report, *"Observación Urbanística de la Ciudad de Panamá"* (Urban Observations of Panama City), explored ways to improve the city's traffic circulation. Pacheco proposed changing the Public Market located in San Felipe and to use this space to create public parking lots, and to continue the *Malecón* (seaside promenade) to Balboa Avenue, under the belief that this would reduce congestion.

Thirty-five years later, in 2006, the government demolished this public market, originally built in 1880, and a parking lot was constructed to improve the parking shortage in San Felipe. The positive feature of this measure was a wider entrance for the neighborhood, and more parking lots, even though most of the vehicles parked in the facility will most likely be visitors' cars and not those of San Felipeans. The negative aspect is that several bars and brothels remained; yet the location seems to be quieter than it was before, even with a residual amount of the aforementioned activities. Another downside of this demolition of the market is that a good number of people, mainly residents from San Felipe and surrounding neighborhoods, used to buy their staples there. The pedestrian-friendly market was within walking distance, and vendors sold products in small units, an advantage for those with lower income.

Pacheco recommended the construction of more sidewalks and avenues with trees to reintroduce the shade originally cast by balconies that were destroyed along Central Avenue. He also encouraged the removal of the asphalt from this avenue in order to reveal the original cobblestone (Gutierrez 2002). Like the Brunner proposal decades before, these ideas were not carried out and the city has continued its haphazard growth.

Since the 1960s, the inner city boroughs lost residents, whereas the outlying areas of the city expanded. This demographic 'hollowing out' phenomenon has been occurring in cities in advanced capitalists (Scarpaci 2006) as well as in poor countries (Ford 1996). A myriad of multiple government agencies may account for this disorganized approach to city planning.

For several years, San Felipe was seen only as another neighborhood with its distinctive social and economic activities and problems, even though there had always been recognition of the importance of this area. During the 1970s the Panamanian government began to consider how to regulate San Felipe's land uses, and by 1972 a serious effort began to protect and preserve San Felipe's landmarks and to remedy some of the consequences of the unfettered land and housing markets.

The San Felipe Master Plans: Programs Related to Land Use, Historic Preservation and Economic Development to Revitalize the Area before 1997

It was not until the 1970s that the government hired experts to design a master plan for San Felipe (Flores Marini 1974) despite the several master plans proposed in the twentieth century to regulate Panama City's growth. These master plans concentrated on how to organize the new development the city was facing, but they only mentioned San Felipe in passing. None of them included any land use regulation for San Felipe or how to safeguard this historic neighborhood. For three decades following 1970 the government tried to preserve and maintain San Felipe by

creating several master plans. Thus, the Master Plan for the Historic District carried out between 1972 and 1975[48], funded by the Inter-American Development Bank. The architect Carlos Flores Marini and his team designed this master plan and made a thorough study of the steps needed to preserve this historic area (Flores Marini 1974).

Carlos Flores Marini, a Mexican architect, was a signatory to the Venice Charter (1964) signed in Italy. The charter recognizes the need to preserve monuments and sites around the world and to keep their authenticity. Guidelines were developed to preserve and restore monuments. It was not a coincidence that Flores Marini was chosen for this job. Flores Marini and his team created a plan that is the first study that emphasizes the need to recognize the value of the historic district, or what they call in Spanish *la Puesta en Valor del Casco Antiguo.* In fact, this saying is now the slogan that the Office of the Historic District (*Oficina del Casco Antiguo*) uses to obtain funds for restoration and to boost the economic development of the area. Specifically, the Flores Marini's plan argues that there is a need to restore the monuments while the government tries to "exploit" different activities to help the government recuperate the investment so that the decorum of these areas will be conserved (*Casco Antiguo I: Plan Maestro. Construcciones y Restauraciones, n.d.:* 71). According to this study, the government's primary objective should not be excessively increasing retailing in the area, since the most important aspect of restoration and preservation of these areas was to remind people of their heritage. Nevertheless, economic development is seen as necessary to take advantages of these historic and tourist attractions. This was done with the purpose of raising money for restoration and preservation and to avoid the

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[48] There are few copies of this study, and one of them is located in the Ministry of Economy and Finance where I obtained this information. It is not even catalogue. This is one of the first studies that makes a detailed analysis of the social, economic, and infrastructural conditions of San Felipe.

burden that this restoration can impose if external funds are not available. As Flores Marini (1974) understood in his report, the government needed to decide what policies to implement so to preserve heritage, in a country where a lack of funds available to support these policies was a major concern.

With the emphasis on both the economic and cultural aspects of San Felipe, the Flores Marini Master Plan is one of the first in Panama to note that heritage can be seen as a source of income. In fact, it may be the first time an official Panamanian document outlines the use of heritage as a commodified asset to preserve the historic district. At the same time, the plan argued that Panamanian heritage can reaffirm the country's pride in its culture and serve as an economic booster for activities such as tourism in much the way international laws such as the Charter of Athens (1931)[49] and the Charter of Quito (1967)[50] have proposed. Thus, the concept of heritage promotes both national identity and economic development. Grahm et al (2000: 17) argue that heritage clarifies national interpretations of culture and power within a society and forms "part of the past which we select in the present for contemporary purposes, be they economic, cultural, political or social." Heritage, therefore, is multifaceted because it functions as an economic, social, natural, and political resource.

Although this Master Plan was not fully implemented, some of the recommendations that were enacted include the restoration of the National Theater in 1974, the restoration of the *Mano de Tigre Bastion* and the Town Hall (both in 1977 and 1995), and the partial restoration of the Cathedral, the main plaza and the church of San Francisco (UNESCO 2006). Even with this

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[49] This was the first normative document adopted in the first Congress of Architects and Technicians of Historic Monuments with the purpose of making the international community aware of the need to preserve, and to value historic monuments.

[50] This charter urges the countries of the Americas to preserve their patrimony as part of their heritage and as an economic resource that could be used to improve countries' economy.

minimal amount of implementation, there have been several positive outcomes. In 1976, Law 91 was passed to protect these monuments. Other restorations of four plazas and several ruins of San Felipe were also executed between 1978 and 1984. The restoration of the Arias Feraud mansion and the Las Bóvedas complex by architect Victor Pimentel G. gained support from the Organization of American States (Tejeira Davis, n.d,).

Summary and Conclusions

This chapter summarized the key historical events that have shaped what San Felipe is today. It would be very difficult to understand San Felipe's current situation without setting the stage of these historic, social, and economic events, as well as the physical and demographic transformations that this neighborhood has gone through from its foundation. By explaining these historic processes and the efforts that have been made to preserve the neighborhood up to the 1970s helps to understand San Felipe's current situation.

The attributes of San Felipe's built environment encouraged professionals to take further steps in documenting this patrimony so that UNESCO might consider the *Casco Antiguo de Panama* as a World Heritage Site. After several attempts, UNESCO granted this petition in 1997. In the next chapter I discuss the main tensions, challenges and opportunities regarding this patrimony and its population since 1997.

CHAPTER 5

Between the Present and the Past: Challenges, Opportunities and Outcomes as San Felipe

Becomes a World Heritage Site

Heritage, understood in its entirety—natural and cultural, tangible and intangible—constitutes assets inherited from the past that we wish to transmit to future generations because of their social value and the way in which they embody identity and belonging. These assets shall be used for promoting social stability peace-building, recovery from crisis situations, and development strategies.

UNESCO, Medium Term Strategy 2014-2021.Strategic Objective 7

The entrance or inclusion of San Felipe in the World Heritage Site list in 1997 posed new challenges for this neighborhood. This new status ushered in zoning law guidelines to protect the patrimony. It also provoked a new dynamic of demographic, social (QOL) and economic changes. These changes are the subject of this chapter.

Land Use and Zoning Laws for *Casco Antiguo* after 1997

One of the most recent land use and zoning laws for the *Casco Antiguo* is Resolution 127-2003 from 25 August 2003 in the Official Gazetteer (*Gaceta Oficial* No 24882). This land-use zoning law was specifically established for the boundaries (*linderos*[51]) that appear in Article 37 of the Law No. 9 from 27 August 1997. Among the most important aspects of this land-use-zoning decree are that the Ministry of Housing now approves permits related to land use changes, and must take into consideration dispositions regarding restoration and rehabilitation of the Casco Antiguo. The law approves the following land-use zoning for Casco Antiguo: residential activity, commercial activities, services, institutions, and plazas. This law emphasizes the importance of these activities complying with the parameters required for this area (Appendices C.1, and C.2).

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[51] *Linderos* are the limits between different boroughs and or zoning areas.

The preservation of heritage sites depends on the land use and zoning and enforcement. Unfortunately, these preservation efforts in Latin America do not always go hand in hand with these land use and zoning laws. Scarpaci describes it this way: "If Latin American architectural historians have elevated the discussion of heritage sites, land-use and zoning enforcement has lagged behind" (2005: 9). Given this situation, land-use zoning laws are a necessary tool to preserve historic districts from deterioration and destruction.

Architectural Aspects and Historic Preservation

Heritage is a fundamental driving force in historic preservation, the latter being defined as "The protection, conservation, rehabilitation and maintenance for historical and/or aesthetic reasons of buildings and built areas, also tracts of land that have acquired significance or form due to human occupation or design as well as natural or wild landscape" (Fleming, Hounor & Pevsner 1999: 263). Historic preservation contributes to maintaining an architectural style as well as maintaining heterogeneity of the urban form, helping to preserve the spirit of a place (Ford 1974). Through historic preservation, societies have a certain degree of assurance that their cultural legacy will endure for the next generations. Tung states that this preservation varies according to location, due to the uniqueness of each city, and must therefore be preserved. He specifically points out "in our age of globalization and creeping homogeneity, it is exactly this uniqueness that is in need of saving" (2001: 71).

Balancing economic growth with preservation is a major challenge facing historic districts. Tyler (2000) insists this is a dilemma city officials need to address and resolve since growth can expand the tax base; yet, he argues that if cities need to base its health on growth, the growth needs to be based upon quality of life instead of physical and economic growth. He remarks, "Isn't quality-of-life growth directly tied to a community's image of itself? And isn't that image, to a

large degree, recognition of and respect for its heritage? Growth is good, and historic preservation should be seen as an important component of it" (2000: 168). He contends that there are three reasons why society should conserve the best of a country's buildings: the archaeological, the artistic, and the social First, there is a desire to preserve a structure that has a historical interest and a desire to preserve the past, as is the case of the Metropolitan Church built from 1688 to 1796 (Appendix C.3); the science of archaeology is premised on this belief. Second, aesthetic reasons have to do with the desire to protect something that society considers beautiful and that represents the skill and care of the craftsman. These two factors are very important, but the third—the social factor—is the one that has been the chief motive for preservation in the last twenty or thirty years, so much so that in order to protect these historic sites, international and national laws have been created at the world and local levels.

International Laws Protecting Cultural Heritage

In Latin America, efforts have previously been undertaken to preserve its patrimony through historic preservation. Important documents such as the Quito Norms of 1967 set the stage for protecting heritage sites via specific guidelines. Nevertheless, these international guidelines have been difficult to implement in specific countries due to the lack of physical enforcement of these norms; they are more like memoranda of understanding than actual laws. Thus, these international and national guidelines are effective only if there is political will to protect these sites from being destroyed or dilapidated.

Cultural heritage has been protected at the international level from the early twentieth century. These laws have provided the legal framework for the protection of this heritage and the creation of subsequent national laws. Panama has agreed to abide by each of these laws, and therefore the national laws regarding heritage preservation must follow these agreements.

(Appendices C.4 and C.5) summarize key pieces of international and national legislation.) It is noteworthy, however, that international nongovernmental organizations have no enforcement power; that task is delegated to the Panamanian government.

National Laws Protecting Historic Sites up to 2007

Panama possesses a group of cultural and natural sites that, due to their attractiveness and importance, have received national and even international recognition. Throughout the twentieth century and the beginning of the twenty-first century, different Panamanian administrations have created laws to protect these and similar sites.

In 1995 the Panamanian government presented UNESCO with a proposal to include the Historic District of Panama City as a World Heritage Site. The Geneva-based institution identified well-defined criteria to include a cultural or natural heritage site on its list. In return, Panama would be required to fulfill certain planning and regulatory guidelines to retain this distinction. These criteria are explained in the Operational Guidelines for the Implementation of the World Heritage Convention. In the case of San Felipe's historic district, this neighborhood met UNESCO criteria ii, iv, and vi. Finally, in September 1997, UNESCO included the Historic District of Panama in its list of World Heritage Sites based on the criteria shown in Table 5.1.

Table 5.1. UNESCO Criteria Used to Declare the Historic District of Panama a

World Heritage Site

UNESCO Criteria	Characteristics	Characteristics In The Case Of Panama
Criteria ii	To exhibit an important interchange of human values, over a span of time or within a cultural area of the world, on developments in architecture or technology, monumental arts, town-planning or landscape design	This criterion affirms that Panama has buildings from different periods of time (16th to 18th centuries) with a singular internal disposition. It has multiple-family houses from the second half of the 19th century and first half of the 20th century. Although these houses are not in the best condition, they represent an example of how people find the way to meet their needs through adaptation, recycling and conversion of buildings.
Criteria iv	"To be an outstanding example of a type of building, architectural or technological ensemble or landscape which illustrates (a) significant stage(s) in human history."	According to UNESCO many of the contradictions that occur in Panama affects in one way or another Panama City's historic district; specifically, the deteriorating conditions in which residents in this neighborhood live has become a threat for the built environment of this historic area. For example due to long years of overcrowded conditions buildings such as La Casa Rosada, la Casa Amarilla and other were almost to the point of falling apart.
Criteria vi	"To be directly or tangibly associated with events or living traditions, with ideas, or with beliefs, with artistic and literary works of outstanding universal significance."	UNESCO considers that San Felipe contains a group of buildings (the historic Center of Panama City) and a monument (Salón Bolívar) with considerable historical value that merit preservation.

Source: UNESCO, 2006.

In addition to the historic district of San Felipe, UNESCO included the *Salón Bolívar*, a building located in this historic area, as a part of this heritage site because of its political importance noted at the beginning of this chapter.

Although UNESCO has given San Felipe this designation, the neighborhood has undergone many transformations to its social and urban fabric during the 1990s, including modified buildings (internally and externally), many of which have shown a certain incoherence with the urban norms. These modifications reflect incoherent policies at the local level with its consequent adulteration of the geometric urban layout from the sixteenth and seventeenth centuries, specifically that "The evident urban adulteration, that which is produced by mercantilist or political interests, have become the main threat for historic spaces, which for many years have been affected more or less by an aggressive degradation, regardless if they were defined or regulated as architectonic heritage" (Quintana 1999: 4 [My translation])[52]. Problems are aggravated because laws that protect this patrimony are not always enforced. Thus, historic districts like San Felipe need to both have an urban plan to maintain the patrimony and the mechanisms and will to enforce the laws to protect it.

Quintana (1999: 8) questions whether the designation of San Felipe as a World Heritage Site brought about a sudden interest of some sectors of Panama to preserve historic buildings. What is clear, however, is that indifference toward the built environment in this neighborhood was the norm and not the exception until UNESCO's designation resulted in a sudden interest in the

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[52] The original quotation in Spanish is: "La evidente adulteración urbanística -que se produce generalmente por intereses meramente mercantilistas o políticos- se ha convertido en la principal amenaza de los espacios históricos; todos ellos afectados desde hace muchos años -en mayor o menor medida- por una progresiva degradación, pese a estar delimitados y regulados como patrimonios arquitectónicos".

area, leading to confrontation among groups that have interests in this area. Regardless, this interest, albeit confrontational, may allow for dialogue among groups. Despite these opportunities, Quintana criticizes the government for not applying the urban norms efficiently.

Relevant Characteristics of San Felipe's Built Environment

Like other Latin American historic districts, San Felipe had many convents and churches, of which the majority are today in ruins (Appendix C.6). The convents that existed in the early eighteenth century were Santo Domingo, La Concepción, San Francisco (Appendix C.7), San José, La *Compañía de Jesús*, San Juan de Dios, and La Merced. From those only San Francisco, San José, and La Merced are still in use. The rest have become ruins due to fires and a lack of maintenance of the built environment.

Street Patterns

San Felipe has preserved most of its original grid pattern, but that was deemed during the 1940s as a problem, due to the city's dynamic growth and the increased congestion caused by an increase in the number of automobiles. Not surprisingly, this pattern is now, as then, a problem for the city. In fact, concerning San Felipe, Brunner predicted that it would "be each day more strangled by the density that car circulation has in the adjacent Santa Ana sector" (1941: 361). Although some attempts were made to accommodate the automobile to the neighborhood, San Felipe's street pattern mostly maintains its original layout.

To give the reader a better sense of the width of the San Felipe's streets compared to other streets of the city, I measured two streets in both San Felipe and in the recently built suburban neighborhood of *Brisas del Golf*, some 15 kilometers East of San Felipe. I measured the width of 3rd street West and Central Avenue in San Felipe, the street on which the Arco Chato and the

Office of the Historic District are located. Third Street[53] in San Felipe measured approximately four meters in width (13 feet and 1 inch). I also measured San Felipe´s Central Avenue, which is one of the widest in the neighborhood. It measured approximately 5 meters and eighty-five centimeters in width (19 feet and 2 inches). Both are one-way streets, since it is too narrow to have two cars going in opposite directions. This is the same pattern for most of the streets in San Felipe.

In *Brisas del Golf*, 10th Street West, a side street similar to 3rd street in San Felipe, measured 8.41 meters in width (27 feet and 7 inches); the Main Avenue, a street similar to Central Avenue in San Felipe, measured around 17.07 meters in width (56 feet), or more than double of the width of San Felipe's main street. This example shows that any type of planning for the historic district of San Felipe must take into consideration that this area can only handle a certain amount of traffic. Allowing charter buses and tourist buses into the area would compromise the cobblestone streets and the colonial-building infrastructure extant in the area, since, unlike the *Brisas del Golf* neighborhood, its streets have not been made to accommodate automobiles. It also has to take into consideration that older buildings in the area might be at risk of being destroyed due to vibration by heavy vehicles, e.g., trucks and other machinery that are used to build and rebuild within the neighborhood. (Appendices C.6 to C.11).

Parks, Plazas, and Public Buildings as Places of Contested Spaces in San Felipe de Neri

One of the beautiful elements of San Felipe is its collection of parks, plazas and buildings. The most important parks and plazas include *Parque de la Independencia* (Independence Park), *Herrera* Plaza, *Plaza de Francia* (French Plaza) and the *Esteban Huertas* walk (or *Las Bóvedas* walk), the Supreme Court Building, the French Embassy Building (Figure 5.1), and The *Mano de Tigre* wall.

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[53] I did this fieldwork on 9 February 2007.

Figure 5.1. The French Embassy. September 28, 2006

San Felipe, like other historic districts such as Cuenca, Mexico City, and Lima, still retains buildings that support important symbolic public functions, although some have undergone changes to their original use through time. Among the most important in San Felipe are the Presidential Palace (1921); the Ministry of Government and Justice; the Ministry of Foreign Affairs; the Inter-oceanic Canal Museum (1875), used first as a hotel and then as an office of the Inter-oceanic French Canal and the National Post Office; the Archbishop Palace, used as a headquarters for a public office, a university, an NGO, a health center, and the Government Publication Office; the Star and Herald building where the oldest newspaper in the country was located, and today is a high-income residential building. Thus, the land use of the majority of these buildings has changed over time to fulfill the needs of the economy and the population living there.

As we shall see, buildings, plazas, and parks change uses through time, and as they become objects of commodification, they can become contested spaces.

In order to understand value and appreciate San Felipe's built environment, it is necessary to know more about this patrimony and what it signifies for the residents of San Felipe. In general, Scarpaci states that "[I]n many parts of the world, revitalization, historic preservation, and restructuring are complex and tension-ridden phenomena" (2000: 736). This situation can be observed in San Felipe where revitalization is taking place and areas are being upgraded.

Until the middle of 2006, the *Tomás Herrera* Plaza was a little-used public space, although the plaza had benches and the setting was pleasant. Unfortunately, a gang had taken over the *Pensión García*, a beautiful hotel during the 1970s, located in front of the plaza. After fires destroyed one of the shanty areas adjacent to San Felipe, people were temporally moved there; this "temporary" period actually lasted more than 30 years. Various administrations agreed to subsidize the rent and people occupying the dwellings thus lived there free of charge. The structure deteriorated to the point that, a few years ago, the building was condemned because of deteriorating sanitary conditions. Nevertheless, squatters remained and the situation worsened when gangs took over the building and used it as their headquarters. Consequently, people began to call this building *El Castillo de Greyskull,* "The Grey Skull Castle" (Figure 5.2). Worse still was the building's strategic and visible location: one side of the building fronted Herrera Plaza, a location where residents could sit during the late afternoons when the heat abates, whereas the main entrance of the building faced the busy thoroughfare of Central Avenue. In 2006, all the residents from la *Pensión García* were evicted; now authorities and the owner have sealed the building while it awaits restoration.

Figure 5.2. The Renovated Pension García, Known before as el *Castillo de Greyskull*

(Greyskull Castle). November 27, 2005

The *Paseo Esteban Huertas* and the *Plaza de Francia* are places where there is a struggle between different uses and attempts to recapture the space by the gentry. Traditionally these adjacent landmarks are public areas where people sit to discuss politics or the current economic situation or just enjoy the breeze from the Pacific Ocean. The *Paseo* is a promenade built on the original city's seawall. It has arched bougainvillea trees that have been planted to make the place much more colorful and a beautiful place to rest from the hot sun. At present, this *paseo* has become a contested place, as artisans, mainly Kuna Indians from the coastal region, have been kicked out of the area. A historic district law established that *buhonerias*[54], and other informal

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[54] *Buhonerias* refers to an activity in which people sell small things on the street that they buy from commerce or from other people. It is a local type of flea market.

economic activities, cannot take place in this area. Thus, on the one hand, the artisans[55] argue that they are not *buhoneros,* while the municipality considers that some of them are not artisans.

In this confrontation with the municipality, artisans have come and gone and they are demanding a place where they can conduct their economic activities. These artisans usually sell paintings and Panama hats; furthermore, groups of Kuna Indians sell *molas* (traditionally embroidered tapestries of indigenous design) and necklaces. During the 1990s, a decree prohibited street vendors from selling their goods in the plaza. Nevertheless, these artisans have managed to stay in the Plaza under difficult conditions, not having a roofed place to work, and being forced to endure the rainy season from April to November, as well as an excruciating sun from December to March; furthermore, they do not have access to restrooms. Often police have come to the plaza to evict these ambulant vendors, but they continue to come back. The number of these artisans diminished in early 2007 despite continued resistance with the Municipality. Although some artisans remain in the plaza as of this writing (January 2016), it is unclear how long they will do so. Furthermore, new places of commerce have been established nearby to sell crafts to tourists (Appendices C.12 and C.13) show the areas where artisans usually are found and the new store where they sell tourist crafts. Tourist buses stop in the new area, and the tourists shop in stores there. My field research cannot show that the tourists have been directed to these new shopping places—away from the artisans—although artisan informants have told me that they believe that it is so.

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[55] Artisans are people whose economic activity consists in selling different types of merchandise, but in this specific case they sell artifacts such as *molas,* paintings, collars, hats, etc. The artisans of San Felipe are very clear about who they are. In several interviews I have had with them, they have complained that they do not understand why the municipality wants to get rid of them since they are not *buhoneros. Rather, they are highly skilled indigenous artists who* create handmade products.

As a compromise the Municipality suggested moving the artisans from the Plaza de Francia and *Las Bóvedas* to another location, but artisans have refused to move. In spite of this refusal, they are slowly being displaced to other areas that they believe are not as strategically located as in *Las Bóvedas,* placing them at an economic disadvantage. In defending their position, the Kuna Indians maintain tourists may prefer to buy their traditional crafts, since they are best able to explain the meaning of their works with an intimate detail that an intermediary may not know.

This situation has created a contrast in the neighborhood. On the one hand, there exists a commercial shopping area with air conditioning and other amenities. On the other hand, Kuna Indian artisans, local resident painters, artists, and *raspao*[56] vendors are right next to the modern retail outlets, using simple umbrellas to protect themselves from the rain and the sun. With fewer street venders in the area, the plaza is now often used to present other types of cultural activities, including live performances of traditional dance and music (Figure 5.3). One could argue that the best arrangement for the historic district would be to keep both groups working together to preserve the ambience of the neighborhood and the diversity that made this a World Heritage Site. Regrettably, street retail sellers feel threatened by the increasing number of stores that have begun to move into the area, and owners of these stores object to paying rent and utility bills, costs with which artisans are not burdened.

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[56] Raspao is similar to snow cones.

Figure 5.3. Traditional Dance Performances at the French Plaza. March 3, 2007

Other types of vendors experience similar problems in this area because the functions of

several buildings around the plaza have changed. For example, the Supreme Court building now

houses the office of the National Institute of Culture. Pedro[57], a 61-year-old vendor of *raspao* for

more than twenty years, has lost business because of this change, and he believes that the social

life of the plaza has changed since the judicial functions of Supreme Court moved out of the area.

When the justices occupied the building and it functioned as a courthouse, he used to make enough

money to meet his immediate needs; indeed, he was able to turn a small profit. The court trials

provided a steady clientele, including lawyers, judges, and the general public, people who would

take a break and buy a *raspao* during recesses. Teachers would bring students more often to the

historic district, especially from the interior of the country, but now he notices that there are fewer

excursions. Furthermore, street vendors appear to be cut off from the incipient tourist industry

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[57] The name has been changed to protect the identity of the informant. Pedro is 60 years old and sells *raspao* (snow cones) in the *Plaza de Francia* where the old Supreme Court was located.

taking hold in San Felipe. Although Pedro detects an increase of foreign visitors in the area, they

only rarely buy his product. He suspects very few tourists dare to buy something in the street unless

the tourist guide tells them it is safe, even though he has been given a health-department approval

card (*carnet de salud*[58]*).* Pedro describes in the interview he gave me the situation this way:

> Tourism has been on the rise since I first started my business here, although even if you don't believe me, my business has problems; my business does not fit in with tourism, because the tourists do not buy *raspao*; I do not know why not… there will come a bus with tourists and most of them only watch from the distance, and maybe the tourist guide buys one from me. I do not have complaints about some tourist guides because they recommend my product…and they tell me, "I will buy a *raspao* to see if anyone else will buy it," but they [the tourists] do not buy them, maybe because, I don't know, it may be that they have doubts about the product or because they do not know the product.[59]

Pedro claims that his business is becoming less profitable since the prices for his

ingredients in the *raspao* have gone up. His conundrum is that he cannot raise the price of his

products for Panamanians, because they would not buy it. He thinks that maybe a two-price system

would be appropriate, although illegal; those who can afford to pay the higher prices, the tourists,

should do so, but they will not unless he gets referrals from tourist guides.

Roberto, an artisan who sells crafts in the same area, has similar problems selling his

product. He tells me in his interview that he believes that there probably was an agreement between

the tourist guides and the new tourist enterprises. He states in my interview:

> Now there are businessmen who are working with tourism, but they have their specific places where they take tourists for shopping; they tell tourists in

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[58] A "carnet de salud" (health identification) is an ID the Department of Health provides to food-street vendors, demonstrating the vendor has gone through a series of health exams and that he or she has a permission to sell food.

[59] Lo que sí ha subido de la época aquella a esta ha sido el turismo, aunque usted no lo crea, pero entonces el negocio mío tiene problemas, el negocio mío con el turismo no va, porque el turista no compra raspao, no sé por qué no… pero viene un bus de turistas y ellos nada más que miran de lejos y si acaso le compra a uno el guía y mire yo no tengo porque nada que decir de los guías porque ellos recomiendan el producto …y ellos me dicen yo te voy a comprar un raspao para ver si el personal ve y por medio de eso te compran pero que va ellos se ha negado, no sé será que dudan del producto o no lo conocen.

English that they ought not to buy here, because they will take them "somewhere else." This is a practice that should be eliminated because I consider that the real and concrete producer is the artisan, the one who is making and producing a product, and he is not an intermediary. Unfortunately, this is the way it is, they [the tourist guides] go to the intermediary because over there they give them $20.00 dollars every time they take a group, regardless if they sell or not. It is not that one cannot give them a gift such as a *mola* or a painting if the sales are good, or give them $5.00, but it is not something that can be done all the time because really there is not much [money][60].

Often times, tour guides receive gratuities or small commissions from vendors if they direct large groups to particular bars, restaurants, and other retailers.

Restoration may produce disparate outcomes, and the church of San Felipe de Neri is an example of this. Before its restoration this building was deteriorating, so a group of people created a nonprofit organization to successfully restore the church. However, today the function of the church has changed from a place for daily religious observances to that of a museum. Since its restoration, it officially opens only twice a year, on 26 May, the feast day of San Felipe de Neri, and for Christmas. It may also open during other special events, such as weddings for the political and social elite. Because of the high costs of restoration, the private organization that funded the project is not inclined to have the building function as a regular church. Thus, it is not surprising that some residents feel that the church has been taken away from them. One resident told me that once her sister who lives outside of the country during a visit to Panama was frustrated when she found it difficult to gain entry. Another resident thought that it was good to protect the building because of its important patrimonial value. She recognized the great work of the people in charge

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[60] Ahora si hay empresarios que están trabajando con el turismo pero que ellos tienen sus lugares específicos donde llevan a los turistas a comprar, ellos en ingles el mismo día le dicen no compren aquí que lo vamos a llevar a otro lugar. Eso es una práctica que debe eliminarse porque prácticamente considero yo el productor real y concreto es el artesano es el que está haciendo, está produciendo y no un intermediario. Desgraciadamente eso es así, van donde el intermediario porque allá le dan 20 dólares cada vez que llevan a un grupo vendan o no vendan, no es que uno no les da uno les puede obsequiar una mola, le puede obsequiar un cuadro si la vena es Buena puede darle sus cinco dólares no es una cuestión que se hace todo el tiempo porque realmente no hay.

of the restoration but she feels that it was unfair for the restorers to take it away from the true "owners" of the church: the community residents of San Felipe[61]. Unfortunately, if a building is not used, it very quickly begins to deteriorate and can be lost forever.

This contestation of space has manifested itself elsewhere in Latin America, in addition to Puebla and San Felipe. Urban anthropologist Setha Low's twenty-five years of research in Costa-Rican cities shows how power structures influence urban physical space through community subordination. At times communities might contest this subordination through local action and the use of space (2000). In a similar vein, urban geographer Gareth Jones (1994) argues that this contestation of space is the result of "human agency" where power structures transform the urban space. This is another example of how unintended conflicts among groups and individuals arise, even when everybody agrees about the importance and need to preserve a part of their collective memory of the built environment.

The *Chato* Arch as Example of Cultural Heritage and Contested Meaning

Historic districts such as San Felipe de Neri are a combination of material and non-material elements that are part of the district's cultural heritage, and they are imperative to preserve. In regard to this, Tung (2000) states that when we preserve cities we are preserving environments that have meaning, and because of this the destruction of old buildings is more than the disappearing of bricks and stones.

As this dissertation makes plain, however, this heritage has not always been protected. On 6 November 20003, just three days after the Republic of Panama celebrated the 100-year

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[61] By 2016 the church was opened to the public and they began to hold masses there.

anniversary of its secession from the Republic of Colombia, *el Arco Chato*[62] (The Chato Arch)

collapsed, not to be restored until 2007. The structure is a historic monument built during the

middle of the eighteenth century. For more than 300 years, this structure had withstood fires, harsh

weather conditions, and neglected maintenance. In some sense, this event left the residents of the

historic district of San Felipe de Neri, and many Panamanians in general, with a sense of emptiness

and loss**.** One local resident told me that he blamed the authorities for not paying enough attention

to the monuments in the *Casco Antiguo*. He mentioned that ironically the *Arco Chato* survived

300 years; it was not, however, able to survive government and private institutions' carelessness

(Personal communication from local resident, August 2006).

The cause of the collapse is a matter of debate. Newspaper reports suggest that the heavy

rain was one reason. *La Prensa* newspaper interviewed Claudio Villagra, a teacher living close to

where the Arco Chato is located who believes that age and humidity combine with the rain,

debilitated the structure (in *La Prensa*, November, 8th 2003). Ramon R. Arias Porras, a lawyer and

resident of San Felipe wrote an article regarding the loss of the Arco Chato. He recognizes that the

loss of this monument derives from the neglect of the society who do not give a collective

importance to the preservation of monuments. Nevertheless, he attributed this loss to four major

factors: the private entity in charge of the restoration of the *Mansión Obarrio*, the Office of Historic

District (*Oficina del Casco Antiguo*), the General Direction of Historic Patrimony (*La Dirección*

General de Patrimonio Histórico), and the increasing of parades for festivities (La Prensa,

November 2003).

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[62] This monument, built by the Dominic priests in 1678, has a very transcendental meaning to the history of Panama. They used *calicanto* (crushed rocks), and the monument was used as the representation of Panama's geological stability as an argument in favor of the future building of the Panama Canal.

These four explanations are ultimately, to some degree, intertwined. The restoration of the *Mansion Obarrio,* an old house located a few meters from the Chato Arch, was taking place at the moment this monument collapsed. Arias argues that the restoration of this house was given to "unknown" architects who began an aggressive work using heavy machinery and jack hammers, the vibrations of which he believes weakened the structure. He blamed the direction of the Office of the Old Borough of promoting superfluous public activities instead of working for a real preservation of the built environment. Arias criticized the position of the director of the Office of Historic Patrimony (*Dirección de Patrimonio Histórico*) at that time for not implementing the administrative tools to sanction infractions against the contractors. Finally, he blamed the parades[63] that took place in *Casco Antiguo* because the vibrations might have shaken and weakened the structure's load-bearing columns (La Prensa, November 11, 2003). Whatever the reasons, the loss of the *Arco Chato* is only one of the many examples of the challenges that confront San Felipe and other historic districts that lack a careful monitoring of their historic stock.

Barthel summarizes related problems elsewhere this way:

"…historic structures are a tangible form of evidence of the past and are thus a resource that should not be wasted or treated casually or negligently. Their very tangibility separates them from historic texts and media representations. People visit historic sites in large measure to 'get in touch with history'." (Barthel 1996: 2)

In 2007, in an effort to maintain this "touch of history," the Office of the Historic District (*Oficina del Casco Antiguo*) restored the *Arco Chato*, with funding it obtained from various

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[63] In Panama City and in other areas of the country it is common to have parades, especially the 3rd and 4th of November when the country celebrates its separation from Colombia. Many schools and public institutions participate in these parades with a full array of musical instruments. After the incident with the *Chato* Arch in 2003, the government decided to move these events out away from the *Casco Antiguo*.

sources (Figures 5.4 and 5.5). Restorers used the same stones from the original structure, but needed to use modern materials to secure the structure. It is necessary to recognize this effort; however, the reality is that the original *Arco Chato* is lost. Nonetheless, the historic neighborhood of San Felipe de Neri still retains a series of religious and public buildings as well as parks and plazas that are worthy of preservation for future generations and will serve as attractive sites to promote heritage tourism. At the same time, they are also attractive for gentrifiers interested in living in this historic place.

Figure 5.4. In the Process of Restoring the *Chato* Arch February 6, 2007

Figure 5.5. The Arco Chato Restored. April 10, 2007

Micro Level Events: Shock Elements of Economic Advantages and Market Profiting in San Felipe

Fires, heritage laws, site, and building collapses are shock elements that allowed some people to profit. I shall now discuss each.

Fires have been a threat to San Felipe's built environment since its origin and remain a problem. These fires have affected the neighborhood in two ways. First, fires have destroyed most of the colonial architecture, which is one reason for the few remnants of domestic colonial architecture in the historic district. The only example of a house with a remnant of colonial architecture is the *Gongora* House (1756), recently restored and now used as a gallery and a place of exhibition, and thus a cultural attraction within the neighborhood. This land use is attractive to the gentrifiers (Ley 1986). As an example of how great a threat fires were to the built environment and to residents of San Felipe, it is important to note that, according to Castillero Calvo (1999:

178), between 1864 and 1906 the city had seven large fires. Of these fires, four of them occurred in *El Casco Viejo*[64].

Arson is a threat to any city, especially where wood and aged and haphazardly hung electrical lines are the norm and not the exception. Adjacent neighborhoods to San Felipe faced numerous fires during the 1970s. The government relocated many of these homeless people to San Felipe, which, in turn, increased overcrowding and further deteriorated the housing stock. My interviews with residents of San Felipe who lived in this area long before these fires took place reveal that they, the original inhabitants, are different from those who were relocated into San Felipe because of the fires.[65]

One telling example of how fires have hurt San Felipe is one that occurred at the end of the 1970s. When a fire broke out in El Chorrillo, General Omar Torrijos sent the homeless to La Pension García in 1978, a hotel located between Central Avenue and la Plaza Herrera in San Felipe. The Ministry of Housing paid the owner a yearly rent of $38,000 dollars (*Redacción de La Prensa*, 2005). Although this was supposed to be a temporary solution, it turned out to be permanent. The original San Felipeans claimed that the new residents did not take care of the building and that many were gang members, a situation that worsened the social conditions of the neighborhood. For instance, Mr. Carlos[66], a 53 year-old college-educated resident who has lived

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[64] Casco Viejo, Old Quarter, Casco Antiguo, and San Felipe are used as synonyms.

[65] These original residents do not feel that these newcomers are part of the neighborhood; many spoke ill of them and believe that they have damaged the neighborhood (*dañar el barrio*). This negative phrase indicates that even the urban poor feel threatened by these "outsiders." Thus, the contraposition between "us" and "them " or "others" is both present in how San Felipe's long-time residents view high-income newcomers, and in the way it surfaces between them and other urban poor who were relocated due to the fires. These refugees in San Felipe have been, rightly or wrongly, associated with illegal business such as drug dealing, gang activities, and robbery. This will be discussed in more detail based on the interviews with residents of the neighborhood in Chapter Six.

[66] All the names have been changed to protect the identity of the informants

in San Felipe for 43 years, observed that "the original people…began to leave the neighborhood trying to find new housing alternatives because the government began… to bring people from marginal neighborhoods such as el Marañón, El Chorrillo, San Miguel as a result of the fires [My translation].[67]"

Government neglect worsened the physical conditions of the historic district. Poverty was exacerbated by gangs that threatened the security of residents and tourists. Homelessness and rowdy bar patrons degraded the social setting. Overcrowding led to the creation of a squatter process called the *telaraña*[68] system, which endangered people's lives because improvised electrical lines were fire hazards. Tenants and squatters did not pay rent because of government subsidization. In 2006, the Ministry of Housing condemned the building, which was then the headquarters of one of the most dangerous gangs (*Los Hijos Pródigos,* or Prodigal Sons*)* in Panama City (Arcia, 2005). Condemnation meant that some of the 27 families living there had to be relocated. Today, the building is waiting to be renovated and will likely cater to a high-end market.

Fires have led to residential displacement. A November 2007 fire broke out in one building and families had to be relocated temporarily in a hotel (Appendix C.14). Most likely, these families will have to leave the neighborhood and find permanent housing elsewhere. Residents must confront both speculation and eviction; the latter the result of condemned buildings and risk of fire.

The social history of San Felipe has thus far shown that the deterioration of buildings in San Felipe has been underway for at least a century. One of the reports of this increasing dilapidation that has led to rapid depopulation appeared in 1990 when Elmer Araúz, a city

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[67] Interview conducted on April 9, 2005.

[68] People, especially those living in condemned houses, not paying electricity using a system called *telaraña* (spider web) where they obtain electricity without paying.

alderman (*representante de corregimiento)*, complained about the increase of building deterioration in San Felipe and suggested appropriate measures to solve the problem. He documented that there were around sixty-five condemned houses at that time (Arauz, *La Prensa* 1990), houses that the government had declared were uninhabitable or not suitable as a living area. In the same year, the newspaper also reported that within Panama City there were 566 families living in government installations and private buildings used as temporary shelters. Among the buildings mentioned in this newspaper article within San Felipe are the *Pensión García* and houses 5-39, 8-32, and 8-20 (Quintero De León, La Prensa 1990, 2a).

Appendix C.15 illustrate just how serious the deteriorating conditions of buildings in San Felipe were. The majority of tenement houses in San Felipe and surrounding neighborhoods are wooden structures or they have been subdivided with wood. Both abandonment and low maintenance quickened building deterioration. Of the 45 properties identified, 22 (48%) were completely dilapidated; thirteen buildings that were in the process of deteriorating represent 28.8%. It is noteworthy that several owners had buildings in both categories; one, owned eight buildings or 37%. In 2007, he had significant problems with two of his buildings. The first incident occurred in February, when pieces of the façade from one of his properties, a hotel, collapsed. Three people were killed and one was injured. The second occurrence took place in October, when one of his companies was working on a parcel of land with heavy equipment; the vibrations destroyed an entire wall from the next-door dwelling, injuring two people and leaving at least eleven families homeless. As with his hotel, this latter property was closed due to safety reasons.[69] Other buildings in the area pose similar problems.

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[69] This hotel was latter opened, and as of May 2015 according to the Trip Advisor it has a very bad rating among tourists who have stayed there due to its poor infrastructure. The owner of this building has also been involved with

UNESCO recognition has opened a debate about key planning issues in San Felipe. In early 2006, a confrontation began between owners of the Decameron Hotel[70], which had bought the building where the Old Union Club was located, and members of the community. This confrontation stems from the Decameron Group's intention to build a hotel on this lot, even though the proposed building has design problems that would disturb the skyline of San Felipe. Residents began to protest, especially the San Felipe Residents' Association (SFRA[71], or *Asociación de Moradores de San Felipe*). In January 2006, a representative from UNESCO met with SFRA and listened to their complaints and a report was filed on the situation; thus far, the hotel administrators have decided not to build the hotel.

Another problem confronting San Felipe is that economic interests often overwhelm the common good, exemplified in a case reported in a newspaper story about the remodeling of a building bought on the Eloy Alfaro Avenue. The owner, a British businessman working for the Panama Ports Company, hired a company called *Inversiones Proserpina S.A* (Proserpina Investments) to repair the structure. The main issue here is that the businessman bought five lots with the purpose of integrating them into a single lot. In the process, the investor intended to keep the façade. However, this building was classified as "first order[72]" by the law that classified the buildings in San Felipe; buildings that belong to this category must not have main changes in its infrastructure, and therefore be remodeled, but only preserved and restored (El Panama America Newspaper Online June 10 2004). In spite of the law, the owner fused five lots into one and

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law suits brought by foreigners who bought apartments in another building he was renovating; they have not as of this time received their apartments (Hernandez, 2014).

[70] The Decameron belongs to a chain of hotels from Colombia that have bought several properties in Panama.

[71] Residents of the neighborhood with different backgrounds formed this association. This subject will be fully discussed in Chapter 5.

[72] See table 4.22 for the classification of buildings in San Felipe

integrated the infrastructure, thus breaking the harmony of the urban structure and the area surrounding that building.

Within UNESCO, the International Council of Monuments and Sites (ICOMOS) is an international non-governmental organization of professionals who are dedicated to the conservation and protection of the world's most important historic monuments and sites. Panama is a member of ICOMOS. The National Committee of Panama described the situation of the building on Eloy Alfaro Avenue this way:

> In spite of our calls for consideration, an unfortunate situation recently took place. In a current 'rehabilitation' project, consisting of four historic buildings located in and formerly part of the Hospital and Convent of San Juan de Dios, demolition took place of the historic façades and a new internal structure was built that considerably altered the scale and size of the original building as well as being visible externally… It is our understanding that the DNPH[73] authority gave permissions for the demolition without previously consulting the CONAMOH commission. Moreover, it is clear that there were no appropriate supervision controls to prevent and avoid the alteration of scale. (ICOMOS Panamá, 2004/2005: 188).

Based on this report, ICOMOS Panamá called on the international community to support its cultural heritage. Unfortunately, by December 2007, the owners had completed their renovations of the building. This example raises the issue about the need to understand how the different social actors (i.e., developers, preservationists, politicians, and the general public) conceptualize authenticity and how historic structures help to shape collective memories, that "what we make of them is up to us" (Barthel 1996: 10). This is just one instance of how the lack of land-use enforcement is an issue in preserving a country's heritage and how economic interests may override the interests of local residents.

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[73] The DNPH is the National Office of Historical Patrimony (Dirección Nacional de Patrimonio Histórico)

Globalization, Gentrification and Investment in San Felipe

Nothing captures the phenomenon of globalization more than what it is happening in San Felipe de Neri. Many of the buildings that have been bought now belong to foreigners, including French, American, Canadian, Colombian, and other foreign nationals, all interested in living in the historic district. Some of them are retired and desire a place with the charm of "human scale" that is cheap enough, according to their standards. One often sees in San Felipe people from different parts of the world walking with a realtor around the neighborhood. Prospective clients range from businessmen to artists interested in living in an area that, as noted above, has still preserved its human dimensions. As Smith points out "The reach of global capital down to the local neighborhood scale is equally a hallmark of the latest phase of gentrification" (2002: 441). Some of these potential buyers came to Panama as tourists and later decided to rent or buy in the area. Judd and Fainstein, years earlier, discussed the role of tourism as an importance force and the patrimony as a commodified asset. They concluded that this is what changed travelers into tourists, when tourist experiences are commodified throughout the tourist industry. (1999: 1). Thus, historic districts are sold as consumer products. In the case of San Felipe, the buildings that once were neglected have become commodified artifacts used to promote tourism.

Paul[74], an American retiree who visited Panama with his wife as tourists in 2006, who later became a resident of San Felipe, knows very well this transformation of travelers into tourists. He comments in an interview that he fell in love with the area and has lived and invested in several buildings in the historic district since early 2007. He told me that "If it were not for San Felipe we would not live here", referring to his family's decision to live in Panama. When I asked him about whether tourism is influencing the neighborhood, he observed:

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[74] Interview conducted on April 2007.

Tourism is probably what's driving it. Everybody, including us [referring to him and his wife], that came here sees the draw and it is why the investment is so important; …if you travel to Panama, first you want to go and see the Canal, second you want to go see the Old City, because there is beauty, and you know that will keep the restaurants open, that will keep the hotel rooms filled; it will keep the shops open and doing well, and it will bring a people that will want to live here and that will spend three or four months here a year, and that's what tourism is; it's a matter of …harnessing that, and making people feel safe and welcome, and I think that's the key of the restoration of the city.

This might be an example of the existence of a "globalized middle class," one that plays an important part in the relationship between consumerism and tourism (Mullins 1999: 253). Yet, there is an uneasy relationship between tourism and gentrification, and market uncertainty is disquieting to the locals. San Felipeans watch suspiciously as these foreigners walk through their streets, and they wonder whether or not their building will be the next to be bought by a new "investor." I personally have experienced this situation when once I stopped at a street corner to take a picture of a building, and a woman asked me if I was doing so because someone was thinking of buying it.

The rebuilding of the historic center responds to the expectations of international aesthetics, tastes, and lifestyles. The oldest part of the city is the one that has been rehabilitated to attract investors; the Ministry of Housing relocated renters to the periphery, arguing that the place was unsafe to live. In this process there seems to be a selection of the patrimony where wood houses with typical Caribbean architecture have not yet been repaired. (Collin 2008).

High-income Panamanians who are descendent from the earlier or even original residents are also interested in San Felipe. In 1992 an article reported that "Regardless of the conversion of old single family housing into rental housing, the relationship that the elite kept with its old neighborhood did not completely disintegrate, but it only changed its appearance, since they were

still united by the delicate string of money. Now, the descendants of those who have left desire to return, to live there again" (Turner,[75] 1992).

The arrival of the entertainment industry in San Felipe has further complicated the lives of many of the residents of San Felipe. This aspect of globalization, especially in the making of movies and television programs, can be seen side-by-side with the daily activities of the residents. For example, one Sunday in December 2007, I visited the neighborhood, and there were three movies being shot at the same time. Sassen and Roost (1999: 145) have addressed this issue of the influence of the entertainment industry on the globalization and homogenization of cities as a way to promote modern tourism, arguing that technological innovations and government deregulation have encouraged the growth of the media market at the global level. Although the authors address how the globalization of the entertainment industry has contributed to homogenized cultures and how these giant corporations are absorbing smaller corporations everywhere, there is evidence that this globalization of entertainment industry is contributing to gentrification since tourists and international middle and upper income groups see these places in movies and television programs making them a place to gaze upon, to visit, and to live (Appendix C.16). Historic districts convey a sort of romantic and nostalgic ambience that harks back to a bygone era.

Gentrification and Investment

Affordability is one of the biggest concerns for residents of San Felipe. The desire of international newcomers to live in old homes with distinctive architectural and environmental designs creates a demand for inner-city housing (Thomas 1991). This situation results in the arrival

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[75] "*Debido a la conversión de estas antiguas viviendas unifamiliares en casas de alquiler, la relación que la élite mantenía con su antiguo barrio, no se desintegró por completo, sino que solo cambió de cariz; siguieron unidos a él por un delicado cordón de ``plata''. Ahora, los descendientes de aquellos que abandonaron esta área, desean volver a vivir en ella*".

of gentrifiers who look for these opportunities. Paul, the American retiree, is an example of how the process of buying property in Panama takes place and why gentrifiers like him decided to buy in San Felipe, although this neighborhood was in an earlier stage of the revitalization. He told me that they bought a building and two warehouses "because it was such a good deal when we saw them on the Internet. We actually almost bought them sight unseen because the square footage, and the price was [sic] excellent." He explained that:

> all the ground floors are warehouses and then the second floor or the first floors above the ground are all apartments. And we have thirteen apartments in there and only two people in all out of the thirteen pay rent, but the property makes a positive cash flow without investment, just from the income from the commercial spaces below. So, it was a great buy; it was something that we bought as a future investment. We are just kind of sitting on it right now, and we are actually in the process of trying to get the people to pay rent upstairs, so that we can upgrade those apartments, and make them a little nicer and better for people to live in.

Paul and his wife had tried to buy other nearby properties on four other occasions, but by the time they decided to go ahead and make an offer, someone else had already bought the properties. This is just one example of how the real-estate market in San Felipe is becoming more competitive, with investment and rent rising quickly due to gentrification. After the 1997 UNESCO recognition, land prices rose up to $400/m^2, and the price for the sale of a condominium was around $1100/m2 (Tejeira Davis 2001). The real-estate webpage *Inmobiliaria San Felipe,* showed that eight years into the UNESCO designation, rent for a 97 square meter apartment had reached $850.00 and a 128 square meter apartment was $1,800.00 *(Inmobiliaria San Felipe* [San Felipe Real State] 2006). These rental prices are not the exception; rents in most of the restored dwellings in San Felipe listed in this price range. Figure 5.6 shows an example of many dwelling that are being marketed for sale in San Felipe.

The rent gap has been profitable for business, and properties have been bought very cheaply due to their deteriorating conditions. After renovation and the subsequent rise in rental costs, it

becomes difficult, even for a Panamanian professional, to be able to afford such prices. As Tejeira Davis argues, "Today the conflict between the 'gentrification' process [in San Felipe], property investment and the poverty and exclusion of a large part of the existing population is obvious" (2001: 58, my translation). Given the extent of the renovation process, along with the new shops, restaurants, and other business that are moving into the area, one may expect the price of land to rise even higher.

Revitalization has also brought money laundering into the historic district. In 2007 it was discovered that one the most powerful Colombian drug traffickers bought a hotel and a house in one of the most popular plazas, the *Bolivar*, close to the Ministry of Foreign Relations. This is just one example of how organized crime has little fear, and, like Cartagena, San Felipe faces potential negative aspects of becoming a World Heritage Site and a "desirable place" for speculative investment in which areas like this do not escape these problems. Fortunately, authorities were able to detect this situation and took measures to punish people involved in these activities.

Figure 5.6. Properties for Sale in San Felipe. September 28, 2006

Speculation and Relocation: Two Faces of the Gentrification?

Speculation has been rampant in San Felipe since 1997. A newspaper (Winner, 2006) reported that the National Institute of Culture emphasized that authorities were going to apply the law on those property owners who have failed to restore the buildings and empty lots, clearly violating Law 9 from 1997 that regulates San Felipe's constructions. As a result, the National Institute of Culture, in a press conference, announced that building owners would be fined up to $10,000 USD.[76] Yet, as of January 2016, very little had been done regarding this situation.

Whether because of railroad construction back in the 1850s or the construction of the Panama Canal in the 1890s and 1900s, speculation is no stranger in the Panamanian real-estate market. This in part is because the economy of Panama City has always been dependent upon the service and finance sectors, especially foreign investment. I argue that this situation has not changed, and it is unlikely to change in the near future. There is an increasing trend to attract international investors, either as a place of tourism, second-home retirement, or as an investment paradise due to the Canal, the Colon International Duty Free, Balboa port, Manzanillo International Terminal, Colon Container Terminal, Evergreen and Cristobal ports, and other amenities. Magazines such as *Travel and Leisure* used colorful language in describing the country: "Panama City is fashioning itself as the culturally savvy gateway to the Canal Zone: Once you've settled in, get out and shop" (cited in Smith 2002: 447). Other areas such as the so-called Reverted Areas[77] are also being sold to the highest bidder. Tejeira Davis, referring to this situation, states that:

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[76] By 2012 the situation regarding speculation did not change much. In this year *La Estrella de Panamá* a national newspaper reported the discussion of Law 433 in the National Assembly where they encouraged property owners to abide by the restoration and rehabilitation of buildings of the *Casco Antiguo*. They also emphasized the possible administrative sanctions they could face if they left the buildings to decay further.

[77] These are the areas that were part of the Panama Canal Zone and in which Panama has total jurisdiction since December 1999. Many of these areas have become part of the real estate market options and they are sold at very high prices

Since the extinction of the "Zone", these lands are inserted little by little into the crude Panamanian real estate market, one that historically has been defined by large scale speculation and where urban and regional planning have been commonly set aside to created interests. No doubt, privatization will bring big changes in the canal-zone landscape: with luck it will survive several forest reserves and architectonic groups that acclimate themselves to the new conditions of the market and to the rapid development that the Panamanian State promotes" (Tejeira Davis[78], n.d.: 9 [My translation])

It seems, therefore, that San Felipe might face the same fate that is expected for the former Panama Canal Zone also called the Reverted Areas (*Areas Revertidas*), if land prices continue rising and speculation continues at the present rampant pace.

Affordability of Housing for Residents: A Myth or a Reality in San Felipe

Some residents of San Felipe realize that they need to be proactive if they are to be able to remain in the area. Since the middle of 2005, they have tried to obtain some housing solutions from the government that will allow them to remain in their apartments. To this end, the Ministries of Housing and Social Development have interviewed residents to see who has the capacity to pay for what they call *viviendas de interés* (special social-interest housing). Those residents of San Felipe who could afford to pay rent would stay in the neighborhood under the new program.

Thus far, the Ministry of Housing has rehabilitated two houses, the *Boyacá* and the *Casa Rosada*, with a third still under renovation, the *Casa Amarilla;* they are expecting to rehabilitate a few more with the help of some private companies. The government has been able to keep these houses for rental dwellings, as they are located on the *explanada,* national land owned by the

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[78] The original quote from Tejeira Davis in Spanish is the following: "*Desde la extinción de la "Zona", sin embargo, las tierras se insertan poco a poco en el crudo mercado inmobiliario panameño, que históricamente se ha definido por la especulación en gran escala y donde la planificación urbana y regional comúnmente se supeditan a intereses creados. Sin duda, la privatización llevará a grandes cambios en los paisajes zoneítas: con suerte sobrevivirán algunas reservas forestales y conjuntos arquitectónicos que se adecúen a las nuevas condiciones del mercado y al desarrollismo que promueve el Estado panameño*.

government. This *explanada* is what in the past the *arrabales* were. Specifically, the *Boyaca* restoration is the first complete example of this program and has undergone full restoration with the help of the Spanish Cooperation (*Cooperación Española),* the Andalucía Board from Spain (*Junta de Andalucía de España)*, and the Ministry of Housing. These are examples of government attempts to apply planning policies that could help a few residents to stay in the neighborhood.

After the *Boyaca*'s restoration in 2006 (Figure 5.7), low income and retired residents from San Felipe have relocated there. They live on the ground floor, and there are tenants in the upper levels of the building waiting to be relocated somewhere else. In addition to its use as a dwelling, the Ministry of Housing calls it a House-School (*Casa Escuela Boyacá)*, because one of the purposes of this house is to teach residents how to live in a historic area by helping them to learn more about the historic district, how to live more in community, and how to cope with the development of tourism and other changes the neighborhood was facing (Barrio et al., 2009).

Table 5.2 lists the housing projects this ministry had planned for San Felipe's low-income residents at the end of the study period (2007).

Table 5.2. Number of Projects in San Felipe for Residents of the

Neighborhood: 2007

Project	Housing units provided	Investment ($ USD)
Casa Rosada	8	$150,953
Casa del Profesor	20	3,815
Casa Amarilla	12	113,646
Boyacá	24	600,000
Inmueble D2-146 (San Felipe)	11	165,000
Inmueble D2-158 (San Felipe)	6	90,000
Inmueble 10109 (San Felipe)	7	105,000
Total:	**88**	**$1,228,414**

Source: Ministerio de Vivienda. www.mivi.gob.pa/6LOGROS/panama.htm

Figure 5.7. The Boyacá House Restored

Another problem confronting the *Casco Antiguo* is building deterioration. As a part of the programs to revitalize the *Casco Antiguo*, the Ministry of Housing has decided to begin a program to restore some buildings that are close to collapsing. That is the case with houses No. 1 and No. 2, located between Avenue A and 10th street. According to Mari Carmen Rodríguez, who coordinates the projects for this historic area, these houses are part of the *Manzana* (square) 52, also known as *Mano de Tigre,* formed by four other houses. These houses will be restored via private enterprise and they will have twelve apartments, a social area, and a commercial area. According to Rodríguez, the houses will be rebuilt with their same architectural details, including nineteenth-century Caribbean décor with French doors. In a personal interview with Ms. Rodríguez, she told me that the Ministry of Housing had several houses that were going to be repaired in order to allow some residents from San Felipe to stay in the area (personal interview with Mari Carmen Rodríguez on November 2006). There are now several families that are living in the *Casa Rosada* (Pink House).[79] Many low income residents wanted to have their very own place to live; what the Ministry of Housing is doing is giving them a place to rent, but they have not offered them yet a more secure alternative, owning the apartments as long as they are able to get loans to pay for them. In March 2015 officials of the Ministry of Housing published on their website that they were conducting meetings with residents of San Felipe to explore the possibilities of building affordable housing on lots that belong to the State. In fact, they assured residents that one of these buildings will be built nearby Tomás Herrera Plaza and the size of the apartments will be between 50 and 60 square meters. In the same website they announce they have joined forces with the National Loan Bank to find other lots that could be used for this purpose within the neighborhood (*Ministerio de Vivienda y Ordenamiento Territorial*, 2015).

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[79] I field checked that these families where still living there as 2014.

In spite of these efforts to create low-income housing in San Felipe, the majority of residents may have to leave because of the revitalization and gentrification processes. Some residents of San Felipe continue to pray to Saint Eduviges who, according to the Catholic tradition, helps to provide housing for people. Residents will buy or make a model of a house and then take it to the church as a request to the saint for shelter (Figure 5.8). The interesting aspect of this tradition is that, as people feel threatened by eviction, the number of houses increase in front of the image as a reflection of the housing shortage in the area and the gentrification process.

Figure 5.8   Saint Eduviges the Patron of Shelters. September 14, 2007
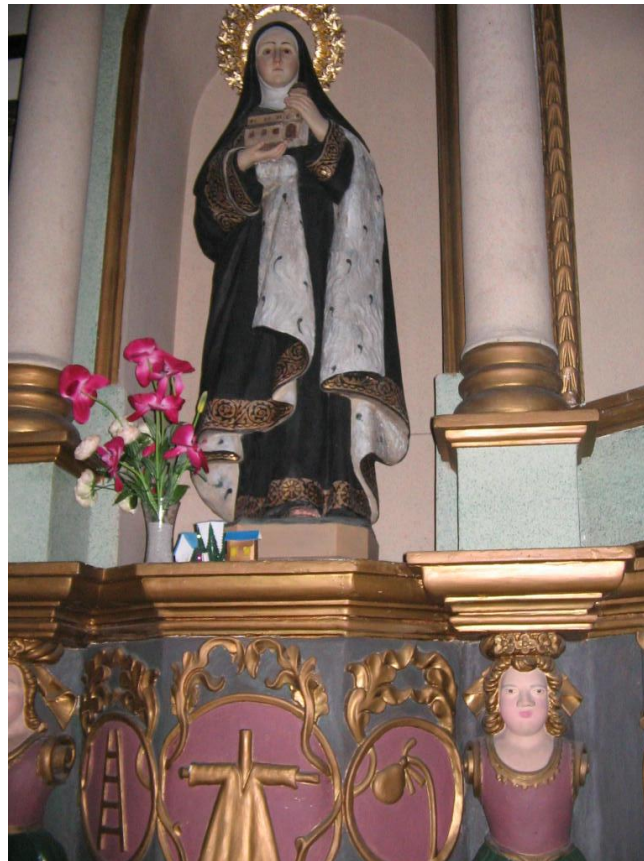
The Dilemma of Staying or Leaving: Revitalization, Gentrification, and Displacement in the Historic District

When did gentrification begin in San Felipe? In general terms, the early 1990s marks a good starting point. One of the first "celebrities" to move into San Felipe was the former mayor of the city, Juan Carlos Navarro. Then, in 1992, the Municipality spent $750,000 USD to beautify San Felipe's parks and selected facades. Residents, however, complained that the municipality had done nothing to help people who were living in condemned houses, in hostels, and in houses whose owners had not repaired obvious problems (Reyes, 1992). According to investigator reporter Reyes, the main objective of the director of Special Projects from the Municipality at that time was to improve the neighborhood for tourism. For example, the Association of Hotels and the Municipality began a program at this time to increase the amount of cultural activities in the historic district to attract more tourists.

By 1994 newspapers began to show an interest in the physical situation of San Felipe and the plans for its future. In one article, Tejeira Davis[80], described the historic center of Panama as follows:

> With all its significance, the historic center of Panama offers a sad kaleidoscope of the carelessness, greed, and exacerbated out-of-control policies. In San Felipe there are good intentions at the official level, but there are not effective instruments to assure a coherent conservation; … between urban renewal and the policy of exacerbating overcrowding, by placing homeless people in condemned housing, the state is contributing to the destruction of the few old houses that still remain standing. Between the inefficient state work [*estatismo*] and pure investment, there is not much participation

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[80] The original quote from Tejeira Davis in Spanish is the following: *Con todo su significado, el centro histórico de Panamá ofrece un triste caleidoscopio de desidia, codicia y políticas descarriladas. En San Felipe hay buenas intenciones a nivel oficial, pero no hay instrumentos eficaces para asegurar una conservación coherente;… entre Renovación Urbana y la política de hacinar damnificados indigentes en casas condenadas, el Estado contribuye a destruir los pocos conjuntos de casas antiguas que aún quedan,… Entre un estatismo ineficaz y la inversión pura, no hay mayor interés por una participación de los moradores actuales del centro histórico; toda postura que huela a populismo produce temor.*

from the actual residents of the historic center; all these positions smell of a populism that produces fear. (Tejeira Davis, 1994 [My translation])

Indeed, the city government has seen revitalization as a way to improve San Felipe's physical conditions for the purpose of obtaining money through taxes and making alliances with private enterprises. Unfortunately, without careful planning strategies, the results could be disastrous for the neighborhood and its residents. Private investment and speculation have left an indelible mark on the neighborhood.

Even months before the Historic District became a World Heritage Site, the government had already approved a law to provide incentives for investors and buyers in *Casco Antiguo*. On 27 August 1997, the National Law 9 took effect for San Felipe, establishing what is called a "special incentive" for restoration and valuation of the *Casco Antiguo* (of Panama City ("*Régimen especial de incentivos para la restauración y puesta en valor del Conjunto Monumental Histórico del Casco Antiguo de la Ciudad de Panamá*"). In this document the government establishes criteria to determine building restoration according to a building or monument's importance based on historical value (Table 5.3).

The building classification tells the owner of the house or the real estate agency what is allowed for each category. In 2007 there were 940 properties[81] in San Felipe, of which 747 were buildings. Articles 4, 5, 6, and 7 specify the complicated procedure a person interested in restoring a building needs to follow (Figure 5.9). This makes it difficult to gentrify.

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[81] On April 7, 2014, Ohiggins Arcia, a journalist from *La Prensa,* reported in an article titled ¨The Old Quarter Lacks Social Interest in Housing¨ that, according to the Direction of Historic Patrimony, there were 845 buildings in Casco Antiguo of which 345 were totally abandoned, 145 were restored; the rest were in the process of being restored. In the same article he mentioned as well that Patrizia Pinzón, a member of the Association of Neighbors and Friends of the Old Quarter, Asociación de Vecinos y Amigos del Casco Antiguo (AVACA), explained that in the neighborhood there are many people who live in a vulnerable situation. According to her the State owns more than thirty properties in the neighborhood and has neither developed them [for housing] nor assigned them for people who live in this situation.

Table 5.3. Building Classification in San Felipe

according to its Historical and Architectural Importance

Building Type	Description
1ˢᵗ order	*A building that has great value, totally or in part, because it has the following attributes: it has been built before 1850 or it is one of the best examples of architecture of its time; or because who had lived there or the events that happened there; and it is preserved integrally, at least for the most part.*
2ⁿᵈ order	*A building that has some value due to the conservation of several of important architectonic elements that is from or before 1850, having the best architectonic value of its period.*
3ʳᵈ order	*A building that has little architectural value, but having great environmental value. It must preserve the existent façade, it is prohibited to add new floors to the front of the building, and the roof must be built with the same original inclination. Garage doors will be allowed only when they can accommodate an existing open space without modifying its shape of size.*
4ᵗʰ order	*A building built after 1940 with little or no architectural or environmental value. For this type of building, there is freedom to rebuild if it improves the environmental quality of the site and if it respects the existent norms. New infrastructures of only in this type of buildings will be allowed to be built and only on empty lots.*

Source: Ley 9, 1997 (Law 9, 1997), my translation.

Figure 5.9. The Process of Project Approval in San Felipe
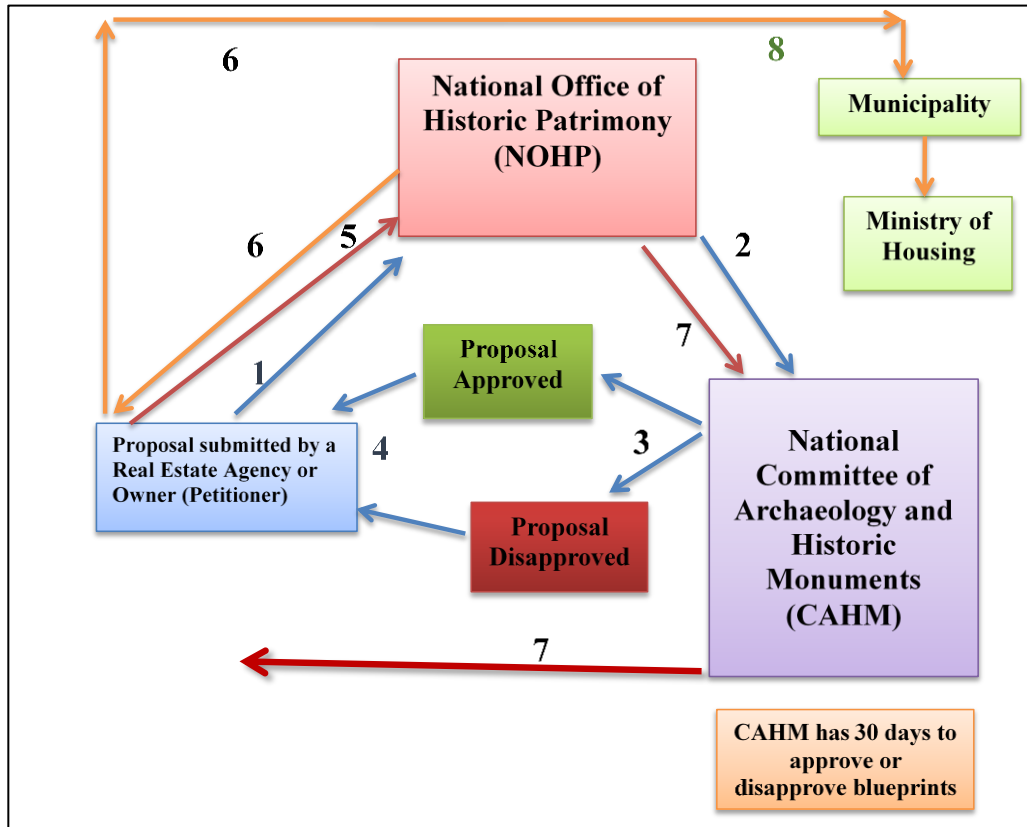
Source: Drawn by the author based on the *Ley 9, 1997*.

Project approval to restore or rebuild a building is cumbersome and chaotic. I have tried to

summarize this process in eight steps. The first step of this process is that the petitioner presents

the proposal with complete documentation to the National Office of Historic Patrimony (NOHP).

Second, NOHP has a period of 15 days to send this petition to the National Committee of

Archaeology and Historic Monuments. Third, the committee approves or disapproves the project.

Fourth, in both cases the proposal is sent back to the petitioner. The disapproved petition is

returned with recommendations. If after the committee meets there is no answer in 15 days

regarding the proposal, this proposal will be considered approved. Fifth, if the proposal is not

approved, the petitioner may make changes to the proposal, and he or she must send it again for

approval and the process will start over (steps 1, 2, 3, and 4). If the proposal is approved, then the petitioner makes the final blueprint and sends the document to the NOHP for its approval, and begins the process again. Sixth, if the blueprints are the same as the proposal, then the CAHM will approve it and send it to the petitioner who, in turn, will send it to the Municipality for its approval. The committee has 30 days to approve or reject the blueprint. Seventh, if any change is made to the original proposal previously approved, then the committee will send it back to the petitioner for the corrections, and he or she will send it again with the suggested corrections. Eighth, once the final blueprint is approved, the petitioner will have to obtain permission from the Municipality. The municipality will not grant this permission unless it has the approval of the CAHM. After that, the petitioner will obtain the final permission from the Ministry of Housing and other relevant institutions (Ley 9, 1997)

Property owners and real-estate agents who I have interviewed consider this an extremely complicated process. It takes a lot of time, something that hurts investment and delays building restoration. Paul, the retiree resident and businessman I mentioned earlier, also complained about the laborious process. He said one of the disadvantages of living in Panama City, and specifically in San Felipe, is

> … that right now there's a lot of government red tape. It is very hard to get things done, and we do not necessarily know who to see, what to do, and those things, so it is kind of difficult to do business, to get along on…a yearly basis, not just daily, but to make things happen for the future; …it's difficult but it's well worth the problem.

On the same subject, Gloria, the real estate agent I interviewed in November 2007 commented on her frustration with the process, complaining that it takes too long. Likewise, she blamed the authorities for not quickly evicting enough people who are not paying rent, and thus allow her to renovate and sell buildings.

Another issue in San Felipe stemming from Law 9 is found in Article 36, establishing that if a person were evicted, he or she would have one month for each twelve months that she or he had lived in the dwelling to move. However, this period of time could not be less than a month or more than six months. Additionally, the owner had to pay the renter the equivalent of one month's rent for each year the renter had lived in the building, up to six months and but less than one month. However, if the tenant was behind on his or her monthly payments, then the renter could discount the debt owed (*Ley No 9 1997*).

This article was reformed in Law 4 of 2002; it now gives the same time to renters as the article before, with the exception that it establishes a table of payments ranging from $5,000 for those renters who have been living in the dwelling for more than 40 years, and $2,000 for renters who have been living in the dwelling for 20 years or less from the date the law took effect. The reform also establishes that if the tenant owes rent to the owner, then the owner can discount the amount that is owed in these severance payments. Unlike the article from 1997, this article does not specify whether this discount will commence from the moment the renter has received the eviction notice, or stems from the moment the renter stopped paying. This is a very important issue since many renters had been living in dwellings for many years and did not pay rent for different reasons. Renters have told me that owners had offered them around $300 to $500 to leave, since they had been living there for a long time without paying rent and, given the deduction for non-payment, they had no right to compensation.

Another addition claims that a property owner or an investor who pays the indemnification will have the right to receive a reimbursement via the national government (Law No 4, January 15 2002). Although seen as an important incentive for owners and investors, it actually promotes instability in the neighborhood, since some residents take the compensation, whatever it is, just

because they believe they would be displaced anyway. Atkinson observed similar situations in Greater London when he writes, "…history has shown us many examples of the ways in which legislatures, the wealthy and the politically influential have managed to move the poor when it was profitable or expedient to do so" (2000: 149). In the case of San Felipe, all examples point to that end. Law No 4 ended in 2007 and no new law has been passed by the National Assembly to replace it. For now, it looks as if the investors are in legal limbo until a new law is approved. [82]

Fears of Displacement and Eviction in San Felipe

From the early 1980s, residents began hearing more about San Felipe becoming a World Heritage Site. Many understood this to mean that they most likely would have to leave the area. Luisa, a 65-year old retired, and a former resident of San Felipe for 30 years, was a community activist, but had to move out in 1999. Her experience reflects the filtering process from the housing literature perfectly:

> Since 1982, I knew that this remodeling of the historic district was going to take place. I have met with the [Director of Historic Patrimony] that was so and so, and he told me "I cannot tell you when the remodeling of the historic district will come …There is no money for what they want to do, but I do know that in the future this will take place." From that moment on, I started to gather people to inform them that we had come together as a block, to have an association, so we could fight and request when the moment would come. Unfortunately, I didn't achieve that goal… we had what we had. (Interview of Ms. Luisa, February 11, 2006).

Luisa's comments show how local residents are relegated to mere spectators.

In 2005, I met Blanca[83] and interviewed her in the room where she lived with her children. The room and the building were in a dilapidated condition. She was a single mother of four who

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[82] On January 17 2014 the National Assembly approved law 136 from December 31 2013 where it establishes an extension of benefits for investors.

[83] The name has been changed to protect the informant.

had lived in San Felipe for 27 years. When I asked her what changes she had noticed in San Felipe in the past years she shook her head and told me that "they have kicked out many people; there are many houses that are being emptied. Honestly, I don't know for what, there are empty walls, the streets are becoming deserted"[84]. She mentioned that the main reason why she liked to live in San Felipe was that everything was within walking distance: the children's school, the market, and the central avenue, where many stores are located. In the building where she was living, there were only three residents. People from "deviant life style" (*el mal vivir*) had vandalized the building, taking whatever they could take, especially pieces of wood.

Although Blanca had no desire to leave the neighborhood, she told me that she was under pressure from the building's owner to leave. She thought that it would be difficult for her to live affordably somewhere else, because she had lived in San Felipe almost all her life.: "Well, [changes in the neighborhood] have affected me because I have lived here almost a lifetime, and they kicked me out suddenly, and I do not have a place to go or know what I am going to do, … and if my budget is enough"[85]. As we continued our interview and I asked her about other changes in San Felipe: "These were not done for us; those changes are being made for people who are coming, no?"[86] Blanca's sentiment compliments Ward's argument that Latin American countries remain class-segregated, and where the middle and upper income classes try to separate themselves from the poor (Ward 1993: 1152). Blanca reported that a lawyer offered her $300.00 to leave the room where she lived. By February 2007, Blanca no longer lived in San Felipe; she had moved to

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[84] The original of this quote in Spanish is: "… *han sacado mucha gente, ha habido muchas casas desalojadas. Sinceramente no sé para qué, hay muros vacíos, las calles se están quedando desiertas*. The dates of this and related interviews are noted in tables 8.2 and 8.3.

[85] The original in Spanish is: "*Bueno, a mí si me ha afectado (referring to the changes in the neighborhood) porque yo llevo casi una vida viviendo aquí y que me saquen de la noche a la mañana y que no tenga un sitio para donde voy a ir o que voy a hacer y si mi presupuesto no me alcanza*"

[86] Esos cambios no lo hicieron para nosotros, esos cambios lo están haciendo para la gente que viene, no?

one of the housing projects the government was offering to the people of San Felipe located outside of the city. This is just one example of how some residents see the changes that are taking place in the neighborhood. They acknowledge that affordable housing will be a key issue if they have to move out from San Felipe; to further complicate the issue, affordable housing may even be harder to obtain within San Felipe itself.

Blanca's story is not unique in San Felipe. It reflects how difficult it is to accommodate in just a few hectares the interests of all stakeholders (i.e. residents, landlords, investors, and newcomers). Achieving harmony without compromising the UNESCO World Heritage status of San Felipe is daunting. Whatever the cause, the problem of displacement is so grave in San Felipe that from 25 January to 28 March 2006 a group of twenty-six Panamanian artists decided to take pictures of San Felipe's residents to show the human side of the neighborhood. The photographs were part of a project called "The Human Patrimony" (*Patrimonio Humano)* (Figure 5.10). Several of these artists pointed out that there is a special need to take into consideration old residents from San Felipe, since they are an important element that gives life to the neighborhood. Some of these artist's opinions appeared in an article written (Domínguez, 2006), and I chose two of these artist's opinions that reflect upon the problems facing residents. Celine Domengie, who is French and had lived in Panama for four months, had already fallen in love with San Felipe. Through studying the doors of the condemned dwellings, she desires to know the past. She associates the word patrimony to something that is becoming lost, and for her "A part of San Felipe dies when the people are forced to move to another part of the city. The sealed doors represent those people who have left their absence". Miguel Lombardo, a Venezuelan who has lived in San Felipe for three years, has witnessed how the word *desalojo* (eviction) has been a terrible word to the ears of people from San Felipe.

Figure 5.10. The Eviction Process through the Eyes of a Resident[87]

> Somos el reflejo de Dios
>
> Tengo 30 años viviendo en el Casco Antiguo. Actualmente vivo con mi madre Magdalena Cruz de 85 años, estamos siendo desalojadas por que esta casa se convertirá en el Museo de la Pollera.
>
> Solo anhelo estar en mi casa y poder vivir y morir en paz. Allá donde nos quieren meter será imposible encontrar la tranquilidad que ya encontramos aquí.
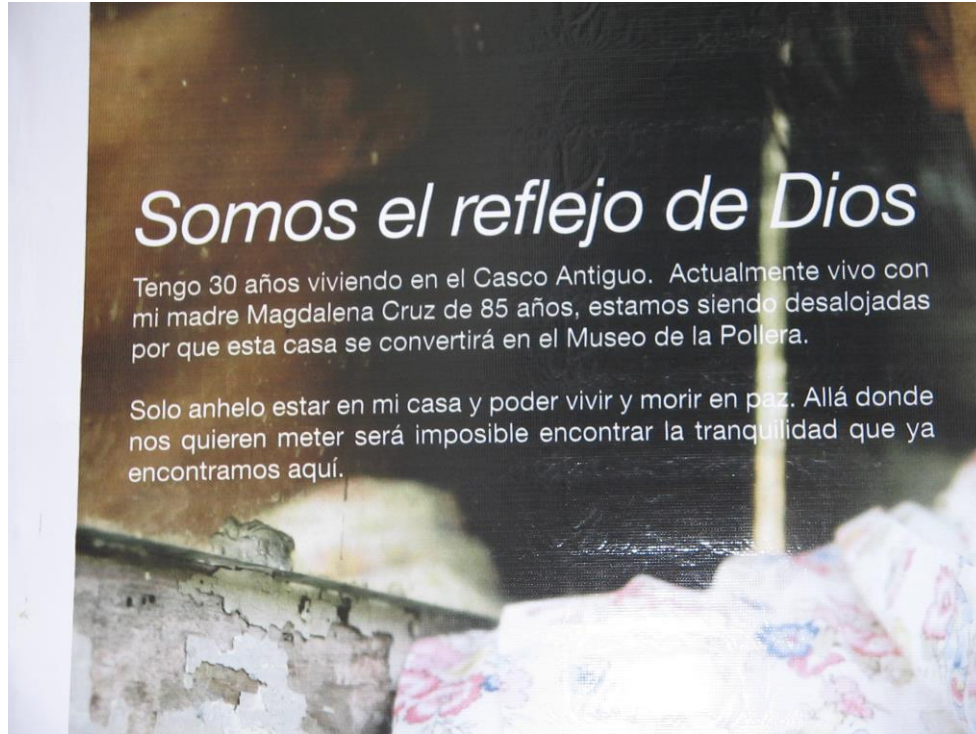
The caption on the side of a house reads: "We are a reflection of God. I'm a thirty-year old living in the Historic District. I presently live with my 85-year old mother, Magdalena Cruz. We are being evicted because this house will be turned into the Pollera Museum. My only desire is to stay in my house and to live and die in peace. Where they want to place us will make it impossible to find the peace we've found here."

As gentrification makes its way into San Felipe, residents like Graciela think that the changes in San Felipe are on the whole negative because "…you cannot have a ghost neighborhood within the community, regardless of whatever they are doing….. What you call, what UNESCO calls a Ghost Historic Patrimony, without people; it is nothing more for whoever will live here,

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[87]An Example of the Exhibition of Pictures Called: "The Human Patrimony of San Felipe. Translation: We are God's image. I have been living in Casco Antiguo for 30 years. I live with my mother Magdalena Cruz who is 85 years old. We are being kicked out because the house will become the Museum of *La Pollera*. I only wish to be in my home and be able to live and die there. Over there, where they want to put us, it will be impossible to find the peace we find here.

the rich" [88](Interview on April 24, 2005). Thus as revitalization and gentrification take place, we can only wonder whether the invisible wall will not be part of San Felipe's history.

San Felipe has multiple opportunities, yet faces at the same time multiple challenges. This recapitulation of the social history of the neighborhood allows us to understand the physical, economic and social transformations it has faced and the consequences these changes are having in the life of its residents, especially after 1997. From the beginning of the twentieth century, its built environment has deteriorated due to lack of maintenance, which has increasingly manifested itself in the last twenty years. Buildings are crumbling and condemned houses seem to be the norm and not the exception. Since it became a World Heritage Site in 1997, residents of San Felipe have had to contend with increasing physical deterioration of their homes. As predicted by the rent gap theory outlined by Neil Smith, there has been an increased risk of poor residents having to leave the neighborhood. In their place, national and international gentrifiers have come to live there. San Felipe offers a human scale and architectural attractions, amenities that have been discussed and outlined by Ley (1996) in his consumption argument. Regrettably, both rent gap and new consumption have also led to forced evictions.

This scenario, suggests that community planning in San Felipe is ineffective, regardless of the laws created to protect architecture and residents. Self-interest among property owners and developers prevails at the expense of the neighborhood's well-being. The government does not enforce the laws. Some owners and real estate investors and speculators take advantage of the situation and fail to repair the buildings within the period the laws establish. Investors, who are interested in keeping the charm of the neighborhood, as the in-depth interviews discussed in the

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[88] This is what Graciela said in Spanish when I asked her about the changes in San Felipe: "Negativos para todos porque usted no puede tener un barrio fantasma dentro de la comunidad, aunque sea lo que estén siendo Como se le llaman a eso, de la comunidad, que sea como se le llaman a eso que la UNESCO le llaman Patrimonio histórico fantasma., sin gente, nada más para que, quien va a vivir aquí, los ricos.

next chapter will show, complain that speculators are destroying any possibility of San Felipe becoming an exemplar historic district. The Office of the Historic District has promoted a Master Plan called "*Revive El Casco*" (Revive the Historic District). It offers gang members and others the opportunity to participate in training programs, but this may not be enough to reverse the process. Planning continues with a top-down approach; only token attempts have been made to integrate the community with national and international institutions through seminars. A private investor complains, for example, that the approval of projects to restore buildings takes too long and that many times his projects are turned down for minor technicalities. Although this might be true, it is also evident that there are investors and owners who are not restoring their property according to the laws, and thus endanger the heritage value. Although there are many public institutions involved with community and design issues, the reality reveals that there is insufficient coordination to impede further deterioration, as the deaths from the structural collapses sadly attest.

This chapter has shown that both residents and owners are responsible for the further deterioration of the neighborhood. Some residents have admitted they have not paid their rent, water, or electricity, and many of them live in condemned houses, are in arrears, or both. A general lack of participation in the planning process among local residents—the principal social actors in the decision making process—is a key factor. An undetermined but significant number of residents have given up and left the area with little compensation. Others refuse to leave or believe that abandoning San Felipe will be their last option; they are holding out for greater compensation. This creates unrest in the residents who believe they will be relocated. San Felipe, given the present circumstances, remains a contested space where the local authorities and the artisans argue over the historic and symbolic plazas.

Summary and Conclusions

San Felipe displays aspects of what Naomi Klein calls the "shock capitalism doctrine." At least three dimensions of this shock capitalism manifest themselves in this context.

1. San Felipe's rapid depopulation is unprecedented in the Latin American urban geographic literature. That it has lost half of its population in only a decade—a trend that deepened during the first seven years of this century—destabilizes the community.

2. A confluence of forces—arson, eviction, demolition, and speculation—has added to the "hollowing out" of the Casco Antiguo. Newspapers and other secondary sources show that relocating homeless people from other neighborhoods into San Felipe has further deteriorated its infrastructure and housing stock. A weak welfare state in Panama forces disenfranchised persons to fend for themselves in a very competitive real estate market. [89]

3. San Felipe appears to be poised for even more change in its housing and real-estate market, but it is difficult to determine whether it will be the classic process of gentrification, (i.e., with a predominance of young urban professionals), or whether it will change into a mixture of residential upgrading with an emphasis on heritage-tourism investment.

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[89] Squatting in abandoned buildings or lodging with friends or relatives exacerbates the quality of life for these homeless individuals. In contrast, just across town, signs of glittering iron-glass-and-steel Central Business District tower in the distance, as does the preparation for a multibillion-dollar causeway project that will allow professional workers to commute quickly from their suburban neighborhoods. In the meantime, the recent eviction of San Felipeans who have lived in condemned houses for years continues unabated. In classic rent-gap format, property values increase rents and force the poor to move into other areas they consider less than advantageous. Relocation disrupts existing social relationships, often distancing San Felipeans from their jobs, pulling children out of school, and causing numerous other related disruptions. Building demolition and speculation compound matters, since the high cost of renting or purchasing buildings and dwellings that are restored will continue to exclude everyone but the wealthy.

My four years of field research that includes interviewing residents, real estate agents, and attending a variety of civic and professional meetings suggests that San Felipe's changes will be shaped by national and international young professionals, residential upgrading implemented by descendants of the old high-income group that lived in San Felipe until the middle of the last century, and tourists. The latter group will consist of retirees seeking a place where they can invest in property more profitably than in their own countries. Telltale signs of gentrification reverberate everywhere. Land use is changing from residential to up-scale commercial, land prices and rents are rising drastically, small family businesses are dwindling, building reparations are minimal, and wealthier national and international high-income residents are acquiring properties between 1st and 5th streets. Unanswered questions remain. Who are the key stakeholders in this process? To what extent can local residents resist this dynamic? These are two of the questions the following chapter aims to answer.

CHAPTER 6

Neighborhood Change, Gentrification, and Community Organization in the Historic

District of San Felipe de Neri

> Urban conflicts, of course, are not a new phenomenon. Cities and their everyday life have always been places where hegemonic projects developed. But cities have also been the milieu where conflicts, alternative practices and resistance against hegemonic projects emerged (Köler & Wissen 2003: 944).

The previous chapters summarized the social history of San Felipe and how this neighborhood has evolved from colonial times to the present. I discussed the implications of revitalization, gentrification, globalization, and heritage tourism for residents and for the neighborhood. These implications underscore "the central importance of context—both geographical and historical—in shaping social processes" (Miller 2000: 3). Context is essential for understanding why people from different backgrounds unite to obtain a common goal.

This chapter will analyze and summarize four years of field research that shows the opinions and perceptions of such stakeholders as community leaders and residents, regarding their participation on the physical, economic and social transformations of San Felipe. In so doing, I attempt to capture key moments of the movement from the beginning of UNESCO status up until December 2008. I then examine the struggles and outcomes against the extant literature to assess the success of the movement thus far.

The Role of Consumption in Social Movements: Housing Consumption as a Trigger Factor in the Case of San Felipe's Urban Social Movement

I begin with the assumption that collective consumption is central to urban social movements, especially when the security and acquisition of housing is at stake. Dunleavy (1986) recognizes "three modes of 'socialized consumption': quasi-individualized consumption (state

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subsidy on specific goods, e.g. tax reduction on house-ownership); quasi-collective consumption (state subsidy on specific services, e.g. cultural events); and collective consumption *pur sang* (the state organizes a service with or without subsidy)" (cited in Schuurman and Naerssen 1989: 12-13). In these modes of consumption, the state plays a key role through its execution and implementation of laws, and long- and short-term policy objectives. This chapter argues that the quasi-individualized consumption is the mode of socialized consumption in San Felipe that the state has provided. The service, however, is basically for a small group of residents and reaches them through the subsidizing of rental housing in the four renovated housing projects discussed in Chapter 4: La Boyacá, La Casa Rosada, Casa Amarilla and Elsa Salazar.

In matters of consumption, two types of struggle between social organizations and the state may be seen: struggles classified as defensive in nature (an external threat to the community), and those offensive in nature (an improvement in the level of actual consumption) (Schuurman and Naerssen 1989: 14). The neighborhood of San Felipe has been facing both types of struggles. First, there have been struggles of a defensive nature, since many residents in the community consider the arrival of newcomers as a threat, whether these newcomers are middle-income and upper-income groups or squatters and indigents, or both. This is because the first group is willing to buy properties at higher prices, and the second group spawns problems related to gangs, violence, and drugs. I consider struggles of an offensive nature those such as the struggles of the Association of Residents of San Felipe, a group that demanded low-price housing alternatives in the neighborhood, or, as a last option, the provision for housing alternatives in other parts of the city.

If public authorities perceive internal heterogeneity within a social movement, they can attempt to manipulate certain sub-groups through cooptation or granting limited favors

(Schuurman and Naerssen 1989: 14). This 'divide-and-conquer' rift is present in San Felipe where the diversity of people who join the movement for the first time (architects, lawyers, teachers, chef, retirees, and housewives) are all trying either to stay in the neighborhood or leave for another area where they can solve their housing problems. This situation over time debilitated the movement, and created friction, especially among leaders. Not all participants attained satisfactory solutions to their housing problems.

What Triggers Community Engagement?

Fears of displacement because of gentrification constitute one of the reasons why people become involved in community participation and activism. Freeman argues, "… in cities like New York where housing is scarce, displacement can threaten households with homelessness. Given the potential havoc that displacement can wreak and the emphasis placed on it in the popular and scholarly literature one would expect fears of displacement to be paramount among residents' reactions" (2006: 72). Likewise, Herzog reports that in Mexico City workers and lower-income residents are increasingly trying to be more pro-active, giving their opinions regarding redevelopment politics, since traditionally they were left out (2006: 153). These fears that are present among residents in economically depressed areas that have the prospective of renovation and revitalization are sustained because low-income groups perceive they are at a disadvantage when powerful interests come into the arena.

San Felipeans have realized that owners have been interested in selling their buildings, since property values rose and Law 94 offered tax incentives to restore and renovate buildings in the area. Of course, residents' mobilization over housing had been present in San Felipe prior to 1997, but to a lesser degree than after 1997. Indeed, since the early 1990s newspaper reports covered the relocation issues that residents of San Felipe have had to face. Reyes (1992) reported

that residents complained that the Municipality spent $750,000 to renovate façades and parks in San Felipe, but that they did nothing for the residents' dwellings as noted above. Berta Gómez, a resident who has lived in San Felipe since the beginning of the 1950s, complained, "Since I have been living here, new houses have not been built in the neighborhood" (Reyes 1992). [90]

As revitalization took place and more buildings were restored for the purpose of selling and renting to higher income groups, many tenants received eviction letters, and they realized they were going to be displaced. This greater impact against the urban poor is noted by Gugler when he states, "[t]he consequent displacement of inner-city residents is only the most striking aspect of the more general issue: the severe inequalities characteristic of most poor countries, and of their cities in particular, have been further exacerbated in most of these world cities" (2003: 711). In fact, in 1994 several Panamanian professionals—among them the architect Tejeira Davis—published strongly worded op-ed pieces in newspapers about gentrification.

In addition to the accusation of state-sponsored eviction, my interviews with residents and ex-residents of San Felipe reveal different strategies used by landlords to displace residents, so landlords could raise rents in the buildings that are still in good condition or sell the property and obtain higher revenues.

These tactics are not unique to Panama City. Freeman (2006) reports a similar scenario from New York City where rent controls prevail until a tenant moves and the property then becomes deregulated. Landlords even tried to entice renters to move by offering cash as an incentive for the tenant to leave. The response to landlord harassment was the creation of groups of tenants' right organizations: "Harlem Operation Take Back" and the "West Harlem Tenants Organization" are examples of such groups. These organizations considered that gentrification

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[90] Desde que yo vivo aquí, no se han construido nuevas viviendas en este barrio.

constitutes a threat in two ways: first, landlords encourage renters to leave so they could take

advantages of rising rents (Freeman 2006: 76) and second, the increase of housing prices in the

neighborhood eliminates the possibility of staying in the neighborhood (2006: 78).

One documentary about the Park Slope section of Brooklyn in the 1980s reports suspicious

arson, the removal of bricks from basement columns (to have the building condemned by housing

officials), and beatings as way to depopulate the neighborhood for redevelopment (*Where can I

live?* 1983) as well as other methods. Tejeira Davis, describing the coercive aspects of

gentrification, reveals commonality between the New York City and Panamanian examples:

> Tales of landlords withholding services, harassing tenants, and hiring detectives to
> make sure tenants adhered to rent regulation guidelines (i.e., their regulated unit is their
> primary residence) abound. These stories are perhaps more common in changing
> neighborhoods because gentrification increases market rents and therefore widens the gap
> between regulated rents and market rents (2006: 76).

Like New Yorkers in the Park Slope study, San Felipeans feared being displaced,

especially after 1997, when UNESCO declared the neighborhood a World Heritage Site. Marcos,

a 53-year-old ex-resident and leader who lived in the neighborhood since he was 3-years old,

describes the displacement process:

> [M]any wealthy people began to buy houses and so began the holocaust against San
> Felipe's residents, because there was no consideration for these people. These investment
> guys and their legal representatives lacked human sensitivity, [I know this] because I
> witnessed at a certain moment how a mother and her several-months-old baby were kicked
> out from their property and their dwelling where they lived under the pretext that she was
> an intruder; and under the rain they kicked her out. This was in 1997.[91]

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[91]mucha gente adinerada empezaron a comprar las residencias y se inició yo creo que el holocausto de los
residentes de San Felipe porque allí no había miramientos. Estos señores inversionistas y sus representantes legales
como que carecían de sensibilidad humana puesto que me tocó a mí en un momento ver como una señora madre
con un bebé de meses la sacaron de su propiedad, de su vivienda donde vivía so pretexto de que era intrusa y bajo
la lluvia la echaron afuera. Eso fue en el año 97. Interview conducted on 17 March 2008.

Another resident, Porfirio, a 67-year old resident who had lived in San Felipe for nine years, told me a similar situation about a person who was evicted: "About four years ago, I found a lady with all her belongings outside [of her room]; it looked like they had thrown everything out. The lady was crying there… that is not right."[92]

Rebeca, a sixty-six-year-old retired resident of San Felipe, also complained how residents were evicted from the neighborhood. When I asked her what changes she had seen in the neighborhood, the first thing she mentioned was that residents were being kicked out of the neighborhood. She called it "forced eviction," and that since 2003 very few people have remained in the neighborhood. She described the method of eviction as "pressure." In her case it meant that, although she was paying rent and the house was not condemned, a lawyer harassed her to move out of the building, since she and her husband were the only ones who were still living there.

These are just a few testimonies from the thousands of former residents who once resided in San Felipe. The literature reviewed thus far has identified the main reasons why community involvement takes place as well as the barriers to collective action. It informs us as well of the repercussions eviction has had on individuals who belonged to San Felipe. However, it is also necessary to analyze the impact that evictions have had in the community as a whole and as a trigger factor for people participating in organizations within the neighborhood.

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[92]Hace como 4 años encontré a una señora con todos los trastecitos afuera, allá donde está la lavandería, donde están arreglando zapatos viejos, estaba con todos los trastecitos afuera parece que le habían echado todo afuera; la señora estaba llorando ahí, yo iba por ahí para Santa Ana cuando encontré todo afuera… eso no se hace. (Interview conducted on 24 April 2005).

The Social Movement in San Felipe from 1997 to 2008

It is important to first examine the testimonies I have gathered from the interviews and presented in the section above that reveal the anxiety and worries residents began to face as rumors and facts regarding relocation and community expulsion began to spread. In this section, I will explain how San Felipe's residents organized themselves to face this situation from 1997 to mid-2004 and from late 2004 to 2008, and the resulting accomplishments and shortcomings throughout these years. As I mentioned earlier in this chapter, the main objective of these recounts was to analyze opinions and perceptions stakeholders such as leaders, residents, and ex-residents have had regarding their participation in the physical, economic and social transformations the neighborhood was facing. I chose December 1997 as the starting point because of the UNESCO declaration. Residents believe that the main changes their neighborhood has gone through have been carried out mainly since then. Indeed, after that year, the increase in the neighborhood's property value, speculation, and residents' evictions seems to have set the stage for the beginning of this movement, driven mainly by the threat of eviction. Appendix D.1 shows a few of the articles written since 1998 from different newspapers related to the menace of evictions that have taken place in the neighborhood.

A cursory review of the titles in Appendix D.1, such as "The Other Face of Restoration" and "The Evictions Return to San Felipe," highlights residents' fears about threats of evictions, the actual process of displacement, and the outcomes of such residential displacement. In the section that follows, I attempt to go beyond these secondary-data accounts by using field interviews with three of the four community leaders who participated in stopping evictions. I also enlist the testimonies from residents and ex-residents, and newspapers that covered the different events at that time. As we shall see, the outcomes of this movement have been a mixture of

successes and failures, which is not surprising. As Scarpaci concludes in his analysis of nine Spanish-colonial neighborhoods in Latin America, regardless of operating under either socialist, free-market, or mixed governments, neighborhood revitalization triggers residential displacement, gentrification and other externalities. Residents remain powerless, a situation that confirms that social movements in Latin America are not as successful as it has been portrait (Scarpaci 2005: 226).

The leaders[93] I interviewed agreed that the struggle to stay in the neighborhood has been a challenge. In fact, for several residents and leaders, the movement was a partial success. For other leaders the movement was a success in certain aspects but also had its failures. The testimonies show that the actors in this movement evaluated the outcomes based upon the lenses through which each one sees the situation, from that of a community or their individual situations.

Table 6.1. Comparison between Gilbert's Findings regarding

Repression in San Felipe

Gilbert (1994) Findings	My Findings in San Felipe
Repression is a powerful tool that governments in Latin America have used to discourage protests in communities with devastating consequences for these communities.	Forced evictions. Lawyers threaten and harass residents. Leaders threatened with jail. Institutional harassment combines with offers of help (at one point institutions like the Ministry of Housing "pushed" people to leave the area). People from *mal vivir* (deviant lifestyles) threaten the community, dismantling buildings (stairs, bathrooms) and selling the material (wood, metal, etc.). People feel threatened at the arrival of gang members who take up residence in the same building.

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[93] Later on in this chapter I will more fully address who these leaders are and the role they have played in the movement.

Initially residents in San Felipe collectively identified with a common cause: To remain in the neighborhood and to obtain benefits for the community. However, a conflict of interests and differences within the original group led the movement to split into two groups. This original group was called *Organización Coordinadora Pro Vivienda de San Felipe* (Coordinated Organization Pro-Housing of San Felipe, or COPHSF), which, as stated above, later split, resulting in a second group called *Asociación de Moradores de San Felipe* (San Felipe Residents' Association, or SFRA). Both groups tried to create a network of interaction with national and international institutions, and both have struggled to make their voices heard with accomplishments and failures. Manuel, the leader of SFRA, was still living in San Felipe as of early 2015.[94] Marcos, however, was relocated to one of the housing projects in a nearby area, but he still remained active in the neighborhood.

It is also necessary to point out that when I initiated my research in 2005 there were other organized groups (Appendix D.2), and I had the chance to conduct research as a participant observer with several of them.[95] I concentrated my efforts on collecting information on the organizations that were mainly dealing with housing evictions for residents. Among these other organizations were United Artisans, AUCA, and ASOCEPROM (*Asociación de Compradores y Expendedores de Productos del Mar*). These testimonies show how difficult it is for residents of a place that is being gentrified to participate in the transformations of their own neighborhood, and the tensions and vicissitudes that arrive with it.

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[94] Manuel is still organizing residents to try to accomplish their goal of staying in the neighborhood.

[95] I mainly interacted with the Association of Artisans, who also had their own problems as discussed in Chapter 3.

Struggles and Accomplishments of San Felipe's Residents from 1997 to 2004

After reading the testimonies from leaders and residents, I divided the community into two general periods of time, from 1997 to mid-2004 and from late 2004 to 2008. In the first period, both groups, Coordinated Organization Pro-Housing of San Felipe (COPHSF) and the San Felipe Residents' Association (SFRA), were active in denouncing issues affecting San Felipe's residents. During this period, most residents living in San Felipe banded together in disparate groups to protest evictions. From 2001 to 2005, the government relocated a large group of residents into housing projects that the government built for these residents. In 2004, a newly elected national government took over, and conversations to initiate several housing projects within San Felipe began. SFRA became an NGO at this time and took over the movement, since the earlier leader and many of COPHSF adherents had left to live in housing projects outside of San Felipe. During the period of 1997 to the beginning of 2008, there were in San Felipe two associations. I interviewed three leaders: one from COPHSF who was the first leader, and two of the three presidents the SFRA has had. The profile of these leaders follows.

Marcos[96], who led the first group that participated in the movement in 1997, at the time of the interview (17 March 2008) was 53 years old and had lived in San Felipe for 50 years. He moved from the neighborhood in 2005, but he says he continues as the leader of COPHSF. Marcos told me that he has a bachelor degree in business administration, four years of study accounting, and several years of study in pedagogy. He was unemployed for several years until the beginning of 2008. At the beginning of the movement he worked in one ministry but was laid off; he believes his termination was because of his involvement in the movement.

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[96] Two of the leaders gave me permission in the interview to call them in the study by their names since they are well known in the neighborhood but I prefer to protect their identity by giving them pseudonyms.

Rodolfo was the first president of SFRA. According to Manuel, one of the later presidents of the movement, Rodolfo was the president from 1999 to 2002. I tried several times to interview Rodolfo (calling his cell phone, calling his house), but these attempts were unsuccessful.

Juan was the second president of the SFRA from 2003 to 2005.[97] He told me that at the time of the interview he was 48 years old and that he has lived in the neighborhood for more than 40 years. He too attended several schools in the neighborhood. At the moment of the interview, he was living in a condemned building where five families were still living, from the original fifteen families that had originally occupied it illegally.

Manuel is the third president of the SFRA from 2006 to 2008[98]. He has been a resident of San Felipe many years and has a high school education. He says he is a chef who has worked in restaurants and ships.

In my interviews with the three men, they tried to explain how the movement began, how they have been organized, their struggles, the reason why the original organization (COPHSF) split, their connections with other national and international organizations, and their success and failures. Whenever possible, I will corroborate their accounts with information from other actors and with newspaper articles.

The First Steps toward Community Organization in San Felipe: Movement Origen, Growth, Objectives, Members, Leadership and Structure

The beginnings of San Felipe residents' organization can be traced to 1997. Although according to accounts of the people that participated as leaders at that time, they decided to

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[97] Interview carried out with Juan on 15 December 2007.

[98] Due to his work Manuel decided to take a leave as a president of SFR in 2008 but by 2014 he still active in the neighborhood and I have seen him several times in the news giving interviews regarding San Felipe's situation.

organize the community due to the pressures the community was having with evictions and land speculation in 1998.

Marcos, who considers himself the first leader of the movement, stated that the movement began after August 1997 due to the promulgation of Law 9, where a group of residents decided to create the COPHSF.[99] These were his impressions about the initial consequences of the proclamation of San Felipe as a World Heritage Site:

> [T]he investors went rampant among the properties, and I tell you, they bought them for fifty dollars per square meter. Who was not going to buy? Because they had everything planned. I cannot give you proof of this but everybody took over San Felipe. Then that became a 'state of terror' practically that was created for us.[100]

Manuel, the current president of SFRA in the community, traces the starting point of the movement to the beginning of 1998. When I asked him what was the community's attitude once UNESCO declared the neighborhood a World Heritage Site, he replied:

> Well, the attitude we [the community] took at that moment was quite cold. We did not know where we were going with this, what was the government's argument. No one knew absolutely anything; it was a community that was asleep. As the days went by, we were waking up because the boom to get families out that lived here began. They began with the argument that they were going to restore the area close to the presidency [of the Republic]. They began with several houses and suddenly there were not two houses, but eight, and then they were multiplied each day and more people were evicted.[101]

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[99] For a review of this law see table 5.3 in Chapter 5.

[100] ….al los inversionistas desbocarse hacia las fincas, ya le digo las compraban a cincuenta dólares el metro cuadrado. Quien no iba a comprar? porque ellos ya tenían todo planeado. Yo no puedo dar fe de esto pero todos se abalanzaron hacia San Felipe. Entonces eso fue un Estado de Terror prácticamente lo que se nos creó a nosotros.

[101] Bueno realmente la actitud que tomamos en ese momento fue casi fría. No se sabía para dónde íbamos, cuál era el argumento del gobierno. Nadie sabía absolutamente nada era una comunidad como que estaba durmiendo y de tal forma y que a medida que iban pasando los días es donde vamos despertando porque comenzó el auge de sacar a las familias que vivían aquí. Comenzaron con un argumento que iban a restaurar el área del lado de la presidencia. Fueron ciertas casas que comenzaron y de repente ya no fueron dos casas, sino ocho y luego se multiplicaban cada día que pasaba era más gente que iban sacando.

Juan, a SFRA ex-president, told me of a similar situation where he recalls that the movement began once the community realized that the neighborhood status had changed with Law 9 and the inclusion of San Felipe in the World Heritage List. Owners wasted no time in asking tenants and squatters for their properties back, and investors began to buy lots (*manzanas*) and evictions started. He, like the other leaders, notes that a group of residents got together with Marcos and asked him if he wanted to be the coordinator of the group. He accepted. From that time on, they decided to use different strategies, among them protests and demonstrations.[102]

The testimonies by these three leaders are corroborated by several of the news articles posted in newspapers during that period (1997-1998). In fact, the situation of San Felipe's residents regarding eviction made it to the National Assembly of Legislators of the Republic of Panama, where in June of 1998 the president of the Housing Committee of the National Assembly protested because of the way authorities were conducting evictions, asking the Ministry of Housing to suspend evictions and give residents better treatment (Delgado 1998: 4a). This report underscores that evictions were taking place and that the national authorities were aware, even at this early date, of this situation.

The interviews I have conducted with several of the leaders in San Felipe from both associations reveal that initially the movement's main objectives were to fight against eviction. Marcos, the leader from COPHSF, for example, explained that their main objective was to stop the evictions and to demand a solution to their housing problems. He quoted Article 113 from the Panamanian constitution: "The State will establish a national housing policy designed to give the

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[102] Interview with Juan on 15 December 2007.

enjoyment of this social right to all the population, especially to the lower income sectors"[103] (*Constitución Nacional de Panamá*).[104] Moreover, COPHSF wanted to improve neighborhood conditions and to legalize their status in the neighborhood. As we shall discuss, a polemic regarding whether people should stay or leave the neighborhood with compensation became a central point in the division of the movement according to one of the leaders. Juan, the ex-president of SFRA, confirms that their goal was to find alternative ways to stay in their neighborhood where they had always lived. He adds, "We are not squatters or intruders."

In short, 1998 seems to be the year when the original movement began with a specific objective: to stop evictions and to allow the residents to remain in the neighborhood. With this in mind, people gathered and protests started, but how big was the movement? Who were in their members? How was it structured? And why did the movement split? These are points that I shall discuss in the next section.

Members of the Organizations

At first, the social movement in San Felipe appeared to be strong. Marcos and Manuel agree that initially residents were interested in discussing their situation, participating in the meetings, and supported the movement.[105] They attended protests, meetings, and vigils. Although

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[103] The original text from the Panamanian Constitution in Spanish says the following: Artículo 113. - El Estado establecerá una política nacional de vivienda destinada a proporcionar el goce de este derecho social a toda la población, especialmente a los sectores de menor ingreso.

[104] Marcos even mentions in a humorous way that although they were not lawyers they have to become like one since they needed to learn about the Panamanian laws so they could be prepared for any eventualities.

[105] Baierle's (1998) review of public protests and gatherings suggests that people do not meet just because they want to be together. Rather, they meet because they need to know and discuss matters that are related to their collective interests and that will ultimately improve their lives. This physical sharing of public space, in turns, creates a collective consciousness that can promote solidarity (p. 135).

it has been hard to identify how many people participated in these events according to these two leaders, they calculate that thousands showed up at least for one main event. Marcos, for example, told me "When we saw this situation [the law and the evictions] we organized ourselves and we began to investigate what was going on and little by little we began gathering the residents together, and in the years after 1997 we mobilized up to five thousand people in the streets" [106] (Interview with Marcos 17 March 2008). If his estimation is correct and the census in 1990 shows that 10,282 people were living in San Felipe, then we can infer that approximately a third of the population was at least, nominally, participating in the movement.

Manuel, another community leader, also corroborated this: "…when we talk about the group [that formed] the original association, if we talk about a group we are talking about a community where we had 4,000 people."[107] Likewise, these gatherings and protests were reported in newspapers. During 1998 residents of San Felipe had several protests to call attention to their situation, and report of their activities appeared in different newspapers.

Of course, in any social movement, leaders need the community's participation, and that of other organizations, to be able to show that their cause has strength and support.[108] To this end, gathering residents under the umbrella of the same goal, to stay in the neighborhood or to obtain housing somewhere, has been the main objectives of the movement since 1997.

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[106] Nosotros al ver esta situación[la entrada en vigencia de la ley y los desalojos] nos organizamos y empezamos a investigar qué fue lo que estaba pasando y poco a poco fuimos convocando a los residentes y llegamos a concertar a más de cinco mil personas en la calle en los años siguientes al 97.

[107] ….cuando hablamos del grupo de la asociación original si hablamos de un grupo hablamos de una comunidad en donde habíamos 4000 personas.

[108] As Zald and McCarthy point out "The ability to concentrate large numbers of constituents and adherents is highly useful for SMOs in certain situations, such as demonstrations… Producing large numbers can be used to impress bystanders, authorities, and opponents." (Zald and McCarthy, 1987, p. 37).

Just less than one year into the UNESCO period, it was evident that residents were willing to unite and resist whatever obstacles they had to confront. This landmark gathering in San Felipe underscores a sense of solidarity. The 1998 watershed gathering noted above marks both a historic and euphoric moment, but one that eroded over time as residents realized that they would have to confront all kinds of difficulties imposed by outsiders and powerful interests within the group.[109] As Javier, one of San Felipe's ex-residents I interviewed and, who lives now in one of the apartment complexes the government built to house part of San Felipe's population, points out,

> We got together and created a kind of association and we began to fight that matter [the staying in the neighborhood], but those people are very powerful [he named several names here]…they are people who have any number of lawyers and we had the ones that the university offered us, the assistants, and against those we could not [fight][110]

The level of participation and commitment that the members of an organization have is an important issue for social movement organizations. Zald and McCarthy classify them as adherents, individuals and organizations that believe in the goals of the movement; constituents, those providing resources for it; and the bystander public, those non adherents who are not opponents of the SM and its SMOs (1987: 23). In San Felipe, most people who have participated in the movement might best be classified as adherents, mostly residents who participate in the movement with the hope of being able to stay in the neighborhood or at least to find a solution to their

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[109] Marcos, the first leader of the movement, mentioned in his interview that people participated massively and that he told them that if they could fight together they could be able to obtain a house and an indemnification. So, people became very enthusiastic. "In fact, they saw themselves as me bringing them a key of the [house] door and an envelope with five thousand dollars for them. But they saw that it was not easy…. Because this fight is hard, it is very hard because, see, we began in 1997 and it is not until 2002 that we achieved a law." (Así que la gente se entusiasmó. Es más ya la gente se veía que yo le iba llevar una llave a la puerta y un sobre con cinco mil dólares para ellos. Pero al ver que no era tan fácil…porque esta lucha es dura, es difícil…es difícil porque mira empezamos en el 97 y no es hasta el 2002 que logramos una ley)

[110] …nosotros nos reunimos hicimos una especie de asociación y comenzamos a pelear esa cuestión [la estadía en el barrio] pero automáticamente esa gente son sumamente poderosos [aquí menciona algunos nombres]… son personas que tienen cualquier cantidad de abogados y nosotros los que se ofrecían en la Universidad los pasantes y contra eso, no se puede [pelear] (Interview conducted in April 8, 2008).

problems, including a lack of adequate housing. There have also been constituents, especially professionals, who have tried to advise and support the organizers of the movement at different stages of the mobilization. Among these professionals have been lawyers, architects, and members of national and international organizations. As expected, there is also the presence of a sort of 'bystander public,' people who argue they do not have time to participate in the movement or see no point in doing so because they believe nothing will change. I will discuss the results of my survey regarding this issue in Chapter 7 in which I show that the unity of the movement did not last long due to internal disputes.

Leadership Structure and Organizations' Relationships with Other Actors

In 1998 a group of residents that had worked with COPHSF separated, resulting in two groups and two leaderships claiming to represent San Felipe's residents: the Coordinated Organization Pro-Housing of San Felipe (COPHSF) (*Organización Coordinadora Pro Vivienda de San Felipe)* and San Felipe Residents Association (SFRA) *(Asociación de Moradores de San Felipe)*. Both groups, COPHSF and SFRA, give different reasons for this split. Allegations regarding the motives between the leaders of these two groups are plausible. In this section, I will summarize the causes of the division using the testimonies I gathered from Marcos and Manuel.

When I asked Marcos, leader of COPHSF, why the groups had split, he argued that the reason was because people from the new organization wanted to be rewarded with a housing unit, when there were residents that had been living in the neighborhood for a longer time and he thought they had priority:

> I separated from them because simply they wanted me to resolve [their housing problems] first. In other words, I did not oppose that they were benefited because they were on the streets fighting with us. But as a result there were several that were opportunistic, and who had just arrived and since I opposed two or three of them, they decided that I was not going to be the leader anymore that I was not going to lead [the movement] because I did not satisfy their whims. So, I told them, since you think that about me, I will leave…

and everybody left with me, because the leader and the father of the San Felipe fight, as my friends call me, was me. It was not them… they were (joined). They were added into the journey, and it is all right, no? But it was I who was who was clear in this matter, because of my way of thinking, and my principles, and my aspirations for the community.[111]

From Marcos's recollection, I gather that the other group wanted to obtain a housing solution, and since he did not provide it, they decided to break ties with the movement.

Manuel, on the other hand, has another argument about why he left COPHSF. It had to do with leadership structure. According to him, one of the problems with COPHSF was that it only had a leader with people behind him. Thus, their main complaint against the original group was that SFRA wanted to have a Board of Directors and not function with a single leader[112], something that created conflict within the organization. In addition, they felt that the housing struggle in San Felipe politics was serving as a stepping-stone by giving certain individuals high-profile visibility to run for political positions, especially since Marcos had political aspirations. Manuel argued that he left the movement because Marcos's group was proposing that if they had to leave the neighborhood they must be compensated, something that could be seen as a willingness to compromise and accept eviction from their homes. The group to which he belonged wanted to fight to stay in the neighborhood.

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[111] Yo me separé de ellos porque simple y llanamente ellos querían que yo los resolviera a ellos primero y habían algunos. O sea yo no me oponía a que se le beneficiara porque estaban en la calle luchando con nosotros. Pero es que habían algunos que eran oportunistas que acababan de llegar y por oponerme a uno a dos o a tres los compañeros decidieron que yo no iba a ser más el dirigente que yo no iba a dirigir mas eso porque yo no satisfacía sus caprichos y les dije bueno lo siento pero si usted piensan así yo me voy y detrás de mi se fue todo el mundo porque el dirigente líder, el padre de la lucha de San Felipe como dicen algunos de los amigos era yo. No eran ellos…ellos fueron coyunturales. En el camino se sumaron y estaba bien no? Pero el que estaba claro en este asunto era yo y tal vez por mi mentalidad, mis principios, mis aspiraciones con la comunidad.

[112] This is similar to what Zald and Denton (1963) refer to as "oligarchization," which they define as a concentration of power in the hands of a minority of the organization's members (cited in Zald and Garner, 1987, p. 121-122).

In 2000, a journalist asked Manuel why there were two groups SFRA and COPHSF fighting for the same objective. Manuel replied that party politics was the motive for creating another group. The journalist quotes Manuel as saying "…. the leader from COPHSF was a politician." He also noted that COPHSF held the position that the inhabitants of the neighborhood should be transferred to another place, whereas the SFRA's position maintained that a high percentage of residents must stay in the place regardless of tourist projects. He further stated that unlike the leader from the COPHSF they were not politicians and that their only motivation was to fight for the defense of the rights of the neighborhood residents, who, after many years of living in the district, were being evicted (Vargas 2000).

Manuel argued that a group of residents decided to split from the original group because there was only one person leading the movement in 1998. Specifically, he insisted that "[Marcos] was the one who collected the money [for the movement]; he was the decision person; he was everything" (Interview with Manuel on 14 May 2006). This group of residents also wanted to acquire legal status[113] because that would legitimize the organization within the movement.[114] Manuel states that since Marcos refused to make those changes they decided to leave COPHSF and to create SFRA.

The political aspect in this division between COPHSF and SFRA cannot be left out. In 1998, Panama was in a pre-election year as a new government was going to be elected in 1999. Manuel believes that this situation affected the movement because Marcos wanted to run as representative of San Felipe for the 1999 elections. Manuel further states,

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[113] In Spanish this is called *personería juridical.*

[114] Later on in 2006 SFRA is legally recognized as an NGO.

[We] could see that he did not want the organization. It looked like that what he wanted was to gain supporters for a possible candidacy; that was what he was trying to do. And it was like that because he ran as a representative of San Felipe for a party that had designed the law [referring to Law 9 from 1997] and the community was never going to forgive him for that.[115]

For Javier[116], an ex-resident of San Felipe noted above, the reason for the division of the organization was simpler: one group that lived from Fourth Street down decided to support Marcos and the other group that lived from Fourth Street up decided to support Rodolfo, the first president of SFRA. He states reflectively at the end that "….even if it [the community] would have been united, no one can fight directly with those powerful people."[117]

Although the movement in San Felipe splintered, both organizations continued calling their members to protests and meetings. By 2003 they had already obtained a reform of Law 9, several families had moved to apartments dwelling to El Chorrillo, a nearby neighborhood, and the government promised that they were going to be considered for several housing projects. By 2005, an undetermined number of residents had already been relocated to housing projects in El Chorrillo, Arraiján, Veracruz, and Santa Ana.

The testimonies quoted here reveal the risks that social movements run when leaders have conflicted interests and they are not able to manage all the pressures they receive from all the other forces around them. Javier's testimony shows that, as a resident, he might have been aware of the

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[115] Se veía porque él no quería la organización. Se veía lo que quería era ganar adherentes para una posible candidatura que era lo que estaba acomodando. Y así fue pues porque corrió de representante para el corregimiento de San Felipe por un partido que en su momento había diseñado la ley que la comunidad jamás se lo iba a perdonar.

[116] Interview conducted on April 8th, 2008.

[117] "….aunque hubiese estado unida [la comunidad] no se puede pelear directamente con esas personas tan poderosas." By powerful people he meant speculators, and property owners.

movement's objective (not to be evicted) but he saw the separation of the group more as a leadership and turf issue.

COPHSF and SFRA Organizational Structure, Economic Resources, Strategies, and Relations with Other Actors

The information I gathered from excerpts of the interviews I conducted with Marcos and Manuel implies that Marcos mainly directed the COPHSF. In fact, he maintains that his friends call him "the father of the movement" and that he directed everything.[118] However, in June 2008, Marcos stated that COPHSF did have a board of directors with a general secretariat, a secretariat of culture, a secretariat of education, and a press secretariat. The movement also had what they call spokespersons, *voceros,* who were in charge of talking to the media. They usually held meetings every weekend at the cathedral. Initially, they obtained a room at the church, but since the number of people attending these meetings had grown, they decided to have those meetings at the Cathedral Plaza.

After their splitting from COPHSF, SFRA created a board of directors that included a president, a vice-president, a fiscal, a treasurer, and a secretary. They created a statute for the association and established that the board of directors would be changed yearly. However, from 1998 to 2008 they only had three members as presidents. Manuel, the latest president of the organization, explained to me that the first president of the organization took the position in 1999 and stayed for three years, as did the second president. He mentioned that they were planning to change the articles so the president could stay for a longer time and could also be reelected.

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[118] Marcos states that: Well practically I directed the whole thing… And I began organizing [the group]. Later on it came about other small groups like SFRA. Bueno prácticamente yo dirigí todo el asunto…. Y yo fui organizando. Después salieron otros grupitos allí disque la Asociación de moradores de San Felipe.

Regardless of the reason for the division of the original organization, it fractured and weakened the movement since both groups tried to pursue their objectives separately. Friction between these two groups did increase, especially when residents that supported one of the groups (COPHSF) obtained their own apartment units. Despite this situation in the process of making their voices heard both organizations use diverse resources as well as a variety of strategies and alliances to resist the pressure of hostile elements. In the sections that follow, I assess those resources (or the lack thereof) that have been germane in San Felipe de Neri.

For most social movements, especially in low-income neighborhoods, available resources might make a huge difference in achieving the goals and objectives they want to accomplish. As I have already discussed in the section on Resource Mobilization Theory and social movements literature, social movements can be characterized according to the type of resources they are able to obtain. Movements need labor, material, and money to send their messages across space and time (Zald and McCarthy 1987). In the case of San Felipe, most of the money support came from the own participants in the movement that they mostly used to make flyers and other written material to keep the population of the neighborhood informed.

To avoid eviction and relocation, residents in San Felipe used similar tactics and strategies to those I have found in the literature.

Both organizations, COPHSF and SFRA, have struggled with collecting economic resources for the movement. They have mainly used their own adherents who use their own resources to be able to inform others regarding meetings and actions to be taken. Marcos, from COPHSF, for example, told me that when he needed photocopies he would ask friends who were not from the neighborhood to donate sheets of paper and help him with the cost. The group also would collect money from neighbors, and they would give whatever they were able to contribute.

They would collect twelve to twenty dollars and with that money they would print off around 300 copies.

SFRA members claim that obtaining economic resources for the movement has been very hard. They usually have to collect money among themselves to obtain flyers and copies to hand out in the neighborhood. Members of the association frequently commented that some of their neighbors have come to them asking money to buy food or supplies when they are in need.[119] Unemployment or the lack of a pension forced them into this situation. Thus, instead of obtaining resources from other members to support the organization and making their voices heard, association members often lent their own funds to neighbors because neither association, COPHSF or SFRA, had a collective pool of money. Urban anthropologist Larisa Lomnitz (1977) characterizes these measures of exchange among the Latin American poor as "networks of reciprocity." This situation implies that leaders of organizations in developing countries have to draw on more nuanced and intangible human-capital resources of exchange. One of these nuances is the fact that in low-income areas like San Felipe constituents might need economic help instead of them giving economic support to the movement.

Both organizations, COPHSF and SFRA had similar problems in obtaining a place to meet. The leader of COPHSF argues that at the beginning of the movement in 1998 people met first in a room in a church. Since the place had become small, the meetings were held at the Independence Park known as Cathedral plaza.

Members of "*Asociación de Moradores de San Felipe*" (Association of Residents of San Felipe, henceforth, the "Association") equally complain that they did not have a meeting place. Between 2004 and 2007, the board of directors usually met in the lower section of an old building

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[119] Ruth, a member of SFRA, has become very active in trying especially to help elderly residents to be taken into consideration for housing in San Felipe and determining if they are in economic distress.

that functioned as a beauty parlor and as a tailor's shop. This site is where one of the members had her business; when they held bigger meetings, they used the Independence Park, as well as other smaller parks around the area, which obviously changed the level of privacy. The Cathedral Plaza is a place of daily community interaction. At the same time, it easily becomes a focal point for demonstrations. This tendency to use parks and plazas as places to hold meetings and planning and carrying out demonstrations is observed in other parts of Latin America. These plazas have been used as places for contestation and protest (Herzog 2006: 153).[120] One such example is the importance of using Santiago de Chile's main town square (*Plaza de Armas*) to protest human rights violations and bring them to the attention of the international media. Using women and children in the Chilean case was one way to "soften" the demands being made to authorities, and served somewhat as a deterrent in having the police unleash rampant violence on protestors (Scarpaci and Frazier 1993). In the case of San Felipe, residents are not the only ones to use its plazas and parks; protests and demonstrations happen very frequently since the presidency of the country is also housed in this neighborhood.

For the majority of *San Felipeños[121]* the implications of San Felipe being a World Heritage Site was still not fully understood. Thus, from the beginning it was important for the movement to begin relationships with government authorities as well as other actors that could help residents to achieve their goals. Two of the first relationships they fostered were with the Ministry of Housing and the National Assembly. The relationship between government representatives, especially the Ministry of Housing, and San Felipe's organizations has been a rollercoaster, ranging from open confrontation to cooperation and back again. The main sources of confrontation stem from the

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[120] The Plaza Tlatelolco in Mexico City, for example, is where students protested in the 1960s, the result of which was the infamous massacre.

[121] This is how residents of San Felipe called themselves.

enforcement of Law 9. Specifically, it centers on the amount of compensation dwellers were entitled to have if they moved out of the building, the relocation of areas on the city's outskirt that residents considered not apt for them to live, and their request to obtain housing units in the public housing projects the government had planned to build.

The Fight Against Law 9: A Pyrrhic Battle with Unforeseen Consequences

Confrontations began when residents and leaders of the two organizations, COPHSF and SFRA, declared that Law 9 from 1997 was very harmful for the community, because it gave property owners incentives to restore the area, and therefore, the desire to return to their properties and evict them. Thus, San Felipe's original cohesion was weakened when leaders and residents realized there was a real chance that they would have to leave the neighborhood through voluntary relocation or forced eviction. From 1998 to 2001, residents held many meetings and protests on the streets. One leader claimed that if residents had to leave the neighborhood, they were entitled to compensation. This was a key moment in the gentrification process because it represented a shift from remaining in the historic district at any cost, to leaving under certain terms.

When I asked Marcos how the residents in the neighborhood saw this situation soon after the approval of Law 9 and how the community reacted to it, he said:

> In the month of December, we found ourselves with the law in full compliance and it began the dismembering of the people in the neighborhood of San Felipe. There was a massive exodus, and I was terrorized to see how every week, because our office was the gazebo in the Cathedral plaza, people practically had been moved in trucks every single weekend.[122]

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[122] …. en el mes de diciembre nosotros nos encontramos con la ley en pleno apogeo y empieza el desmembramiento de las personas del barrio de San Felipe. Allí hubo un éxodo masivo a mi me daba terror ver como todas las semanas, porque nuestras oficinas eran el *gazebo* de la catedral. Veíamos aterrorizados prácticamente los camiones de mudanza todos los fines de semana

Marcos's story tells us how a relocation process in a community could take place rapidly if diverse interests are at stake. It also points out how he sees the relocation of residents as a dismembering process, not only a breaking up and reshaping of the neighborhood itself, but a kind of spiritual and emotional disconnection of people from their surrounding neighborhood. When he says *"el desmembramiento de personas"* (people's dismemberment) he metaphorically describes the community as one body, and every time families left the neighborhood, it signaled a loss of part of the community's cohesion.

In 2001, the National Assembly of Panama approved the reform to Law 9 in the first debate to compensate residents who had established residency in San Felipe by August 1997. This was the result of previous conversations a group of legislators from the National Assembly had with a group of residents and leaders to reform the law.

Marcos recognizes that he was very active in all the process of changing the law. In fact, he had conversations with several legislators to reform the law and he was representing San Felipe's residents as a leader of COPHSF in the National Assembly when they approved the law. He saw this law as transitory.

> Then, we asked as a compensation to indemnify residents. Our idea, honestly, was that when people left [the neighborhood], they had at least funds to build a house. Even when we were having the negotiations for the law, I requested five thousand dollars per head and 600 square meters in an area.[123]

I also asked Marcos if he was aware that the reform to the law established a discount for each year a person did not pay rent (Chapter 5), and he replied that:

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[123] Entonces nosotros pedíamos como compensación se indemnizara a las personas. Cuál era la idea nuestra y de este servidor honestamente, que cuando la gente saliese tuviera por lo menos un fondo para construir una vivienda, incluso cuando negociamos la ley yo pedía cinco mil dólares por cabeza y 600 metros cuadrados en un área.

Well, in any moment we negotiated that [rent] delinquency was going to be discounted. I do not recall that because it would be contradictory for our cause for residents to ask for a discount to the little [money] that they [residents] were going to receive; that is nothing compared to the gains they were going to obtain [by the owners]. I think they scored a "*goal*"[124] against us, because as a general secretary and coordinator of this organized group, it could never be conceived that I would ask to discount even a penny.[125]

Manuel also recognizes that they also fought to change the law. Although Manuel and Marcos had agreed that the law needed reform, Manuel's main disagreement with Marcos regarding the law is the outcome that came out of its enforcement, where people received little compensation, and he thought that the law ended up as a tool to evict residents (see Chapter 5). The law stipulated that investors interested in buying the dwelling and owners of the buildings had to pay this compensation (Cordero November 6, 2001).

The approval of Law 9 in the first debate provoked the protest among several property owners who believed this compensation was another obstacle placed in their path, in addition to the restoration costs and lengthy process for permissions. Aram Balwatt Cisneros (2001), a businessman, wrote an article criticizing the law and the position of both associations regarding this compensation:

With an unusual lack of common sense, or maybe the most elemental calculation, those who propose the pre-project of law that pretends to modify "the incentives' do not realize or do not care that it is a fact that the costs of evictions to renovate dwellings for the businessman will be multiplied. [This] is an unbearable load that will bring, at the end of

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[124] A goal is when a team scores in soccer. So, Marcos used this word to mean that when legislators approved the final law they introduced the reform regarding this discount.

[125] Bueno esto en ningún momento nosotros se negoció que se iba a descontar la morosidad. Yo no recuerdo porque sería contradictorio a la lucha de nosotros como moradores pedir que se descuento un descuento a lo poco que les van a dar que no es nada con las ganancias que ellos iban a obtener. Yo no recuerdo haber... yo pienso que allí fue un gol que nos metieron a los moradores porque como secretario general y coordinador de este grupo organizado jamás iba a caber esto de que yo pidiera se descontase un centavo siquiera.

the day, the incipient death and the [end] of the visible progress we are just beginning to see.[126]

Cisneros criticized the position of the leaders of COPHSF and SFRA, arguing they were inefficient in finding alternatives for the community. He implied they represented very few people, and he proposed strategies such as using the lots that the government owns in San Felipe to allow the community to stay.[127] Finally, legislators approved the law with modifications, and on 15 January 2002, the National Assembly approved Law 4, which modified the law from 1997 that was discussed in the previous Chapter.

On 29 October 2002, the Housing Committee from the National Assembly of Panama held a meeting with different institutions (e.g., Ministry of Housing, National Loaning Bank) and several members and leaders from San Felipe, to discuss the problems eviction and relocation were having on the neighborhood. Two different discourses emerged from the meeting. On the one hand, residents complained of forced evictions. On the other hand, owners of property in San

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[126] Con una inusitada falta de sentido común o, tal vez, del más elemental cálculo, quienes proponen este anteproyecto de ley que pretende modificar "los incentivos", o bien no se dan cuenta o, sencillamente, no les interesa el hecho certero que multiplicarle al empresario el costo de los desalojos que debe pagar para renovar un inmueble, es una carga insoportable que acarreará, al final del día, la muerte del incipiente y apreciable progreso que ahora apenas empezamos a ver.

[127] It is ashamed that the leaders of the area inhabitants (Fabián Hernández representing the SFRA and José Araúz representing COPHSF) have been inefficient in proposing genuine solutions to the situation of theirs (I am very little convinced I say) "represented population." Mr. Araúz, who pushes the thesis of "getting out of the neighborhood with dignity", would create a club of compensated residents. To be included in this list of anointed, is a yield political business. Mr. Hernández, who support the position of defending the "right to stay in the neighborhood", has failed to formulate a proposal to give use to the properties of an almost death Loan National Bank, so his adherents could stay in the neighborhood….

(Original quote) Es una pena que los representantes de los habitantes del área (Fabián Hernández, por la Asociación de Moradores de San Felipe y José Araúz, por la Coordinadora Pro Vivienda de los Moradores de San Felipe), hayan sido tan poco eficientes proponiendo soluciones genuinas a la situación de sus (poco amablemente convencido, digo), "representados". El Sr. Araúz, quien impulsa la tesis de "salir del barrio dignamente", crearía una suerte de club de indemnizados. Estar incluido en la lista de los ungidos, es redituable negocio político. El Sr. Hernández, quien impulsa la postura de defender el "derecho a permanecer en el barrio", ha fallado en formular diáfanamente una propuesta para darle uso a las propiedades del moribundo Banco Hipotecario Nacional para que puedan quedarse en el barrio sus representados.

Felipe, although disagreeing with the evictions, thought that the law should be carried out. In this meeting Jaime Guillén, a resident from San Felipe, expressed that they were still worried due to psychological pressures residents of San Felipe had faced during the five years they had been fighting to avoid evictions. He expressed the community's desire to stay in the neighborhood, but he also acknowledged that it was not possible to stay. He expressed his disbelief that the declaration of San Felipe as a Patrimony of Humanity could have been conceived as a reason to evict people from the neighborhood:

> Many of us wish, as we have said on countless occasions, to stay in San Felipe, but it has not been possible; to declare the *corregimiento* as Patrimony of Humanity never could have been conceived as the reason of the rootless, that we have been made objects and victims; this never should have happened. Nevertheless, this is the cruel reality. It emerged from the known interests of the governments before and now and the crash has continued[128] (*Asamblea Nacional de Panama. Comisión de Vivienda*, October 29 2002).

The quote underscores residents' belief that even with the modifications of Law 9 from 1997, they still faced eviction. In this same meeting, Carlos Julio Quijano, a member from the Association of Property Owners, stated that their association would not allow any members to carry actions to intimidate any person. At the same time, he declared that evictions should be done as the laws establish, and in office of the *Corregidora* there were several evictions pending due to delinquency, squatting, and restoration, and therefore these evictions must be carried out.[129]

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[128] [sic] muchos de nosotros quisiéramos como ya lo dijimos en innumerables ocasiones quedarnos en San Felipe, pero no ha sido posible, él haber declarado al corregimiento como patrimonio de la humanidad, nunca pudo concebirse como la razón del desarraigo del cual hemos sido objetos y víctimas, esto nunca debió suceder, sin embargo, ésta ha sido la cruda realidad, emergieron los intereses consabidos tanto en el gobierno anterior, como en el presente y el atropello ha continuado…

[129] This is what Quijano says: …. ellos no pueden permitir, como Propietario de Inmuebles, que ningún agremiado a ellos, gestionen acciones que intimiden a ninguna persona, dijo que lo único que ellos están pidiendo es que se cumplan las Leyes, manifestó, que existen ante el despacho de la señora Corregidora ilesos lanzamientos que están decretados por diversas razones, llámese morosidad, intruso, restauración, que cumplen con todos los parámetros de la Ley y lo único que ellos piden ante las autoridades es que se cumpla con la Ley. Seíialó [sic], que si hay algún

In the end, I consider these accomplishments a hollow victory because, for a number of residents, including several leaders, their quest finished when they obtained a dwelling where they had to pay mortgage in one of the government projects. It was a loss because this was the beginning of the massive evictions, with the further depopulation of the neighborhood (see chapter 4). Besides, residents who left the neighborhood did not obtain any advantages as the previous group did.

"No Place like Home": Housing Alternatives and Community's Position Regarding these Alternatives

Relocation further away from the center is another factor that triggered people's interest in participating in protests, as people have considered such relocation a great disadvantage. In spite of this, the possibility of obtaining lots in other areas of the province of Panama was another option the Ministry of Housing gave residents of San Felipe, and in 1998, the government offered residents lots to build their houses. Marcos described the government's offer this way:

> They took us, and they made us several offers [to move to where] I will call places where the devil lost its flip flap. They wanted to move us from San Felipe to sectors like The Clouds in Arraiján where there were no streets, no water, no electricity, no transportation, no policemen, no health centers, no commercial centers; there was nothing there. It was [a] jungle they wanted to gives us as a *corregimiento* (a smaller entity than an administrative district similar to San Felipe); and we opposed this all the way; we were opposed to this situation.[130]

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propietario que ha sacado a la gente y a la fecha no ha construido,[sic] debe ser sancionado por no cumplir con la restauración.

[130] Nos llevaron, nos hicieron algunas ofertas que yo les llamaba a los lugares esos "donde el Diablo perdió la chancleta." Nos querían cambiar de San Felipe a sectores como Las Nubes de Arraiján donde no habían carreteras, no había agua, no había luz, no había transporte, no había policías, no había centros de salud, no había centros comerciales, no había nada, selva nos querían dar por el corregimiento y nosotros toda la distancia nos tuvimos oponiendo a esta situación que se estaba dando

Marcos' testimony shows that the places that authorities offered residents for relocation were detrimental to a decent quality of life. In fact, in one newspaper article dated from 1998, residents complained that this new location, besides being far away, did not have streets, posts for electricity, or potable water. Furthermore, the houses were built with simple materials (inexpensive zinc and wood), which made them very hot during the day and cold at night (Quintero, 3 August 1998). Residents immediately protested this situation and the government decided to give them other alternatives.

Residents also told me that moving farther away would diminish their quality of life. When I asked them to identify the advantages of living in San Felipe, most of the time they mentioned the convenience of the location where they can walk to the supermarket, to the main stores on Central Avenue, and to take the bus a few blocks from the historic districts. They would not have these benefits if they were relocated in the outlying areas of Tanara, Arraiján, and Pacora, where the availability for housing exists. Retired, older residents and mothers with small children are the ones who have felt the most affected by living in those areas. The importance of relative location and accessibility to sites and services has been already mentioned in the literature. For example, Gilbert considers that "[c]entrally located accommodation is a necessity for many households. Moving to the distant periphery can cause problems for them because it increases journey times and can easily weaken family-support systems. It is in this way that "Some rental accommodations have to be available within easy range of the central city" (Gilbert 1993: 159). The San Felipe experience bears this out.

Centrality is especially vital for older residents. Moving out of the neighborhood would mean not only losing their ties and networks with friends and relatives, but also their ability to move within the boundaries of the historic district and the downtown area they have known most

of their life. In addition, this situation affects families economically and socially. They are impacted economically since families that move to the outlying areas now have to spend more money on transportation and food because they are farther away. They will also have less time to be with their families. Some families have even taken their children out of school in San Felipe because they cannot afford bus fare. Consequently, there are now schools that have such a low enrollment that they will probably close.

Relocation has also affected many families socially since they no longer have a neighbor or a trusted person who can watch their children if they need to go to a store, a system they developed throughout the years using networks of reciprocity. Lomnitz (1987) emphasizes the importance of networks of reciprocity among relatives and are very important, and. a precondition for these networks to endure is the existence of a family relationship among neighbors that could be either through blood or through other types of relationships. These relationships are anchored in reciprocal exchanges (Lomnitz 1977) and values like friendship, trust, *cuatismo or compadrazgo,*[131] and neighborhood (Rivera 2006: 93-94). Residents such as Blanca prefer living in San Felipe mostly because everything is within walking distance, and when she had to go to work, her neighbors watched the children. All these aspects spur residents in San Felipe and other residents in many cities around the globe to take action and participate in social movements.

Public housing was another alternative the government offered to San Felipeans who could afford to move out of the neighborhood and pay the mortgage. The Salomon buildings located in el Chorrillo were one of the first housing alternatives the Ministry of Housing offered residents. However, residents did not want to move there because El Chorrillo is considered a "red area," a

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[131] *Cuatismo* is a word used in Mexico to refer to a close friend, whereas *compadrazgo* is used to signify a relationship that is the result of a person being the godfather or godmother of the person's child. Both terms form part of fictive kinship and networks of trust and confidence that are found in Latin American social relations.

term used to denote high crime areas in Panama. Both Marcos and Manuel agreed that to move to El Chorrillo was not a viable alternative for the community. Marcos criticized this alternative:

> Due to the fact we refused all types of solutions and we were already on the streets [protesting], the government decided to build several small projects such as the *Hortencia* I believe they call it for several apartment complexes in El Chorrillo sector, and well, in fact they offered me and my group a building, two buildings if I would give up the fight. I told them that I was not *Chorrillero*. That I could not live [there]… I thought that in San Felipe, if in other times rich people had learned to live with the poor, [the same could happen today] we could have lived with them.[132]

Marcos's refusal to live in El Chorrillo is premised on the notion that he is a *San Felipeño* and not a *Chorrillero.* [133] This is further evidence of his attachment to the neighborhood and his sense of belonging to a particular area. He still believed that low-income people could live together in the same neighborhood with the high-income residents as had happened before. Manuel from SFRA shared the same argument. He perceived El Chorrillo as more dangerous than San Felipe. Several residents refused to move into the dwellings the government had made available there. In spite of this, after several discussions and negotiations, a group of residents did move to El Chorrillo.[134]

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[132] Bien en vista de que nosotros nos rehusamos a todo este tipo y ya estábamos en las calles el gobierno decide hacer ciertos proyectitos como los Hortencia creo que les llaman unos apartamento en el sector del Chorrillo y bueno incluso a mi me ofrecieron para mi y mi grupo un edificio, dos edificios si yo bajaba la guardia. Yo les dije que yo no era Chorrillero. Que yo no podía vivir… yo que pensaba que San Felipe si en otras épocas los adinerados habían aprendido a vivir con los pobres, igual podíamos vivir con ellos.

[133] With this name residents from El Chorrillo, an adjacent neighborhood to San Felipe, are identified.

[134] Marcos concluded that the main reason why people accepted to move to El Chorrillo was because they were very frightened of being kicked out; so they began to accept whatever place the government offered them. From the in-depth interviews I conducted with ex-residents from San Felipe living today in El Chorrillo, they mainly complained that the crime situation and insecurity in the neighborhood was worse, since gangs and drug activities have risen in the area as well as crime rate. In fact, since last year there have been at least two or three gun-related deaths every week in this neighborhood.

From 1998 to 2003, it seems there were not many projects available for the population of San Felipe. Then, in 2003, the Ministry of Housing finished The Century buildings, a housing project located in the nearby neighborhood of Santa Ana. This project had 300 apartment units that measured 45 mts.^{2} by 45 mts.^{2}. Although San Felipe's residents thought they would receive the 300 units, the government only allotted 150 dwellings.[135] This act deepened resentment and separation between COPHSF adherents and SFRA adherents as the SFRA leadership accused the COPHSF leader of using the distribution of units for political purposes.

Manuel, the SFRA leader, considers that Law 4 of 2002 hurt residents because it provided a legal justification for their exodus from the community instead of serving as an alternative for residents to stay. Manuel captures this sentiment:

> They [referring to the government and the other group that was leading the movement at that time] designed a law where the exit of people is legalized…that is treason…because this does not have a price, because they put a price on [residents'] antiquity. In other words, if you had 40 or 50 years living in a dwelling you would obtain $5000 dollars; [people who have] 10 years [living in the neighborhood] would have the right to have $2000 dollars; [this situation] legalized the departure of the people and, one more time, it debilitates our movement, because money took charge of a fight[136]

After the signing of Law 4, the divisions among the members who were organizing the protests increased. One faction believed that if they had to leave San Felipe, they should get at least something. Members of the other group thought they should have fought to remain in the

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[135] Even today some of the ex-residents who moved to the Century (*Centenario)* buildings have complained that because other people from other neighborhoods were assigned to some of the units, they have problems with garbage, loud music, and deterioration of the park, since these people do not have the same culture as the ones from San Felipe.

[136]…diseñaron una ley, anexo de la ley 9 que es la Ley 4 en donde legaliza la salida de la gente eso es una traición realmente eso no tiene precio porque ponen precio realmente por la antigüedad. Es decir usted tiene 40 años de residir en un inmueble o 50 años le tocaba 5000 dólares escalonadamente hasta llegar a un número de 10 años tenía derecho a 2,000 dólares; legaliza la salida y una vez más debilita el movimiento de nosotros, porque el dinero fue el que se encargó de una lucha ….

neighborhood. Others applied to obtain an apartment in the buildings that the government built to relocate some of the residents. Differences deepened when some residents were selected in a seemingly ad-hoc manner to move into the new apartment complexes and others did not. Perhaps not surprisingly, accusations of what I identify as co-optation and clientelism began among members. For example, Manuel, one of the leaders of SFRA, accused Marcos, the leader from COPHSF, thus: "He was benefited with an apartment as well as four members of his family; there were five apartments that were given to him and… well… what better price [compensation] than that one"[137] (Interview conducted on 14 May 2006).

Regardless of the controversies, an undetermined number of residents took the money because of economic problems they had. Others saw this compensation as a down payment to obtain another dwelling somewhere else. Others were tired of the harassment and they took whatever owners or real estate companies offered them.

Although I have made efforts to obtain information on how many people have been compensated during this period, these statistics are not available in the Ministry of Housing and the Historic District Office. Officials argue that the law allows renters and owners to reach agreements regarding the amount of compensation without having to report to either of these institutions. Likewise, the different institutions that work in San Felipe (Ministry of Housing, Ministry of Social Development, and Office of the Historic District) do not have precise information on the number of people that have left San Felipe thus far. This situation is proof of the system's weakness, and it has given room for misunderstandings and ambiguous interpretations of the "facts" among the different actors, especially owners, renters, and residents.

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[137] Él fue beneficiado con un apartamento y 4 miembros de la familia, son 5 apartamentos que se le dieron a él y bueno que más premio que ese.

These testimonies provide insight into the social history of San Felipe, especially after 1997. The increase of residents' evictions is not a coincidence. They are linked to pressures owners and renters were inflicting on residents in an effort to revitalize the neighborhood, with the purpose of offering these restored and renewed building to a national and international buyer interested in living in an area with an interesting historic past. Regardless of the level of participation residents had through the organizations I described above, the inexorable results for many of these residents was to leave San Felipe. In short, San Felipeans used their organizations to obtain help from national and international institutions to which I turn in following section.

Relations with National and International Institutions

Both Marcos and Manuel acknowledge that they received help from institutions, including the University of Panama, which provided them with a group of lawyers to try to find a solution. These two leaders likewise mention that they received help from The Panamanian People's Defender, a group of lawyers, and several legislators from the National Assembly who helped them with the revision of Law 9. Marcos also claims that they tried to obtain advice from other organizations such as *SUNCTRAC* (The Construction Worker Association), but in the end, the community was the one that fought alone.

At the international level UNESCO has been one of the international organizations that leaders and residents of San Felipe claim to have been in contact with frequently. The organization sent several experts to evaluate what was occurring with built heritage and evictions. He also says that if they saw anything that would put the patrimony at risk, they would send letters to UNESCO.[138] In fact, in 2006, Felipe Del Mon, a UNESCO consultant in charge of following up

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[138] Since 2005, time when I began my research I have personally attended one meeting the SFRA board of directors had with one representative of UNESCO in 2006 to discuss the residents' situation, and two workshops

the events that were being held in the historic district, met with the SFRA board of directors (Appendix D.3). In this meeting, they revealed their situation regarding evictions. They also discussed the importance of, and the possibilities for, residents to stay in the neighborhood due to the restoration of some housing units owned by the state.

In a meeting held in San Felipe a few days later with the Minister of Housing, the director of the Historic District, and other authorities, a reporter wrote that Mr. Mon congratulated the authorities for the initiative of providing several housing solutions. He also stated the following: "The Venezuelans recognized that the restoration process of a historic center is a difficult task, because the patrimony of not only stone, but also its people and very few have understood this in Latin America…." He also reminded them "people are what make the soul of a place and gives them life…"[139]

Although organizations in San Felipe had been in touch with UNESCO, this contact has not been enough to help residents to avoid eviction, since UNESCO has no real power over the decisions that are taken by speculators, property owners, or the government itself. They can only observe and advise in case they see any problems with restoration. The SFRA leader has also told me that they have had relationships with the Interamerican Court of Human Rights, where they accused the State of Panama of "an attempt" against their residents' rights, detailing the case of an old couple being evicted, although they were paying rent. At the time of this research, SFRA did

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with UNESCO consultants, one in 2005 to discuss the importance of the patrimony and community cohesion, and another in 2007 to discuss the need to continue with the incentives laws and the importance of giving more power of decision making to the Office of the Historic District.

[139] El experto venezolano reconoció que el proceso de restauración de un casco histórico es materia difícil, "porque el patrimonio no es solo la piedra, sino también su gente y muy pocos en Latinoamérica han entendido eso"…. Recordó que "la gente es la que hace el alma del lugar y le da vida…"

not know the answer to that petition, and the evicted residents were relocated to one of the housing projects in San Felipe.

As we shall discuss in the next section, all the relations both organizations have had with different institutions have not been enough to avoid the tensions, threats, and anxieties residents have had due to the confrontation between San Felipe's organizations that have participated in the movement.

Tensions, Threats and Anxieties: Tactics Residents and Property Owners Have Used to Fight for their Objectives

Impulsiveness and confrontations seem to have risen in San Felipe after 1997. From early on in the confrontations, leaders and residents, speculators and property owners have used different strategies to achieve their objectives. These confrontational strategies have made the community anxious.

Both COPHSF and SFRA have used mass mobilization, street protests, circulating information, and open confrontation with the state as ways to call national and international attention to their San Felipe cause. In addition, they both used flyers, door-to-door visits, and megaphones to call people to meetings. When I asked Marcos what methods of resistance they used he immediately, said 'the fight in the street,' (*la lucha en la calle*) which means vigils, street protests, including the closing of streets. Marcos explained the conditions in which these types of resistance took place and how vigils were conducted,

> This was a tenacious fight over the years and always on the streets, under the rain, the sun, at night we did wakeful vigils. When we knew that a family was going to be evicted

we placed a vigil and any number of neighbors [show up at the house] and we did not allow people to be evicted.[140]

The way they conducted protests was either by blocking streets[141] or by going to places where the authorities have their offices. They protested in front of the buildings of the Ministry of Housing, The National Assembly, and the Presidency. They also used newspapers[142], as well as radio and television media to send out their messages. He said that they used to organize themselves so they would go to different radio stations at the same time.[143]

In the preceding discussion I have tried to show the different strategies residents and the organizations in San Felipe have used to avoid eviction and to obtain a housing solution. Speculators, property owners, and authorities likewise have used their own strategies to vacate their properties. The authorities have acted as agents to carry out the laws, and to find housing alternatives for the community. In either case, as I shall explain, speculators and property owners saw the authorities as weak when they did not enforce the laws; leaders and residents saw them as persecutors and "enemies" when they did enforce them.

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[140] …esto fue una lucha tenaz de años y siempre en la calle bajo la lluvia, bajo el sol, de noche, hacíamos vigilia. Cuando sabíamos que iban a sacar alguna familia de alguna casa pues montábamos allí una vigilia cualquier cantidad de vecinos y no permitíamos que sacaran a la gente."

[141] On August 13, 2001 *La Prensa*, reported that San Felipe's residents had blocked Avenue A, an important avenue in the city, protesting the eviction order twenty-five families had received earlier.

[142] See Appendix D for examples of a few articles I chose.

[143] La lucha en la calle hombre. La televisión, los medios de comunicación…escrito, radial. Todas partes. Nosotros nos organizamos de tal forma que íbamos a diferentes emisoras a la misma hora.

Strategies that Speculators, Property Owners, and Government Authorities Have Used to Move Residents Out of the Dwellings

Primary and secondary data sources reveal that speculators, property owners, and authorities pressured residents. In some cases, speculators and property owners would act on their own. In other cases, they would seek the help of local and state authorities to remove people from the dwellings. As I shall show in this section, most of the strategies mentioned for eviction have been used in San Felipe.

The instability that evictions and relocations have caused in San Felipe from 1997 to the present is clearly perceived by residents and ex-residents of this neighborhood. Although eviction has taken place since 1997 to the present, testimonies show that from 1997 to 2004, evictions were frequent; protests were also frequently held and the first legal battles took place during this time. As *El Panamá América*, a national newspaper, reported in 2001 residents accused private companies and the government of evicting them without giving them any housing solution, and leaders of the neighborhood were asking for the approval of a law that compensated the residents by giving them 600 mts^2 to build new housing in Arraiján, a town located outside of Panama City (Aparicio, 2001).

Threats of forced eviction have been the most common tool speculators and property owners have used to empty their properties in San Felipe, as Appendix D.1 shows, presenting just few of the articles that different people have written on the subject. Testimonies I gathered from leaders, residents, and ex-residents of San Felipe also confirm these tactics. Manuel recalls that they received pressure from owners, from buyers who also wanted their properties, from lawyers,

and even from people that act as messengers from any of these groups. He further stated that, because of this pressure, "people were losing control, and many of them left the neighborhood"[144]

Karina, a 62-year-old ex-resident of San Felipe who lived in the neighborhood for 35 years and was a seamstress, told me her story regarding these kinds of pressure. She claimed that at the end of the 1990s some people came to her door insisting that they had bought the building and they needed residents to move out. The majority of the residents moved out to buildings in El Chorrillo, but she refused to move because she did not want to live there. She states,

> Then, because they [the owners] wanted me to move out of the building faster, they took the roof off, and they cut water and electricity, they took everything. Unfortunately, that day we had a heavy rain and all my things got wet, and when I saw this, I did not have any other option that to pick up my things and leave.[145]

When I asked Javier, another San Felipe ex-resident, what type of harassment owners and realtors used, he told me that they used psychological pressure. According to Javier, during the period of 2000 to 2003 people could not go out to do their errands since they were afraid they were going to find their belongings outside of the dwelling in a moving truck. Another type of harassment owners and real estate agencies used was to seal off their doors with blocks. To avoid this situation, they decided that one of the tenants always had to stay in the building.[146]

Such harassment and threats usually affect most those people who do not have anywhere to go. In fact, from 2005 to 2006 the Ministry of Social Development conducted, with other institutions, a study to identify poverty that encompassed San Felipe. The study corroborates these

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[144] …la odisea de la presión de los dueños a través de los abogados, del comprador, del mensajero y la gente se estaba perdiendo el control y se iban yendo mucho…

[145] Interview conducted on March 23, 2005. The original quote states: …entonces ellos decidieron para que yo me fuera más rápido quitarme el techo, el agua y la luz todo…todo me lo quitaron. Bueno desgraciadamente ese día que le quitaron las hojas de zinc a la casa llovió cayó una fuerte lluvia y me mojó todas mis cosas y yo viendo que todo estaba así, no tuve otra alternativa que recoger mis cosas e irme.

[146] Interview conducted on 8 March 2008.

harassment and threats, pointing out that one of the problems confronting poor residents in this neighborhood was that "The population was exposed to psychological pressure and eviction orders, a lack of fulfillment of the compensations, the destruction of buildings and people's property…"(Torres and Centeno, 2006). Although most of the evictions involved people who were living in condemned and abandoned buildings, Antonio, a businessman and property owner in San Felipe (quoted in Chapter 4 as well), assured me that the eviction of people from the neighborhood in several cases was necessary, whereas in other cases it was not.

The Role of the State in the Evictions

The role the State has changed throughout the years in the conflict between residents and speculators and property owners. At times the relationship has been acrimonious; at other times it has been conciliatory. Residents mentioned in their interviews that before an eviction would take place they usually received a notification from the local authority informing them of the date of the eviction. This procedure is most frequently done when property owners claimed their property, because the building has been condemned or tenants are in arrears or both. Testimonies from residents that I presented in Chapter 5 indicated that many of them were in arrears, a situation that complicates their evictions. Thus, the local government from the beginning was involved in residents' evictions, since they were in charge of evicting people at owners' request. In his interview, Manuel strongly disagrees with the way laws have been used to evict residents. He claimed,

> [Evictions] were coordinated with the *corregidora*, who arbitrary, [evicted them]; and when I say arbitrary, it is because the evictions have to be done under a parameter or procedure. However, here it did not…Here was the *corregidora* and no one else. No one could have a lawyer or go to anyone else, because whatever she says that was what was done. The *corregidora* used to say [for example] 'I shall see you on Thursday and if you are still here I will evict you'. Therefore, she will evict them with her personnel, and the police. They would put your clothes and belongings in garbage bags and they would kick

you out. The rest of your things they would keep in storage that they had beside the *Junta Comunal*.[147]

The harassment that came with the eviction caught the media's attention. Quintero (1998) published an article about the intimidation. Community organizations, property owners, land speculators, and governments have used these tactics around the world, especially in developing countries. Specifically, Quintero argued

> Although the Ministry of Housing has ready the resolutions of eviction for the families who live in condemned houses, like house 8-36 between Central Avenue and Ninth street, authorities from the police do not dare to carry out [these orders] due the terrible image that this would cause to the government, especially in a pre-election year and a referendum. Then, intimidation tactics take place since authorities approach families and pick one of them, notifying them verbally that they will be evicted on a specific date and that after them another five families will be evicted and so on. The voice is passed quickly, fear circulates, and anxiety gets contagious.[148]

San Felipe has been affected by the increasingly close relationships between the state and private business, relationships that many times are not totally clear for local residents who try to decipher the process of cause and effect, responsibility, and decision-making. They feel powerless when they are not effectively part of the transformations taking place in their neighborhood. As a result, they feel the need to associate with other stakeholders to make their voices heard. This case

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[147] [Los desalojos] estaban coordinados más que nada con la corregidora arbitrariamente la corregidora, arbitrariamente cuando decimos arbitrariamente porque los desalojos tienen que darse bajo un parámetro un procedimiento. Mas sin embargo aquí no, aquí era la corregidora y pare de contar. Nadie podía meter ni siquiera un abogado ni acudir a ninguna instancia porque ya lo que decía la corregidora eso era. Lo único que decía la corregidora te veo el jueves y si estas el jueves aquí te saco. Y así lo sacaba ella misma con su personal y la policía afuera. Te metían en cartuchos negros tu ropa, tus enseres y te sacaban y el resto lo metían en un depósito que ellos tenían por el lado de la Junta Comunal.

[148] Si bien existen ya las resoluciones de desalojo emitidas por las Comisiones de Vivienda del Ministerio de Vivienda que disponen el lanzamiento de las familias residentes de casas condenadas, como la 8–36 de la Avenida Central, y Calle 9a., las autoridades de policía no se atreven a ejecutarlas por la pésima imagen que ello causará a l Gobierno, sobre todo en esta coyuntura preelectoral y de referendo. Es así como las tácticas de intimidación y de sugestión tienen cabida, ya que algunas autoridades se acercan a las familias y escogen una de ellas, a la que le notifican de palabra que en tal fecha se le lanzará, y que luego seguirán otras cinco familias. La voz se corre, el miedo circula y la zozobra se contagia.

study makes clear that the complexity of gentrification impedes effective challenges to it; it is in many ways a sort of 'shell game' where the sleight of hand is created by a 'magician' who uses laws, apathy, and other strategies to weaken community opposition to gentrification.

Repression, Clientelism and Co-Optation as Tactics to Weaken San Felipe's Housing Movement

Repression, clientelism, and co-optation are three of the four characteristics proposed by Gilbert (1993) to explain why people protest very little and movements seem to have little success in Latin America. I compared these characteristics and tactics with what I have found in the case of San Felipe, based on my in-depth interviews, seminars for leaders and groups of the community, and meetings in the community and with authorities (Appendix D.2). This will also be corroborated with the results of my survey in Chapter 7.

I agree with Gilbert that governments have used repression as an effective tactic to discourage protests and dismantle movements. Both Marcos and Manuel insisted that they received threats from authorities. Marcos recalled that police were going to put him in jail because there was a city law that did not allow posting any advertisements in San Felipe, and his organization had put up several advertisements protesting the evictions, and tried to stop authorities coming into the buildings and evicting people. In the end, he only received a warning.

Clientelism and co-optation are the other two tactics that owners and the government have used to break the movement. Marcos, for example, argued that local authorities attempted what I identify based on the literature as a co-optation of a leader, when he mentions that the government offered him and his group one of the buildings that were going to be built. This is not a surprise since clientelism, also known as patronage, has been a tool used by powerful actors to "delegitimize" a movement. Clientelism leads to co-optation and corruption as Banck and Doimo

(1989) demonstrated, when they define clientelism as "the dispensing of public resources as favors (or the promise to do so) by political power holders/seekers and their respective parties, in exchange for votes or forms of popular political support, being a strategy of elite-controlled political participation fostering the status quo" (1989: 146).

San Felipe's clientelist relationships are similar to what Gilbert portrays in his findings. Table 6.2 shows a comparison between his findings and what I have found in San Felipe.

Table 6.2. Gilbert's Findings on Clientelism Compared to San Felipe

Gilbert's (1994) Findings	What I have found in San Felipe
Politicians use clientelism to keep political protests under control, promising favors or rewards, such as improvements in infrastructure or services to the community, that in many cases do not materialize.	On several occasions, residents have complained that authorities have told them they will find solutions to their situation. These solutions have been minimal in many cases, and totally unfilled in others.

Co-optation is another traditional tactic that has had perverse consequences for a social movement. Leadership and co-optation occur when a leader in the community obtains resources from politicians and other influential people. These resources may go to the community or the leader may keep these resources as a payment to keep the residents of the community under control (Gilbert 1994). In San Felipe, accusations of what I define as co-optation among leaders have further splintered the movement. For example, when the government benefited Marcos and several members of his family by granting them government apartments in one of the projects, members of SFRA criticized him for accepting these apartments and argued that he had put his personal interests first instead of the community's interests. In his defense, Marcos argued that although he

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was also in need of housing for himself and his family, he did not relocate in the first wave of movers; he assured me that he had tried to stay in the neighborhood as much as he could, but at last he had to move out because a wall of the house where he lived collapsed. He considered he had the right to benefit from a housing solution because he had given his share of sacrifice to the movement; he had a period where he lost his job due to the cause and he and his family had to move to a very small place where they lived for two years. Although he said he was not willing to leave the cause, he finally had to move out of the neighborhood.

Manuel, the leader from SFRA, also did not escape criticism. A few years after Marcos moved out of the neighborhood, the government also included him in a restored project in the neighborhood. This situation created friction among residents who believed their leader had been co-opted. Although this member assured the community that he also needed a place to live because he had small children and that he was being loyal to the cause, he received criticism from members of the community, and as a result he lost credibility.

The comparisons above show that residents and leaders have faith in the movement, but onerous circumstances and temptations weaken their commitment to the association. They believed that the movement to fight to stay in San Felipe was justified, but they became dispirited because they realized that their housing legally belonged to others. At last, San Felipe became what Herzog describes as a 'location conflict,' a term "coined nearly two decades ago in urban geography, [and which] captures the essence of negotiation and conflict that often occur among competing interest groups" (2006: 153). It also shows that some forms of repression can be subtle, motivating people to destroy and further deteriorate buildings, providing opportunities for lawyers to harass residents, and thus the cycle continues unabated.

The SFRA and Their Role in Obtaining Housing within the Neighborhood: 2004 to the Present

I met the members of the actual SFRA in February 2005, which marked the beginning of my intermittent fieldwork over the next three years. I wanted to know whether displacement had taken place, how people were reacting to revitalization and gentrification, and whether the SFRA was taking any steps to resist these processes. In this first encounter, five of the eight-member Board of Directors (*Junta Directiva*) attended. They told me they had been trying to organize the community for several years to fight against eviction and the disintegration of the community and to improve the conditions of the neighborhood. The San Felipe situation in 2005 indicated that regardless of the geographical space, people share similar aspirations demanding justice and improvement of their housing conditions.[149]

A year earlier, in 2004, after the national elections, new government officials were appointed to the government cabinet. Two of the ministries that were already working in San Felipe were the Ministry of Housing and the Ministry of Social Development. These two ministries had new appointees, as did the Office of the Historic District. The policy for the ministries of this new administration seemed to have changed from the previous administration. Government officials from these institutions openly declared their willingness to create housing programs, mostly using the land in San Felipe owned by the governmental Mortgage Bank (*Banco Hipotecario*) and to continue with social programs and training programs to help the residents of the neighborhood. For example, the Ministry of Social Development conducted a diagnostic on

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[149] These objectives are very similar to the ones proposed to the residents of the Alameda district in Mexico City during the early 1990s through a coalition called *Asociación de Residentes, Comerciantes y Trabajadores de la Zona Alameda.* These objectives were the creation of more housing in the community, the maintenance of the quality of life, and the preservation of the historic buildings and monuments in the neighborhood (Herzog, 2006, p. 159).

poverty in the neighborhood, the Ministry of Housing continued with a program of restoration of buildings to allocate residents in the neighborhood (see Chapter 4), and the Office of the Historic District collaborated in training programs and seminars for the community with national and internationals institutions. (I will discuss the outcomes of these seminars in the next section). However not all of these "actions" stopped the threat of forced eviction and the anxieties this situation caused on the affected population after 2004.

Given this change of policy, SFRA members began to communicate more with local authorities, especially with the Ministry of Housing, the Ministry of Social Development, and the Office of the Historic District. From 2005 to the end of 2007, government institutions, especially the Office of the Historic District, invited SFRA to several seminars and workshops with diverse organizations that had interests in San Felipe. Although Marcos' organization (COPHSF) seemed to be off the radar since Marcos was no longer living in the neighborhood, I saw him participating in two of these seminars and workshops. Marcos believed that he was invited to these meetings because he still was a leader in San Felipe. During the period I was conducting my research I was invited to two events that were of significant importance because of the salience of the workshops and the breadth of the discussion about housing.

The first invitation was in May 2006, when the Office of the Historic District (Oficina del Casco Antiguo, OCA in Spanish), the Interamerican Institute of Cooperation for the Agriculture, and the Ministry of Social Development held another workshop. They hired two facilitators from a local NGO called Sustainable Development and Exportation (*Desarrollo Sostenible y la Exportación, Des Ex*). Thirty-nine members from ten different associations that operated in the neighborhood attended. The title of the workshop was "The Historic District: Development and

Strengthening of the Social Web of San Felipe's Organizations."[150] These associations included Residents of San Felipe, Pro-Housing Committee, Artisans United, Independent Group, AUCA, ASOSEPROM, *Junta Comunal de San Felipe*, Neighborhood Association, and National Committee.[151]

At the end of the workshop held by the Office OCA and other institutions, the final document established that the workshop accomplished these six objectives:

- To promote the strength of the social-fabric network in San Felipe.

- To promote the birth of a new organization that would bring together all the organizations that participated in the workshop, the "United Organizations for the Safeguarding of San Felipe's Heritage" (OUPSAF).[152]

- To generate collective hope and enthusiasm among participants.

- To generate cooperation among the participant organizations.

- To formulate a working plan around the new organization to work in coordination with the OCA (Office of the Historic District) and other institutional actors.

- To present elements to promote a change of values and local management (OCA, MIDES and IICA, 2006).

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[150] The original title in Spanish was "Casco Antiguo: Desarrollo y Fortalecimiento del Tejido Social de las Organizaciones de San Felipe"

[151] Residentes de San Felipe, Comité Pro-Vivienda, Artesanos Unidos, Grupo Independiente, AUCA, ASOSEPROM, Residentes de San Felipe, Junta Comunal de San Felipe, Asociación de Moradores, Comité Nacional.

[152] The original name in Spanish is "Organizaciones Unidas Pro-Salvaguarda del Patrimonio de San Felipe (OUPSAF).

The facilitators introduced other topics such as the Master Plan to Revive the Historic

District, (*Revive El Casco)*, the experience MIDES had with a community development work in

San Felipe, leadership and group work, and the qualities and characteristics of a good leader.

During the workshop participants contributed in the making of a SWOT matrix (Strengths,

Weaknesses, Opportunities and Threats).[153]. Through this technique, participants identified

opportunities and threats. This method showed to be very effective in gathering participants and

obtaining an x-ray of the neighborhood (Table 6.3).

Table 6.3. Several of the Strength, Opportunities, Weakness, and Threats Identified in the

Workshop held by the Office of the Historic Center: 2006[154]

Opportunities	Threats	Strengths	Weaknesses
Creation of workshops to develop the community	Forced Eviction	Officers of Artisans association and SFRA	Lack of economic resources
To create an artisan market in the neighborhood	Rigid laws	Human Capital	Decree and laws that exclude the community
To strengthen free enterprise at community level	Property Speculation, Rigid laws	Existence of leaders willing to keep fighting for the interests of the Community	Lack of support from the government
To promote opportunities for community integration and diversification	Lack of Integral planning	A community with many years of existence	Lack of internal unity among actors
To obtain lots within the community from the State as an alternative for housing	Unemployment, "disappearance" of neighborhood residents, lack of Security, housing in deplorable conditions	Existence of workshop school (*escuela taller*) in the neighborhood	Disorganization and lack of support

Source: OCA, MIDES, AND IICA. *Informe Final del Taller "Casco Antiguo: Desarrollo y Fortalecimiento del Tejido Social de las Organizaciones de San Felipe.*

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[153] In Spanish this matrix is known as *FODA (Fortalezas, Oportunidades, Debilidades y Oportunidades)*.

[154] *Fortalezas, Oportunidades, Debilidades y Amenazas Identificadas en el Taller Fortalecimiento del Tejido Social del Casco Antiguo: Año 2006.*

The participants in the Office of the Historic Center (OCA) workshop made what they called "strategic lines of action regarding strength and integrations of the organizations"; they also proposed to negotiate with the authorities concerning the status of housing for residents in San Felipe including the revision of the law regarding housing and artisan activities in the neighborhood, the finding of alternatives for employment and self-employment for residents, and finally improving the security in the historic district.

Although the organizations that participated in the workshop agreed that the outcome of the workshop was desirable, problems arose when organizations created OUPSAF and they chose a new president. SFRA rejected this new organization arguing that they were already recognized as an association addressing housing needs in San Felipe, and they were going to maintain that role. They likewise argued that they had *personería juridica* [legal standing] and thus legally were a recognized organization. Nevertheless, OUPSAF, in July 2006, organized a dinner to collect funds and to talk about their proposals. A journalist who covered this event reported that the mayor of the city as well as other authorities attended this dinner. From this point in 2006 to the present, it has been difficult for all the organizations (artisan association, fishermen association, and others) to unite and combine efforts to keep the movement strong.[155] On the one hand, the workshop had positive outcomes, because participants were able to create the basis for a strategic plan to include diverse actors in the development of the area. On the other hand, the objectives of this workshop were not accomplished, since groups distanced themselves from each other instead of coming together.

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[155] As Wit mentions "Leaders must be able to build up networks by means of which they must be able to 'deliver the goods' to their clients" (1989, p. 77).

The Office of the Historic District held a second activity on 23 March 2007 that consisted on a day-long workshop with different actors that included local business owners, new upscale merchants, realtors, and related entrepreneurs. The purpose of the workshop was to discuss the future of the Office and the possibility to revise the law that had created the fiscal incentives for investors. They were worried about the impact this issue was going to have on the revitalization of the neighborhood. It is noteworthy that at this workshop the various stakeholders seemed to agree that it was important to maintain the human heritage in the neighborhood, and that it was necessary to think of some alternatives to build affordable housing in the lots that belong to the government. Two representatives of UNESCO directed this workshop, which added a touch of legitimacy to the organizations in attendance.

The results of this workshop and further efforts of developers, owners, and investors, among others, resulted in the approval of law 136. On January 17th 2014, Law 136 of December 13 2013 appeared in the official gazetteer. This law renews the incentives for investment in the Historic District. I will paraphrase the most relevant aspects of this law. For example, Article 1 establishes that this law provides incentives to landlords and tenants as well as owners and investors whose activities are generated within the Monumental Historic Old Town of the city of Panama and its adjacent area or its transition area for the time that will be established for each of them. It provides incentives for mortgage loans, specifically referred to as Preferential Mortgage Loans for the enhancement of historic monuments of the Old Town of the City of Panama (*Préstamos hipotecarios preferenciales para la puesta en valor del conjunto monumental histórico del Casco Antiguo de la Ciudad de Panama*). This means they are able to obtain lower interest rates.

These investors must abide by the laws already established for the restoration and renovation of the Historic District as well as for giving moneys for the maintenance of parks, green areas, churches, and any other public area. They also can apply for deductible rent taxes up to ten years for the sale of a lot and related activities, as well as a thirty-year property tax exoneration for those who obtain occupation permit after the law has been put in place. The law establishes that $50,000 USD is the minimum investment that is required to have access to these benefits.

Tenants of a building or house that has been refurnished for housing purposes will have a discount from their gross income for a five-year period. The law mentions as well that the government, with the help of the Ministry of Housing and Urban Development (MIVIOT),[156] will proceed to the relocation of inhabitants who are not property owners and live in buildings whose owners have permission to restore. The ministry will not be responsible in helping to provide housing to those residents who have been evicted. Those who have been evicted will have a period of six months to leave the building from the moment the National Office of Historic Patrimony approves the plans for the restoration and renovation projects. Those families who have to move due to these projects will be compensated as long as they have a lease contract or have a document that says they have been living legally in the building. Compensations will go from $5,000 dollars for residents who have been living in the neighborhood from 5 to 10 years with a maximum of $12,000 for those residents who have been living in the neighborhood for more than 40 years. From this compensation, property owners will discount the delinquency tenants have. The investor or property owner who pays this compensation has the right of reimbursement through a fiscal credit regulated by the Executive branch. Only residents who meet the following criteria will receive this compensation: 1. those who are living in the Historic District for social reasons (these

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[156] *Ministerio de Vivienda y Ordenamiento Territorial (MIVIOT)*

are residents who were able to stay in a rented place owned by the government); 2. Those who have a lease contract dated before 2008; 3. Those who have paid rent lower than $75.00 a month; and 4. Those who are not within the category of intruders or squatters.

This compensation will be proportional to the years tenants have been living legally in the place The MIVIOT gives priority in its housing programs to those residents who are very old and need to move. Tenants will be compensated only after they leave the buildings where they have been living. MIVIOT will offer them the opportunity to acquire a place in housing projects *if* they qualify for them. The investor will have two years to restore or renovate the building or buildings; otherwise they will receive a fine that will go from $5,000 to $150,000 dollars established in this law.

As we recall from Chapter 5, many of the tenants' testimonies refer to the fact that owners stopped collecting their monthly rent payment, so they fell into delinquency and this delinquency was the owners' fault in these cases. Furthermore, many buildings were condemned with residents inside either by the owners' or the tenants' requests, so there is no way they can prove that they themselves are not squatters and or intruders. Besides many other people who really are squatters and intruders took advantage of the situation in San Felipe and invaded buildings that were condemned. As a result of this scenario, the possibilities for residents who live in condemned housing and in buildings that are for restoration and renovation to stay are almost null.

The Process of Organizational Change in San Felipe: Accomplishments and Shortcomings

Social movements suffer changes through time due to internal and external pressures that affect their internal structure and processes as well as success in attaining their goals (Zald and Garner, 1987, p. 121). These transformations of organizations have been studied through a model called the institutionalization and goal displacement model of organizational transformation. This

model, which is based on Weber and Michels, states "as an MO [movement organization] attains an economic and social base in the society, as the original charismatic leadership is replaced, a bureaucratic structure emerges and a general accommodation to the society occurs" (Zald and Garner, 1987, p. 121). In this process, three changes occur: first, goal transformations, in which the leadership changes goals that cannot be achieved; second, a shift to organization maintenance and the need for the organization to keep membership high; and third, "oligarchization," in which the concentration of power is centered on a person or a small group of people (Zald and Denton 1963, cited in Zald and Garner 1987: 121-122).

San Felipe's housing movement reflects several of these changes. It had to reposition its initial goal of staying in the neighborhood to reaching a compromise with authorities so they could obtain a housing solution elsewhere the city. their accomplishments were: 1) they were able to obtain a few of the renovated rented dwellings for residents, especially for the older residents; 2) the relocation of many families to sectors like Veracruz, Arraiján, El Chorrillo, the project Century in Santa Ana, and Tanara; and 3) they were able to obtain support from institutions like the Ministry of Social Development for specific cases of people in need within the community. The major deficiency was the lack of economic resources to keep up the fight.

From the preceding history, I have identified two main shortcomings of SFRA. First, it has been difficult to keep more than a few dozen residents consistently involved in the movement. Chapter 4 revealed that residents' participation in non-economic activities was constrained by their busy lifestyles. These time constraints in San Felipe account partly for why the movement did not reach high levels of membership and why members have not been able to engage in activities that could bolster the community's collective identity. One SFRA member attributed this situation to the fact that many families have already left the community and very few people remained to

sustain the movement. Population loss in rapidly changing neighborhoods obviously implies a lack of consistency in membership activities. Lack of time was one of the most frequent excuses residents from San Felipe gave me in both the in-depths interviews and the survey to justify their little participation in movement activities.

A second problem was organization, and the problem of "free riders"; those who wished to obtain benefits from the situation but who were unwilling to help to support the movement. A third problem was the inability to obtain enough apartment buildings to absorb the displaced residents of San Felipe. Slow-paced building renovation by the Ministry of Housing has compounded the housing-stock problem. Fourth, SFRA was unable to obtain enough resources to continue the activism in the neighborhood. Fifth, they have not been able to reach an agreement to coordinate with other associations in the neighborhood and they have mostly distanced themselves from them. Although they have made attempted to interact with these organizations to obtain financial and organizational support, these attempts have been sporadic and without a specific program that will help them to accomplish their goals. In this regard, I concur with Miller that the fragmentation of associations is often a main reason for unsuccessful social movements, that "Forming alliances that span several collectivities, as well as considering implications of movement demands for other groups are central dilemmas for social movements—dilemmas that require building bridges across spaces and places" (Miller 2000: 65). I consider that the Achilles' heel of the San Felipe urban social movement was their inability to unify diverse groups in the community through alliances. [157] In the end, this splitting has led to atomization and a weakening of the movement.

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[157] As we recall in 2006 the Office of the H organized a seminar with several organizations in San Felipe. One of the suggestions was to create a single association with a new name that included all the organizations that

Summary and Conclusions

Residents' demands for housing point to six key conclusions about the organizations and their situation within the broader contexts of urban social movements and new social movements. I will summarize them in the next paragraphs.

First, members of the movement had a clear goal, but they lacked effective ways to accomplish it. Although they wanted to stay in the area, they did not seem to have short-term objectives to pursue them. As attrition from the movement increased, due to households opting for buyouts and other forms of compensation, the collective weight of SFRA's grievances lost salience.

Secondly, residents had collectively identified a communal cause and tried to create a network of interaction. Significantly, they developed contacts with UNESCO, but were unable to strengthen their networks beyond UNESCO or leverage any funds to offset residential displacement or upgrade existing properties. If cooperation is an essential ingredient in reaching goals for social movements then co-optation discourages members of a movement to continue their resistance. In fact, co-optation, may contribute to eviction because communities lose trust in their leaders, become skeptical, and wind up reluctant to further participate in a movement that brings too few benefits.

I also concluded that this movement achieved what I call "cyclical accomplishments." Although many people left the neighborhood, only a few were able to obtain housing and the elderly were particularly unsuccessful. SFRA had the characteristics of a traditional social movement, but they lacked monetary resources and cross-class alliances to succeed in their

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participated in the seminar. As noted above, this situation created confrontations since the Association of San Felipe Residents felt that they were being displaced and their legitimacy was compromised.

demand making. Although there were two key meetings and workshops with international organizations and governmental institutions, these endeavors were insufficient to achieve their goals. This might mean that authorities recognized the role SFRA played in the neighborhood. Knowingly or unknowingly, SFRA used strategies that traditional social movements have developed such as bargaining, persuasion, and even violence when they gathered people together for protests and demonstrations. They used strategies that are in line with mobilization theory such as strategic interactions between the movement and established governmental and nongovernmental authorities.

Another conclusion that can be drawn is that the real impact evictions have had on San Felipe residents' remains to be seen. My fieldwork shows that fear of eviction and losing social networks are among the first serious consequences of residential displacement. Economic costs are high because the evicted now have to spend more money for transportation, utilities (which previously had been pirated), and even childcare.

Another interesting conclusion is that successful urban social movements must maintain a clear identity. Participants need to identify with a common cause, as well as the costs and benefits that affect the membership equally. This concept of identity develops in a distinctive geographic area where residents feel they belong, and San Felipe is a place where residents have developed kinship relationships and memories. San Felipeans' displacement means they lose access to a centrally located home as well as services and infrastructure. Normatively, this would be a primary motive for compelling residents to join the movement. At the same time, the practicality of living in this place is not the only reason why they are willing to participate in a movement. Rather, they sense that they belong to something special: their neighborhood. Some residents, particularly the professionals, often remarked they had the money to move to another place to live but they like

where they are. In moving, they could avoid the hassle of fighting the government and powerful private interests (even though many of the professionals are allied with such interests). Another important variable is the sense of place attachment they feel for their community. Regardless of their social status, they are *San Felipeños*, a sentiment that has been proudly earned with the passage of time.[158] Their memories of the neighborhood range from such large successes such as holding huge protests and receiving indemnities, to small events such as a baseball game in *la playita (*little beach) at the end of the street, or just the everyday life of watching children playing in the parks. In the end, these sentiments were insufficient to overcome the inertia and getting involved and sustaining the social movement.

Sixth, a power struggle for space is present in San Felipe. This has become a focal point for revitalization by diverse economic interests. Several diverse informants—from workers, to housewives, to professionals—believe that despite this struggle for space, many could live harmoniously with the powerful, rich, and even foreigners. Indeed, the rich and the poor lived together during the 1940s and 1950s. They shared a common identity and were all *San Felipeños*, something that is being lost in this globalized world. Today, new residents might come from Spain, France, or the United States, and countless others countries of the world. These newcomers may have a sense of admiration and respect for the place, but they hail from different social classes, backgrounds and cultural experiences. In other words, San Felipe is attractive because of its pedestrian orientation and related amenities. However, these newcomers may not yet have discovered what it means to be a *San Felipeño*. Although this may happen in the future, there will be few left who will be able to pass on these collective experiences that took place in San Felipe's monuments and plazas. At that point in time, the traditional place-identity might be lost, and

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[158] As mentioned before, important governmental institutions like the presidential palace are located in this historic area.

whether a new one will materialize, "the pride of being a *San Felipeño*", and reconstitute itself in

the new millennium, is a question waiting to be answered. Modernity has, indeed, imposed its toll.

CHAPTER 7

Residents' Perceptions Regarding Transformations in San Felipe

In this chapter I aim to present the main findings regarding the transformations that residents of San Felipe have faced. I likewise analyze the perception that ex-residents have of their former neighborhood. Through the analysis of the data I intend to respond to research objectives 3 and 4 of this dissertation. All the maps, tables, and figures are entirely the results obtained from the survey and the in-depth interviews conducted during the period the field research took place in San Felipe, and the areas where ex-residents lived at that moment.

I used quantitative techniques to analyze the survey of 205 heads of household that I conducted with a group of 20 senior students[159]. To this survey I applied several statistic tests such as descriptive statistics, student t-test, Pearson correlation coefficient, and Chi-square. For the qualitative research, I mainly used in-depth open-ended interviews with different subjects, such as real estate agents, community leaders, residents of the neighborhood, and ex-residents of San Felipe among others.

In my ethnographic approach I likewise used extensive participant observations with the purpose of getting to know the field setting along with the diverse actors who participated in meetings, gatherings, and seminars and who could further inform me about the transformations that were taking place in the neighborhood. In the deductive approach, I used a series of hypotheses. The inductive approach emphasized the collection of information through in-depth interviews, face-to-face interviews, informal interviews, attending community meetings, institutional meetings, and even international meetings held in San Felipe. I conducted many hours

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[159] An explanation of how I trained the students for the fieldwork is in Chapter 3.

of field work— at least 30 hours weekly for two weeks—getting to know the layout of the neighborhood and chatting with residents. My goal was to establish networks and relationships and connections with residents as well as other actors inside and outside of the neighborhood to gauge relevant information from residents and ex-residents regarding the transformations the neighborhood was facing. I had direct personal contact with community leaders, old residents, new residents, authorities, tourists, commerce owners, artisans and real estate agents, among others. I also took notes of events and discussions that took place at meetings and personal interviews.

Outside the study area, I visited several places in Panama City where ex-residents of San Felipe have lived since 1998; some of these ex-residents were relocated by the government while others decided on their own. These places include the *San Felipe de Neri* building located in the borough of El Chorrillo and the *El Centenario* building located in the borough of Calidonia; I also conducted interviews with ex-residents of San Felipe who have come back to the neighborhood from other areas of the city, e.g., Tanara, Arraijan, and from the interior of the country. In my visits with these ex-residents, I used participant observation and I recorded the interviews, with the interviewee's consent, and I transcribed all the interviews. A total of 30 such interviews were transcribed.

In the following pages, I first present the results from the survey and then the results from the in-depth interviews regarding the transformations the neighborhood is facing.

Results from the Survey Conducted to the Sampling Population

The sampling population for this research constitutes 205 heads of household spread over eighteen sectors in San Felipe. In the next paragraphs I discuss the results obtained from this survey and whether these results correlated with the main research objectives. All the tables and graphs presented in this section are the outcome of this survey. I shall construct a profile of the heads of

household that live in San Felipe, using information that was gathered from the survey. I also use demographic, physical, social (QOL) and economic variables to address the relationship between these variables and three indices (physical, economic and social (QOL) change) representing revitalization and gentrification. Unless it is mentioned in the text, all the tabular and graphic data are from the survey I conducted with my students on November 28, 2005.

Residents' Demographic Profile

The age of the heads of household surveyed in San Felipe ranged from 18 years old to 87 years old. The highest percentage of the surveyed population was between 40 and 44 years old and older than 65 years old (Figure 7.1). The mean age of the surveyed population in San Felipe is 44.7 years. The median age of San Felipe's heads of household was 42.5 years old. This is lower than the median age for the country's heads of household reported in the 2010 census that was 46 years old for the district, and for the province of Panama was 45 years old. This situation suggests that San Felipe has a middle-aged population.

Table 7.1. Sex of the Heads of Household Surveyed in

San Felipe

Sex	Number	Percentage
Female	91	44.4
Male	111	54.1
Without information	205	1.5

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Figure 7.1. Age of the Heads of Household Surveyed 18 Years and Older
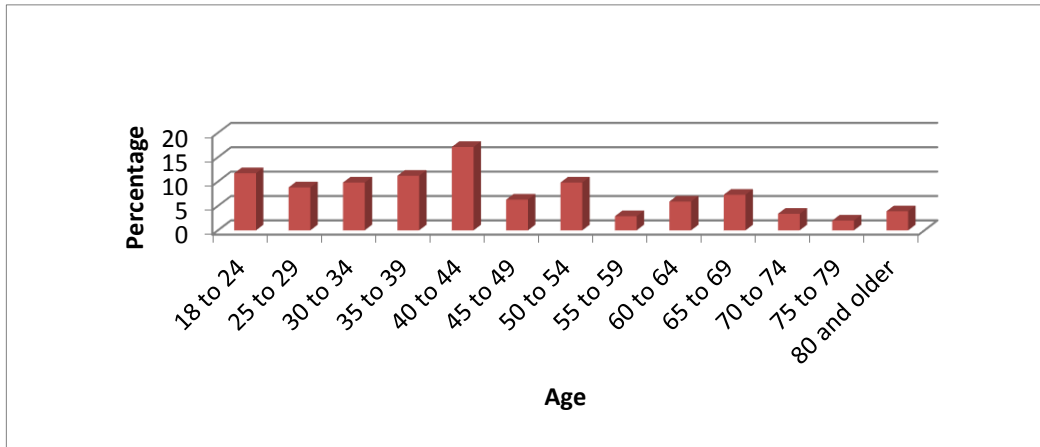
Heads of household were mostly married. This percentage revealed in the survey for the marital status was similar to the one collected in the national census of 2000 and 2010. For the survey the highest percentage were grouped in the married, single, and living in consensual union categories.

Figure 7.2. Civil Status of Heads of Household
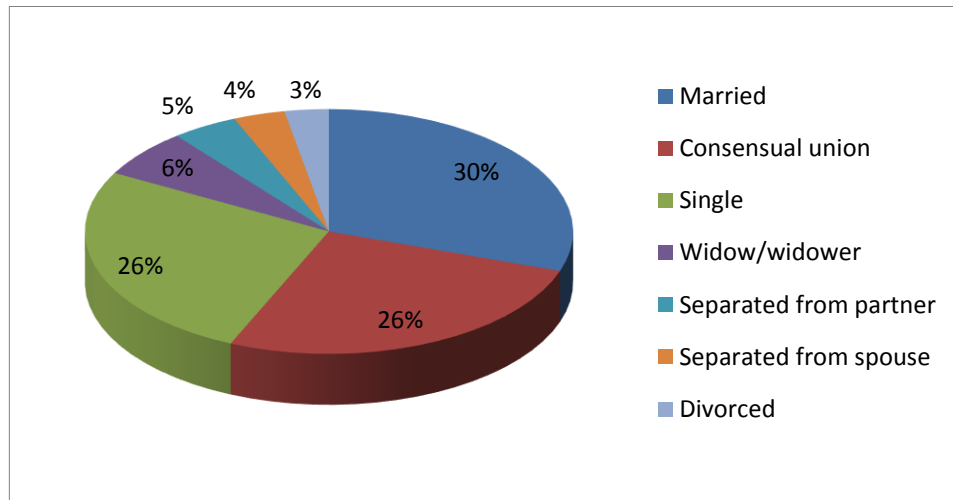
Education

Most of the people surveyed had attended a minimum level of secondary school or university studies. The survey likewise showed that there is a considerable percentage of household heads in San Felipe who have elementary schooling with 13.2%; 1% had no formal education (Table 7.2.).

Table 7.2. Level of Education of the Heads of Household Surveyed in San Felipe

Level of Education	Number	Percent
Total	205	100.0
Without formal education	2	1.0
Elementary School	25	12.2
Junior High-school	61	29.7
High-school	61	29.7
Bachelor studies	50	24.4
Master studies	3	1.5
PhD Studies	1	0.5
Did not answer	2	1.0

These data obtained from the survey confirm that San Felipe has a broad range of schooling. Thus, we can infer that from the analysis of the other variables the sample size picked up a wide spectrum of the population. At the time of the survey, most of the residents interviewed had an education level of high school and below, an indicator of predominantly poorer households in the neighborhood. Zones 2 and 3 had the highest amount of population with university degrees. These are the areas where the revitalization process began as well.

The results of the table related to the amount of schooling according to zone showed the following outcomes. Out of the twenty-seven residents who claimed to have only primary education, four of them live in Zone 14 and five in Zone 17. Out of 122 residents who declared having only secondary schooling, twelve were living in Zone 13, and thirteen were living in Zone 18. The rest were spread out throughout the Zones. From the fifty-four residents who declared having university education, six were concentrated in Zone 2 and nine in Zone 3 (Figure 7.3). The rest were also spread out throughout the different zones.

Figure 7.3. Heads of Household by Years of Schooling and by Zone
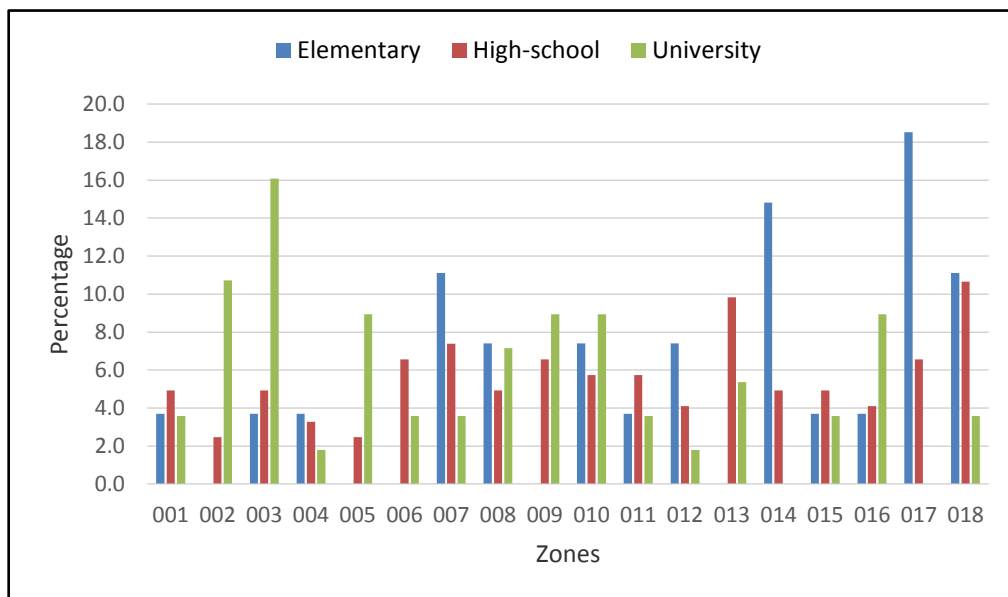
The concentration of residents with the highest levels of education who live in Zones 2 and 3, suggests that gentrification is taking place there. Residents who had only primary education are located farther from the zones where revitalization and gentrification are taking place. We can also observe that although the highest percentage of residents with high school education was in Zones 13 and 18, they were more spread out in the different zones.

Figure 7.4. Number of Residents with the Highest Years of Schooling by Zone
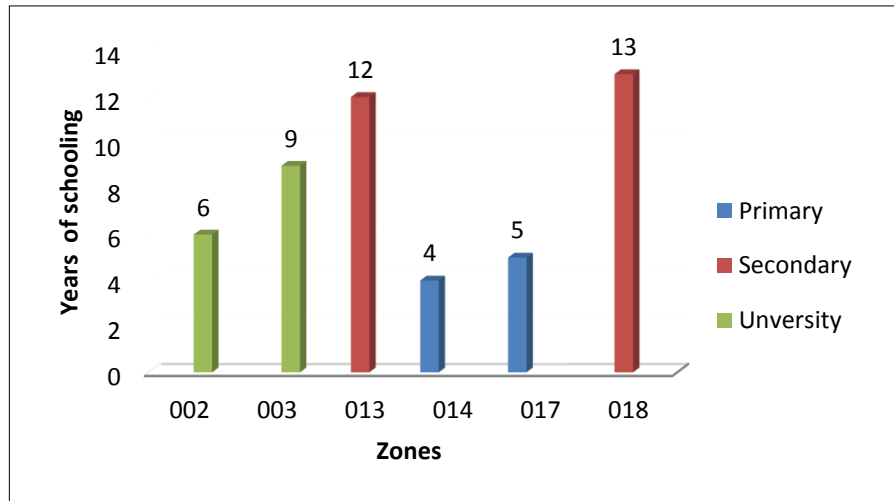
Employment and Family Income

As noted in Chapter 4, according to the 2000 census, 84% of the population living in San Felipe were employed[160]. The survey, however, showed that only 51% of heads of household were working; 40.0% of the surveyed answered that they had a permanent source of income. Income stability constitutes a key issue when people need to take decisions as to stay in the neighborhood or to leave. It also can be taken as an indicator that if residents have a permanent job they could be able to pay rent if affordable options are offered within the neighborhood to keep the cultural and economic diversity of the area.

At the same time, heads of household were asked how many people worked in the family for a salary during the last month including him or herself. This question indicates household economic stability and could give the government and planners a tool to decide if affordable housing for the residents is an option. The results showed that in 40.5% of the households, only one person worked; in 29.8% of the households, two persons work, a situation that indicates that

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[160] The 2010 census reported a decrease in the percentage of employed population in San Felipe (75.3%)

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usually the load of economic responsibility rests on one person, and that might be not enough to cover even basic needs, especially if there are children and elderly in the household. This situation makes them more vulnerable to the economic swings related to revitalization and gentrification, including the effects of housing costs, food costs and other amenities in the neighborhood (see Table 7.4).

Table 7.3. Job Stability among the Residents of San Felipe

Job Stability	**Number**	**Percentage**
Total	205	100.0
Permanent	82	40.0
Worked occasionally	23	11.2
Retired/Pensioned	31	15.1
Unemployed	9	4.4
Did not answer	15	7.3
Does not apply (housewives and students)	45	22.0

Table 7.4 Number of People Who Worked in the Family for a

Salary including the Interviewee

No of family members who worked for a salary, including the interview	Total	Percent
0 (No one Works)	3	1.5
1	93	45.4
2	68	33.2
3	19	9.3
4	4	2.0
6	1	0.5
Unemployed	17	8.3
Total	205	100.0

Income of Heads of Household

The survey revealed that nearly two in three (65.4%) heads of household in San Felipe earned less than $500.00[161] a month, and from that amount almost half of them (44.4%) earned less than $300.00. This situation tells us that a significant percentage of San Felipe's residents have only a minimal income to supply their most important and basic needs in a country were the minimum wage at the moment of the survey in 2005 was $263.00[162] (*Ministerio de Trabajo y Desarrollo Laboral*, 2014). Residents of San Felipe in this income range find it almost impossible to afford any of the new dwellings that are being restored or remodeled. The cost of such an apartment is around $1,500.00 per month. The survey also showed that 5.4% of the interviewed heads of household (11) earned between $501 and $1000.00; 5.9% (12) earned $1,000.00 and more a month. These residents have greater purchasing power than the majority of the residents, evidence that gentrification might be taking place.

Figure 7.5. Income of Heads of Household in San Felipe

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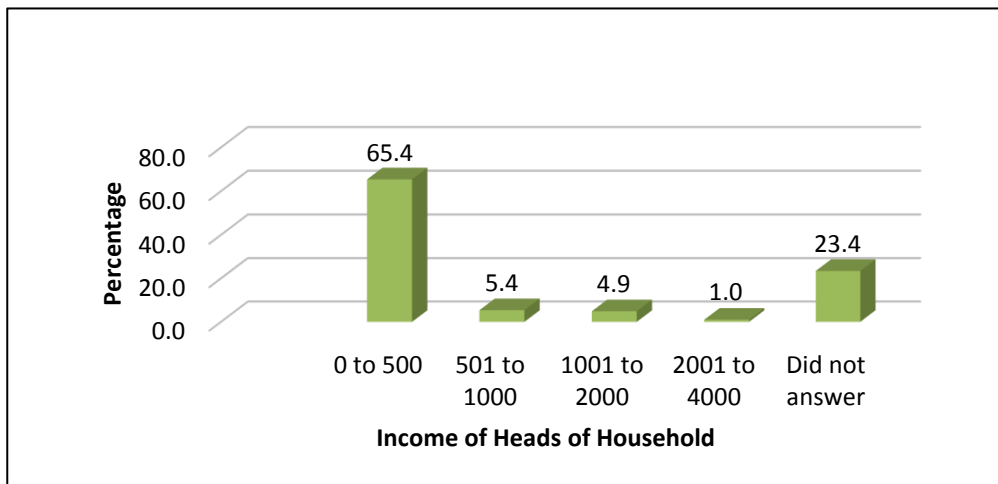
[161] Although Panama has its own currency, they also use the US dollar as an official currency.

[162] By 2014 the government had increased the minimum wage to $624.00

As for household income, I found a similar situation where 59.9% (121) of the families earned less than $500.00 a month, and from this amount, 27.8% (57) earned less than $300.00 a month. Few of the interviewees (8%) had family incomes of $1000.00 and more. Nearly 1 in 4 did not answer the question; probably for fear of compromising their housing situation.

Family Income by Zones

Of the 205 heads of household interviewed, 198 answered the question regarding their family income. This was an important variable since I could obtain the income by zone and then analyze monthly family income within the zones and among the zones. The highest percentage of family income less than $299.99 was within Zones 7, 8 and 17. The highest percentage of family income between $300.00 and $599.00 was within Zones 5, 10, 12 and 14; the highest percent of family income between $600.00 and $999.00 was in Zone 2. The highest percent of family income in the category of more than $1,000.00 was within Zone 1.

I had expected that areas where gentrification has already begun would show higher income. This is why I decided to concentrate on these data to determine whether there was a presence of gentrification based upon the income residents in these areas had instead that only looking at the improvement of the physical structures present at that moment in San Felipe. Since gentrification had already begun in Zones 1 to 6, I grouped the information regarding family income obtained from the survey in these zones. I also grouped the other zones, resulting in three clusters: Zone 1 to 6, with signs of gentrification and revitalization, Zone 7 to 12, where there was a mix of residents working in government jobs, and private jobs, and Zone 13 to 18, where there was a combination of residents working in the informal sector, independent workers, and also government and private jobs (see Figures 7.6 to 7.10).

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Figure 7.6. Monthly Family Income of Residents in San Felipe by Zone

	0-299	300-599	600-999	More than 1000
1 - 6	14.0	24.1	47.6	56.3
7-12	42.1	38.6	16.7	18.8
13-18	43.9	37.3	35.7	25.0
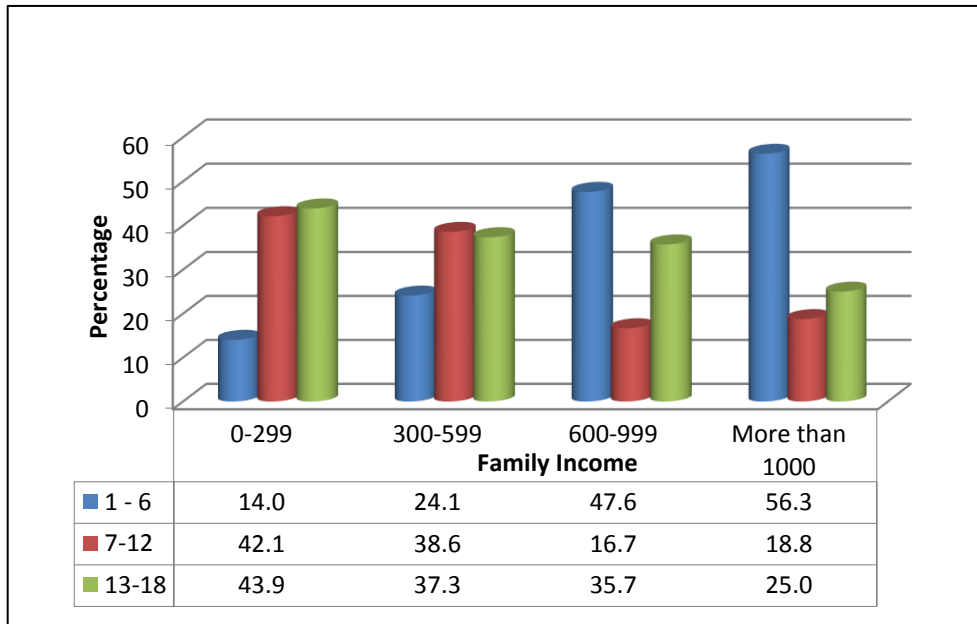
The highest percent of residents with family incomes higher than $1000.00 was located in Zones 1 to 6 (56.3%), thus showing signs of gentrification. The second highest family income between $600.00 and $999.00 was also located in Zones 1 to 6 (47.6%). Family income between $300.00 and $599.000 was located in Zones 7 to 12 (38.7%); the highest percent of residents with family income ranging from 0 to $299.00 was located in Zones 13 to 18 (43.9%). These last zones are also the zones farthest from Zones 1 to 6, where the revitalization and gentrification processes have already started.

The results from the survey that are captured in figures 7.7 and 7.8 show a clear pattern of concentration of low income residents mainly at the neighborhood periphery. On the other hand, figures 7.9 and 7.10 are evidence that residents with the highest income were concentrated in the same areas where investment has been prominent in revitalizing the area, signifying the arrival of

newcomers (gentrifiers) into the area. This pattern shows that initially revitalization and gentrification in San Felipe took place street by street.

Figure 7.7. Heads of Household who Earn less than \$299.00

per Month in San Felipe by Zone[163]
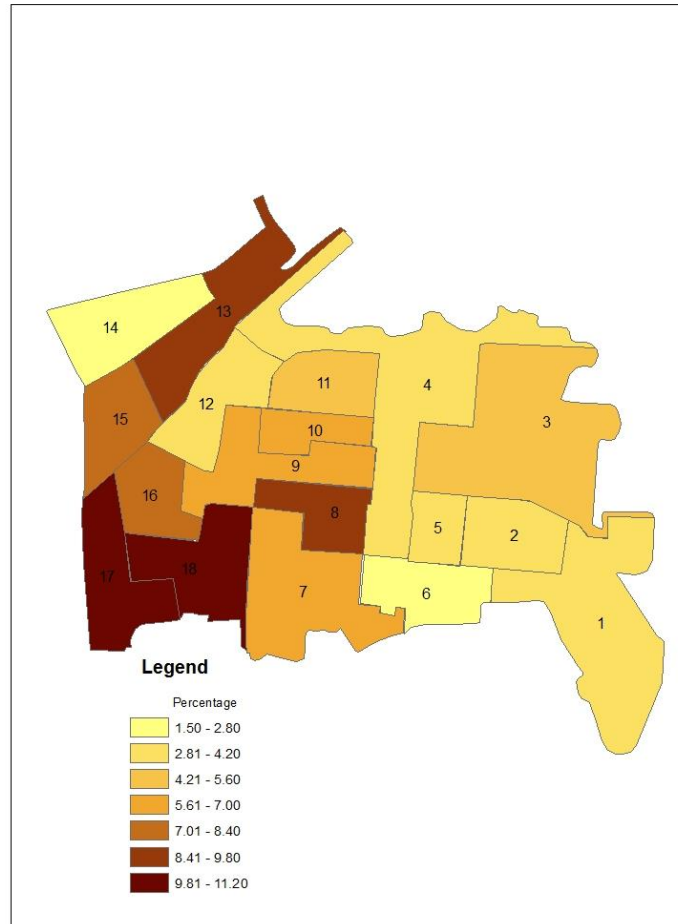
Source: Map made by the author based on the 2005 survey.

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[163] The numbers represent the sectors.

Figure 7. 8. Heads of Household who Earn from $300.00 to $599.00

per Month in San Felipe by Zone
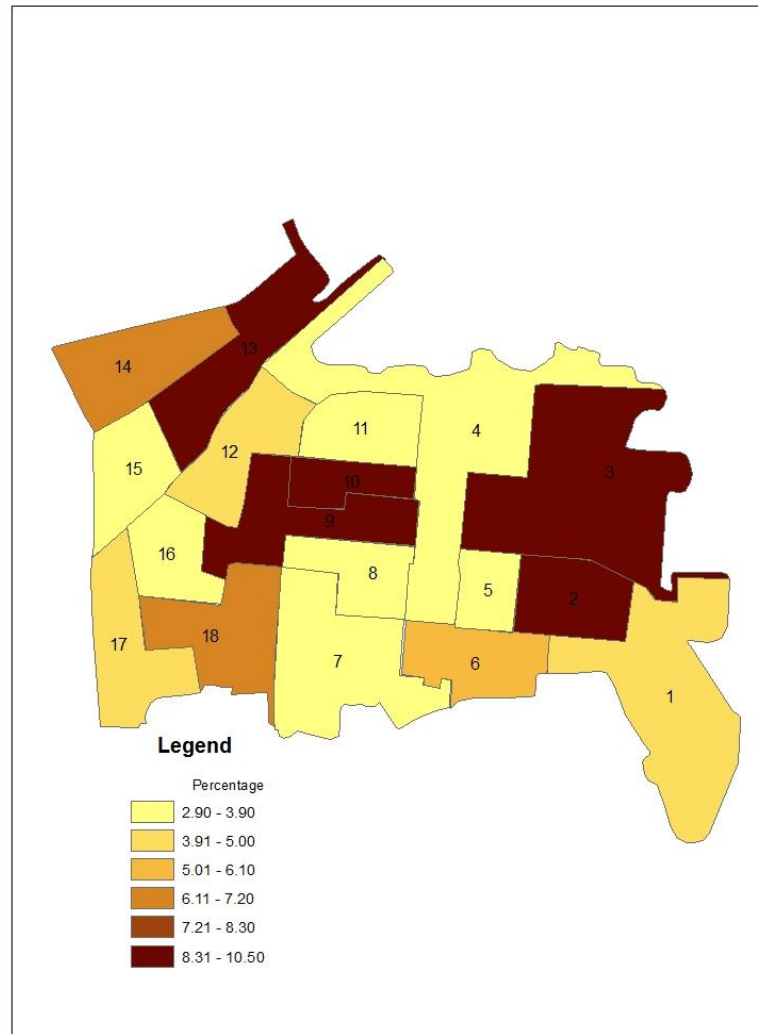
Source: Map made by the author based on the 2005 survey

Figure 7. 9. Heads of Household who Earn from \$600.00 to \$999.00

per Month in San Felipe by Zone
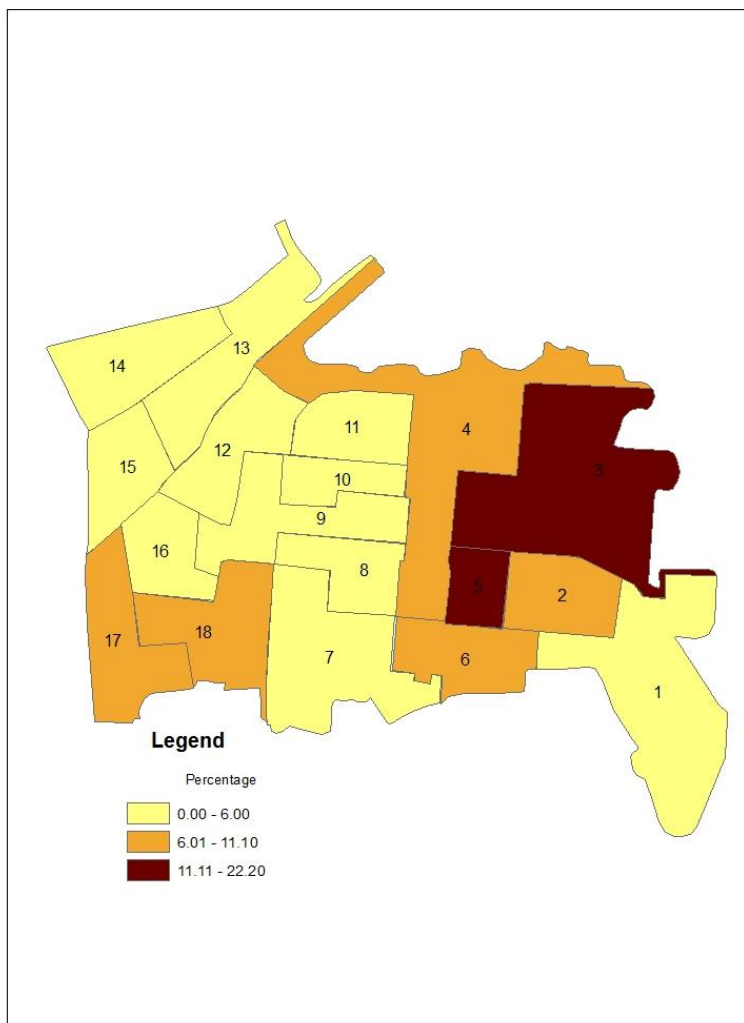
Source: Map made by the author based on the 2005 survey

Figure 7. 10. Heads of Household who Earn more than $1000.00

per Month in San Felipe by Zone
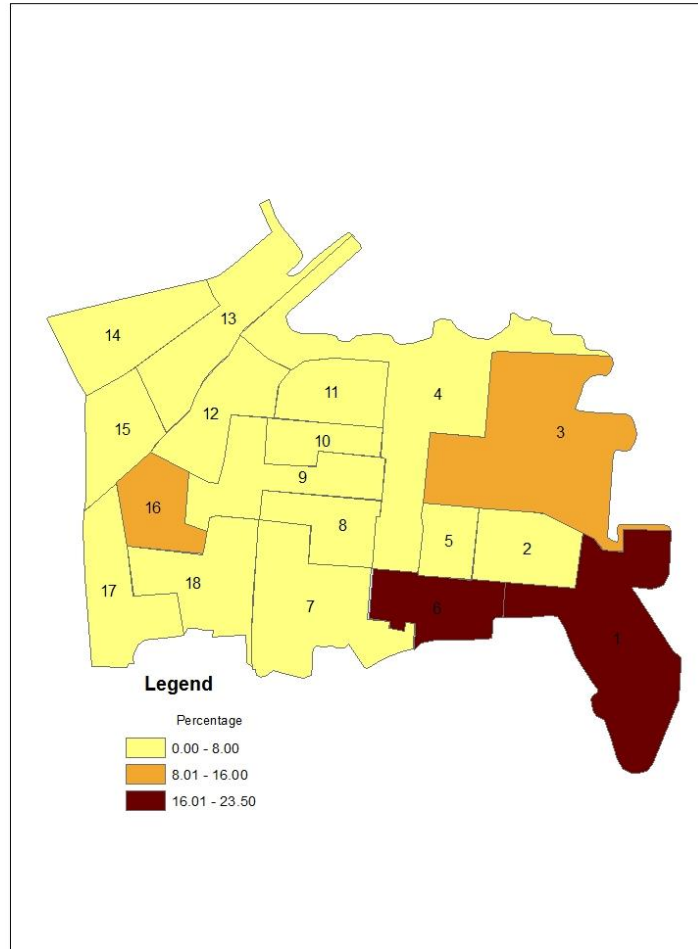
Source: Map made by the author based on the 2005 survey

Figure 7.10 clearly shows that the highest percentage of interviewees earning more than a thousand dollars a month, including new residents who are gentrifiers, are located in zones 1 and 6, the same areas in San Felipe that are being revitalized. It also shows that this process has begun to move toward other areas of the neighborhood such as sectors 3 and 16.

Migration

Most interviewees (57.1%) were born in the province of Panama; 39.5% were born in other provinces of the country, and 3.4% were born in another country. This situation shows the different backgrounds of the population of San Felipe captured in the survey.

From the 81 heads of household that represented 39.5% of the population born in another province, 30.9% were from the province of Chiriquí; 24.7% were from the province of Coclé, and 13.4% were from the province of Veraguas (See tables 7.5 and 7.6). These percentages give an indication that San Felipe is a place that has been attractive to migrants from the interior of the country as well, who found cheap rental housing and an availability of infrastructure and services; this is consistent with the literature on central cities, where the upper class leaves a central area to the fringe areas, trying to find newer homes, whereas the working class takes over these older houses, transforming them into multi-household dwellings.

Table 7.5 Areas of the Country where Heads of Household Living in

San Felipe Were Born

Area	Number of heads of household	%
Total	205	100.0
Interior of the country (other provinces)	81	39.5
Province of Panama	117	57.1
Another country	7	3.4

Table 7.6. Heads of Household Living in San Felipe Born in

other Provinces

Province	Number of household according to the province born	Percent
Coclé	20	24.7
Colón	2	2.5
Chiriquí	25	30.9
Darién	7	8.6
Herrera	3	3.7
Los Santos	8	9.9
Veraguas	11	13.6
Kuna Yala	4	4.9

The literature on Latin American urbanization suggested that residents living in San Felipe would be part of a mobile population coming from other parts of the city. Indeed, a significant group of the interviewees came from the boroughs of Calidonia (36), Rio Abajo (4), Bella Vista (3) and Santa Ana (3). If we compare the percentage of people who declared in the survey that they were born in San Felipe to those born in the neighboring boroughs, the percentage for San Felipe is lower than the one from Calidonia (44.7% to 46.9%) (Table 7.7). This situation indicates that San Felipe has received an important percentage of migrants from the other provinces of Panama and other boroughs within the District of Panama. Recall from Chapter 5 these are the same boroughs where fires and other disruptions took place, so it is not surprising that there is the possibility that some of the people who were relocated in San Felipe are still living there. In

addition, seven foreigners were likewise interviewed during the survey. Two of them came from

Colombia and five of them were from Dominican Republic.

Table 7.7. Heads of Household Surveyed in San Felipe Born in San Felipe and

Neighboring Neighborhoods

San Felipe and Surrounding Neighborhoods	Number of Heads of Household	Percentage
Calidonia	37	46.9
Santa Ana	3	3.9
Curundú	1	1.3
El Chorrillo	1	1.3
San Felipe	34	44.7
Total	76	100.0

Time of Residency in San Felipe

For this variable, the data were divided into various categories ranging from 0 to 83 years

of residence. I chose the range beginning from 0 to ten years because San Felipe was declared a

World Heritage Site in December 1997, and this might allow me to capture the opinions of the

population that moved into the area between 1998, the first year of the area as an international

heritage site, to 2005, the year when I conducted the survey.

About a quarter (28.8%) of the surveyors had been living in San Felipe between 0 to 10

years, 43.9% reported had been living there from 10.1 to 30 years; 26.8% had been living in the

neighborhood for 30.1 to 83 years (Figure 7.11); a negligible portion (0.5%) of the residents

surveyed did not answer the question. This representative sample shows that San Felipe was a fairly stable community with individuals having many years of living in this area.

Figure 7.11. Time of Residency of Heads of Household in San Felipe
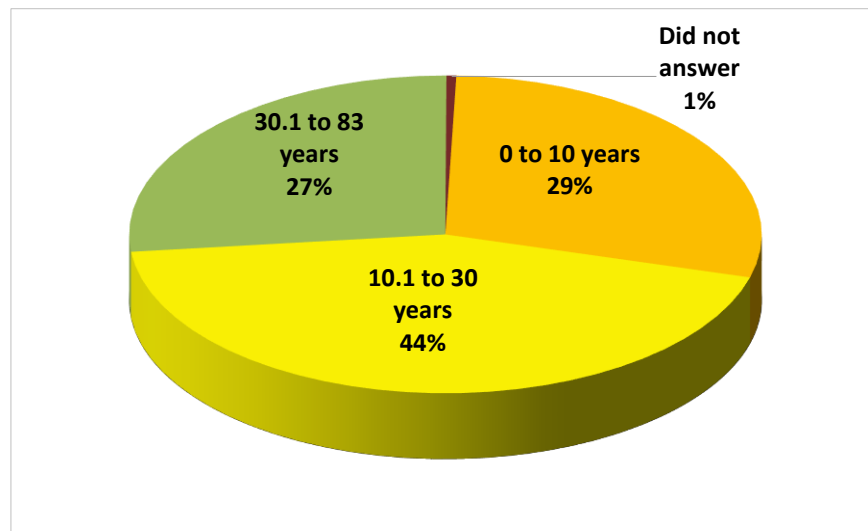
Housing

The survey shows that 49.8% of the residents in San Felipe live in tenements (*casas de vecindad)*. These are rooms within a building where a family can live; 40.5% of the residents lived in apartments, of which four of ten (42.9%) where condemned buildings. These results were very similar to the ones obtained from the 2000 census where 43.3% of the dwellings were condemned. The second highest percentage of the surveyed residents lived in rented houses (42.4%). From these renters, 95.1% paid less than $150.00 a month. Only a small proportion (3.9%) of residents owned their own houses (3.9%).

Figure 7.12. Types of Housing in San Felipe
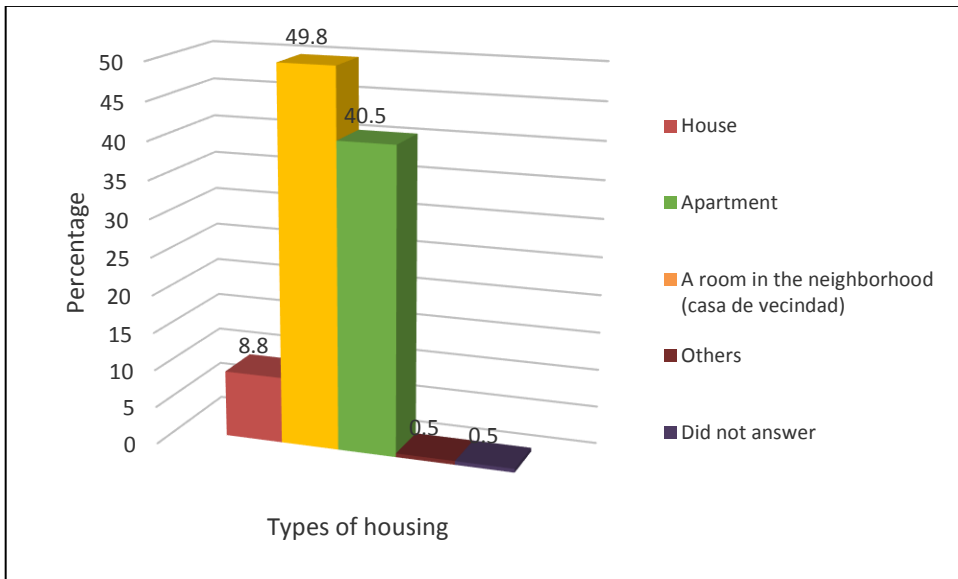
As noted above, several residents who did not pay rent gave various arguments for not doing so, such as the dwelling was already condemned so they did not have to pay for living there, the dwelling was already abandoned by the owner, the owners had stopped coming by to collect the rent, or that the dwelling was undergoing a legal process. All these answers show the complexity in which residents were immersed. This provoked a diversity of reactions among them to the government's policy and laws discussed in Chapter 5. Staying in the neighborhood or at least obtaining a payment reflects the amount of years they lived in the neighborhood. These reactions were from obtaining whatever they could get as a payment, to accepting to move to the projects government offered them, or to fighting via the different associations as an effort to stay in the neighborhood. In the process of this research one could see residents taking all these options as a palliative way to cope with the housing crisis.

Table 7.8. Housing Tenancy of Heads of Household

Surveyed in San Felipe

Housing Tenancy	Number	Percentge
Rented	87	42.4
Ceded (Cedida)	12	5.9
Mortgaged	10	4.9
Owned	8	3.9
Other	1	0.5

The irregular pattern of housing tenancy reflects how easy it is to disrupt the social networks and ties among residents, a situation that was highlighted in Chapter 5. The high number of residents living in condemned houses shows the need to closely analyze the dangerous conditions in which this population lives[164] and the implications that this situation has for their stability and their "right" to stay in this area.

Residents' Opinions Regarding the Neighborhood

Residents were queried about whether they had considered moving out of the neighborhood. From the 205 interviewed, 111 (54.1%) had considered such a move, 93 (45.4%)

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[164] A couple of years ago, a balcony collapsed and killed four people, two of them children.

did not consider moving, and one (0.5%) did not answer the question. Their reasons are summarized in Table 7.9.

Figure 7.13. Housing Tenancy in San Felipe
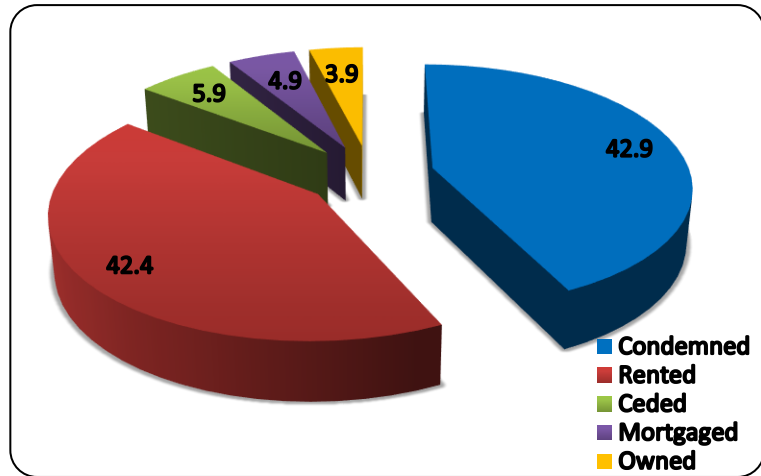
Table 7.9. Reasons why Residents Want to Move Out of San Felipe

Reasons	Number	Percentage
To improve quality of life	32	28.8
Delinquency	23	20.7
To obtain their own house	22	19.8
Houses are being sold	16	14.4
Current bad housing conditions	8	7.2
To get out of the neighborhood	3	2.7
Rent is getting higher	3	2.7
Noise	2	1.8
Due to economic situation	1	0.9
Be closer to work	1	0.9
Total	111	100

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When residents were asked if they would like to continue living in the neighborhood, six out of ten said yes; 48 (23.4%) answered no; in addition, 21 (10.2%) answered that they did not know, and 6 (2.9%) did not answer. Residents who answered that they would like to stay in the neighborhood were asked the reasons why they would like to stay. The majority mentioned job accessibility, accessibility to services and commerce, and that they would love to live in the neighborhood for the rest of their lives as the main reasons for staying in the neighborhood (see Table 7.10). These answers confirm that residents develop a sense of belonging to the place where they live, and this motivates their desire to stay in their neighborhood. This attachment is connected as well to the need of being close to amenities that improve their quality of life; this further impacts the economy of the household since they do not have to spend a lot of money on transportation and other services due to the centrality of the neighborhood. This comparative advantage changes once gentrification takes place, as they later realized.

Only eight people belonged to an organization (Table 7.11) and none of them cited the Neighborhood Association. This contrasts with earlier accounts back in 1998 when mass protests were taking place and residents were participating in the protests. I suspect this apparent contradiction is because people do not want to be officially identified as belonging to an organization due to the perception they have that there could be retaliation from authorities, owners and other economic powers.

Table 7.10. Reasons why Residents Want to Stay in the Neighborhood

Reasons	Number	Percentage
Job accessibility	64	31.2
Accessibility to services and commerce	18	8.8
I would love to live in this neighborhood for the rest of my life	18	8.8
Did not answer	17	8.3
I have friends in the neighborhood	8	3.9
It is cheap to live here	7	3.4
Architectural style of the area	6	2.9
My kids were born here	6	2.9
I have relatives in the area	4	2
My ancestors lived here	4	2
Other – Comfort	1	0.5
Total	205	100

Table 7.11. Number of Residents who Belongs to an Organization

Answers	Number	Percentage
Yes	8	3.9
No	195	95.1
No Answer	2	1.0
Total	205	100.0

When residents were asked why they did not participate in a community organization and were given a set of possible answers, their most common responses were as follows: 82 (40%) did not have time, 43 (21%) were not interested, 31 (15.1%) participated but lacked optimism, and 16 (7.8%) did not see any reason to participate. These answers mean that solving daily problems was more important than being organized. They did not see the changes in the neighborhood and the increase of wealthy residents as an imminent threat, or they simply did not see a point to participate because inevitably they were going to be evicted.

Residents were also asked if they had participated in any decision-making regarding their neighborhood. Of those who responded, 36 (17.6%) residents answered yes, and 163 (79.5%) answered that they had not participated in any way. The remaining did not answer the question.

An interesting outcome from the survey was that the residents seem to be skeptical about the value of participating in any organization in the neighborhood. At the same time, they were aware of the importance of getting more involved in the decision-making process that was taking place in San Felipe. This was reflected in the question where residents were asked if they thought they ought to be more involved in the neighborhood's decision-making process related to the changes in the neighborhood. From the 205 interviewees, 138 (67.3%) felt that they needed to be more involved in this process; 55 (26.8%) considered they did not need to be involved, and 11 (5.4%) did not answer the question.

Residents' Perception of San Felipe as a World Heritage Site and Participation in Tourist Activities

San Felipe and the Historic District of Panama are becoming a more desirable place to visit, especially now that it has been declared a World Heritage Site. This situation affects residents' lives in different ways, so I wanted to know how residents perceived this situation.

Therefore, I included in the survey a question where residents were asked how this declaration affected the neighborhood. Each respondent considered six choices. The percentage of residents who strongly agreed with the Historic District status cited neighborhood prestige. The designation also had two outcomes: on one side higher prices of land could help to preserve heritage. On the other hand, they strongly agree that this declaration contributed to the rising of land prices and displacement. Appendix E.7 summarizes these findings.

Residents were also asked to compare the number of tourists that visited San Felipe now to five years earlier. The majority (82%) said that the number of tourists had increased. A large percentage (71.2%) thought that the impact of tourism on the neighborhood could is extremely positive. These respondents believed transportation (40.5%) and infrastructure in general (24.9%) were the most important services that needed to be improved in the community to attract tourism. Even though some residents had a positive view of tourism as an activity that could help to improve their economy, only 12 (5.9%) of the sample participated in an economic activity related to tourism.

Another important aspect captured residents' opinion related to what measures should be taken in the community to protect historic sites. From the residents who responded that there was a necessity to protect the heritage site, several choices were given. A substantial percentage of residents thought that there was a need to have more tourist policemen; others considered that more programs were needed to guide the community; another group agreed that there was a need to have stronger laws for the protection of the heritage site (Figure 7.14)

Figure 7.14. Measures that Should Be Taken to Protect Historic Sites in

San Felipe According to Residents
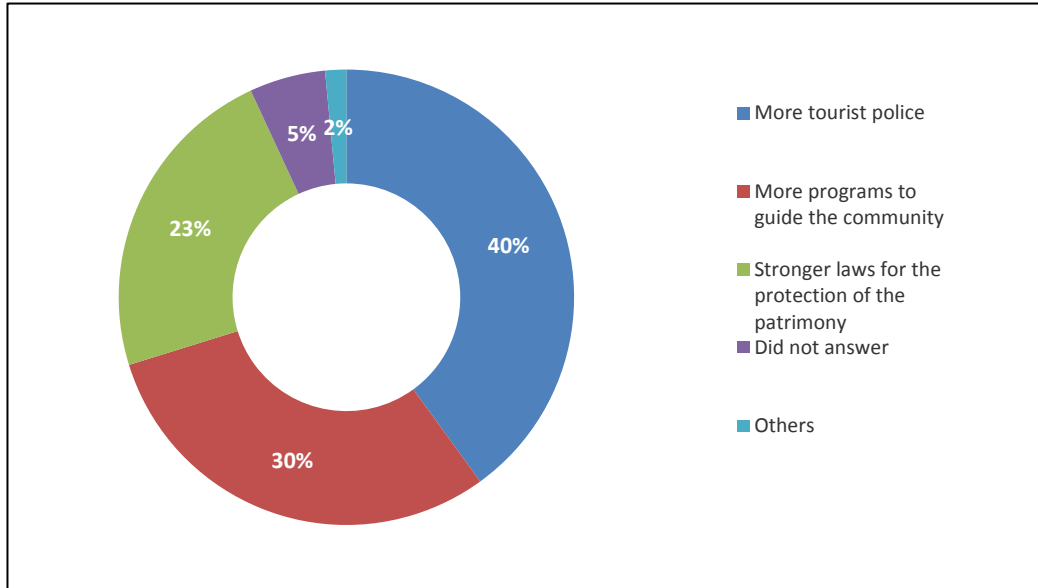
Although 66.8% of residents responded that they were prepared to live in these historic areas with all the restoration projects taking place, many of the persons that I interviewed for the in-depth interviews and the survey do not live in San Felipe anymore. I based this statement upon a follow up survey of residents I did visiting the same places where we interviewed residents to corroborate if they were still in the neighborhood.

Residents' Perceptions of the Physical, Economic and Social (QOL) Conditions Regarding the Neighborhood.

Household heads compared the conditions of several indicators at the time of the survey to five years earlier. These answers were given in a one to five point Likert scale, going from one point signifying very dissatisfied, to five points signifying very satisfied. I later collapsed the five categories into three categories to tease out broader patterns: very dissatisfied to generally dissatisfied, not either satisfied or dissatisfied and generally satisfied to very satisfied.

Residents' Perception of the Physical Conditions of the Neighborhood

There was a perception of improvement for almost all the indicators that represented the physical conditions of the neighborhood, from 34.1% five years earlier to 55.4% at the moment of the survey who were generally satisfied to very satisfied. Thus, overall, residents perceive that the neighborhood is physically improving. One explanation to this answer might be that there were several restoration and restructuration housing projects in the area. Park conditions, cleanliness and infrastructure for tourist activities were the most important variables (Appendix E.8). Overall, residents perceive the cosmetic changes to the neighborhood.

Most of the indicators presented high levels of satisfaction as compared to five years earlier ranging from 50% and more. Only two indicators, physical conditions of the immediate household and overall housing conditions of the neighborhood, showed only minimal improvement as compared to five years earlier (25.9% five years earlier to 28.3% at the moment of the survey, and 32.7% five years earlier to 34.6% the day of the survey respectively). This indicates that even though residents have noticed some housing improvement in the neighborhood, they were expecting more improvement in these conditions, since many houses are in a state of deterioration. I have visited those dwellings often and believe they lack the basic conditions for human occupancy. These answers were corroborated when we asked them in an open-ended question if they had any other comments regarding the physical conditions of the neighborhood. Seventy residents out of the 205 surveyed responded. From those, twenty thought that there was a need to improve housing conditions, nine complained about the lack of cleanliness and the garbage; six complained about a lack of security, and five about the traffic. The remainder cited other aspects that needed to be corrected. Finally, although we asked in the survey for comments regarding

physical conditions of the neighborhood, ten residents mentioned "they were going to kick [us] out of the neighborhood," without specifically identifying who exactly was going to do that.

People have a clear perception that the relocation process is going to continue. Several specific comments were: *"They want to kick out the poor and get in the rich"*; "the buildings have been refurnished but the residents won't be able to pay for them; the rich come and they take over our properties" (this comment was very interesting since most of the residents who live in some of these dwellings do not pay rent and the houses are condemned); "we have to leave the neighborhood because the building was sold and we have to find another one.*"*[165]

When we asked the residents interviewed if the changes in the neighborhood affected their lives, 45.9% of them answered that these changes did not affect them either positively or negatively, whereas 24.4% perceived that these changes affected them positively; 20.5% felt that these changes affected them negatively (Table 7.12). Thus, the results show that overall the majority of residents interviewed perceived that changes in the neighborhood had a positive impact on their lives seen gentrification as a positive outcome. At the same time the vast majority considered that changes in the neighborhood did not affect them. This might be because that revitalization and gentrification were concentrated in one area of the neighborhood, and thus the rest of the areas did not perceive a positive or negative impact on their lives.

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[165] *"a los pobres los quieren sacar y a los ricos los quieren meter"; "edificios están siendo remodelados pero ahora [los residentes] no van a poder pagarlos," "porque salen los ricos y se adueñan de nuestras propiedades" "nos tenemos que ir del barrio porque el edificio lo vendieron y hay que buscar otro adicional"*

Table 7.12. How Changes Have Impacted Residents' Lives

How Changes Have Impacted Your Life	Number	Percentage
Have affected me very negatively	8	3.9
Have affected me Negatively	42	20.5
Have not affected me	94	45.9
Have affected me positively	50	24.4
Have affected me very positively	5	2.4
Did not answer	6	2.9
Total	205	100.0

Residents' Perception of the Economic Conditions of the Neighborhood.

Another set of indicators that I chose to measure was residents' perception of the economic conditions of the neighborhood (Appendix E.9). In all the indicators, with the exception of cost of housing, the percentages were higher for the day of the survey compared to five years earlier. The highest percentage was for the number of restaurants (from 56.6% five years earlier to 78.6% during the survey). The second highest was opportunity to buy in the neighborhood (55.1% and 63.4% respectively); the number of stores remained almost the same (56.1% and 56.6% respectively). The descriptive statistic for these indicators might reflect changes in the neighborhood related to restaurants since residents perceive that there are more restaurants. A similar situation is noticeable with the number of stores that have been maintained in the area.

Residents seemed to be very dissatisfied to generally dissatisfy with the number of parking lots, number of pharmacies, and employment opportunities in the neighborhood. Parking lots have always been a problem in the historic center, and residents perceive this lack as a significant problem, since visitors usually park wherever they can find, often times obstructing pedestrian walkways. San Felipe has very few pharmacies as I mentioned in Chapter 4, and the residents' dissatisfaction is reflected in their answers.

The lack of employment opportunities determined residents' dissatisfaction with the number of employment possibilities in San Felipe. About a quarter of the informants said that the economic conditions (number of stores, opportunities to shop in the neighborhood, cost of housing, amount of jobs in the neighborhood, level of employment, and number of parking lots) were the most obvious outcomes of neighborhood change. When we asked residents how satisfied or dissatisfied they were with these economic conditions represented by the variables in Appendix E.9, they were very dissatisfied with low amount of parking spaces, level of employment, number of pharmacies and hotels, and cost of housing. Regarding the question of how these economic changes affected their lives, the number of parking lots received mixed opinions. Several of these opinions were: there is not enough parking; parking has increased for some people but not for everyone; there is no parking.[166] These answers reflected the situation of the neighborhood where, due to renovations and the increase of number of cars in the area, it was almost impossible to find a place to park, so people usually parked on the sidewalks and on the already congested narrow streets. This indicates that the quality of life in the neighborhood was negatively affected, and residents perceive it as such.

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[166] *no hay muchos estacionamientos; los estacionamientos han aumentado para algunos no para todos; no hay estacionamiento*

Several interviewees mentioned that although there was a lot of construction activity going on in the neighborhood they did not believe these jobs were fulfilled by locals. Only a few of them who were in a program from the Office of Old Quarter or those that were being trained to be tourist guides had the opportunity to get a job. Several of these comments regarding employment opportunities were: opportunities for employment must be provided; a lack of employment has caused an inclination toward delinquency; there is a high unemployment in the neighborhood; we need more jobs for young women and men[167]

During the period of this research the only pharmacy left in the neighborhood was going to be closed and shut its doors for good. I asked the person why they were going to close and one of the reasons was because the place lacked security. Among the opinions residents gave on retailing were: the number of businesses have declined; several businesses had to close; we need to build more businesses.[168]

Residents were dissatisfied with housing costs; since many of them lived in condemned houses, they insisted that there was no way they could stay in the neighborhood due to increasing rents costs. They attribute this rise in rent to buildings being refurnished and renovated.

Still, they were very satisfied with the number of restaurants, opportunities to shop in the neighborhood, and the number of stores in general. These aspects of gentrification were a window of opportunity and positive change for the neighborhood. More restaurants and stores of different types were visible outcomes of the revitalization and gentrification processes, and residents probably considered themselves satisfied with having these activities in their neighborhood. To these questions I could have also asked how satisfied they were with the prices in these new

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[167] *debe haber oportunidad de empleo; falta de empleo ha causado que haya inclinación hacia la delincuencia; hay muchos desempleo en el barrio; más trabajo para la juventud tanto para mujeres y hombres.*

[168] *han decaído los negocios; ha habido cierre de locales comerciales; hay que edificar más negocios.*

restaurants and stores. They probably would not have been as satisfied, since the prices I saw in several restaurants and ice cream shops during my fieldwork were very high even for a professional local.

Residents' Perceptions of the Social (QOL) Conditions of the Neighborhood

The third area of focus in the survey was the social (QOL) conditions of the barrio. The frequency distributions showed that compared to five years earlier residents felt very satisfied with services like potable water, electricity, and street conditions, where 47% was generally satisfied or very satisfied with the service (Appendix E.10). This variable received the highest percentage score of all indicators.

Regarding the comments about the social conditions of the neighborhood related to quality of life (QOL), 48 residents gave their opinions. These opinions were positive as well as negative. Among the positive comments were: [San Felipe] was in oblivion before but now is cleaner; they do all this because they want to attract more tourists; I hope they [government and owners] remodel; [the area] has improved and people decorate their houses; the parks have been fixed.[169] Among the negative comments were: [They] needed supermarkets in the area, [government] should care for or be aware of the need to preserve historical monuments; the monuments are cleaned when there is an activity; infrastructure in the neighborhood is not good; houses are in bad shape; about 40% of the houses need repair.[170]

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[169] *[San Felipe] antes estaba en el olvido pero ahora está más limpio*; *bueno todo lo hacen porque quieren atraer más turistas; espero que se remodelen; Ha ido mejorando y la gente decora su casa; los parques los están arreglando más*

[170] [Ellos] *necesitan supermercados en el área; deberían cuidar o estar pendientes de los monumentos históricos; los monumentos son limpiados cuando hay alguna actividad; infraestructuras en el barrio no son buenas las casas tienen mal estado; la reparación de las casas necesitan arreglo de 40%*

Using Indices: A Complex Task to a Better Understanding of San Felipe Residents'

Perception

The descriptive statistics derived from the survey allowed me to describe some features of the informants´ perceptions of the neighborhood. I tested hypotheses about revitalization and gentrification by using indices of the perceived physical, social (QOL), and economic changes in the neighborhood, as well as several demographic, social (QOL), and economic variables such as length of residency, income, education, residents' attachment to the neighborhood, housing tenancy, employment, sex and age. This survey was applied proportionally in 18 zones into which San Felipe was divided at that time as established by the Office of Census Bureau for the 2000 census.

Internal Consistency Estimates of Reliability[171]

Denzin and Lincoln (1998: 186) defined reliability as "the extent to which findings can be replicated, or reproduced, by another inquirer". The reliability procedure does estimations based on the consistency of the items (parts) (Green, Salking and Akey, 2000). For this, three methods can be used: no transformations of items, reverse scores of several items, and transformation of Z-scores of the items. I chose the method of no transformation of items because it was the one closer to the characteristics of my data where the answers of all items were measured in the same way. That is, high scores coincide with high scores in the constructs. In other words, the literature for this measure of no transformation of items indicates that if the responses to these items are in the same metric, and if high scores represent high scores on the underlying construct, no

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[171] Consistency with coefficient alpha is assessed among items. The greater the consistency in responses among items, the higher coefficient alpha will be.

transformations are required. The reliability analysis can be conducted on the untransformed scores and is based on the consistency.

The Cronbach alpha is used to measure the internal consistency of a test or scale. It ranges from 0 to 1. Internal consistency "…describes the extent to which all the items in a test measure the same concept or construct and hence it is connected to the inter-relatedness of the items within the test…Put simply, this interpretation of reliability is the correlation of test with itself" (Tavakol et al., 2011: 53).

The alpha coefficient for the physical indicators resulted in 160 cases that were valid (78%), and 45 observations were excluded (22%). The Cronbach alpha was 0.787. On the economic side, there were 147 valid cases (71.7%) and excluded 58 (28.3%). The Cronbach's Alpha was 0.746. The indicators for the social (QOL) aspect showed 177 valid cases (86.3%) and 28 excluded (13.7%). The Cronbach's Alpha was 0.743. Different authors agreed that acceptable values for Cronbach alpha range from 0.70 to 0.95 (Tavakol et.al, 2011). This coefficient identifies to what extent the items within a group are related and, determines their consistency. In this example the consistency within the data is high. Thus, using the Cronbach alpha allowed me to verify that internal consistency within the data was achieved.

Indices Construction and Analysis

To measure the perception of residential changes it was necessary to construct three indices that represented revitalization and gentrification (physical, economic and social (QOL) indices). A fourth index was constructed using the answers residents gave regarding attachment to the neighborhood. This index was associated with the other three indices. In this survey, the respondent was asked to compare the physical, economic and social (QOL) conditions of the neighborhood to five years earlier (2000). In other words, in the same survey I obtained the views

of the physical, economic and social (QOL) aspects of the neighborhood five years ago and at the moment of the survey (2005). If the respondent resided less than five years of living in the neighborhood, he was asked to do the comparison in relation to the time he/she had arrived to the neighborhood.

The opinions of the participants related to the physical, social (QOL) and economic changes were measured using a Likert scale of 1-5 (1 indicating that the respondent was very dissatisfied and 5 indicating that the respondent was very satisfied). The main purpose was to make a series of questions that reflect these three types of changes (physical, economic and social (QOL))) and obtain satisfaction ratings for each of the indicators, as well as a general index for each of them.

Before I constructed the indices, I eliminated those observations without responses from the database because there were respondents who did not answer all the questions. From each indicator I eliminated the answers that were coded as 9s (no answer) for both years (2000 and 2005). In the construction of the economic index, I eliminated indicator No. 8 that corresponded to the level of employment for both categories (before and after) because this question had a very low response rate.

Procedure to Create the Indices

After a very detailed and meticulous data cleaning process, I concluded that I was losing too much information because I needed to eliminate 102 surveys from 205 surveys, and I would only end up with 103 surveys.

Because of this I proceeded to use another statistical strategy that is valid for constructing the indices. I decided to verify for each indicator the percentage of 9s (questions that were not answered), and I used the following criteria:

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- If the number of indicators without an answer was over 50%; for example, if in the variable physical conditions from the 15 answers more than 50% corresponds to 9s, then the indicator was eliminated completely from the sampling survey for this index.

- If it was less than 50%, I proceeded to eliminate only the survey from the indicator in which the answer was "no answer" (9s) from the index, which I obtained using the same criteria of calculating the mean based on whether the number of answers taken from the first items. In several cases, the eliminated surveys can be repeated for several of the conditions (physical, economic and social conditions) for the year before (2000) as well as for the year when the survey was carried out (2005).

I obtained the mean of the indices and did a comparison of the means with independent samples, using a two-tail Student t-test with unequal variances (Table 7.13).

Table 7.13. Mean of the Physical, Economic and Social (QOL) Indices: 2000 and 2005

Indices	Before (2000)	N_1	After (2005)	N_2
Physical	3.3	192	3.7	203
Economic	3.1	192	3.2	202
Social (QOL)	3.7	191	4.0	204

Source: Author's calculation based on survey results.

Results from the Student T-test

To compare whether the means of the indices between the two periods were statistically significant, I proceeded to compare the means of independent samples using two-tail Student t-tests with unequal variances. Indices constructed based on residents' perceptions regarding the physical, economic and social (QOL) changes were higher in 2005 than in 2000. I then conducted a mean comparison for each index based on the results of the opinion of the interviewees where items were compared to five years earlier. For this I used a Student-t test for two bilateral scales with a confidence level of 95%. (Table 7.14).

Table 7.14. Indices Comparison in Relation to Five Years before (2000)

	PHYBE	PHYAF	ECOBE	ECOAF	SOQBE	SOQAF
Mean	3.320099	3.67124	3.08	3.18	3.71	4.01
Variance	0.511792	0.379653	0.524063	0.531133	0.477583	0.371037
Observations	192	203	192	202	191	204
Hypothesized Mean Difference	0		0		0	
df	377		391		379	
t Stat	-5.2138		-1.39053		-4.66237	
P(T<=t) one-tail	1.53E-07		0.082579		2.17E-06	
t Critical one-tail	1.648905		1.64876		1.648884	
P(T<=t) two-tail	3.06E-07		0.165158		4.34E-06	
t Critical two-tail	1.966276		1.96605		1.966243	

Comparison of the Mean of the Physical Index before (2000) and after (2005)

The physical and social (QOL) indicators reflected significant changes over the five-year period, whereas the economic one did not. The t-test showed that the statistic t was -5.2138. I reject the null hypothesis that there are no statistically significant differences between the perceptions of satisfaction that the residents of San Felipe had in relation to the physical transformations of their neighborhood in 2005 in relation to 2000. I accept the alternative hypothesis that there are significant differences in the means of the Physical Index Before (PHYBE) and the Physical Index After (PHYAF). These results make sense, because physical transformations have taken place in San Felipe within a five-year period and interest in investing in San Felipe increased. Thus, residents are able to clearly distinguish these changes.

The t-test for the economic index between the two periods was -1.39053, which is within the acceptance zone of the null hypothesis. Therefore, I accept the null hypothesis that there is no statistically significant difference between the perceptions of satisfaction that the residents had in relation to five years earlier. Accordingly, we reject the alternative hypothesis that there are significant differences between the Economic Index Before (ECOBE) and the Economic Index After (ECOAF). Rejecting the alternative hypothesis is an indication that San Felipeans did not see any significant change in the economic situation of the neighborhood within the five-year period. This verify what I have found in the in-depth interviews, which I discuss in the qualitative section, of this chapter.

The t-test for the social (QOL) index was -4.66237 and therefore falls outside the acceptance zones of the null hypothesis. Therefore, I reject the null hypothesis that there are no statistically significant differences between the perceptions of satisfaction of the residents in relation to the social (QOL) changes in their neighborhood as compared to five years earlier. Thus,

I accept the alternative hypothesis that there are significant differences between the mean of the Social (QOL) Index Before (SOQBE) and Social (QOL) Index After (SOQAF). The acceptance of the alternative hypothesis is an indicator that overall residents perceived that the changes between a five-year period (2000 to 2005) are plausible to the point they are aware of that. In the in-depth interviews several residents mentioned that the neighborhood had an improvement in aspects such as cleanness and maintenance of monuments, street lights and police security.

Table 7.15. Results of the Hypothesis Testing

INDEX (2000 AND 2005)[172]	HYPOTHESES	T-STAT	RESULTS
PHYBE and PHYAF	$H_o = \mu_1 = \mu_2 \rightarrow \mu_1 - \mu_2 = 0$ $H_1 = \mu_1 \neq \mu_2 \rightarrow \mu_1 - \mu_2 \neq 0$	-5.2138	Null rejected.
ECOBE AND ECOAF	$H_o = \mu_1 = \mu_2 \rightarrow \mu_1 - \mu_2 = 0$ $H_1 = \mu_1 \neq \mu_2 \rightarrow \mu_1 - \mu_2 \neq 0$	-1.39053	Null accepted
SOQBE AND SOQAF	$H_o = \mu_1 = \mu_2 \rightarrow \mu_1 - \mu_2 = 0$ $H_1 = \mu_1 \neq \mu_2 \rightarrow \mu_1 - \mu_2 \neq 0$	-4.66237	Null rejected

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[172] For the year 2000 the indices have the names of PHYBE (PHYSICAL BEFORE), ECOBE (ECONOMIC BEFORE), SOQBE (SOCIAL (QOL) BEFORE). For the year 2005 the indices have the names of PHYAF (PHYSICAL AFTER) ECOAF (ECONOMIC AFTER) SOQAF (SOCIAL (QOL) AFTER).

Summing up, San Felipeans changed their views about the physical and social (QOL) aspects of their neighborhood over the five-year period, but that was not the case for their economic perceptions for the two years referenced.

Using Student T-test for Different Indices

Student t-test was also used to corroborate if there were significant differences in the perception residents had within the indices for the same year (for example physical, economic and social (QOL)).

Table 7.16. Comparison of Independent Index for 2000 and 2005

Comparison Independent Index 2000			Comparison Independent Index 2005		
ECOBE	Not statistically significant	PHYAF	ECOAF	Not statistically significant
SOQBE	Not statistically significant		SOQAF	Not statistically significant
PHYBE	Not statistically significant	ECOAF	PHYAF	Not statistically significant
SOQBE	Not statistically significant		SOQAF	Not statistically significant
ECOBE	Not statistically significant	SOQAF	ECOAF	Not statistically significant
PHYBE	Not statistically significant		PHYAF	Not statistically significant

Table 7.17 Results of Student T-test among Indices: 2000

	PHYBE	ECOBE	PHYBE	SOQBE	ECOBE	SOQBE
Mean	3.320099	3.081876	3.320099	3.705638	3.081876	3.705638
Variance	0.511792	0.524063	0.511792	0.477583	0.524063	0.477583
Observations	192	192	192	191	192	191
Hypothesized Mean Difference	0		0		0	
df	382		381		380	
t Stat	3.243284		-5.36401		-8.62523	
P(T<=t) one-tail	0.000643		7.08E-08		8.8E-17	
t Critical one-tail	1.648852		1.648863		1.648873	
P(T<=t) two-tail	0.001286		1.42E-07		1.76E-16	
t Critical two-tail	1.966193		1.96621		1.966226	

Table 7.18. Results of Student T-test among Indices: 2005

	PIA	EIA	PIA	SIA	EIA	SIA
Mean	3.67124	3.183669	3.67124	4.012053	3.183669	4.012053
Variance	0.379653	0.531133	0.379653	0.371037	0.531133	0.371037
Observations	203	202	203	204	202	204
Hypothesized Mean Difference	0		0		0	
df	392		405		390	
t Stat	7.268613		-5.61126		-12.4205	
P(T<=t) one-tail	9.92E-13		1.86E-08		2.24E-30	
t Critical one-tail	1.64875		1.648625		1.64877	
P(T<=t) two-tail	1.98E-12		3.73E-08		4.48E-30	
t Critical two-tail	1.966034		1.965839		1.966065	

Association Hypothesis: Pearson Correlation (ρ) for Two Quantitative Variables

Pearson correlation was next used to test whether there was a correlation between two quantitative variables; in this case, variables like the time of residence, for example, and the physical index were correlated. Before the correlation was performed, I eliminated the cases that did not have information for both variables. For example, if the interviewee form survey No 26 did not answer question 10, then I eliminated interviewee No. 26 for both periods. Pearson coefficient only was applied to variables that were continuous (time of residency, education, income and age). The Pearson coefficient analysis was conducted only for the data of the survey obtained for the year 2005.

The hypotheses developed were:

H_o= The independent variables (time of residency, education, income of heads of household) are not associated with the dependent variables (physical, economic and social (QOL) perception regarding the changes in the neighborhood).

H_1= The independent variable (time of residency, education, income of heads of household) are associated with the dependent variables (physical, economic and social (QOL) perception regarding the changes in the neighborhood).

Where Y corresponds to the index and X corresponds to time. The formula used is:

$$\hat{Y}= a+bx$$

The index (y) is related to time (x). In this correlation, the slope (b) might be positive (indicating a direct relationship) or negative (indicating an inverse correlation) in a constant way (a). In other words, rho might be less than 1 or more than 1 with a confidence level of .95. In this case I am assuming that the correlation is linear, although in cases like time of residency and income of heads of household may not necessarily be linear.

Pearson Correlation among the Variables and the Three Indices in the Year 2005

The results using the Pearson correlation coefficient showed that there was no significant correlation at the 95% confidence level between length of residency, education, income heads of household, attachment and the three indices (economic, social (QOL) and physical).

Using the Chi Square to Analyze the Relationship among Categorical Variables

For this part of the research, I established 24 hypotheses using eight demographic, economic and social variables (length of residency, income, education, attachment, housing tenure, employment, sex and age) and three indices (perception indices regarding the physical, economic, and social (QOL) conditions of the neighborhood).

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For each of the relationships a hypothesis was established as stated below, and as I mentioned in Chapter 3.

H_o = Length of residency in the neighborhood is not associated with the perception the residents have regarding the physical economic and social (QOL) changes in the neighborhood.

H_1 = Length of residency in the neighborhood is associated with the perception the residents have regarding the physical economic and social (QOL) changes in the neighborhood.

Recoding of Indices and Variables

In order to use Chi square it was necessary to recode the indices regarding the physical, economic and social (QOL) changes in the neighborhood. I only took for this analysis the perception of residents at the moment of the survey (2005) in order to use it with the information of the variables that were obtained at the moment of the survey. The recoding was done for both the indices and the variables. The perception indices were collapsed from a scale of 1 to 5, to a scale of 1 to 3. These transformations are recoded in table 7.19 and appendix E.11.

Table 7.19. Physical Index Recoding

Perception of Physical Index from Survey	Recoding
From 1 to 2.5	1= Dissatisfied
From 2.6 to 3.0	2= Neutral
From 3.1 to 5	3= Satisfied

Source: Calculated by the author.

For this research, I formulated several hypotheses. In the next pages, I will examine the differences among demographic, social and economic variables collected from the residents of San Felipe and three indices (physical, economic and social (QOL)). The results are in appendices E.12 to E.19.

Results of the Chi Square to Measure Differences among Length of Residency and Attachment and the Physical, Economic and Social (QOL) Indices

Length of residency is a variable that was considered in measuring perceptions of San Felipe's residents in relation to the physical, economic and social (QOL) transformations in this neighborhood. The hypothesis to measure this relationship was:

H_o: Length of residency is independent from residents' perceptions and reactions toward physical, social (QOL), and economic changes in the neighborhood.

H_1: Length of residency is dependent on residents' perceptions and reactions toward physical, social (QOL), and economic changes in the neighborhood.

The results of the Chi square test of independence showed that the length of residency is dependent on the three indices. Thus I reject the null hypothesis that establishes that there is independence among length of residency and the physical, economic and social (QOL) indices, and I then accept the alternative hypothesis that there is a dependency among length of residency and the physical index, length of residency and the economic index and length of residency and the social (QOL) index. All the observed values were significant at the 95% confidence level.

In this study I included as well differences among attachment to the neighborhood, and the physical, economic and social (QOL) indices was also considered. The hypothesis tested was the following:

H$_o$: Residents' attachment to the neighborhood is independent from residents' perceptions and reactions toward physical, social (QOL), and economic changes in the neighborhood.

H$_1$: Residents' attachment to the neighborhood is dependent from residents' perceptions and reactions toward physical, social (QOL), and economic changes in the neighborhood.

For this set of hypotheses, I reject the null hypothesis with a 95% confidence level that there is independence between attachment and the physical, economic and social (QOL) indices. Therefore, I accept the alternative hypothesis and conclude that attachment to the neighborhood is strongly dependent to the physical index, with the economic index and with the social (QOL) index.

Differences among Income of Heads of Household and Years of Schooling and the Physical, Economic and Social (QOL) Indices

Income of heads of household is a key variable to understand perceptions of residents toward transformations the neighborhood is facing. There might be differences in opinions toward these transformations among heads of households according to the amount of income they earn since heads of households with higher income might perceive all these changes as positive as those who earn more income

H$_o$: Income of heads of household is independent from residents' perceptions and reactions toward physical, social, (QOL) and economic changes in the neighborhood.

H$_1$: Income of heads of household is dependent from residents' perceptions and reactions toward physical, social (QOL), and economic changes in the neighborhood.

For this set of hypotheses I reject the null hypothesis, and I conclude that income for heads of household is strongly dependent of the physical index as well as on the economic and the social (QOL) indices. Thus, there is a dependence among these three set of variables (income: heads of household and physical index; income: heads of household and economic index; and income: heads of household and social (QOL) index).

Years of schooling is another variable that helps us to understand how residents perceive changes in the neighborhood, due to the fact that people with more years of schooling will probably have higher expectations toward the physical, economic and social changes in the neighborhood. To test the differences among years of schooling and the physical, economic and social (QOL) indices I formulated the following hypothesis:

H_o: Education is independent from residents' perceptions and reactions toward physical, social (QOL), and economic changes in the neighborhood.

H_1: Education is dependent from residents' perceptions and reactions toward physical, social (QOL), and economic changes in the neighborhood.

Appendix E.14 shows that there is dependence among education and the physical, economic, and social (QOL) indices at the confidence level of 95%. Therefore, I accept the alternative hypothesis that there is a dependence among education and these indices.

Differences among Housing Tenancy, Employment Structure and the Physical, Economic and Social (QOL) Indices.

Residents might have different opinions regarding the physical economic and social (QOL) indices that might be related to their home stability in the neighborhood. Thus, differences among housing tenancy and the physical, economic and social indicators was tested using the following hypothesis:

H$_o$: Housing tenancy is independent from residents' perceptions and reactions toward physical, social (QOL), and economic changes in the neighborhood

H$_1$: Housing tenancy is dependent from residents' perceptions and reactions toward physical, social (QOL), and economic changes in the neighborhood.

Housing tenancy is dependent from the three indices (Appendix E.16). Thus I reject the null hypothesis that establishes that there is independence among housing tenancy and the physical, economic and social (QOL) indices. I then accept the alternative hypothesis that there is dependence from housing tenancy and the physical index, housing tenancy and the economic index and housing tenancy and the social (QOL) index that represents the changes that are occurring in the neighborhood.

Employment is another variable that might be related to residents perceptions and reactions toward the physical, economic and social changes that are occurring in the neighborhood. People who have a secure job might see as a positive outcome these transformations while others who do not have a job might be afraid that these transformations might raise prices in general with the result that he will not be able to stay in the neighborhood. To test the differences among employment and the physical, economic and social (QOL) indices I formulated the following hypothesis:

Ho: Employment is independent from residents' perceptions and reactions toward physical, social, and economic changes in the neighborhood.

H$_1$: Employment is dependent from residents' perceptions and reactions toward physical, social, and economic changes in the neighborhood.

The results of Chi-square show a strong dependence between employment with the physical, economic and social (QOL) indices at the 95% confidence level. As a result, I reject the

null hypothesis that there is independence among employment and the physical index, employment and the economic index, and employment and the social (QOL) index. Thus, I accept the alternative hypothesis that there is dependence among this variable and the indices used for this analysis.

Differences among Sex and Age and the Physical, Economic and Social (QOL) Indices

As for sex there might be differences in opinions between men and women toward these changes. Thus, I formulated the following hypothesis for this variable:

H_o: Sex is independent from residents' perceptions and reactions toward physical, social, and economic changes in the neighborhood.

H_1: Sex is dependent from residents' perceptions and reactions toward physical, social, and economic changes in the neighborhood.

The results of the Chi square test showed a dependence among the variable sex and the physical, economic, and social (QOL) indices at the 95% confidence level. Thus I reject the null hypothesis that there is independence among the sex of the resident and his or her perception represented by the physical, economic and social (QOL) indices, and I therefore accept the alternative hypothesis that there is dependence among sex of the interviewee and these indices. The results are in Appendix E.18.

Age was included as another variable used to establish whether or not it is independent from perceptions and reactions residents had toward physical, social and economic changes in the neighborhood.

H_o: Age is independent from residents' perceptions and reactions toward physical, social and economic changes in the neighborhood.

H_1: Age is dependent from residents' perceptions and reactions toward physical, social and economic changes in the neighborhood.

The results of the Chi square test of independence showed dependence among age of the interviewee and the physical, economic, and social (QOL) indices at the 95% confidence level. Thus, I accept the alternative hypothesis that there is a dependence among age and these indices. The results are in Appendix E.19.

Summary and Conclusions

The results of the nonparametric tests viewed here complement my ethnographic work, which highlights that San Felipe's contrasts and contradictions. Residents perceived significant improvement in the built environment. However, they did not perceive any changes in the economic indicators (retailing mix, housing costs, local jobs and parking), or in the social features of their neighborhoods (water, electricity, sewage, health care, cleanliness). The neighborhood is more appealing to the eye, but offers little to improve the quality of life for residents. Put another, façadism –not community development or social justice—prevails.

In the next chapter I analyze residents and ex-residents perceptions and opinions using an ethnographic approach based on in-depth interviews. This is done as a way to have a more complete understanding of the neighborhood's transformations and its implications for the lives of residents and ex-residents.

CHAPTER 8

The Use of Ethnographic Approach to Better Understand San Felipe's Conundrum

"Es bastante reconfortante acordarse y sentirse que uno extraña a San Felipe"
(It is quite comforting to remember and feel the longing for San Felipe)

Javier, ex resident of San Felipe

In this chapter I analyze residents and ex-residents perceptions and opinions using n-depth interviews. The goal of my ethnographic fieldwork is both to inform the reader regarding residents and ex-residents perceptions of the changes in their neighborhood and to see what lessons we, as citizens of any city and as decision makers, can learn from these experiences to improve peoples' lives. The results of this fieldwork will be divided into two sections. The first section addresses the characteristics and perceptions of San Felipe interviewees from 2005 to 2008 regarding the transformations that has occurred in their neighborhood throughout the years. Likewise, I used the same techniques to explore the opinions of the ex-residents of San Felipe. These techniques included, but were not limited to, content analysis and manifest content analysis.

Content Analysis and Manifest Content Analysis as Tools to Analyze Residents' and Ex-Residents' Perceptions Regarding Changes in the Neighborhood

An essential part of the fieldwork for San Felipe was mostly grounded on in-depth interviews. All interviews were open-ended. I collected information from real estate agents, small business entrepreneurs, residents, and ex- residents of San Felipe. During this research, I interviewed 38 people from different ages, income, social status and sex. These interviews took place from 2005 to 2008 and the interviewees' age ranged from 30 to 79 years old (Table 8.1).

Table 8.1. Actors Interviewed Concerning San Felipe's Transformations: 2005-2008

CATEGORIES	TOTAL	SEX		AGE RANGE
		Male	Female	
Real Estate Agents	3	1	2	30-50
Small business	2	1	1	55-65
Residents	17	6	11	37-79
Ex-residents	12	7	5	41-74
Community leaders	4	3	1	35-55
Total interviewees	38	18	20	30-79

The main objective of performing these interviews was to interpret language and behavior as ways of obtaining information that otherwise might be lost if I had only supported the research using quantitative techniques. One of the objectives of my research was to capture information regarding values, feelings and beliefs that residents and ex-residents of San Felipe had in relation

to the transformations and changes that their neighborhood was facing in association with gentrification and revitalization[173].

I developed a set of questions for residents and ex-residents of San Felipe, (see Appendices E.2 and E.3). That were the same battery of questions for both the residents group and the ex-residents group. I likewise had similar questions for residents and ex-residents in certain sections of the interview in order for me to compare them. I tape-recorded all interviews with the exception of two real estate realtors who answered the same questionnaire I sent them via e-mail. These interviews were open-ended, and they were conducted in a similar way. I added questions related to the real estate business market in San Felipe with the purpose of knowing who the new buyers were and their reasons for buying. Recall that the information obtained from the realtors is presented separately in Chapter 5.

I transcribed all the tape-recorded interviews. On many occasions, these interviews were more than an hour long, so their written transcriptions took from five to ten hours, sometimes more. Because most of the interviews were so long, I obtained help from my sister, who is also a geographer, to help me transcribe several interviews. The reason for having the recorded interviews on tape was that with the written version I was able to use software to code and analyze the data more accurately, and observe and establish themes and meanings for a deeper understanding of the neighborhood's transformations.

The purposive sample meant that I chose the interviewees by making sure there was a representation of both sexes of different ages, as well as having different levels of education. The

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[173] As I explained before, I used a wide range of qualitative techniques to try to further understand the nuances that the transformations that were occurring in the neighborhood had for its residents and ex-residents, as well as the underlying meaning of key words these actors used to refer to this place. Among the qualitative techniques I used for this research were participant-observation, descriptive field notes, structured data collection through structure interviews, key informants, especially with the leaders of the neighborhood; recording and analysis of the data collected using audiotapes and then verbatim translation of the interviews.

purpose of having interviewees with different characteristics is because I am assuming residents and ex-residents will have different perspectives on the subject of the transformations of the *Casco Antiguo* based on these differences.

In this qualitative analysis, I have used coding that has been recommended in the literature (Berg, 2004) as an interpretative technique to organize the data to thus be able to use several quantitative methods. Using these approaches allowed me to acknowledge and to gain a deeper understanding of problems residents were facing. These problems were related to dangerous building infrastructure in condemned houses; problems dealing with dwellings, such as internal flooding because roofs were damaged; how a big family managed to live in a tiny place, a "self-building," an improvised infrastructure between the roof and the floor, so children could sleep on top close to the ceiling and their parents could sleep in the lower area. I also was able to come into other buildings where people have nice apartments but who were afraid of gangs living in buildings next to theirs. As a lady told me once "Teacher, please I would ask you to move to this other area because sometimes on Sundays a member of one gang who lives in this building shoots at the other gang members in the other building."[174] I too experienced some of these anxieties when I visited a leader in the community. The informant lived in very precarious conditions with his family, to the extent that they had an improvised staircase going up to the third floor where he lived, because certain "bad" people had destroyed the stairs (according to him as intimidation so he and his family would leave the building).

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[174] Fortunately, by 2016 many people of the "mal vivir" (bad living) have left San Felipe due to an increase of security as tourism has become a booming activity in Panama, and San Felipe is one of the key place tourists want to visit.

His building was infested with rats and insects, and he had several small children. His dilemma --as I explained in Chapter 6-- was to stay in the place, although his children were constantly sick because of the building's conditions. His other option was to accept a proposition to move out to one of the rebuilt apartment complexes the government was offering in the neighborhood for the well-being of his family, knowing that he could lose credibility from other members of the movement and the community. He chose in the end the second option and lost credibility. All these field experiences gave me a deeper understanding of the neighborhood's situation and plight.

I used manifest and content analysis to understand the social, economic, or cultural underlying meanings that a word may have. The use of manifest and latent content analysis allowed me to combine quantitative and qualitative analyses. I used the interviews I conducted with residents as my unit of analysis.

In the next sections I will analyze first the in-depth interviews I conducted with residents of San Felipe and second, I will analyze the in-depth interviews I conducted with ex-residents of San Felipe following my objectives 3 and 4 that I stated in Chapter 3.

Characteristics of the Residents Interviewed in San Felipe

From the total amount of 38 actors I interviewed, 17 were residents of San Felipe. The range of age of these interviewees was between 37 to 79 years old (Table 8.2). As I explained above, all the interviewees with the exception of one signed the consent form from Virginia Tech (Appendix E.1). I asked predetermined questions in a systematic and consistent order, but interviewees were allowed freedom to digress (See the questions for residents' interviews in Appendix E.2). In addition, all the interviews were conducted in Spanish, with the exception of a foreign retired resident whose interview I conducted in English.

Table 8.2. Characteristics of the Residents Interviewed in San Felipe:

2005-2008

Interviewee	Age	Date of the Interview	Occupation	Pseudonym
1. Female	77	2007	Housewife	Martha
2. Female	65	2005	Retired	Rebeca
3. Male	66	2005	Retired	Porfirio
4. Male	53	2005	Architect	Carlos
5. Female	78	2005	Retired	Ana
6. Female	52	2005	Informal sector	Melissa
7. Female	65	2005	Worker	Graciela
8. Female	78	2007	Retired	Rosa
9. Female	37	2005	Single unemployed Mother	Blanca
10. Male	44	2008	Lawyer	Antonio
11. Female	60	2005	Housewife	Carmen
12. Female	58	2005	Administrator of an apartment building	Julia
13. Male	53	2006	Lawyer	Peter
14. Female	66	2007	Retired	Cindy
15. Male	79	2005	Retiree living alone	Jose
16. Male	65	2007	Foreign-Retired	Paul
17. Female	64	2005	Retired	Rita

Characteristics of the Ex-Residents of San Felipe

Outside of San Felipe, I visited several places where ex-residents of the neighborhood have been relocated since 1998 or where people lived who decided to move voluntarily. Among these places were the San Felipe de Neri building located in el Chorrillo borough, El *Centenario* building located in Calidonia as well as other interviews performed in San Felipe with people who usually come back to the neighborhood from other areas of the city and from the interior of the country. In my visits to these ex-residents, I used participant observation and recorded the interviews, with

the interviewee's consent. I used a battery of the same questions, and I transcribed all the interviews. The age of the interviewees ranged from 41 to 72 years old. Several of them were retired; others currently have professions (See table 8.3).

Table 8.3. Characteristics of the Ex-Residents Interviewed who Lived in

San Felipe: 2005-2008

Interviewees	Age	Year of the Interview	Occupation	Nickname
Female	65	2006	Retired	Luisa
Female	62	2005	Seamstress	Karina
Male	47	2008	Data logger	Javier
Male	56	2006	Retired Policeman	René
Male	62	2006	Retired	Francisco
Female	62	2008	Housewife	Carla
Male	56	2006	Craftsman	Roberto
Male	72	2005	Watchman|	Rubén
Male	72	2007	Retired	Cesar
Male	53	2008	Messenger	Freddy
Female	41	2008	Elderly caregiver	Cristina
Female	74	2005	Dressmaker	Mercedes

Unit of Analysis, Selected Keywords and Coding Categories

I used the word as the unit of analysis as it is usually use in content analysis. The strip I used was the sentence within the word and the sentence before and the sentence after the word. The categories of the words are used in everyday situations (Berg, 1987, p. 241). The words chosen for this analysis are heritage, tourism, conservation, preservation, collaboration, participation, changes, government, quality of life, belonging or attachment to the neighborhood, and

neighborhood.[175] I also incorporated other words that were synonyms and that have a high number of repetitions among residents and ex-residents.

Results of the Qualitative Work

The result of this qualitative work will be divided into two sections. In the first section I analyze interviews for residents regarding their opinions on the transformations San Felipe has had. Whenever possible, I make connections to the literature since San Felipe is another case of how gentrification and revitalization, through global capital, have reached historic districts in Latin America and other regions of the world. In the second section I discuss my findings regarding the opinions of ex-residents, what they think of the transformations of their old neighborhood, what their experiences have been in relation to their moving to another part of the city, and whether they are still attached somehow to their old neighborhood.

Three issues were uncovered that I have not come across in the literature. These three situations or elements are: structure of the language, richness of the language, and cultural differences, even within the same country. Sometimes interviewees do not use the word that I have chosen as the analytical word, but instead they use a synonym that has a similar meaning.[176] This implies that when researchers do field work they must be aware that responses might vary according to the informants' level of education, cultural background, and age. Researchers must be aware that it is necessary to know the local language and culture to capture these nuances. Otherwise, sentiments will not be captured if one does not have the understanding that the answer one is looking for might be there but hidden under a similar meaning. If one is not careful the analysis might have a different outcome due to a lack of knowledge either of the language and or

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[175] *patrimonio, turismo, conservación, preservación, colaboración, participación, cambios, gobierno, calidad de vida, pertenencia, apego al barrio, and barrio.*

[176] This happened even though I tried to avoid using academic jargon.

the culture. In my case, I noticed that my interviewees were not using the same words that I had proposed as key words. Once I looked more carefully I realized they were using synonyms that described the same issue.

Residents used some form of the verb "to live" 314[177] times, which was the second most used word. In the original proposal of the study the words I had suggested to analyze were attachment, changes, neighborhood, participation, quality of life, heritage, miss the neighborhood, authorities/government, kick out from the neighborhood, and tourism. [178]

Structure of Language

In Spanish when someone asks a question to another person, usually the person does not answer in the same way. For example, if I asked a person what they thought regarding the transformations that were happening in the neighborhood, in many cases she or he would answer without even mentioning the word transformation even though this word was implicit in the conversation. Aside from that, the Spanish language has many words with the same overall meanings yet with slight variations. However, because of this the researcher would have people saying words like *transformaciones*[179] instead of *cambios*[180], and vice versa. This was very important to take into consideration, because when I analyzed the interviews using latent content analysis there were some meanings of words that were embedded in the text; although they were not strictly used in the conversation, they were understood within the conversation.

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[177] *Vivir.*

[178] *Apego o pertenencia, cambios, barrio, participación, calidad de vida, patrimonio, extrañar el barrio, autoridades/gobierno, sacar del barrio y turismo.*

[179] Transformations.

[180] Changes.

Cultural Differences and Interests among Groups.

When I began to use content analysis to register the amount of times that a word would be repeated by the interviewee, he or she was not probably interested in the same topics that I wished to discuss. In other words, they were responding to the answers, but they were giving more information regarding other matters that were important to them, and not what I necessarily considered as key words.[181]

This new perspective enriched my analysis, since now I was able to analyze these interviews through the eyes of the interviewees and not only through my own research expectations. This is the reason why I decided both to look for the words I stated earlier for my research and pay closer attention to the "other" words that my interviewees mentioned: these synonyms and the context in which these interviewees were saying these words, noting the similarities in these words with the other interviewees and their contexts. To use both approaches I used the program called Atlas.ti. This program counts the words and makes a visual representation of the frequencies in which words are repeated. Thus, I made two tables: one with the frequency of the words I initially proposed in my research and the context within these words was being used, and the other with the frequency of the words my interviewees were using the most.

Because words that I had not considered were showing up in the research, I used a program called Wordle for the residents' interviews as well as for the ex-residents' interviews (Figures 8.1 and 8.2). The Wordle figures provide a simple, first-cut view, of how the interviewees are telling

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[181] I realized this issue when I saw that several of the words I expected to come into the conversation did not show up or they had a very low frequency of answers, once I began looking for them using content analysis. This lack of usage made me realize that I had to look into the data that was coming from the interviews more deeply. It also meant that I needed to look at my research from the point of view of the other person and what he wanted to tell me.

their oral stories based on the guided questions. I eliminated from the program the most common words in Spanish, such as definite articles, prepositions and conjunctions. Several of the words that I proposed to analyze did not show as frequently as I expected. This could be because interviewees were using synonyms, instead of the word I chose.

   For this section I based my analyses mainly on what the interviewees were telling me from their answers and from the frequency counts. I used a similar methodology with the interviews from ex-residents. These diagrams were obtained after I eliminated words like *aquí, allí, si, dijo, decir, dice, pues, entonces* (here, there yes, said tell, although) among other prepositions and conjunctions.

Figure 8.1. Content Analysis of the Most Frequently Words Used by Residents of San Felipe

Figure 8.2. Content Analysis of the Most Frequently Words Used by Ex-Residents of San Felipe

The results showed that in several of my interviews there were topics that were more important for my interviewees than the ones I initially thought were important for them using the literature, and my own knowledge of the situation in the neighborhood. Based on these findings, I used the words I already stated and their synonyms to create categories that could allow me to have a better understanding of what my interviewees wanted me to know concerning their journey along the process of the neighborhood transformations. Table 8.4 shows the categories I came up with and the words I included in each categories based on what I have found out in the quantitative section of this research and in the literature.

After I grouped these words used by the residents and ex-residents in the in-depth interviews into categories, I proceeded to conduct a Chi-square analysis to see if there were statistical differences in the opinions between these two groups. I used manifest content analysis to find the underlying meanings of these groups of words using the sentence. Following Scarpaci

(2005), I classified the sentence into negative, neutral or positive according to how the interviewee used each descriptor. For residents and ex-residents the most common words they used were houses, people, San Felipe, neighborhood and family. These show that for both groups these ideas were the most important aspects in San Felipe; houses were frequently mentioned because all the positive and negative situations that were taken place in San Felipe housing market. On one hand, there was a revitalization process that already had taken off. On the other hand, evictions and threats for residents living in condemned houses and in rented places had become the norm.

The results of this content analysis for the words of attachment show that to live in the neighborhood was the common link for residents and ex-residents. This situation shows that for both groups the idea of staying in the neighborhood had an impact in their lives. In this category neighborhood and community were other two words that were repeated the most.

Preservation, conservation and restoration are the words that considered aesthetic values that were the most mentioned, especially by residents. The word 'tourists' was the other word that had the most frequency, especially for residents. Both group of words show that residents were concerned about their patrimony, and they also were aware that tourists come into the country to admire the diverse patrimonies that exist in the country, of which San Felipe is one of them. The interviews also show that there were words of resistance to such involvement: to move out and authority had the highest frequency for both groups, residents and ex-residents. As for community challenges, housing was the most frequent word. This situation makes sense especially if we see it within the contexts of how housing became the number one problem for residents who wanted to stay in the neighborhood and for ex-residents who had to move to other areas of the city and the country. For the physical changes, words such as to buy and to sell were the most mentioned by residents, while ex-residents did not mention these words. I think that the reason is that since they

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already had left the neighborhood they had gotten another place to live. The satisfaction with the

neighborhood category also got very low rates for both residents and ex-residents.

Table 8.4. Most Frequent Key Words Used by San Felipe Residents and Ex-

Residents during the Interviews by Categories: 2005-2008

Categories	Number of Times Residents mentioned a Word	Number of Times Ex-Residents mentioned a Word
Words of Attachment	**543**	**249**
To live (and related words)	314	159
Neighborhood/Community	120	52
Family	49	5
Neighbors/Friends	46	20
To miss	14	13
Words of Aesthetic Value (Expectations for the community)	**333**	**69**
Preservation/ Conservation|Restoration	158	54
Tourism/Turista	85	10
Historic	63	0
Heritage	27	5
Words of Resistance and Community Involvement	291	131
To kick out/to leave/to move out	233	115
Authority/Government	44	14
Participation	14	2
Community Challenges (Problems in the community)	**111**	**165**
Housing	111	165
Physical, Economic and Social (QOL) Change	**222**	**30**
To buy	64	0
To sell	55	0
Changes/Transformations	54	30
To invest/Investment	49	0
Satisfaction with their Neighborhood	**36**	**26**
Disadvantages	19	16
Advantages	17	10

Qualitative Analysis of Residents and Ex-Residents Perceptions Regarding Transformations in San Felipe Using Chi Square

The descriptive listing of frequency counts reveals that former residents had less to say about San Felipe in every single category except the category of 'community challenges.' Chi-square tests –not surprisingly-- showed that there are significant differences in opinions in the categories of aesthetic values, resistance and community involvement, and community challenges. The category of aesthetic values shows that overall this category has a Chi-square of 4.68; the word preservation was the only one with a calculated Chi-square higher than the critical Chi-square (6.61) (Table 8.5). This shows that residents and ex-residents have strong opinions toward neighborhood preservation. In fact several residents who were interviewed had negative opinions toward preservation, because they believe buildings were being remodeled instead of being preserved. The category of community involvement has a similar situation. Overall this category presented a high Chi square, but within this category residents and ex-residents show strong opinions toward the words authority and government with a Chi square of 7.6. This coincides with the results found within the survey where residents manifest strong feelings toward the government's role concerning the challenges residents were facing. The rest of the words within this category had a calculated Chi-square lower than the critical Chi-square; thus the null hypothesis is accepted in that there were no significant differences in opinion regarding the words to evict, to leave, and to kick out, as well as the word participation.

Table 8.5 Critical and Calculated Chi Square of Residents and Ex- Residents

Opinions Obtained from the Interviews by Categories: 2005-2008

Categories	Critical Chi-Square	Calculated Chi-Square Ho X^2 Calculated $> X^2$Critical	Hypothesis Ha X^2calculated $< X^2$critical
Attachment	5.991	5.38	Rejected
Neighborhood	5.991	1.05	Rejected
To miss	5.991	1.55	Rejected
To live/Family	5.991	3.68	Rejected
Aesthetic values	5.991	4.68	Rejected
Tourism	5.991	1.27	Rejected
Preservation	5.991	6.61	Accepted
Heritage	5.991	1.40	Rejected
Resistance	5.991	7.55	Accepted
Authority	5.991	8.25	Accepted
To leave/to kick out	5.991	2.53	Rejected
Community involvement	5.991	3.43	Rejected
Participation	5.991	3.43	Rejected
Community challenges	5.991	15.13	Accepted
Housing	5.991	6.90	Accepted
Quality of life	5.991	8.23	Accepted
Physical and economic changes			
To invest/to sell/to buy	5.991	1.90	Rejected
Changes	5.991	0.37	Rejected
	5.991	1.73	Rejected
Satisfaction with San Felipe			
	5.991	0.22	Rejected
Neighborhood´s future	5.991	2.68	Rejected

As noted above, the category 'community challenges' shows that residents have strong and different opinions regarding this category, where both words used by residents and ex-residents (housing and quality of life) had higher calculated Chi-square than the critical Chi-square; thus the alternative hypothesis is accepted. These results also coincide with the results from the survey where residents were mostly concerned regarding their housing situation, something that also was present on the ex-residents interviews.

As for the physical and economic conditions represented by the words to invest, to sell or to buy the results of the chi square were very low, showing that there were not significantly differences in the opinions of residents and ex-residents of San Felipe regarding this matter. As for the satisfaction with the neighborhood and neighborhood´s future, the results of the Chi-square were low as well.

How Revitalization and Gentrification Have Changed Residents' and Ex-Residents' Lives: The Story Told from Their Own Voices

The use of content analysis allowed me to develop seven categories to organize the result of the interviews in a way that I could analyze what interviewees wanted me to know about the situation of their neighborhood and about their own situation. For the analysis of residents' views I created the following categories: 1. Attachment, 2. Aesthetic values, 3. Resistance, 4. Community involvement, 5. Community challenges, 6. Physical economic and social change, and 7. Future of the Neighborhood.

In the same way that the survey conducted with 205 household residents of San Felipe revealed a wide range of opinions regarding different issues that are taken place in the neighborhood, the interviews conducted with residents also showed a wide range and mixed-answers and feelings, especially in very sensitive topics such as housing and evictions.

I first analyzed these interviews by reading all the interviews and to locate the words I have selected to show the transformations San Felipe was having. I also demarcated segments within it to analyze. Besides the words I initially chose for this research, I needed to include other words interviewees mentioned and that were not considered before or words that were synonymous. As I mentioned earlier using the manifest content analysis I was able to obtain the Chi-square for each category and the words within these categories. Through the use of latent content analysis I classified the words according to how the interviewees were using them in a negative, neutral or positive way. I was also able to look for the underlying meaning of the information I had obtained from my interviews. In the next lines I discuss residents and ex-residents perceptions regarding the transformations that were occurring in their neighborhood, using in many occasions their own words.

Attachment

The words that represented the attachment category and that were in the original proposal of this research were: attachment (*apego,/ pertenencia*), neighborhood (*barrio/comunidad*), San Felipe, to live (*vivir, viviendo*), family (*familia*), neighbors (*vecinos)* and to miss (*extrañar).*

From the seventeen interviews I conducted, interviewees gave me these answers; Carlos, for example, used the word within the context of emptiness, with a nostalgic face and in a lower tone of voice, when he says that "the neighborhood is empty, [182] and that the neighborhood is almost a ghost town[183]. He mentions that original residents (these original residents were the ones living in San Felipe before the 1970s, and that many of them belonged to a professional class or

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[182] *El barrio está vacío.*

[183] *El barrio es casi un pueblo fantasma*.

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to a high income class) began to leave the neighborhood when they realized the borough representative [184] began to introduce people from what he calls "marginal neighborhoods" of El Marañon, El Chorrillo, and, San Miguel as a result of fires. This was amply discussed in Chapter 5. Coincidentally, several of my interviewees (Julia, Rita, Martha and Graciela), especially those who lived in the neighborhood for many years during that time, corroborated what Carlos had said. They believe that the physical, economic, and social deterioration of the neighborhood had its roots in the relocation of people from other neighborhoods in San Felipe during the 1970s, which I explained in Chapter 5.

In the interviews, the sense of being a San Felipeño is likewise confirmed. Most of the residents I interviewed thought that bringing people of nearby neighborhoods into San Felipe in the 1970s further deteriorated neighborhood. One difference between the filtering process that happened in most city cores or in historic areas in Latin America versus San Felipe is that in the first examples, people usually arrive to these areas looking for a cheap place to live while they search for a job. Later, they move to other areas of the city as they get higher incomes and improve their economic status. In San Felipe's case, this "normal filtering process" was disrupted by the imposition of people who came from other boroughs because of fires; every time there was a fire, people were moved to San Felipe.

I argue that the disruption of San Felipe's social network began in the early 1970s. Over time, this created resentment among residents who believe these newcomers did not have the right to live in the same social space, especially when the buildings began to deteriorate, and when many

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[184] It refers to a person that was in charge of the borough from the political and administrative point of view. At the beginning during the 1970s when this political figure was created the borough representative was chosen by the government. So, he or she usually did not respond to the neighborhood interests but rather to the interest of the government. Later on and until today, they became elected by the population.

of the incoming people from these fires were considered people of questionable character (*mal vivir*).

San Felipe's designation as a World Heritage Site in 1997 showcased the neighborhood for international tourists and prospective national and international buyers. Moreover, the creation and implementation of a new law for the historic district, which mostly focused on housing incentives for the owners of the buildings, the developers and, speculators. These situations set the stage for gentrification and revitalization, but only after the initial aggravating effect of accommodating refugees from the fires who mostly occupied condemned buildings.

Witness, for instance, Carlos, who complained that many people have been kicked out of the neighborhood because of these laws. "All these people left the neighborhood with the promulgation of these laws."[185] The sense of place is a factor that is immersed in the collective memory of a group of people who live during a same period of time and whose remembrances become part of the old town history. San Felipe residents reflect nostalgically on the neighborhood as of a past way of life that will never return. Words like the meaning of this place is present in "coming down [from my apartment] at night time and talk with my friends regarding different topics, siting at the central park in front of the Metropolitan Cathedral." Or, "The day I will have to leave [the neighborhood] a piece of my heart is staying here, because I believe I will not find any place like this anywhere" or "I would like to stay in the neighborhood, but the prices are not accessible at this moment for anyone who does not earn more than $3,000." This last expression comes from a person who has a university degree as a lawyer and who was a longtime resident.

Julia, on the other hand, did not finish elementary school, but she also believes she will miss sitting in the park late in the evening, although she recognizes that it was becoming dangerous

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[185] *"Todas estas personas salieron del barrio con la instauración de estas dos leyes."*

to do so. She is nostalgic for the old times where they were able to enjoy amenities like parks and were able to stay out during the night, something they cannot do now due to shootings and violence.[186] This attachment found in residents of neighborhoods, especially in historic centers in Latin America, has been documented as well in the literature. As Hardoy and Gutman observe "The neighborhood we call historical center is home in which many of its residents have lived for a long time and they have very close social relationships" (Hardoy and Gutman 1992:316[187]) [My translation].

These testimonies show us that the forces of the market in certain areas are definitely more powerful than the attachment one has toward a place, especially if there is a lack of community coherence. San Felipe is the classic example that space has meaning, where this meaning is immersed in the collective memory of its residents.

Expectations of the Community Regarding Aesthetic Values

Much of the literature that tries to explain gentrification from the consumption side emphasizes the aesthetic value for the gentrifiers in order to come to a place. I have not come across researchers who address the role of the aesthetic value for the community. Many informants like José mentioned the need to preserve this for tourism as well. José put it this way "Well, I believe that the changes are positive because to me they are giving value to the neighborhood, increasing the value of the neighborhood, especially when it has been declared a World Heritage Site, will add that at least for the case study of San Felipe." Thus, in gentrification studies we need

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[186] By 2015 security has greater improved in San Felipe. The implementation and consolidation of a program within the police called the Tourism Police who patrols San Felipe's streets, and the creation of several programs to support of ex-gangs members interested in changing their lives participating in activities such as tourism is given to San Felipe a new face.

[187] Además, el barrio que llamamos centro histórico es el hábitat en que muchos de sus habitantes han vivido durante largo tiempo y en el cual tienen estrechas relaciones sociales" (Hardoy and Gutman, 1992: 316).

to take into consideration the residents and their feelings, because gentrifiers are not the only ones who appreciate the aesthetic value and the allure of the place.

Another theme is that San Felipeans consider themselves as a part of the heritage. As one resident mentions in his interview, "The true historic patrimony is the population who is not here anymore." They likely see tourists as a threat because they believe that among them are the future buyers [gentrifiers] of the houses in the neighborhood. An informant stated, "Today we see a lot [of tourists] in the neighborhood but we know [some of them] are also looking at houses they would like to buy".

Informants were unanimous that the patrimony must be protected together with the population that is still living in the neighborhood. "It should be preserved with the people who also want to come back to the neighborhood," expressed one informant. However, he was also aware that with the million-dollar investments, it would be almost impossible to return to the neighborhood.

Informants recognized that tourism is necessary to preserve this heritage site, to avoid destroying the patrimony through bad practices and trying to preserve and restore it as much as possible. They also do not want their neighborhood to become what the literature on heritage calls a pastiche. As Pedro in his interview pondered: "I said that the changes are positive because it is necessary to rescue, to recuperate the heritage that is being lost, especially by recuperating first the façades. All that is being done with time can be lost… the value, the authenticity, the historic value, really is being lost when alterations [to the patrimony] are done." This is just another example of preserving the heritage with an economic and aesthetic value. The questions that must be asked now is whose heritage is being saved and for whom? This is a reality San Felipeans are facing and will have to face in the future development of the neighborhood.

Resistance and Community Involvement

As the situation of the neighborhood's evictions worsened, all my interviewees were aware they were going to be kicked out of the neighborhood; and I use the words 'kicked out' simply because the owners and lawyers were so harsh that all residents in some buildings were evicted; it was neither a benign request or a willing relocation. In Chapter 5, I addressed this situation, but the testimonies my interviewees gave me, showed the depths of the situation and the point of no return toward which neighborhood was heading.

Carlos, a longtime resident of San Felipe, told me in his interview that, in the building in front of his, everyone was evicted and the windows and doors were sealed with blocks. Lawyers intimidated them, and there was a point when the coercion became so harsh that stairs were broken, roofs were destroyed and the water and electricity were cut. They complained to the authorities, but very little was done. Other informants also said that this happened to residents who were paying their monthly rent as landlords stopped coming to collect the rent; indeed, some of the interviewees informed me that they went to several places to pay and they were not able to do so. Other residents also confirmed this. The problem with this situation is that most of the buildings were declared uninhabitable, so there was no way authorities would support residents in claims against property owners. On top of that, residents did not care to pay their bills since they thought there was no purpose in paying if the building was already condemned and they were going to be evicted anyway.

Julia believed that the government was making an effort to incorporate low-income residents into the development of the neighborhood. Nevertheless, the majority of the interviewees did not see this relationship with the government as collaborative. Instead, they saw this

relationship as confrontational, and especially when they believed the government was allowing the evictions. Frustrated, Rita states:

> Because there is no organization that dares, together with our government, to investigate why they have done it [to allow people from other areas of the city to arrive in San Felipe], I think these are negotiated with the authorities. Dare I shout it out! After they enthusiastically supported our souls, our lives and our hearts. heart. Well at least I will receive $3,500.00 to $4000 dollars. I will go and buy a small plot and build my little house over there.

Only three of the seventeen residents I interviewed attended neighborhood association events. One of them was very outspoken mentioning that she did not want to go to these meetings because the leader of the movement before obtained resources to help his own family. This showed a similar pattern I found in the survey answers. Furthermore, this Gilbert's and Scarpaci's findings that Latin Americans infrequently challenge government housing policies because of the high opportunity costs in doing so.

Community Challenges

Speculation, eviction and gentrification are the biggest community challenges and obstacles residents of San Felipe confront. Residents contributed to this situation when many decided not to pay or they gave up trying to pay, which was exactly what probably some owners wanted in order to ask for an eviction of the place. Either as a form of civil disobedience or as a way of having free housing until their situation was solved, Julia's quote synthesizes this situation in the following way: "People became very sneaky because they didn't want to pay. I even have problems [as administrator of the building] because people said that if they were going to be kicked out, they were not going to pay".

I was able to interview a resident who owns the property where he lives. He considers that the positive aspects of the changes in San Felipe are the preservation of the architectural heritage.

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Speculation has become the norm in San Felipe rather than the exception. Pedro affirms that changes that were supposed to help residents, like the building and repairing of dwellings, were slow, and bothered him. He stresses that "real estate speculation was leaving many people homeless and it has created a city in ruins." Pedro believes that what the government was doing for San Felipe did not favor residents. Instead it favors speculation caused by people who have bought the buildings, and thus have left them to decay, hoping that, as time goes by, to be able to speculate and sell the building or the land for a very high price. This has allowed rent to continue to increase.

Physical, Economic, and Social (QOL) Changes in San Felipe

In relation to the physical, economic and social changes, interviewees agreed with much of what the residents said in the household survey. Some believed that the changes in the neighborhood were positive because the improvement of the neighborhood has given more value to the place. Others had mixed feelings regarding these changes; a third group believed these changes have hurt the residents of the neighborhood and will continue to do so. In fact, they believe that the changes that have taken place are for future residents only.

Positive responses included noting the improvement of the physical environment. For example, José, like many others, saw these changes as positive, because tourists will come and visit. When they return, they will give positive comments about the neighborhood.

Negative responses, on the other hand, focused on what changes were doing to their living situation. Rebeca says that the changes caused eviction and that damages her living conditions. Both José and Rebeca were very aware of their living situation and knew that eventually they were going to be evicted. Since José was a very old man, he saw the positive aspects of these changes in which his neighborhood was getting another face; one that was cleaner, less dangerous, and with

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hope that the built environment was going to be preserved. For Rebeca, this means that there were fewer neighbors each passing day because of evictions, and that the neighborhood was coming to an abrupt end. Carmen agrees: "In general these changes are worthless… they are bad because the neighborhood has changed," and there were different people from the one she was used to see before. [188]

Gentrification has thus impacted the rich and the poor. Lawyers, housewives, and retired residents complained about rising the cost of living and the high the prices of remodeled apartments. They had only few and limited options to stay in the neighborhood. Many informants believe that there is an implicit plan to kick them out of the neighborhood. They believe that underlying forces were playing a role in setting the stage so that there is a point of no return after the total decay of houses is reached. These same feelings are shared by residents of different social backgrounds.

Experiences such as these confirm that there is a significant difference between gentrification in advanced capitalist cities versus cities in poor countries like Panama. Gentrification in the former deals mainly with professional gentrifiers moving from one side of the city to another that is run down and where the rent gap is present. This allows the gentrifiers to take advantage of prices; they are less constrained than professionals in poor countries where salaries are lower. Residential displacement in San Felipe means that local poor and many Panamanian professionals cannot compete with foreign gentrifiers or high-status Panamanians. This is a clear indication of effect that globalization has had on people's lives in San Felipe.

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[188] En general los cambios que se han dado no sirven. Son malos como dije antes ha cambiado, diferente gente que la que teníamos antes.

Future of the Neighborhood

San Felipe's future will depend how authorities and property owners are able to incorporate the residents who have stayed in the neighborhood. Formal education does not necessarily reflect how much residents know about other historic districts in Latin America. Rita, for example, who only has a high school education asks whether residents living in Cuba, Colombia or Puerto Rico´s historic districts have been able to remain. If they can stay there, then, she wonders why they cannot stay in San Felipe as well. She believes that what they are doing to the population is downright evil.

In the end, residents hurt themselves, the neighborhood they love and the opportunity to make San Felipe a beautiful and livable place for residents, regardless of their economic or social status. In the same way, the government's lack of coherent and strong leadership and policies that could have guided the process also contributed to this situation. Owners and speculators who also contributed to the disruption of the neighborhood's life have put themselves between a rock and a hard place because of their policies of evictions and speculation without considering the finding of alternatives for a more harmonic development of San Felipe.

The history of residents of San Felipe de Neri and the vicissitudes they have gone through is proof that eventually they will have to pay the consequences if things are not done correctly, and if people do not take responsibilities for their own actions. If residents had paid closer attention at what was taking place with the condemned houses, then they might have taken action to repair them and avoid being free riders. Truly, things might have turned out in a different way. As Gabriel Garcia Márquez titled one of his most famous books, *Chronicle of a Death Foretold*,[189] today one walks in San Felipe's streets and sees how many buildings still remain empty and walled in.

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[189] Crónica de una muerte anunciada

Although the neighborhood seems to have a lot of visitors and tourists during the day, and a vibrant night life, today one does not often see children playing in the parks as was common.

Analysis of Ex-Residents' Perceptions of San Felipe Physical, Social and Economic Changes Using a Qualitative Approach

This dissertation set out to study ex-residents' reactions to the physical, economic and social transformations San Felipe has experienced because of gentrification and revitalization. In order to do that, I developed a battery of questions that I asked 12 ex-residents of San Felipe, similar to the ones I used for residents of the community. I used content analysis to analyze these interviews. I also came up with a set of categories in which I kept similar names that I used for my analysis of the residents interviews. The result of the content analysis is discussed in the next paragraphs.

Attachment

The set of words that represented attachment were the same I used for the analysis of the residents' interviews (attachment /belonging, neighborhood/community, San Felipe, to live, family, to miss, and neighbors and friends). The testimonies obtained from the interviews reflected that ex-residents of San Felipe continue to have a certain degree of attachment to the neighborhood. The words within this attachment category were mentioned 249 times, the highest number (See table 8.4).

An ex-resident, Roberto, remembers vividly how owners abandoned houses and how they as residents had to deal with getting organized to maintain the place. He then recalls all the vicissitudes they had to deal with after San Felipe became a World Heritage Site, and owners came back. They also had trouble with maintenances, as he recalls:

> We paid rent, we had a lease and everything else. But of course, it is the practice of all homeowners here who were leaving the house and going to other neighborhoods. They left it to the discretion [the maintenance of the houses] of tenants about what to do [to keep the houses]. We formed a committee and we kept the house.

Another situation ex-residents noticed at the moment of the interview was recalling that in San Felipe the experience of watching a child playing in the park is something from the past, because many families with young children have been evicted or have voluntarily left the neighborhood because they saw no solution to their housing situation.

Although ex-residents tried to continue with their lives, things have been harder, especially for those who keep visiting the neighborhood. When I asked Roberto why he kept coming to the neighborhood, he answered that he still has friends and ex-classmates living there. In a similar situation is César, who says he keeps coming back to San Felipe to talk to his friends and to read books and magazines in the park. Carla also mentioned how hard it was to leave the neighborhood: "We didn't want to move out because we had been living there for so many years. I am still missing my friends and the tranquility one could feel sitting at the parks of the neighborhood." Karina also hopes to come back to the neighborhood and talks about how leaving San Felipe initially impacted her life deeply. "At the beginning I became very skinny because I was nostalgic and because I had to leave San Felipe. That really hurt me because I was used to the people from there, who are people you can talk to." She also emphasized the fact that she wanted to come back to San Felipe: "But always, my wish is to come back to San Felipe." Javier also confessed that he misses San Felipe and that he feels a little nostalgic when he goes by the neighborhood.

Economic advantages and closeness to their place of work were other reasons why ex-residents claimed they did not want to move out of San Felipe. They were close to supermarkets, to the central avenue of Panama City and many other amenities that they could not have if they moved further from San Felipe. In this process of displacement, several families were able to

obtain an apartment in Calidonia borough that is near San Felipe, but others have had to move to places even outside of Panama City, which represented a burden for them and their families.

Former resident Rene effusively talks about San Felipe with a combination of pride in a nostalgic way: "One could never find a neighborhood so humble, so peaceful or so tranquil as San Felipe, nor can you find such a place nowadays. I mean it in the best possible way. It was one of the best places to live. I miss it." This is quite a testimony of the advantages that living in a historic district like San Felipe offers to their residents, and the nostalgic impact it has on those who have left the neighborhood.

Expectations of the Community Regarding Aesthetic Values

Ex-residents of San Felipe whom I interviewed recognized the importance of maintaining the physical structure of the neighborhood. Luisa, for example, believes that it is necessary to preserve and refurnish buildings that need repair. But at the same time, she believes it is necessary to give people who live in San Felipe the opportunity to stay in the neighborhood, so they can improve their standard of living. Another informant suggested that promoting typical foods in the neighborhood by residents would restore a missing element.

Ex-residents consider that aesthetic attributes will continue to be the big draw for tourism. Javier believes that not only should the monuments from San Felipe be preserved, but so should valuable elements in neighborhoods like Bella Vista. "We are the owners of the patrimony. It is ours, it is part of humanity and thus we must preserve it" says Javier. Likewise, Roberto stated that it is necessary to preserve both the buildings and San Felipe's people, who are also a part of this patrimony. He is convinced that "A heritage site with buildings but without people is not a heritage site; the same way that a heritage site with people but without buildings cannot be a heritage site."

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Both current and former residents of San Felipe agree that the patrimony must be kept, preserved and enriched.

Resistance and Community Involvement

Javier cannot hide his indignation when he recalls his eviction. The first comment he says regarding this topic is how the owners from Paitilla[190] and other places decided to come back to San Felipe, even though the neighborhood was still considered a dangerous place. He claimed that they began a process of repression, threatening residents, saying that when they left their apartments, they were going to find their belongings outside in a truck. In addition he noted, "When it was not convenient to pay the State taxes for the rent of those old buildings, they were not there…Now they come back and the government gave their buildings back without thinking about what was going to happen to the residents there."

From all the people interviewed, only three ex-residents were actively involved in the neighborhood association. The rest were aware of the existence of an association, but they participated occasionally in those meetings or did not participated at all. Francisco, who was aware of the existence of an association, believed that "there is an association, but for me it is like we didn't have one, because it does not provide anything, and it doesn't support anyone in any way" This testimony shows that as the pressure increases in movement activities, and participants do not see results within a reasonable amount of time, they often give up the fight to stay in the neighborhood.

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[190] This is a neighborhood where some of the high-income residents from San Felipe located about three miles from San Felipe.

Community Challenges

Housing was the biggest community challenge among the ex-residents, since many felt that their quality of life was being threatened by both owners who were willing to evict them ad by the physical conditions of the buildings as well. Another challenge was the limited options the government was offering them to move out of the neighborhood. Cristina claimed that "the government was going to send [her] to El Chorrillo. Fortunately for her and her family, she had the opportunity to obtain an apartment in another part of the city, which was less dangerous. Residents likewise addressed problems they had with drug issues. Carlos confirms this situation as well. He believes that this type of illicit market brought a negative influence on the neighborhood. For example, he mentions that "The neighborhood started to deteriorate when several people began to sell drugs."

Luisa, the elderly lady I interviewed and who I mentioned earlier, moved out of San Felipe to El Chorrillo several years ago, and then expressed her desire to return to San Felipe. She complained about the excessive noise her neighbors made and the insecurity of the area within El Chorrillo. A few years later after this interview, her husband got caught up between two gang members and was shot close to where they were living. This underscores the care that the state, private partnerships and others must give when they relocate people, especially the elderly, from San Felipe and other areas.

Physical, Economic, and Social (QOL) Changes in San Felipe

One of the changes mentioned by ex-residents of San Felipe is how renting and ownership prices have sky-rocketed in San Felipe. Many would have loved to come back to their old neighborhood but only with better conditions. Thus, the changes ex-residents observed before or

after they left in San Felipe are clearly related to economic forces that are driving gentrification and revitalization in the neighborhood and causing escalating land prices.

Future of the Neighborhood

The twelve ex-residents of San Felipe I interviewed have different opinions on the neighborhood´s future as the results of the Chi Square showed. On one side is the group that thinks that the physical improvement in the neighborhood will save the built heritage and beautify the place. Freddy thought that houses must be fixed and painted, so this will give a better look to the city. Francisco believes that in five years San Felipe will belong to "powerful people." The rest consider that San Felipe will be repaired, but it will be a place where only certain people will live or will go to visit, because prices are high for housing and amenities. This will lead to San Felipe becoming another gentrified place losing part of its original flavor.

Satisfaction with the New Place

Although several of the San Felipe ex-residents desire to return to their old neighborhood, they also liked where they were living at the time of the interview. Carla, Cristina and Javier live in the same building that the government offered to relocated residents of San Felipe. They like their new place because, unlike the dwelling where they were in San Felipe, their current apartments were built of cement, they had two bedrooms and it was close to the main services they needed (public transportation, a market and health services). César, who lives now in Betania, likes the house but he does not like the neighborhood because he feels that there is less community life in Betania than there was in San Felipe. Luisa liked her apartment building but not like the location of the building, since it was in one of the most dangerous streets in San Felipe; she worries about her security.

On the other hand, Rene and Roberto think that there is no comparison between living in other places and San Felipe, because the latter has a unique charm. Francisco likes where he lives, because he is closer to the city center and the market. Karina is pleased with her new housing because she has nice neighbors, but she complained that she was living too far away from San Felipe where she works. Bus fare for her was an extra expense she did not incur when she was living in San Felipe. Roberto did not like where he was living in San Miguelito. He says that they had problems with delinquency and the water supply was an issue. Ruben says that he likes the place where he lives but has problems with transportation.

As these testimonies show, the opinions of ex-residents of San Felipe are just a taste of the multiple challenges and opportunities they had to face once they left San Felipe, and although most of them are becoming use to their new life, they continue to mention the Casco Antiguo as their neighborhood, a place where they treasure good memories of a past time. They also think of San Felipe´s residents who are still there and of the difficulties they are still to overcome in the neighborhood´s new economic and social scenario.

CHAPTER 9

Conclusions

Closing an Episode in San Felipe's History

The goal of this dissertation is to analyze revitalization, gentrification and globalization in San Felipe and how residents and ex-residents face the challenges and vicissitudes, these transformations have on their lives. In this chapter, I present the key findings from each of the topics analyzed (methodology, gentrification and speculation, planning, social movements, neighborhood participation, and tourism), and how they connect to the broader literature. The findings stem from San Felipe's written and oral history, its built environment, and the collective memory of its residents.

Methodology

This is the first study in Panama that uses a large sample size survey and a set of interviews with a broad set of stakeholders: residents, ex-residents, neighborhood leaders, and real-estate agents. Their views shape our understanding of the transformations that San Felipe is going through. This dissertation provides empirical and theoretical bases for examining the burden that gentrification, revitalization and globalization impose on the neighborhood of San Felipe, and the opportunities that might be present for their residents. Economic globalization is but one explanation for gentrification, especially when global capital arrives through the revitalization of these areas.

The mixed-method approach includes discourse analysis, interviews with key informants, and focus groups. I surveyed 205 residents about gentrification, revitalization, globalization, patrimony and tourism. The bibliography draws on newspapers, in-depth interviews with residents,

ex-residents, community leaders, and real estate agents, to triangulate my work. Both methodologies -- a survey, and in-depth interviews-- were useful in gathering information. From the methodologies I used in-depth, interviews were very useful because they allowed me to have a deeper understanding of the multiple factors that involve revitalization and gentrification, including why residents stopped paying rent and the consequences this decision had later in their staying in the neighborhood; how owners, lawyers and authorities carried out eviction, and how it disrupted the social fabric of the neighborhood, and how a general neglect by all the stakeholders (residents, property owner, and government) contributed to the further deterioration of the built environment.

Gentrification and Speculation

I argue that both the consumption side and the production side of gentrification are at work in San Felipe. Thus, I cannot plainly state that gentrification is driven solely by the market forces or cultural amenities. Rather, it is an outcome of both, as Hamnett (1991, 2003) has found elsewhere. The rent gap is evident as the neighborhood deteriorates and land prices go down, as a result of long filtering process, only then to go up again once revitalization takes off. Cultural amenities become attractions as the historical center becomes a place for international jazz festivals, film festivals, and other manifestations of culture and art. All these are positive activities that contribute to the allure of the neighborhood. The main issue remains how public policies can be developed to diminish the impact that gentrification and speculation have on the community and to be able to create the conditions to create a more inclusive neighborhood.

Gentrification in San Felipe is not only the outcome of these gentrifiers and the market forces. The policy of the *laissez faire, laissez passer* approach taken by several actors (residents,

property owners, speculators, and the state) through the years, especially before the neighborhood became a World Heritage Site, has taken its toll.

San Felipe typifies how voracious speculation does not always work, and how people who think they can profit from it quickly, will not always obtain what they want. Buildings in San Felipe are deteriorated because of a lack of maintenance, so that the returns on the expected investment come at a slower pace if at all. I conclude that lack of maintenance, deteriorating infrastructure and fears of displacement are the root of San Felipe's current housing dilemma.

San Felipe has gone through a similar process that Smith calls the "third wave" of gentrification, but since Panama does not have an economy based on industrialization, its economy has not been driven by restructuring and deindustrialization as has occurred in cities in developed countries. Thus, industrialized third-wave gentrification does not account for the decrease in land prices and the interests of higher-income people that buy property in San Felipe. Rather, the economy of this country is driven by factors tied to the tertiary and quaternary sectors and tied more to a globalized world such as tourism, Panama Canal and its ports, and the banking system.

Panama has a sound economy, especially since 1999, when the country obtained full control of the canal. The growth of the tertiary sector in general, a stable banking system with a strong currency tied to the dollar, together with the increasing importance of Panama in the region as a hub of the Americas, a free zone, and the widening of the canal are the bases of the economy, and offer opportunities for investment. This and high political stability have made tourism the perfect venue to display this country as a place for retirement and second homes, particularly in places like San Felipe, a place where it is easier for wealthy incomers to be connected to the globalized world.

What makes this neighborhood attractive to tourists and visitors are the street enhancements, the restoration and remodeling of several buildings, improvements that have piqued the interest of potential buyers. Foreigners see this heritage site as an option for living in a pedestrian-friendly area in which the land has become a great investment, and they can enjoy the allure and charm of past times. This is attributable to national and foreign capital. There has been an increase in the number of shops and amenities that cater to newcomers and visitors. Retailing, however, has been unstable, as new businesses have already replaced "mom and pop" stores.

Chapter 5 examined the state's increased presence in restoration projects since 1997 when the government created a special office and laws (The Office of the Old Quarter) to promote San Felipe as a World Heritage Site. The neighborhood's history over the past two decades reflects that classical process of what Smith calls the penetration of global finance. Unfortunately, it weakened the level of political opposition in San Felipe as foreigners see the old quarters as a good place to invest --and to a lesser extent -- live in.

The changing levels of political opposition or the diminishing of opposition towards gentrification, as Smith has found, is present in San Felipe.as well. Nowadays, we hear very little about this neighborhood in the news. Protests have become sporadic and the media tend to report mostly situations related to cultural events. Civic organizations in this neighborhood are becoming weaker, and the rests of the country seems to be unaware of the drastic changes that are occurring in this area and that affects our common patrimony and the population living there.

The geographical dispersion of gentrification is also at play. The Historic District buffer zone, added to the rest of the two adjacent boroughs of El Chorrillo and Santa Ana, and relevant sectors of the borough of Calidonia, serves as a permeable space between the cultural heritage site and the rest of Panama City. This means that in the near future, as the physical, social and economic

conditions of San Felipe improve, there is a chance that gentrification and revitalization will creep into to these adjacent boroughs.

The sectorial generalization of gentrification is beginning to emerge as the state promotes seminars and workshops among residents that include private investors and property owners to discuss aspects about tax exemptions and fiscal incentives as it has happened in the past. The impact gentrification has on neighborhoods across the globe has been well documented. Atkinson's Table 9.1 is a useful way to compare San Felipe's communalities and digression from the literature.

Table 9.1. Summary of Neighborhood Impacts of Gentrification according to Atkinson and that is Present in San Felipe

Positive Neighborhood Impact of Gentrification according to Atkinson	My findings in San Felipe of the positive impact of Gentrification as Compared to Atkinson´s findings	Negative Neighborhood Impact according to Atkinson	My findings in San Felipe of the positive impact of Gentrification as Compared to Atkinson´s findings
Atkinson did not comment on this aspect	For residents, displacement will always be seen as a negative outcome of gentrification	Displacement through rent/price increases	It is present in San Felipe where rental prices and mortgages have skyrocketed.
Atkinson did not comment on this aspect	In the case of San Felipe for few families moving out of the neighborhood meant that they were able to obtain new housing opportunities and to improve their quality of life.	Secondary psychological costs of displacement	Yes. Ex-residents mentioned in their interviews how much it has cost them to leave SF.

Stabilisation[191] of declining areas	Thus far for San Felipe's case different from other gentrifiers areas because the neighborhood has not stabilized yet	Community resentment and conflict	Up to early 2016 community in San Felipe resents the fact their housing situation has not been solved and conflicts such as sporadic protests continues showing in the neighborhood.
Increased property values. Reduced vacancy rates	For gentrifiers it has increased property values. It has not reduced vacancy rates due to other social situations in SF	Loss of affordable housing. Unsustainable speculative property price increases. Homelessness	These three characteristics are present in San Felipe. The increase in prices has made almost impossible for the residents from modest income to stay due to property speculation which in turn has also caused homelessness
Increased local fiscal revenues	The Municipality obtained taxes from shops and businesses that arrived in San Felipe.	Greater take of local spending through lobbying/articulacy	Since the process of gentrification is slow in SF local spending to lobbying is not yet much visible.
Encouragement and increased viability of further development.	Developers promote San Felipe as a nice place to live.	Commercial/industrial displacement.	San Felipe does not have industries only small business like shoe repairmen shops and pop and mom shop that basically have almost disappeared from the area compared to what I physically saw there in 2005 when I first

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[191] This is Atkinson´s British spelling.

			arrived to the study area.
Reduction of suburban sprawl	Studies have not been conducted regarding whether revitalization in San Felipe has contributed to reduce urban sprawl. My knowledge of the area indicates me that the effects of gentrification and revitalization will influence the life of San Felipe's residents but it is not enough to reduce urban sprawl.	Increased cost and changes to local services	Costs have increased in San Felipe and local services have moved from small shops to fancy restaurants and bars.
Atkinson did not comment on this aspect		Displacement and housing demand pressures on surrounding poor areas	Housing demand has increased from residents who cannot afford to stay in San Felipe, and even professional who live in surrounding areas are not able to pay the cost of living there. Surrounded areas such as E; Chorrillo, Calidonia and Santa Ana have become places where they usually look for affordable housing.
Increased social mix	Thus far, there is a social mix because there are residents who still are living in San Felipe and there are	Loss of social diversity (from socially disparate to rich ghettos)	Because the neighborhood has suffered a rapid depopulation, it is also losing its diversity.

	newcomers from higher income status.		
Decreased crime	In 2005 there were 331 people detained in San Felipe for diverse reasons. Although I did not find most recent data residents' perception indicates that with the implementation of the tourist police crime in San Felipe is going down.[192]	Increased crime	According to authorities crime rates has gone down in San Felipe. Although I have not found data yet.
Rehabilitation of property both with and without state sponsorship	Private companies are mainly doing the housing rehabilitation in San Felipe with several Estate property land being used to create public housing for residents.	Under-occupancy and population loss to gentrified areas	This characteristic is present in San Felipe, it has had, and impact on the community since most of the residents who lived in the first streets that have been gentrified left the neighborhood.
Even if gentrification is a problem it is small compared to the issues of: - Urban decline Abandonment of inner cities	Issues of urban decline are present in San Felipe. Private investors have remodeled and rehabilitated several buildings	Gentrification has been a destructive and divisive process that has been aided by capital disinvestment to the detriment of poorer groups in cities.	This is present in San Felipe. The majority of residents perceived that they will not be able to stay in the neighborhood. Gentrification is beginning to have its way in the neighborhood.

Author's data modified after Atkinson 2002: 8.

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[192] I obtained this information from the Census Bureau where they have a chart with the amount of people detained for different situations against the law in San Felipe in 2005. The source is from https://www.contraloria.gob.pa/inec/Archivos/P1261631-03.pdf

This comparison confirms that the process of gentrification contributes to changes in a neighborhood, regardless of the geographical area. Positive outcomes such as greater socioeconomic diversity, decrease in criminal rates, and the rehabilitation of properties make gentrification desirable. Negative outcomes include displacement and rent increases, housing demand in surrounding areas, and population loss. Residents who are not able to afford the new economic challenges fear these results. Outcomes previously found in cities of advanced capitalist countries include stabilization of declining areas, reduced vacancy rates, and reduction of urban sprawl.

At present (mid-2016), it appears that San Felipe is becoming stabilized from the point of view of improving its infrastructure, changing from a declining area to a more revitalized area. From the point of view of its population, the neighborhood still is unstable because in a period of 25 years the neighborhood has gone from 10,000 residents to approximately 3,255 residents, according to population projections from the National Census Bureau, an 80% depopulation rate. Vacancy rates in the neighborhood have not decreased, since many buildings are empty because either they are being fixed or they are empty due to evictions. Urban sprawl still is a current situation in Panama, and gentrification in San Felipe in my view has not contributed to diminish this situation since the renovated areas in this place have been filled either by new local and international gentrifiers. Researchers need to conduct more studies to further analyze these variables.

Social composition, rising land prices, tenancy changes, and improved housing conditions are clear signs of gentrification. This bumpy journey is similar to Naomi Klein´s discussion of shock capitalism. We cannot sugarcoat gentrification because of the repercussions it has on people's lives and on the built environment. Further studies in Latin American cities, and historic

centers in particular, focusing on frank debates about the merits and detriments of gentrification must be pursed to document short-, middle -, and long-term changes.

Planning

Planning is not working in San Felipe because the measures of planning control are weak. Promises of social mixing have not been carried out efficiently or in a timely matter. Only several buildings have been renovated to accommodate a handful of residents from the working groups. The disruption of the neighborhood's everyday life is palpable, especially among the less wealthy. Urban policies for this area points toward an economic restructuring and development with little emphasis in social issues, and the struggles of the population to stay in their neighborhood continues.

Although there are attempts to bring investment and to provide a few residents with housing in the area, years of neglect are leaving their mark. Only buildings in an area between First and Fifth streets have been restored or remodeled. In other parts of the neighborhood, the eviction of the residents has happened quickly, but the process of repairing these buildings is slow. There has been a proliferation of restaurants and bars with the purpose of boosting the economy of the neighborhood. In reality, though, high prices of services in San Felipe cater to the needs of gentrifiers, and wind up driving away long-time residents. Sites and services for the traditional San Felipeño have all but disappeared.

The state is an accomplice because there are flaws in the legal framework, which grant property owners and real estate agencies incentives and benefits. Instead of these incentives helping the community and the preservation of the neighborhood, they are hurting them. Eviction and uncertainty –symptoms of shock capitalism-- keep residents in constant state of anxiety

because they do not know if they will stay in the neighborhood or if their leaving is just a matter of time.

San Felipe has been strangled by the crush of automobiles that Brunner anticipated more than half a century ago and by a loosely regulated rental market that has failed to safeguard the interests of all but the wealthiest in Panama. In spite of this, this neighborhood continues having a special charm for foreigners and nationals because of its pedestrian-friendly orientation and related amenities.

It is interesting that this situation, after 1997, has prevailed under different democratic Panamanian governments, formed by a diverse mixture of political parties. Thus far, no government has been able to come up with an effective plan that will achieve a mixed residential neighborhood. Many analyses have proposed this mixed composition as the only way to save historic centers, through preserving the patrimony, instead of promoting a pastiche and a "façadism" catered to the international buyer. Even UNESCO in previous visits to Panama has suggested the need to keep this mixed residential neighborhood, but this goal seems to fade with time as residents leave or are forced to leave since the legal support to solve residents' problems is not there.

Social Movements

Leaders were not able to stop residential displacement and rising rents in San Felipe because they lacked resources. Thus, I disagree with Schuurman and Naerssen when they criticize Zald and McCarthy's "overemphasizing" the importance of money, labor, legitimacy, and facilities. Schuurman and Naerssen believe that a movement needs consciousness, cooperation, commitment, and loyalty. Yet, San Felipe's experience has shown that a movement needs a combination of all the elements mentioned by Schuurman and Naerssen and Zald and McCarthy.

One of the weaknesses of San Felipe's housing movement is that the lack of money did not allow them to inform the population in a timely way; they had to use their own limited resources to circulate flyers, and social media did not exist. I corroborated this when interviewees repeatedly said they did not participate in meetings because they did not know when they took place, they had not been invited, or they did not know there was an organization in the neighborhood. The same survey also showed that residents believed they needed to participate in the meetings to know more about what was going on with their neighborhood. As I noted in Chapter 7, 136 out of 205 interviewees (66.3%) stated that they wanted to be more involved in the decision making process affecting their neighborhood.

During my field research, I had the opportunity to observe that the associations had no permanent meeting places, so residents did not have the opportunity to know there was a headquarters to obtain information regarding issues about and for their community. This eroded the desire of residents to participate, and encouraged them to accept whatever owners wanted to give them to move out of the neighborhood. In the end, they became disenfranchised.

A lack of both leadership and a strong social movement, and the dissemblance of grassroots organizations through co-optation, clientelism, and even deception, was the norm in the neighborhood. Several residents addressed this topic during the interviews. Some of them were very outspoken about it whereas others were more reserved. This coincides with Wit´s observations in India where leaders were co-opted by the State's offering them more plots of land. In San Felipe's case, a few members of the past associations were the first ones to receive an apartment offered by the government. The reality is that the invisible hand of this illegal practice is present all too often in San Felipe. This movement achieved what I call "cyclical accomplishments" since they had been able to obtain housing for a group of residents to place

them outside of the neighborhood and few of them in several public housing provided by the government during the 1990s and 2000s. Nevertheless, they were not able to stop evictions and dislocation of the neighborhood.

Neighborhood Participation

These findings confirm that authorities do not consider residents for the decision-making process. Residents end up giving up, a situation that has hurt them and compromises the neighborhood's future. Thus, Freeman's argument is validated; specifically, that analyzing gentrification from the resident's "point of view" must be incorporated in the studies to be able to promote policies that could reach a balance between residents and gentrifiers.

Property owners and landlords have chosen San Felipe as an opportunity to profit from its new status as a World Heritage Site. They claim they want their property back after years of abandonment since these properties are still theirs. Furthermore, they believe that they have good reason to demand support from the authorities, since Panamanian laws respect private property. However, in the same way they claim their rights to their property, they also have responsibilities toward the patrimony and so must abide by the laws regarding its protection. This includes the restoration and fixing of their assets to avoid the further deterioration of the neighborhood, which is what has been happening when several of them decided to sit on their neglected properties to wait for an international or a national buyer, increasing speculation, and furthering the deterioration of the neighborhood.

Long-time residents who once paid rent claim that they stopped paying rent because owners did not maintain buildings. Consequently, they saw no point in having to pay for a room or an apartment that was not in good condition. They took the easy route in dealing with the problem, asking the Ministry of Housing and the fire department to condemn the house, so they

would not have to pay rent. This action has cost them much, since the reform of Law 9 establishes that owners must pay a compensation to residents who have lived in San Felipe after discounting the time of delinquency. For more than half of the population in San Felipe, I would say this compensation is nominal since they have been living for at least ten years in condemned housing. I found cases where people tried to pay their rent after 1997. For reasons that I have not been able to discern, either the Ministry of Housing or the *Corregiduría* would not accept the money, so tenants just could not pay. Residents who took their relocation stated they did so because of a lack of options. Lawyers and landlords have evicted residents under the stigma that whoever lives in a condemned house must be unemployed or a lowlife.

It is noteworthy that a few NGOs attempted to slow down the process of evictions. NGO staffers were mostly members of a higher economic class, yet they formed in solidarity into groups with the poorer, San Felipe, residents. Although they tried to serve as links between residents and other public organizations, their efforts were sporadic and unsuccessful. At present (2016), several of them have created a few social programs where they train residents, especially women and young people, in tasks related to tourism, such as tourist guides, chefs, and services in general.

San Felipe is another example, as many researches have shown in the literature, of how individualism may prevail above the common interests to the point that the neighbors themselves did not participate in a timely manner to defend their neighborhood. Their argument for not participating was a lack of time, just as van Garderen found in his study on social movements in Arequipa, Peru. Property owners and residents have not been able to work together to improve the general conditions of the neighborhood without the toll of eviction and, therefore, missed a win-win situation. Instead, the neighborhood has become practically a ghost town; there are many

tourist-related activities taking place, but it is less common to see a child playing in the park, or people doing business the way they did when I started my research in 2005.

Gentrification and historic preservation have, paradoxically, turned San Felipe into a NIMBY (Not In My Back Yard) neighborhood. Fires, dilapidated buildings, landlord harassment, gangs and related dangers create negative externalities. If San Felipeños had been outspoken when authorities were moving people from other areas because of fires, San Felipe's built environment would have not deteriorated to the point it is now. Recall that in the 1970s, displaced persons from fires were moving into San Felipe and Panama was living under a dictatorial regime, which might account for the lack of neighborhood movements against this situation. After 1997, the year in which San Felipe became a World Heritage Site, the situation was very different. Panama had had a stable democratic government since 1990. It would have been expected that residents from San Felipe would have been more outspoken regarding the neighborhood situation. As I analyze in Chapter 6, movements began to fight against eviction and the deterioration of the neighborhood, but a lack of resident participation became the norm, especially after law 97 became in effect.

Thus, residents are also responsible for San Felipe's deteriorating conditions, because they took free rides by not paying rent, electricity, or water for several years. This behavior contributed to their evictions.

Regardless of feelings of attachment, if neighborhood residents do not have the necessary economic power to buy, repair, and improve building infrastructure, they most likely will have to move out of the neighborhood. Only through community involvement and desire to improve their networking is it possible to avoid displacement and gentrification. However, it is probably too late San Felipeños to avoid community disintegration. These are lessons for other communities that face similar challenges both in Panama and in other parts of the world. Communities must find

ways to improve their standards of living, being more proactive, instead of encouraging a paternalistic system where they patiently wait for a response from the government. Thus, there is a need for communities like San Felipe to improve their interdependence and to stop that negative circle of "pity the poor."

Although it was politically expedient to implement rent-control laws in the 1940s, the built environment deteriorated, which allowed the borough to condemn buildings and force relocation. Thus, the state is complicit in driving residential displacement and gentrification.

Policies need to be in place so the poor residents who have all kinds of abilities can improve their standard of living and be proud that they are making a difference in their own lives. How does San Felipe do that? This is a challenge that planners, community leaders, authorities, and the community must forge together. One possible alternative is to use government land that still is available in San Felipe to create housing projects that are sustainable through time. This will give the old time residents who can afford to stay, because they have a stable job, the opportunity to become part of the new history of this historic site.

Residential displacement will only cause more problems in other areas where newcomers arrive, because the government cannot afford to provide them with adequate infrastructure and services. Experiences of relocated residents are diverse. Some of them moved to better dwellings close to San Felipe, but with the disadvantage that several of these dwellings were located in high crime-rate areas. Others moved to areas further outside of the city where their cost of living and transportation have greatly increased their expenses. This became a burden as well, especially if they worked in Panama City and their children had to stay in their new residence to go to school.

The struggle residents of San Felipe have gone through to secure homes provokes instability, especially among old residents who have developed ties in the community. Many San

Felipeans were born there, raised families there, and have become attached to the amenities, such as local markets, parks, and monuments. Understandably, then, that there have been strong reactions from them when they feel threatened by eviction and relocation. Some have decided to participate in meetings and protest actions; others have just watched the events unfold, witnessing how events develop.

Tourism

My research has also shown that economic activities like tourism must be analyzed through a cultural lens, because it drives newcomers whose tastes and behaviors are reflected in newly gentrified areas. What the gentrifiers often fail to realize is that their actions disrupt the patterns of residents' lives. Such a process is slow but steady, and it has brought mixed results to the area. I concur with Smith (2002) when he emphasizes that changes in gentrification are tied to globalization through global capital in the form of the tourist industry (Smith 2002). This has important consequences for my study since tourism—particularly heritage tourism—is increasingly becoming an important segment of the Panamanian economy. In 2005, the annual growth rate of revenues obtained from the tourism industry was 13%, while in 2006 this growth had increased to 20% (Tourism and Leisure EuroPraxis Consulting Cop., Panamanian Institute of Tourism, PNUD, UNWTO, and Inter-American Development Bank 2008: 206)[193]. In 2012 Panama had a growth revenue from tourism of 29.3% which was the highest such revenue in Central America (Centro America Tourism Counselor 2012[194], 2013: 19). At the international level Panama is receiving much attention as a new tourist destination. Obviously, the promotion of the

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[193] In 2010, the tourism industry gave to the economy 2,553.0 million dollars as compared to Colon Free Port (1,168.0 million dollars), and the Panama Canal (1511.0 million dollars).
(http://www.atp.gob.pa/archivos/pdf/aspectos_economicos2001-2011.pdf.)

[194] *Consejo Centroamericano de Turismo y Secretaria de Integración Turística Centroamericana. 2013:* 19

country and the city as a fashionable place increases the possibilities of speeding the gentrification process, a situation that will affect the residents of San Felipe de Neri, as the principal historical spotlight of the city.

This research has not uncovered a single explanation regarding the positive or negative demographic, economic, and social changes that gentrification, revitalization and globalization have brought to the neighborhood. I agree with Quintana (1999) that many factors have contributed to the deterioration of San Felipe de Neri. Among these is the neglect of the buildings by owners, by the state, and by residents. Succession-invasion by displaced persons from other neighborhoods, a lack of planning to regulate the real-estate market, and failing to repair condemned houses have exacted a toll on the residents and the built environment.

Whither San Felipe?

Gentrification has creeped into even small historic districts like San Felipe, and it is there to stay. This dissertation reveals that when national and international market forces drive global gentrification and revitalization, externalities such as condemned houses, evictions, land speculation, deteriorating housing quality, and social-network disruptions appear. A porous and corrupt legal system permits owners and real estate agencies to use incentives to their benefit. The Panamanian legal framework does not allow residents much compensation for their losses. A decade of rapid depopulation stemmed in part from a lack of community coherence; only a few residents organized to challenge this new social and economic reality.

If blame lies in part with ineffectual community resistance, then it must be pointed out that the last ten years has not produced enough gentrifiers to boost revitalization in the whole neighborhood. The free-market adage that "a rising tide lifts all ships" has not happened here. New shops, restaurants, and supermarkets are moving into the area in restored and refurnished

buildings, but many others are empty and continue deteriorating. For most San Felipeans, there is no place like home, and this home is bereft of any social justice. Instead, market forces have encouraged governments to relocate San Felipeans. Some have voluntarily moved because they cannot afford rising rents. Higher rents, mortgages, and property taxes have been the most powerful forces changing the old quarter, but speculation and a lack of planning have also contributed to this chaotic situation. Although the cost is difficult to quantify, it is the human dimension that is paramount; the disruption of social networks based on friendship, kinship, and thick social relations have been severed. A lack of a real participation that promotes the preservation of Panama's material and immaterial heritage for both foreigners and Panamanians everywhere has challenged San Felipe. Although the neighborhood might have become a better place to promote an inclusive social and economic development by using appropriate planning tools, it has succumbed to a situation where there are no winners. In spite of everything, San Felipe de Neri will continue to be a place that many Panamanians shall always call home, and where their hearts truly reside.

Postscript

Several key events took place in San Felipe after I finished my field research in 2008. As of late 2014, an NGO called Calicanto (Lime and Rock) was training San Felipe residents —especially women—through seminars and workshops. This job training foundation was created by Mrs. Hidelgard Vásquez, an architect who lives in San Felipe and is the organization's president. In 2006, she had also created a program called CAPTA *(Capacitación para el Trabajo,* Job Training) that focuses on training low-income women in the neighborhood, so they can better participate in the labor market. CAPTA gives a six-week course this is taught by volunteer instructors. Four weeks are comprised of a motivational and self-esteem course and two weeks are

used to teach the basic skills to be a waitresses or chambermaids. According to Vásquez "The goal of this program is to not only help women find jobs, but also to give them the inspiration they need to help their families overcome poverty (Central America Leadership Initiative website, 2014).

The size of San Felipe's population continues to plummet. The neighborhood lost almost half of its population in a matter of ten years. It fell from 6,928 residents to 3,262 residents in the 2010 census. The most recent census office estimate as of 2015 projected a residential population of 3,255 (Contraloría General de la República de Panamá 2016). I know of no other World Heritage Sties that have lost 70% of their residential population in 20 years except, perhaps, war zones in the Middle East or parts of Africa that have been ravaged by the threats of ethnic cleansing or epidemics.

Several iconic buildings in San Felipe such as churches and former government buildings have suffered significant deterioration in the last five years. Some of them have been closed down. In December 2014, the new president of Panama decided to give $10 million for the restoration of the main cathedral, completion of which is set for 2018.

A new neighborhood association was created in 2010 called AVACA *Asociación de Amigos y Vecinos del Casco Antiguo* (Association of Friends and Neighbors of the Historic District). It is formed mostly of professional residents and owners of business in San Felipe. As for the other organization of *Asociación de Moradores de San Felipe*, one of its leaders told me in late 2014 that they continue working to keep residents in the neighborhood.

Many upscale restaurants, bars, and shops have been established in San Felipe, and the land value has increased enormously. Buildings have been restored and renovated. Many companies showcase San Felipe as an UNESCO designation and put on their web pages the usual information regarding a World Heritage Site. The slogan of one real-estate company called

Compañia Inmobiliaria San Felipe claims that it is "Supporting the Revival of the Historic City."[195] This Company states in its website that their objective is to make investments and projects that transform the Historic Center into the historic, cultural, and touristic center of the city through restorations and reassessment of the place. Thus, they emphasize these positive aspects by offering buyers information regarding the history of the building and the process of their transformation.

One of the biggest challenges for the historic district faced after I finished my fieldwork was the fact that the government began a new phase of a coastal strip development (*cinta costera*), called Coastal Strip 3. This project encompasses the wall of the quarter that faces the Pacific Ocean and that at the moment of this writing connected the city with the entrance of the Bridge of the Americas that takes people to the interior of the country and to the tourist area of the Causeway.

This has become very controversial because there were interest groups that wanted to fill in the oceanfront of this neighborhood with soil to create an area that would extend from the border of San Felipe's old wall at the coast, approximately 200 hectares, out into the ocean. The infill would host new high-rise developments and other up-scale amenities. Confrontations among UNESCO, the government, and the residents of San Felipe centered on this proposal, especially among the professionals living there. In one of the meetings that UNESCO celebrated in France, this international organization stated that they could not stop the development of Panama as a sovereign country. However, UNESCO warned the government of Panama in no uncertain terms that if the country fails to take the proper measures to protect its heritage, they were going to put the historic district of the Historic District of Panama on the list of endangered heritage sites, resulting in the possible loss of its badge as a World Heritage Site.

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[195] The original slogan in Spanish is "*Apoyando el Renacimiento del Casco Antiguo*"

Figure 9.1 Area that, according to the Original Project, was going to be Filled and

Used for Development

San Felipe

Source: Arquitectopana.com 2010.

Fortunately, instead of filling this area, an action that would have hurt San Felipe, a coastal strip has been developed. It was inaugurated in early 2014. Civil society, NGOs and UNESCO played a role in helping in the modification of this project. As of today, San Felipe's waterfront view has been saved and a marine corridor that connects Panama City to the Bridge of the Americas and the Causeway was built.

Figure 9.2. Actual Strip Coast Phase 3 of Panama City.

San Felipe

Source: Skyscraper City 2016.

Although this dissertation has been a long-term project, it has allowed me to fully understand the positive outcomes and nuances that revitalization and gentrification can bring to a neighborhood that did not have the necessary tools to be incorporated into these processes. This is confirmed when, January 2016, I visited San Felipe and had the opportunity to observe the improvement of the neighborhood's built environment with the remodeling of buildings and public places. I likewise observed the emptiness of the neighborhood. It is true that one can find quite a few people walking on San Felipe's streets and eating in its fancy restaurants and bars, but the reality is that according to the most recent census most of these individuals are visitors and tourists. The 2020 national census will offer a metric to gauge this change.

Most residents I interviewed during the time I was conducting this research are gone. I corroborated this by visiting the buildings where they used to live and discovered that most of the

structures are dilapidated and ready for revitalization. I frequently think about ex-residents whom I met and who shared valuable information with me, each time I hear there has been a shooting in El Chorrillo, or there is a lack of water in Las Garzas, places where some of the ex-residents currently live.

Limitations of the Study

There are at least five limitations to this study.

First, it is important to note the rapid depopulation of the community made it difficult to establish the precise sample size for the study and to apply the methodology established in the original proposal.

Second, there were conflicts among residents of the community. During this research the community was in the process of fighting evictions and was being pressured to move out of the neighborhood.

Third, conceptual-methodological issues prevailed. The personal interviews were sometimes hard to obtain because residents were distrustful of giving information. I needed to shift the methodology from focus groups, as I originally planned, to personal interviews, because people were distrustful due to the unstable conditions in the neighborhood.

Fourth, residents from the middle and upper professional classes were harder to reach because they were less willing to answer survey questions. Once we explained to them the purpose of the survey, they agreed to respond to the questionnaire. As explained in Chapter 3, a couple of residents from the revitalized areas answered the survey through their intercom.

Fifth, government institutions such as the Ministry of Social Development and the Ministry of Housing conducted surveys and interviews in the neighborhood earlier during 2005. Thus, as explained in chapter 3, to avoid bias in interviewees' answers, because they were tired of

responding to surveys, I needed to wait until later during 2005 to avoid "survey fatigue" from taking its toll.

Future Research

Although I was not able to use focus groups as a technique to obtain residents' opinions regarding changes in San Felipe, once the neighborhood stabilizes, it would be useful to know how different groups or residents react to the questions posed in this research. Once the relocation process is finished, it would be very helpful to conduct several focus groups with relocated ex-residents from the different areas where they are living now, and to compare their experiences in the new areas where they live now with their time in San Felipe. Contributions are also ripe for assessing the extent to which shock capitalism, household consumption issues, and the great personal costs (time, money) of getting involved in housing-based issues are evident in other neighborhoods undergoing revitalization and gentrification. Are the Latin American urban poor simply too busy making ends to join in effective social movements?

Opportunities this Research offered me for Personal and Professional Growth.

Although the process of finishing this dissertation has been long due to professional and personal matters I must mention that it has given me the opportunity to meet many people, especially graduate students and international scholars interested in knowing more deeply the situation of San Felipe and its residents. Below are listed a few of the persons and groups I interacted with during these past few years:

Interviews

- I was interviewed about issues related to San Felipe in 2006 by Claudio Zulian, a member of a group called ACTEON from Barcelona Spain, who produces documentaries and movies related to social topics. At that, moment he was making a documentary of the Casco

Antiguo de Panama called PANAMAMUNDI. Information in:

http://www.acteon.es/contenido.php?catid=2&conid=32

- I was interviewed by a Spanish correspondent of the BBC of London regarding San Felipe's situation. (2013).

Fieldtrips and Sharing Experiences Regarding San Felipe:

- I guided a scholar from University of Alcala de Henares, Spain, in 2007 who was interested in knowing the current situation of San Felipe.
- I organized fieldtrips as a guide twice for a professor and students from the Planning Department of the Massachusetts Institute of Technology interested in having a deeper understanding of the Casco Antiguo. (2011 and 2012).
- I led a tour for a group of scholars from different countries who came to Panama for a meeting of the Pan-American Institute of Geography and History to the Casco Antiguo. (2012).
- I was able to set a group of students and two professors from George Washington University and the Department of Geography from University of Panama to work on a summer class where students used as a base part of my research and they come up with a study on perception regarding the Casco Antiguo in Panama. (2012)
- I directed a fieldtrip to the Casco Antiguo and Panama City for the Conference of Latinamericanist Geographers (Conferencia de Geógrafos Latinoamericanistas) in 2014.
- I helped several international students interested in doing research on urban issues in Panama, including the Casco Antiguo by explaining them my own research adventure in this neighborhood. These students were from Penn State University, Ohio State University, University of Toronto, University of La Sorbonne Paris 3, and the University of Stockholm.
- I participated in national conferences discussing diverse issues regarding the Casco Antiguo in events such as:
  o The Anniversary of the Casco Antiguo Office (OCA) (2007).
  o Events at the Regional University of Colon and the University of Panama
  o Conference at the Simon Bolivar hall at the Chancellor's Office of Panama together with a representative of ICOMOS and experts on architecture and the patrimony. (2010)

- Recently, I collaborated with two American scholars on an article related to collaboration research in the Casco Antiguo for the *Journal of Geography in Higher Education* from England.
- I already have participated and presented my preliminary findings in international meetings such as:
  - The meetings of the Association of American Geographers in 2007.
  - The meetings for the Conference of Latin Americanists Geographers. Celebrated in Panama City, Panama, January 2014
  - Several international and national seminars, panels and round tables held in Panama City regarding revitalization, gentrification and tourism.

This research has taught me not to limit expectations to whatever we see on the surface, as there is always more that is out of sight. Although I have visited San Felipe many times in the past and I thought I was acquainted with it, the reality was and is that I did not really see San Felipe's reality and dynamic until I dug deeper and became engaged in my research.

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APPENDICES

Appendix A.1 Gentrification in Latin America — Perspectives and Debates

Type and description	*Cities*	Authors
Symbolic gentrification: - race, ethnicity - tourism gentrification, heritage -leisure-oriented mobility, residential tourism - control mechanisms, special 'rescue' zones	*Buenos Aires, Mexico City, Quito, Salvador da Bahia, Recife, Fortaleza, Vitória, San Luis, Tiradentes, São Thomé das Letras, Havana, Cuenca, Boca del Toro*	Bailey 2008;Bélanger 2008; Botelho 2005; Bromley, Mackie 2009; Checa-Artasu 2011; Crossa 2009; Donovan 2008; Frúgoli, Sklair 2008; Herzer 2008; Hiernaux 2006; Jackiewicz, Crane 2010; Jones, Varley 1999; Leite 2010; Middleton 2003; Monterrubio 2009; Nelle 2009; Nobre 2002; Portela 2009;Scarpaci 2000; Steel, Klaufus 2010; Swanson 2009; Walker 2008, Zolini 2007
Neoliberal politics of gentrification: - tourism gentrification - state-led gentrification - revitalization & Gentrification	*Santiago de Chile, Mexico City, Rio de Janeiro, São Paulo, Recife, Salvador*	Crossa 2009; Frúgoli, Sklair 2008; Hiernaux 2006; Inzulza-Contardo 2012; Rivière 2006; Rubino 2005; Walker 2008
New real estate markets and gentrification - slum gentrification, in peripheral and central places	*Montevideo; Porto Alegre, Rio de Janeiro, Salvador da Bahia, Santiago de Chile*	Álvarez-Rivadulla 2007; Carrión 2005; Cavalcanti 2009; Checa-Artasu 2011; Del Río 2004; Gaffney 2010; Gonçalves 2011; Goulart 2005;Hidalgo 2010; Ivo 2012; Lima 2010; Lopez-Morales 2010, 2011; Nery, Moura de Castilho 2008; Sanfelici 2010
Resistance to gentrification - counter-hegemonic social movements - De-gentrification	*São Paulo, Rio de Janeiro, Buenos Aires, Santiago de Chile, Córdoba*	Bidou-Zachariasen 2006; Delgadillo 2009, 2012; Hernández-Medina 2010; Herzer 2008; Janoschka, Casgrain 2012; Leite 2010; Mandrini et al. 2010; Menezes, Monteiro 2010; Monteiro, de Andrade 2012; Monterrubio 2009; Oliveira, Gaffney 2010; Rolnik 2011; Sanfelici 2007

Source: Janoschka, M.; Sequera, J. and L. Salinas (2013).

Appendix B.1. Palacio Bolivar a Historic Building W here the

Amphictyonic Congress of Panama Took Place

Appendix B.2. Map of the New Panama City drafted by Don Antonio Fernandez y Córdoba y Mendoza (1673).

City of Panama and its definitive settlement (emplazamiento)
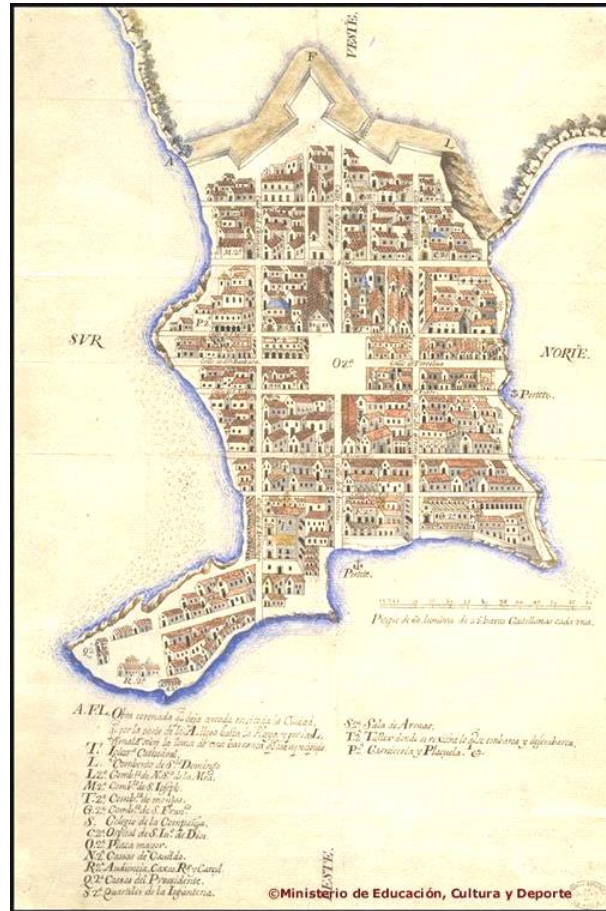
Source: Archivo General de Indias MP, Panamá, 84. Sevilla.

Appendix B.3. Plaza Mayor in 1748, Panama City.
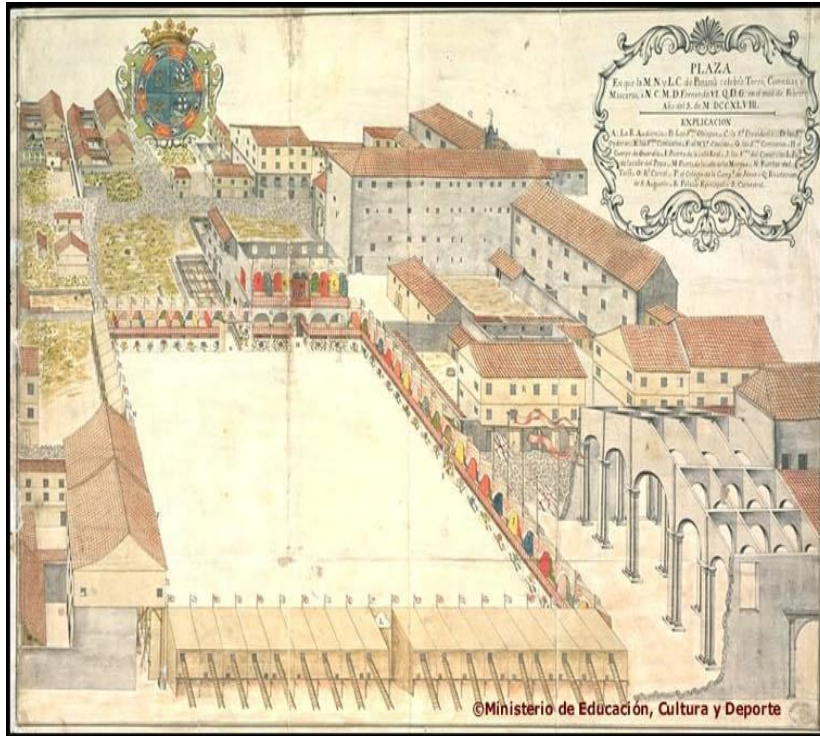
Source: Panama City's *Plaza Mayor de la ciudad de Panama* as it is prepared to have bull riding, and comedies for the proclamation of King Ferdinand VI. Sevilla, *Archivo General de Indias MP, Panamá*, 144.

Appendix B.4. Panama–Pacific International Exposition in San Francisco, California. U.S.A.

Source: The National Old Trails Road Gallery: The Panama-Pacific International Exposition in San Francisco, California, shown here in photographs that appeared in the September 4, 1915, issue of Good Roads magazine, was the focus of promotion by the National Old Trails Road Association, the Lincoln Highway Association, and others, p. 185.

Appendix B.5. The Exposition Neighborhood Plan in 1915
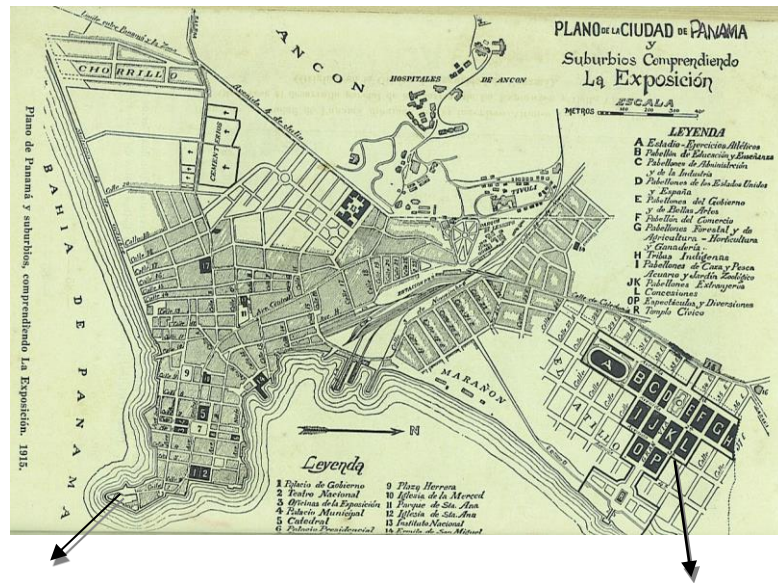
San Felipe

LaExposición

Source: Angel Rubio. *La Ciudad de Panamá: Biografía Urbana. Funciones. Diagnosis de la Ciudad. Paisaje. Callejero* 1950, p. 84

Appendix B.6. E-Mail Dr. Larry Ford Sent Me Authorizing Me to Use of his

Latin American City Model.

>Dear Dr. Ford,

> My name is Maria Adames and I am working with Dr. Scarpaci in my dissertation
>on "Neighborhood Revitalization in the Historic District of San
>Felipe de Neri Panama".

>I should like to request your permission to use your model found in
>your article entitled "A New and Improved Model of Latin American City Structure" published
>in the Journal Geographical Review 86(3), 437-440.

>Sincerely,

>Maria

----- Forwarded message from Larry Ford <larryf@mail.sdsu.edu> -----
   Date: Fri, 25 Jan 2008 11:54:27 -0800
   From: Larry Ford <larryf@mail.sdsu.edu>
Reply-To: Larry Ford <larryf@mail.sdsu.edu>
Subject: Re: Model
    To: madames@vt.edu

Maria,

Sure, I am glad you find it useful. Say hello to Joe. Larry Ford

Larry Ford

Professor of Geography

San Diego State University

5500 Campanile Drive

San Diego, CA 92182

larryf@mail.sdsu.edu

(619) 594-5486 or 583-3557

----- End forwarded message -----

Appendix B.7. Sex Distribution in Selected Panama City Boroughs:
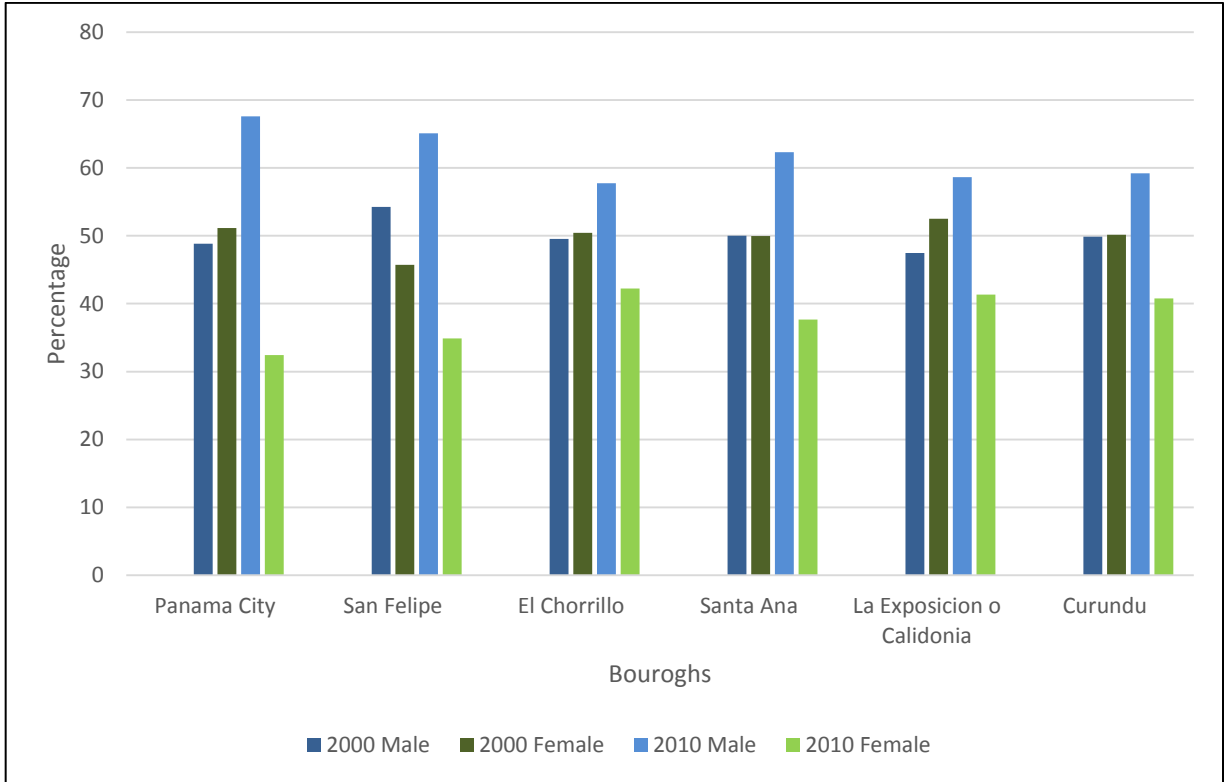
2000 and 2010

Source: *Contraloría General de la República de Panamá. Censos Nacionales de Población y Vivienda.* 2000 y 2010.

Appendix B.8. Male-Female Ratio in Selected Panama City Boroughs:
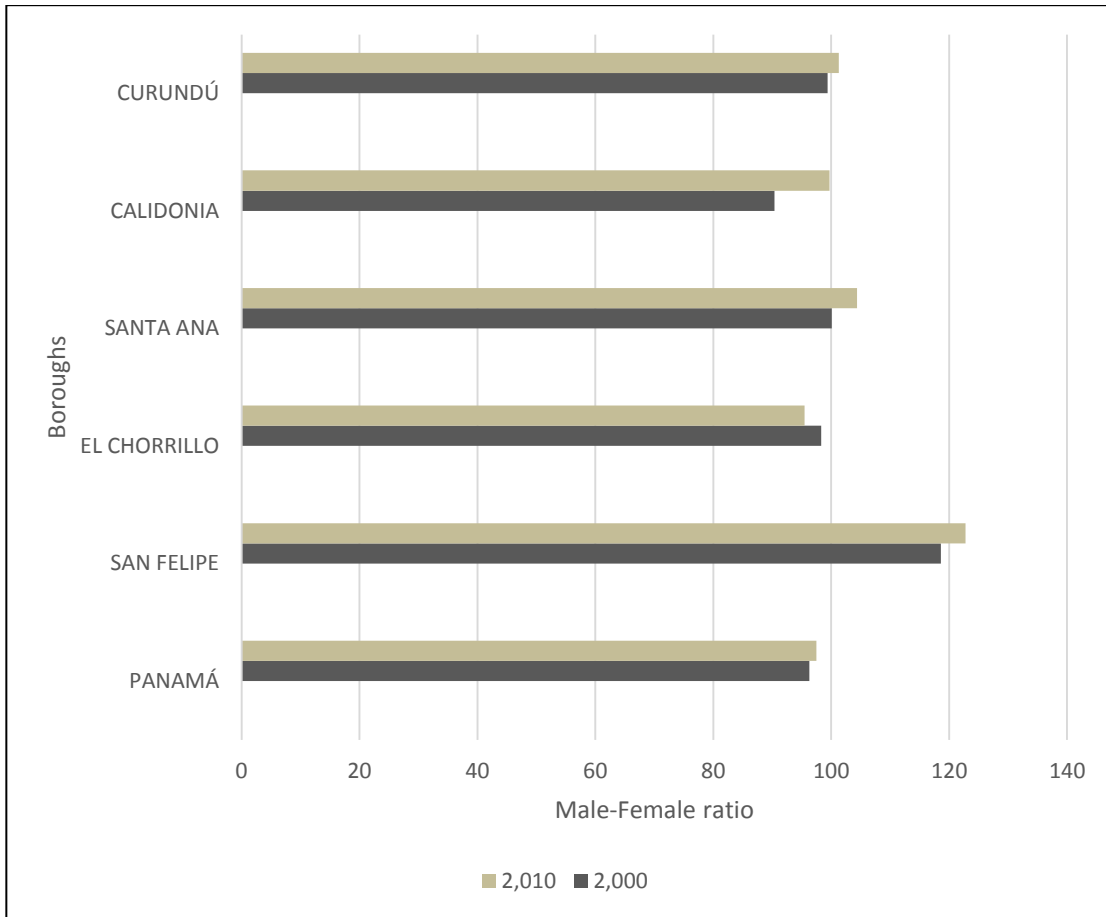
2000 and 2010

Source: *Contraloría General de la República de Panamá. Censos Nacionales de Población y Vivienda.* 2000 and 2010.

Appendix B.9. Median Monthly Income of Employed Population in Several Panama

City Boroughs: 2000 and 2010

Borough	Median Income ($) 2000	Median Income ($) 2010
Panama City	362.4	458.00
San Felipe	305.0	400.00
El Chorrillo	280.6	378.00
Santa Ana	323.8	400.00
Calidonia	366.2	480.00
Curundú	242.2	375.00
Betania	683.5	800.00
Bella Vista	912.4	1000.00
San Francisco	645.8	1000.00

Source: Calculated by the author with information from the 2000 and 2010 National Census.

Appendix B.10. Shoemaker in San Felipe. December 5, 2007

Appendix B. 11. Comparison between the Median Monthly Income of San Felipe

and the District of Panama by Economic Activity: 2000

Economic Activity	San Felipe	District of Panama
Total	305.00	362.40
Agriculture, cattle, hunting, and silviculture	231.30	195.60
Fishing	239.80	303.90
Mines	175.00	372.80
Manufacturing industry	297.30	326.00
Electricity, water, and gas	310.00	550.30
Construction	348.70	367.00
High and low retail commerce, vehicles and motorcycle repair , and domestic and personal items	253.20	330.40
Hotels and Restaurants	244.10	271.70
Transportation, storage and communications	352.60	487.20
Finance	395.00	650.10
Real State, business and rent	328.00	420.20
Public administration, defense, security plans	378.70	466.40
Education	438.70	537.80
Social and health services	352.90	568.60
Other community, social, personal and services activities	275.00	311.30
Private homes with maids	150.60	127.70
Extraterritorial organizations	325.00	1057.90
Activities not well specified	240.60	361.40

Source: *Censos Nacionales del 2000. Población y Vivienda.*

Appendix B.12. Selected Housing Laws Approved After the 1960s in Panama

Law and Decree	Description
Law 93, 4 October 1973 (Gazetteer No 17456 **Measures affecting rent and the creation of the Ministry of Housing and the National Direction of Rents**	**Article 4:** Leasing contracts must be written and a copy must be given to the National Direction of Leasing. **Article 8:** All rental domestic housing must have hygienic and health conditions established by the law. **Article 9:** No leasing contract can be in effect for less than three years. The tenant has the right to prorogate his lease for the same amount of time, if he has paid his rent in a timely manner. If the landlord refuses to receive the payment, the tenant can take the payment and deposit it in the National Direction of Rents, and the extension of the contract will be valid. **Article 10:** The contract can be terminated at any time by the tenant but not by the landlord. **Article 18:** Tenants cannot transfer the rights that they acquired because of the contract agreement approved by the law. Nevertheless, if the tenant no longer lives in the dwelling due to his or her death, or due to a justifiable cause, the tenant's husband or wife, and any sons and daughters and relatives up to the fourth degree of consanguinity who live with the tenant, shall acquire all the rights and benefits without the need to make a new contract. **Article 31:** In the case of urgent social interest, the Ministry of Housing may occupy immediately, as a temporal renter, any property or dwelling that is unoccupied. In these cases the owners are obligated to hand over the requested property or the possession of said property to the Ministry of Housing. Any act or omission by the owner to avoid fulfilling this article will be penalized according to the dispositions of this law. **Article 38:** The Ministry of Housing may authorize the rise in the price of the lease, if there are increases in the operation or maintenance costs, or if there are any circumstances where the price is lower than what is considered just and fair. **Article 40:** Landlords may not request the eviction of tenants under the umbrella of this law, but only in the cases that this law and its rules establish. **Article 41:** Tenants cannot be evicted if they are behind rent payments due to illness, unemployment, or a lack of other sources of income that must be verified by the respective housing committee. **Article 49:** Only a petition to evict tenants will be admitted if the tenant stops paying the rent for two months or more, noting the exceptions in article 41.
Law No 98 4 October 1973	**Article 1:** The Ministry of Housing is in charge of ordering the rehabilitation or demolition of a building that for sanitary and safety reasons constitutes a dangerous place to live.

Procedures to condemn or to rehabilitate houses	**Article 2:** The Security office of the Fire Department must give a report to the Ministry of Housing about the conditions of the dwelling. The Security Office will inspect the place together with the Department of Health and Engineering from the Ministry of Health and the Department of Municipal Engineering, and a representative of the *Junta Comunal* from the corresponding borough. This inspection may be ordered by the Security office via its own initiative, a complaint from tenants, or instructions from the Ministry of Housing. The report must be sent to the Ministry of Housing in a period no later than 15 days. **Article 3:** The Ministry of Housing will review the report and will decide whether the building must be rehabilitated or demolished according to the program of the Ministry. **Article 4:** An order of rehabilitation will be given to the owner or his representative indicating the minimum repairs that must be made and the time frame they have to do so. If the owner refuses to make the repairs, the Ministry of Housing will make them and will charge the owner with the expenses. **Article 5:** If the owner refuses to pay the Ministry of Housing for the repairs made to the building within 30 days, this Ministry will order a fine on the property and will notify the Public Register regarding this matter, so they can collect the money for the expenses. **Article 6:** If the Ministry of Housing may determine that the building cannot be rehabilitated; families must move out and the owner has to tear down the building. **Article 7:** The Executive Branch may determine through decrees which buildings that were condemned before this law can be rehabilitated for reasons of social interests. The owners must carry out these repairs in a period no longer than 60 days. **Article 8:** In the case of the buildings that the Ministry of Housing has ordered to be rehabilitated the tenants will pay the same amount of rent they were paying at the moment the repairs began; In the cases of article 7, tenants will pay the same amount of rent they paid before the building was condemned.
Executive Decree No 7. 24 January 1995. Gazetteer Nº 22709	This decree excludes from law 93 leasing contracts regarding furnished and empty apartments, among others, and leaves it to landlord and tenant, instead of the National Direction of Leasing, to establish the terms of the rent agreement. This decree mentions the articles that will be exempt from this agreement.

Source: Compiled and translated by the author from *Ministerio de Vivienda y Asamblea Nacional de Panamá*. Ministry of Housing and National Assembly of Panama
http://www.mivi.gob.pa/paginasprincipales/normativa.html and
//www.asamblea.gob.pa/busca/gaceta.html

Appendix B.13. Occupied Housing in San Felipe by Land Tenure:

1960, 1980 and 2000

Type of tenure and area	1960	1980	2000	Percentage change 1960-1980	Percentage change 1980-2000
District of Panama					
Total	61156	109795	187729	79.5	71.0
Owned(1)	14793	56417	127999	281. 4	126.9
Rented	44673	45098	45038	1.0	-0.1
Cedida (2)	1690	8280	7447*	389.9	-10.1
Condemned (3)			(5571)		
Another (4)			1674		
San Felipe					
Total	2732	3005	2172	10.0	-27.7
Owned	84	63	61	-25.0	-3.2
Rented	2602	2507	1021	-3.7	-59.3
Cedida	46	35	964**	845.7	121.6
Condemned			(943)		
Another			84		

Source: National Census of 1980 and 2000.

(1) From 1960 to 1980 this category includes houses that had a mortgage. For the year 2000, owned houses and houses with mortgage appeared separately, but I combined both categories to keep the same presentation that the data had for the census before.

(2) The census of 1980 defines houses *cedidas* (given away) as houses in which their occupants are not owners, do not pay rent or any mortgage. Generally people that live in these houses are relatives of the owner or the owner has given them away for working reasons. This category includes condemned houses. From 1960 to 1980 this category includes houses that were condemned. In the 2000 census the category of condemned houses appeared separated from houses that have been given away (*cedidas*).

(3) The census of 1980 defines condemned houses as occupied houses that are considered no habitable by the Security office of the Fire Company, the department of Municipal Engineering and the Sanitarian Department of the Ministry of Health. Due to poor hygienic conditions and deterioration, they constitute a great danger for the security and health of their residents. The occupants do not pay rent, but they pay water and electricity. The exact same definition is used in the 2000 Census

* The 2000 Census registered 7447 houses that were given away in the District of Panama. This amount was added to the total of condemned houses to have a similar category that for the 1960 and 1980 census. The numbers below in parenthesis show the actual amount of condemned houses that this district had in the 2000 census.

(4) This category only appears in the 2000 Census, but it is not defined.

** The 2000 Census registered 21 houses that were given away in San Felipe. This amount was added to the total of condemned houses to have a similar category as that of the 1960 and 1980 census. The number below in parentheses shows the actual amount of condemned houses that San Felipe had in the 2000 census.

Appendix B.14. Dilapidated Houses in San Felipe. November 24, 2007

Appendix B.15. A Collapsed Building. October 2007

Appendix C.1. Land Use Zoning of the Historic District of Panama
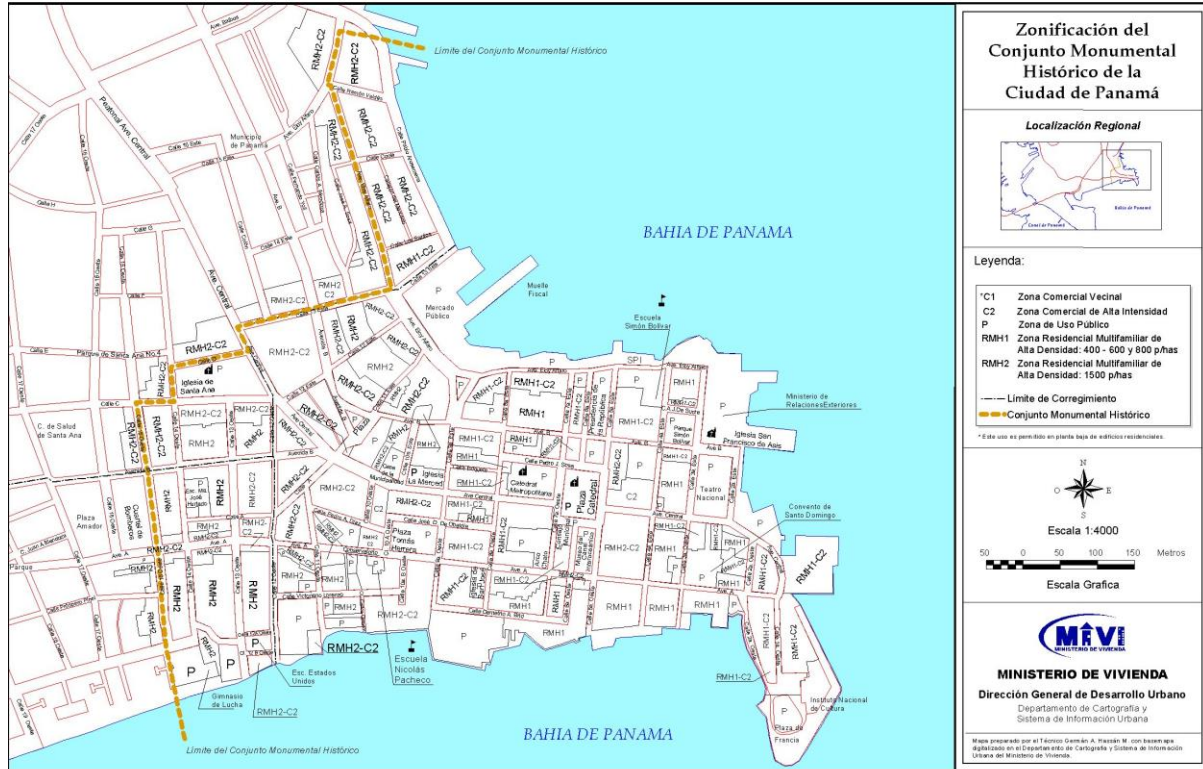
Source: Ministry of Housing 2007.

Appendix C.2. Land Use Zoning Law for San Felipe

Land Use Zoning	Characteristics
1. High density multifamily Residential zone (RMH1)	Allows construction, reconstruction, restoration and reparation of single and multi-family with complementary uses (offices, residences for professionals. Permits institutional (e.g., schools, churches), cultural, government, and philanthropic buildings. Small commercial shops only on the lower floor. Up to 400 persons per hectare in lower floors. Up to 600 people per hectare in two floors buildings. Up to 800 people per hectare in buildings with one and two floors.
2. Multifamily Residential zoning of high density (RMH2)	High density multifamily residential. Complementary uses such as offices of professional that are residents in the area. Allows institutional uses, such as buildings for educational, religious, cultural, governmental, philanthropy and assistance Permitted density of 1,500 inhabitants per hectare. This density will be located in El Chorrillo and Santa Ana
3. Commercial neighborhood zoning (C1)	Commercial activities and general services that are generated in the neighborhood (small stores (*tiendas*), boutiques, bazaars, bakery, coffee shops, kiosks, ice cream shops, craft (*artesanías)*, video clubs, laundry places, beauty parlors barbershops, if they are located in the first floor.
4. High density commercial zone (C2)	Construction and reconstruction, restoration and repair of buildings use for commercial and professional activities for large retail stores (*comercio al por mayor)* as well as small retail stores (*comercio al por menor*). Services and business: restaurants, furniture shops, electrical appliances, articles for the house, laundry places, insurance, places, art galleries, telecommunication services, real state agencies, movie theaters, hardware, banks, discotheques, gyms, sport clubs, cultural clubs, hotels, renting buildings, parking lots, warehouses, repair shops for electronic appliances, administrative offices. Parking buildings will be allowed only in buildings categorized as fourth order.
5. Neighborhood Institutional Service Zones (*Zona de Servicio Institucional Vecinal* SIV)	Construction and rebuilding, restoration, reparation, conservation of buildings that are established for educational, security, health, culture, sports, administration and religious services at the neighborhood level.
6. Urban Institutional Service Zone	Construction and rebuilding, restoration, reparation, conservation of buildings that are established for educational, security, health, culture, sports, administration and religious services at urban level.
7. Open Spaces	Allows the building, rebuilding restoration, repairing, and conservation of open spaces such as parks, plazas, *plazoletas* (small plazas), and pedestrian areas.

	The law will respect those lots where another activity has been zoned before the law was in place.
8. Regulation of maximum heights for buildings in the historic district	Dictates that there must not be more than two levels of differences between a new construction and it surrounding area. All buildings that are classified as first and second order will keep the building's original height. Third order buildings cannot have additional floors in front of the building. In addition, fourth order buildings will be allowed first floor (*planta baja*) and three additional floors.
9. About the occupation of lots	Buildings will abide by the order of category previously established for the building. New construction and empty lots it will be allowed to build up to 100% of the lot if the lot is less than 100 meters if it is established on the blueprints and if it guarantees adequate ventilation. Buildings from 101 to 500 square meters it will be allowed to build 90% of the lots, and in areas superior to 501 square meters it will be allowed 80% of the occupation of the lot. Ventilation in the free areas. Buildings that are from first and second order must keep interior patios. Not to make openings in certain parts of walls without previous authorization.
10. Parking lots	Permits the use of underground parking lots if the soil allows it. Permits parking lots in first and second order building. Partial utilization of third-order buildings front area.

Source: Resolution 127-2003 from August 25, 2003 (Official Gazetteer No. 24882)

Appendix C.3. The Metropolitan Cathedral. December 15, 2007

Appendix C.4. Selected International Laws Protecting Cultural Heritage in Panama After the 1950's

Law, Decree and Year	Content
The Hague Convention held on 14 May 1954	Its main objective was to protect cultural property in case an armed conflict occurs.
International Charter for the Conservation and Restoration of Monuments and Sites (*The Venice Charter)* 1964	Recognized the need to preserve monuments and sites around the world and to keep their authenticity. The letter considered that countries must agree in applying guidelines to preserve and restore these monuments and buildings at the international levels.
The Quito Norms of 1967	Emphasized the need of countries of the Americas to cooperate and to recognize the importance of monuments as part of their heritage and as objects that could be used to improve the economy of countries. It established that "archaeological, historic, and artistic monuments are economic resources in the same sense as the natural wealth of the country" (ICOMOS).
Convention of Paris, 14 November 1970	This convention was on the means of prohibiting and preventing the illicit import, export, and transfer of ownership of cultural property, with the purpose of diminishing and avoiding the piracy of cultural property.
Convention Concerning the Protection of the World Cultural and Natural Heritage was held from 17 October to 21 November 1972.	The main issues raised in this convention were the increased destruction and deterioration that threatened cultural heritage. This convention has defined cultural and natural heritage in Article One. Thus, monuments, groups of buildings and sites constitute cultural heritage. Monuments are defined as architectural works, monuments, paintings, structures, inscriptions, cave dwellings, or any other kind of features that possess outstanding universal value. Groups of buildings are separated or connected to other clusters because of their architecture. Similarity in structures or other characteristics must give them universal value. The conference defines sites as areas that people have created and that have outstanding universal value from the historical, anthropological, and ethnological point of view. UNESCO includes the borough of San Felipe within the category 'groups of buildings' that have been recognized of universal value and worth preserving.

Charter for the Protection and Management of Archaeological Heritage (1990).	It established the norms for the proper management of archaeological heritage, where government authorities, academic researchers, private and public enterprise, and the public need to cooperate so these norms can be effective. According to the document: "This charter therefore lays down principles relating to the different aspects of archaeological heritage management. These include the responsibilities of public authorities and legislators, principles relating to the professional performance of the processes of inventory, survey, excavation, documentation, research, maintenance, conservation, preservation, reconstruction, information, presentation, public access and use of the heritage, and the qualification of professionals involved in the protection of the archaeological heritage." (ICOMOS)
Charter on the Protection and Management of Underwater Cultural Heritage (1996)	To protect and manage the underwater cultural heritage that exists in many parts of the world.
Convention in Paris 17 celebrated in 2003.	To protect and safeguard the intangible cultural heritage that in many countries is not taken into consideration.

Source: ICOMOS. (International Council of Monuments and Sites) n.d. (1)

Appendix C. 5. Selected National Laws Protecting Panamanian

Heritage Sites

Law, Decree and Year	Content
Law 47 of 1928	This law created urban plans to improve the development of Panama City as well as other provincial capitals. The purpose of these urban plans was to regulate the construction of neighborhoods as well as streets in order to avoid spontaneous areas of growth. This law prohibited any construction without the approval of the Panamanian Society of Engineers.
Municipality agreement of 1934	This municipal decree establishes that in towns and cities as well as rural areas, houses could not be reformed without the express permission of the national or local authorities. These restrictions included prohibitions for building, repairing, altering or making any addition to the houses. In addition, it established that the capability of the house must be in agreement with the amount of people that live in the dwelling.
Law 78 of 23 June, 1941	This law regulates urban development in the Republic of Panama where all housing or urbanization projects must be approved by the Ministry of Health and Construction. This law was based upon Brunner's recommendations for the urban planning of Panama City. The plans for any urbanization project needed to be drawn to a scale of 1:2,000 or higher.
Decree No 130 of 15 September 1941	This decree establishes the rules for law 78 of 1941.
Law 91 of 22 December 1976	This law regulates the historic sites of Panama Viejo and the Historic District of Panama City. This law defines the limits of Panama City's historic district. At that time, twelve streets formed the historic district.

Law 9, 27 October 1977	Through this law, Panama approved the agreement with the United Nations regarding the protection of the Natural, Cultural and World patrimony and in its article 5 Panama committed itself to the following. First, to create policies where the natural and cultural patrimony must have a function in the collective life of the country as well as the creation of planning programs to protect it. Second, Panama committed itself to the development of scientific research that would help to improve the intervention methods used in the protection, conservation, revalorization and rehabilitation of the cultural and natural patrimony. Third, this law establishes the need to adopt scientific, technical, administrative, juridical, and finance to identify, protect, preserve, revalorize, and rehabilitate the cultural and natural patrimony).
Law No 14, 5 May 1982	This law encourages and promotes measures for the custody, conservation, and administration of the historic sites in Panama and establishes a branch of government, the National Institute of Culture (INAC), to oversee the works that could affect the character of the area. Buildings above one story in height were allowed within the buffer zone, and two-story buildings were allowed in the exterior of this zone.
Resolution 75-90 of 13 December 1990	This resolution establishes a special standard for the borough of San Felipe. The Ministry of Housing, the government agency in charge of giving the directives for the regulation of urban development in the city, carried it out.
Law 9 of 1997 *Se establece un régimen especial de incentivos para la restauración y puesta en valor del conjunto monumental histórico del Casco Antiguo de la Ciudad de Panamá*	This law from August 27, 1997. It establishes and special regime for the historic district where buildings are classified according to date of built, architecture importance and historical events that have happened in these buildings and the steps that must be follow for their restoration and or rebuilding. It also expanded the boundaries of the Casco Antiguo to include a sector from the boroughs (*corregimientos*) of Santa Ana and El Chorrillo, since these two neighborhoods were part of the original "arrabales"[196] It introduced the concept of conservation regulations to protect the patrimony. It also offers finance and fiscal incentives for those interested in investing in the historic

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[196] The *arrabales* were areas outside of the wall of the colonial city where the lower class people had their houses.

	district (in http://www.presidencia.gob.pa/ministerios/mivi.htm).
Executive Decree No 205 from 28 December 2000	Through this decree, the Ministry of Housing adopts The Plan of Development for the Metropolitan Areas of the Pacific and Atlantic. In this plan, the ministry recognizes the importance of the Old Historic Center of Panama City and notes the need to have special treatment for this area through special norms and planning.

Based upon this decree, the Ministry of Housing, the "Casco Antiguo" Office, and the National Direction of Historic Patrimony from the National Institute of Culture designed a land use zoning of norms for construction within Casco Antiguo. The purpose of this zoning was to eliminate the overlaps between norms of land use and to assign land use for the new areas that were incorporated to the "Casco Antiguo" |
| Law 6 from 22 January 2002

Que modifica el Decreto Ley 9, sobre un régimen especial de incentivos para el Casco Antiguo de la Ciudad de Panamá, y dicta otras disposiciones | This law refers to transparency in public administration. Based on the law the Ministry of Housing admits that to achieve this transparency they must use the modality of popular consultation, as well as the participation of the residents of San Felipe in the acts of that administration that could affect their rights and interests. |
| Executive Decree of April 22, 2004

Por medio del cual se aprueba un manual de normas y procedimientos para la restauración y rehabilitación del Casco Antiguo de la Ciudad de Panamá | This decree describes the terminology used in restoration and rehabilitation of the Casco Antiguo, the limits of the area, the adjacent and transition areas, the land use zoning and building norms |
| Resolution No 211, 6 April 2005 | This resolution gives the guidelines the cadastral values for buildings. |

Source: Table made by the author with information obtained from the *Ministerio de Vivienda y Urbanismo. Leyes y Reglamentaciones* (Ministry of Housing. Laws and Norms), National Assembly. Laws of the Republic of Panama.

Appendix C.6. Main Historical Buildings, Parks, and Plazas in San Felipe.

Source: Retrieve from http://www.travelvast.com/what-to-see-and-do-in-panama city/#sthash.0ffSUkEB.dpbs. July 24 2016.

Appendix C.7. San Francisco Church

Appendix C.8. Main Street in the Neighborhood of Brisas del Golf. February 9. 2007

Note: Compare this street with appendices C.9 to C.11.

Appendix C.9. San Felipe´s 3rd West Street. February 9, 2007

Appendix C.10 Example of Cobblestones that Replaced the Original Cobblestones

in San Felipe. February 9, 2007
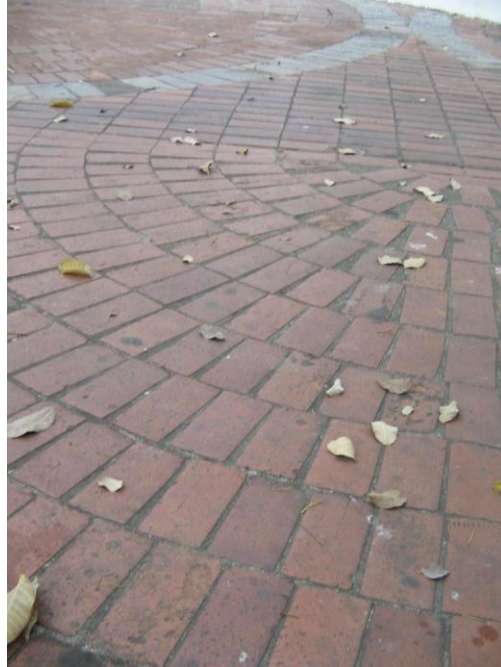
Appendix C. 11. Central Avenue at the far end of Cathedral Plaza. February 9, 2007

Appendix C.12. Artisans in *Paseo Esteban Huertas o las Bovedas Paseo*. April 3, 2007

Appendix C.13. New Commerce Selling Crafts for Tourists. March 3, 2007

Appendix C.14. Empty Lot as a Result of Fire on November 2007.

December 15, 2007

Appendix C.15. Building Conditions in San Felipe in May 2006.

Estado actual de los inmuebles

Lotes baldíos
1. Isabel Pérez de Arias.
2. Aiko Holding.
3. Ozone Service Panama Corp. (Zdenek Rasplicka)
4. Fundación Lunca (Carlos Jiménez).
5. Rainforest Corp. (Fernando Duque).
6. Inmobiliaria San Felipe.

En estado ruinoso
7. Inversiones Panmar (Panayotis Kitras)
8. Dora Ortíz Quintero.
9. Casa Vieja, S.A. (Ramón Fonseca Mora).
10. Metrovisión, S.A. (Nicolás González Revilla).
11. Bradco Company (Eduardo Navarro).
12. Cemagra, S.A. (Samuel Fux).
13. Nelsa Elina Acosta.
14. Leticia Vicensini

15. Royal Regatta S.A. (Harry Castro Zachrisson).
16. Remy Mattei y Paul Dumonet.
17. Maralta Corp. (Jorge Jelensky).
18. Familia Arias Tarté.
19. Amarillo Guayacán (Rodney Zelenka)
20. Cía. Arco Chato (Rodney Zelenka).
21. Amarillo Guayacán (Rodney Zelenka).
22. --------
23. Santo Tenorio, S.A. (Ricardo Traad Porras).
24. Siglo XVIII, S.A. (Ricardo Traad Porras).
25. Amarillo Guayacán (Rodney Zelenka).
26. Ramón R. Arias.
27. Casa Quinta S.A. y Rodolfo Alemán.
28. Inmobiliaria San Felipe.

Inmuebles en mal estado
29. Darcar, S.A.
30. Amarillo Guayacán (Rodney Zelenka).

31. Amarillo Guayacán (Rodney Zelenka).
32. Luis A. Romero Chatrú.
33. Dixie International (Rodney Zelenka).
34. Dixie International (Rodney Zelenka).
35. Inmobiliaria Emporio, S.A.
36. Traad & Traad, S.A.
37. José Manuel Quirós G.
38. -------
39. María Isabel Arango de Uribe
40. Inmobiliaria San Felipe
41. ---------

Inmuebles clausurados
42. --------
43. Cía. Arco Chato (Rodney Zelenka).
44. Plaza Santo Domingo (Ricardo Traad Porras).
45. Inmobiliaria San Felipe.

Infografía/LA PRENSA

Source: La Prensa online. 12 de mayo de 2006. Key: The blue colors (sites 1-6) are empty lots (*lotes baldíos*); red (*estado ruinoso*) refers to a 'ruinous condition' (sites 7-28); orange (*inmuebles en mal estado*) indicates 'properties in bad condition' (sites 29-41); and purple (*inmuebles clausurados*) shows 'condemned properties' (sites 42-45). Listed after each number is the deeded owner of the property. Dashed lines indicate the absence of a reported owner (sites 22, 38, 41, and 42).

Appendix C.16. San Felipe as a Place for Movie Makers.

December 15, 2007

Appendix D.1. Panamanian Newspaper Articles about Evictions in San Felipe:

1998 to 2015

Article title in Spanish and English Translation	Newspaper and Journalist	Date
Antonío condena los Desalojos en San Felipe Antonío [legislator in the National Assembly and president of housing committee] condemns evictions in San Felipe	La Prensa Online. T. Delgado	12 June 1998
La UNESCO y el Gobierno Ponen en Aprietos a residentes de San Felipe. UNESCO and the Government put San Felipe residents in a predicament	La Prensa Online. J. Quintero	3 August 1998
Rechazan transformación de San Felipe en un distrito [Residents] Reject transformation of San Felipe into a district	El Panama América A. Abrego	9 April 1999
¿Vuelve la aristocracia al barrio de San Felipe? Has the aristocracy come back to San Felipe?	El Panamá América. E. Muñoz Lao	12 June 2000
Moradores de San Felipe amenazan con violencia Residents of San Felipe threaten violence	El Panamá América. C. Vargas	28 July 2000
La Otra Cara de la Restauración The Other Face of the Restoration	El Panamá América C. Vargas	10 August 2000
El lunes desalojarán a moradores de San Felipe Residents of San Felipe will be evicted on Monday	El Panamá América. G. A. Aparicio. O.	23 June 2001
Moradores de San Felipe protestarán hoy por desalojos Residents of San Felipe will protest evictions today	El Panamá América. J. M. Díaz C.	26 November 2001
Proyecto podría frenar desalojos en San Felipe Project could stop evictions in San Felipe	El Panamá América. C. A. Cordero	27 November 2001
Lanzamiento en San Felipe es muy complejo Kicking out San Felipe [residents] is very complex	El Panamá América. J. E. Sánchez	27 September 2002.
Falta de viviendas, el problema de San Felipe A lack of housing, the problem of San Felipe	El Panamá América. L. A. Castillo	7 October 2002
Denuncian desalojo a la fuerza en San Felipe Forced evictions denounced in San Felipe	El Siglo Digital. E. Alveo Miranda.	10 November 2002

¡Vuelven los desalojos en San Felipe! Evictions return to San Felipe!	Crítica en Línea. C. Estrada Aguilar.	6 January 2003
Desidia en el Casco Antiguo Indolence in the historic district	La Prensa. J. Arcia.	1 August, 2004
Un grupo de residentes del barrio de San Felipe está preocupado porque los dueños de los inmuebles que ellos ocupan les han pedido que desalojen ... A group of residents of the neighborhood of San Felipe is worried because the owners of the buildings that they occupied have begun to evict them…	La Prensa. J. González, Pinilla.	1 January 2005
Panamá: Edificios Restaurados, Vecinos Desalojados. Panama: Buildings restored, neighbors evicted	Interpress Service. A. Mendoza	July, 2006
Lanzamientos y expropiaciones en el casco antiguo. Un desalojo con nombre y apellido. Kick out and expropiations in the Casco Antiguo. An eviction with own name.	La Prensa en Línea	May 3, 2015
Casco Antiguo carece de viviendas de interés social Casco Antiguo lacks of social housing	La Prensa Online O. Aparicio	April 7 2014
Comisión revisará los desalojos en San Felipe. Committee will review evictions in San Felipe.	*El Siglo Online*. J. Delgado	August 27 2014
Moradores de San Felipe protestaron porque no quieren desalojos. Residents of San Felipe protested due to evictions.	La Estrella de Panamá Online Q. Moreno	September 4 2014
Residentes de un barrio en Panamá denuncian presión por desalojo.	HispanTV Claudia Figueroa.	May 1 2015

Source: Online databases from the different newspapers and documentaries, compiled by the author.

Appendix D.2.   Neighborhood Associations Concerned with Housing in

San Felipe: 1998-2015

Organization	Year Founded	No. of Members	Leadership Structure	Connections with Government Organizations, NGOs, and International Organizations
Organización Coordinadora Pro Vivienda de San Felipe (Coordinated Organization Pro-Housing of San Felipe)	Beginning of 1998	The whole community.	One person as a leader of the group and others helping him.	UNESCO, National Assembly, Minister of Housing, University of Panama
Asociación de Moradores de San Felipe (San Felipe Residents' Association, or SFRA).	1998 2005	The whole community. Fewer people participated on meetings and they were skeptical of participating.	A board of directors with a president, a vice president, a treasurer and a secretary. It is recognized as an NGO	Office of Historic District, UNESCO, The Ministry of Housing. The Ministry of Social Development
Organizaciones Unidas Pro Salvaguarda del Patrimonio de San Felipe (OUPSAF) (United Organizations Pro-Safeguarding of San Felipe Patrimony (OPSSFP).[197]	2006	A group of different associations that have interests in the neighborhood	A single coordinator	Office of Historic District, UNESCO, IICA
Asociación de Vecinos y	2010	According to their website it	Patrizia Pinzon	It Works with Panamanian

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[197] This organization was formed in 2006. I discuss how it was created in the section titled "The SFRA and their Role in Obtaining Housing within the Neighborhood: 2004 to the Present" on page 231

Amigos del Casco Antiguo (AVACA) (The Association of Residents and Friends of Casco Viejo)		is a group of residents and property owners of Casco Antiguo interested to protect, promote and improve the quality of life in the Old Quarter of Panama		NGO such as Sembrarte, Fundación Calicanto, Jardines Urbanos, Aprojusan, and Generation Peace Academy among others.

Source: Based on my interviews, workshops, newspaper articles, and web pages.

Appendix D.3. UNESCO Consultant in a Meeting with Authorities

and the Community[198]. July 14, 2006

Source: Ministry of Housing. 2006

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[198] From right to left the Ministry of Housing, the UNESCO Consultant, the director of the Historic District, and the Representative of the *Corregimiento*

Appendix E.1 Virginia Tech Informant Consent

VIRGINIA POLYTECHNIC INSTITUTE AND STATE UNIVERSITY

Outline for Informed Consent for Participants in Research Projects Involving Human Subjects

Title of Project: Neighborhood Revitalization and Gentrification in the Historic District of San Felipe de Neri, Panama.

Investigator (s): Maria Adames (Graduate Student) and Joseph L. Scarpaci Jr. (Faculty Advisor).

I. Purpose of this Research:

The subject understands that the purpose of this study is to obtain information about his or her perceptions and reactions as a resident regarding the physical, economic and social changes that are taking place in San Felipe de Neri. The subject agrees to be one of the participants of 205 heads of household that will be interviewed for this research within the neighborhood. Only heads of household older than 18 years old that are residents of the neighborhood are interviewed for this research regardless of their sex, level of education, civil status, or economic and social conditions.

II. Procedures:

The subject understands that the procedure for this research consists of answering a survey conducted by the researchers that contains questions regarding the subject's personal data such as age, sex, birth place, marital status, education, and socio-economic information. This survey also includes questions regarding the physical, economic, and social conditions of the neighborhood; attachment to the neighborhood; service and facilities; and subject's involvement in neighborhood activities, and tourism activities in the neighborhood.

The approximate time to complete this survey is an hour, and the survey will be conducted in the subject's residency. This is a one-time survey. The subject also understands that the participation in this survey is voluntary and that if there is any question (s) the subject does not feel comfortable answering or if the subject does not want to continue with this survey, the subject is free to withdraw.

III. Risks

The subject understands that the risks for this research are minimal, mainly related to issues of confidentiality of the information in which case the researchers' guarantee, to the best of their ability, that the anonymity and confidentiality of the subjects involved in this study will be protected.

IV. Benefits

The subject understands that the benefits of this study will be at the community level since the results will help to shed light in understanding how residents perceive the changes that are taking place in their community. The information obtained might contribute to better policies that may benefit the community.

The subject also understands that no promise or guarantee of benefit has been made to encourage you to participate.

If the subject requires, the subject may contact the researcher at a later time for a summary of the research results.

V. Extent of Anonymity and Confidentiality

The subject understands that the researchers will guarantee the subject's anonymity through the identification of the subject with a number or a code. The researchers shall be the only ones that will have access to individual questionnaires. After the information is coded, all survey questionnaires will be stored in a safe place under the researchers' responsibility.

VI. Compensation

The subject understands that there is no remuneration for his or her participation in this study.

VII. Freedom to Withdraw

The subject understands that he or she is free to withdraw from this study. He or she is also free not to answer any questions with which he or she does not feel comfortable.

VIII. Subject's Responsibilities

I voluntarily agree to participate in this study. I have the following responsibilities: to give an hour of my time to answer this survey.

IX. Subject's Permission

I have read and understand the Informed Consent and conditions of this project. I have had all my questions answered. I hereby acknowledge the above and give my voluntary consent:

_____   Date_____

Subject signature

_____   Date_____

Witness (Optional except for certain classes of subjects)

Should I have any pertinent questions about this research or its conduct, and research subjects' rights, and whom to contact in the event of a research-related injury to the subject, I may contact:

Maria Adames   011-507-213-8637 / madames@vt.edu
Investigator (s)   Telephone/e-mail

Joseph L. Scarpaci Jr.   540-231-7504   /   scarp@vt.edu
Faculty Advisor   Telephone/e-mail

Ronald R Wakefield   540- 231-9063 /   ronwak@vt.edu
Departmental Reviewer/Department Head   Telephone/e-mail

David M. Moore

Chair, Virginia Tech Institutional
Review Board for the Protection of
Human Subjects
Office of Research Compliance—CVM Phase II (0442)

This Informed Consent is valid from _____ to _____

Appendix E.2. In-Depth Interview Questions for Residents

Preguntas profundas para Residentes

(En español)
1. Hábleme un poco acerca de usted. Cuando nació, Dónde nació?
2. Qué grado de educación tiene usted?
3. Cuánto tiempo ha vivido usted en San Felipe?
4. Hábleme un poco de cómo era la vida en San Felipe cuando usted llegó a vivir aquí por primera vez o a medida que usted iba creciendo?
5. Qué cambios ha usted visto en el barrio en los últimos diez años?
6. Piensa usted que estos cambios son positivos o negativos? O ambos? Explique
7. Piensa usted que los residentes que todavía actualmente viven en San Felipe se beneficiarán de estos cambios? Si es así como piensa usted que se beneficiarán?
8. Cuáles son las ventajas de vivir en San Felipe?
9. Cuáles son las desventajas de vivir en San Felipe?
10. Le gustaría a usted seguir viviendo en el barrio, o le gustaría mudarse de San Felipe? Por qué?
11. Cómo son las relaciones entre los residentes y vecinos ahora en relación con la primera vez que usted se mudó aquí?
12. Qué opina usted acerca de la relocalización que se está dando de los residentes fuera del barrio?
13. Piensa usted que es importante preservar el distrito histórico de San Felipe? Si? No? Por qué?
14. Piensa usted que es importante preservar el distrito histórico de San Felipe, aunque los residentes tengan que salir del area? Si? No? Por qué?
15. Qué opina usted como está influyendo el turismo o influirá el turismo en los cambios que se están dando en el barrio? Aspectos positivos? Aspectos negativos?
16. Ha notado usted algún cambio en la composición de la población o residentes de este barrio? Si es así como ha sido este cambio?
17. Ha visto usted algunos cambios en la infraestructura del barrio (luces, calles, negocios. seguridad?) Si es así cuáles han sido? Han sido los mismos positivos o negativos?
18. Han afectado estos cambios su vida y la de su familia y si es así como la han afectado?
19. De tener que mudarse qué es lo que extrañaría usted más de vivir en San Felipe? Por qué?
20. Tiene usted conocimiento de alguna (s) reunión (es) que se han dado en el barrio para explicar la situación de los residentes del barrio y su futuro? Ha usted participado en alguna de estas reuniones, Si? No? Por qué?
21. Sabe usted que existe una asociación de residentes de San Felipe?
22. Si es así ha participado usted en alguna (s) reuniones que se hallan dado promovidas por dicha asociación?
23. En su caso particular que le han dicho los dueños o las autoridades del barrio en relación con su estadía en el mismo?
24. Vive usted alquilado, es la vivienda suya o es cedida?
25. Cuál sería su sugerencia para hacer a San Felipe un mejor lugar para sus residentes vivir?
26. Cómo piensa usted que será San Felipe en cinco años?

Appendix E.3. In-Depth Interview Questions for Ex-Residents

Preguntas profundas para Ex Residentes
(En español)

1. Hábleme un poco acerca de usted. Cuando nació, Dónde nació?

2. Cuánto tiempo vivió usted en San Felipe?

3. Dónde vive usted ahora?

4. Cómo era su vida en el barrio durante aquel período?

5. Cuándo se mudó usted de San Felipe?

6. Por qué se mudó usted de San Feliep?

7. Cuando vivía usted en San Felipe, vivía usted alquilado, era la vivienda suya o simplemente vivía allí en una infraestructura cedida?

8. Cuáles eran las ventajas de vivir en San Felipe?

9. Cuáles eran las desventajas de vivir en San Felipe?

10. Le gusta donde está viviendo ahora mejor que cuando vivía en San Felipe? Si o no y por qué?

11. Todavía tiene usted amigos en San Felipe?

12. Ha usted visitado el barrio recientemente? Cuándo?

13. Qué cambios ha usted visto en el barrio desde el período en que usted se mudó a esta parte?

14. Piensa usted que es importante preservar los edificios históricos de San Felipe?

15. Piensa usted que estos cambios son positivos o negativos? O ambos? Explique

16. Piensa usted que los residentes que todavía viven en San Felipe se beneficiarán de estos cambios? Si es así como piensa usted que se beneficiarán?

17. Está usted satisfecho/satisfecha con su lugar de residencia actual?

18. Cuáles son las ventajas de vivir en este lugar en comparación con San Felipe? Cuáles son las desventajas?

19. Piensa usted que is importante preservar el distrito histórico de San Felipe, aunque los residentes tengan que salir del area? Si? No? Por qué?

20. Qué es lo que extraña usted más de vivir en San Felipe? Por qué?

21. Hipotéticamente si tuviese usted la oportunidad de regresar a vivir en San Felipe le gustaría a usted regresar al barrio? Si? No? Por qué?

22. Cuál sería su sugerencia para hacer a San Felipe un mejor lugar para sus residentes vivir?

Appendix E.4. In-Depth Interview Questions for Artisans

Preguntas profundas para Artesanos
(En español)

1. Dónde nació y en qué año?

2. Dónde vive actualmente?

3. Cuál es su nivel de estudios?

4. A qué se dedica usted?

5. Cuántos años tiene de ejercer esta profesión?

6. Desde qué año vende usted sus artículos en San Felipe?

7. Qué tipo de mercancía vende usted?

8. Por qué escogió trabajar en este lugar?

9. Cómo era la actividad comercial cuándo usted inició en esta área?

10. Cómo es la actividad comercial ahora?

11. Ha habido alguna diferencia entre el tipo de turista y / o residente que venía cuando usted comenzó sus ventas en este lugar? Si la respuesta es sí cuáles son esas diferencias?

12. Es esta la única actividad económica que usted realiza?

13. Cuáles son las ventajas de trabajar en este lugar?

14. Cuáles son las desventajas de trabajar en este lugar?

15. Qué problemas relacionados con sus ventas confronta usted aquí?

16. Qué sugerencias tiene usted para mejorar estos problemas?

17. Si tuviera que mudarse a otro lugar a realizar sus ventas cómo se sentiría?

18. Adónde se mudaría si tuviese que mudarse y por qué?

Appendix E.5. In-Depth Interview Questions for Real Estate Developers

Preguntas profundas para Representantes de Bienes Raíces de San Felipe
(En español)

1. En qué año se creó su compañía?
2. Es su compañía sólo de ventas de propiedades o ustedes también construyen los edificios e infraestructuras? (Hago esta pregunta porque hay algunas compañías que sólo se dedican a vender propiedades y terrenos, mientras que otras también le construyen a los propietarios)
3. Hace cuánto tiempo realiza su compañía inversiones en San Felipe?
4. Qué motivó a su compañía a invertir en San Felipe?
5. Cuántas propiedades aproximadamente maneja su compañía en San Felipe?
6. Cuáles son los precios de los inmuebles que ustedes ofrecen? Tiene usted un listado de propiedades?
7. Compran ustedes las propiedades de antiguos propietarios o del Estado o de ambos y si es así cómo es el procedimiento?
8. Cuáles son las características generales de la población que le está comprando a su compañía inmuebles en San Felipe? Profesión, sexo, edad aproximada?
9. Son sus compradores nacionales o extranjeros? Si son extranjeros de qué país son estos compradores?
10. Aproximadamente que' porcentaje de los compradores son extranjeros?
11. La personas que compran las propiedades, viven alli', o las compran para alquilar?
12. Venden ustedes propiedades ya restauradas, por restaurar o ambas? Y si es así que porcentaje de propiedades venden donde el propietario la compra sin restaurar para hacerles 'el mismo o ella misma las mejoras?
13. Cuáles piensa usted son las posibles razones por las cuales las personas quieran adquirir propiedades en San Felipe?
14. Cuál es el perfil de sus compradores? (personas de negocios, profesionales, jubilados?
15. En comparación con cinco años atrás cómo considera usted que ha sido la inversión en San Felipe mayor, menor o igual? Cuáles serían las posibles razones de esta tendencia?
16. Cuántos empleados tiene su compañía?
17. Cuántos empleos considera usted que han generado los proyectos que usted realiza en el área en el último año? En los últimos ocho años?
18. Son algunos de estos empleados residentes o moradores de San Felipe? Si la respuesta es si, cuántos?
19. Está su compañía de alguna forma directa o indirectamente involucrada en algún proyecto, programa o asociación para crear proyectos sociales que beneficien a los residentes de San Felipe? Cuál es su visión para San Felipe en cinco años?

Survey of Neighborhood Perceptions of Changes in San Felipe de Neri

My name is Maria Adames and I am an instructor in the Department of Geography of the University of Panama. I am currently conducting research for my dissertation. The purpose of this research is to obtain your perception on changes that have occurred in San Felipe in the last five years. I would appreciate if you would agree to answer the following questions to the best of your knowledge. If you cannot or do not wish to answer this survey or any part of this survey, please let me know. I assure you of the confidentiality of your identity.

Street or avenue: _____ Building or house: _____
Room or Apartment: _____ Sector: _____

Please answer the following questions. There is no right or wrong answers. We are only interested in your opinion.

Section I. Your Demographic Information
1. What is your age? _____

2. Sex [ ]
 Male

 (Record of Informant) [ ] Female
3. What is your date of birth? _____
4. Where were you born?
  1. _____Interior of the Country
    1. [ ] Bocas del Toro 7. [ ] Los Santos
    2. [ ] Cocle 8. [ ] Panama
    3. [ ] Colon 9. [ ] Veraguas
    4. [ ] Chiriqui 10. [ ] San Blas
    5. [ ] Darien 11.[ ] Other Comarcas Specify_____
    6. [ ] Herrera

  2. _____Within the province of Panama
      Specify corregimiento _____
        Specify Barrio _____

  3. _____Another country
      Specify country _____

5. What is your marital status?
  1. [ ] Single
  2. [ ] Married
  3. [ ] Divorce
  4. [ ] Widowed
  5. [ ] Never married
  6. [ ] Living with another

7. [ ]   Separated
8. [ ]   Other   Specify_____

6. What is the last year of school you completed (circle one)

None	Grade School	High School	College/U University	Master/Phd/
0	1 2 3 4 5 6 7 8	9 10 11 12	13 14 15 16	17 18 19 20 21

Other: _____Specify number of years _____

7. Including yourself, how many people that are related to you live in this domicile?
        Specify Number of people_____

Section II. Socio-economic information
8. How long have you been living in this neighborhood?
        1. Less than a year   _____
                Number of Months _____

        2. More than a year _____
                Specify Number of Years   _____

9. Where did you live before moving into this area? (CHECK ONLY ONE)

        1. _____Interior of the Country
                1. [ ]   Bocas del Toro 7. [ ]   Los Santos
                2. [ ]   Cocle   8. [ ]   Panama
                3. [ ]   Colon   9. [ ]   Veraguas
                4. [ ]   Chiriqui   10. [ ]   San Blas
                5. [ ]   Darien   11.[ ]   Other Comarcas Specify_____
                6. [ ]   Herrera

        2. _____Within the province of Panama
                Specify corregimiento _____
                Specify Barrio _____
        3. _____Another country
                        Specify country _____

10. How long did you live there?
                1. _____Less than a year
                2. _____More than a year   Specify number of years_____

11. Which of the following best describes you and your spouse's present employment? (CHECK ONLY ONE)

	Heads of household	Spouse
1. Student	[ ]	[ ]
2. Homemaker	[ ]	[ ]
3. Unemployed	[ ]	[ ]
4. Retired	[ ]	[ ]
5. Professional/technical	[ ]	[ ]

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6. Executive/administrator   [   ]   [   ]
7. Middle management   [   ]   [   ]
8. Sales/marketing   [   ]   [   ]
9. Clerical or service   [   ]   [   ]
10. Tradesman/mechanic operator   [   ]   [   ]
11. Self-employed/Business owner   [   ]   [   ]
12. Government/military   [   ]   [   ]
13. Educator   [   ]   [   ]
14. Other   [   ]   [   ]
        Specify_____

12. How many people work in the family including yourself? _____

13. How old are they?
  1. Less than 15 years old   _____
  2. Between 15 and 17 years old _____
  3. Between 18 and 30 years old _____
  4. Between 31 and 40 years old _____
  5. Between 41 and 50 years old _____
  6. Between 51 and 60 years old _____
  7. Between 61 and 64 years old _____
  8. Older than 65 years old   _____

14. How much is your monthly family income in balboas?
    1. [   ] Less than 100.00
    2. [   ] 100.00 to 199.00
    3. [   ] 200.00 to 299.00
    4. [   ] 300.00 to 399.00
    5. [   ] 400.00 to 499.00
    6. [   ] 500.00 to 599.00
    7. [   ] 600.00 to 699.00
    8. [   ] 700.00 to 799.00
    9. [   ] 800.00 to 899.00
    10. [   ] 900.00 to 999.00
    11. [   ] 1000.00 to 1999.00
    12. [   ] 2000.00 to 2999.00
    13. [   ] 3000.00 to 3999.00
    14. [   ] 4000.00 to 4999.00
    15. [   ] More than 5000.00

15. Which of the following best describes your household?
      (CHECK ONLY ONE)
    1. [   ] Single adult living alone
    2. [   ] Single adult living with another single adult or adults
    3. [   ] Single adult living with children or dependents
    4. [   ] Married couple living without children or dependents at home
    5. [   ] Married couple living with children or dependents at home

Housing Tenancy

16. Where do you live?
       1. [   ] House
       2. [   ] Apartment
       3. [   ] Tenement
       4. [   ] Other   Specify_____

17. Is your house or apartment
       1. [   ] Owned
       2. [   ] Rented
       3. [   ] Other   Specify _____

18. If it is owner occupied, how much is the monthly mortgage? _____
19. If it is renter occupied, how much is the monthly rent?   _____

       20. How many bedrooms does your house/apartment have (circle the number)
       1   2   3   4   5   _____Other   Specify _____

21. Has the number of bedrooms in your house/apartment changed compared to five years ago? If the answer to the question is no, please go to Section III.
          1. [   ] Yes
          2. [   ] No

22. If the answer to the previous question was yes, how many bedrooms do you have compared to 5 years ago?
    [ ] 1   [ ] 2   [ ] 3   [ ] 4   [ ] 5
    [ ] Other Specify_____

Section III. Physical conditions of the neighborhood.
       Please listen to each item carefully and tell me the appropriate number that indicates how much you are satisfied or dissatisfied with each of the physical conditions of the neighborhood 5 years ago and today.
       1= Very dissatisfy   2= Generally dissatisfied   3= Neither dissatisfy nor satisfied   4= Generally satisfied   5= Very Satisfied

23. How much are you satisfied or dissatisfied with:

Attributes	Five years ago					Today				
	Dissatisfied			Satisfied		Dissatisfied Satisfied				
1. Cleanliness	1	2	3	4	5	1	2	3	4	5
2. Street light system	1	2	3	4	5	1	2	3	4	5
3. Conditions of the plazas	1	2	3	4	5	1	2	3	4	5
4. Conditions of the parks	1	2	3	4	5	1	2	3	4	5
5. Safety in the neighborhood	1	2	3	4	5	1	2	3	4	5
6. Traffic congestion	1	2	3	4	5	1	2	3	4	5
7. Street conditions	1	2	3	4	5	1	2	3	4	5
8. Level of noise	1	2	3	4	5	1	2	3	4	5
9. Transportation system	1	2	3	4	5	1	2	3	4	5
10. Physical conditions of your home	1	2	3	4	5	1	2	3	4	5
11. Physical conditions of houses in the neighborhood	1	2	3	4	5	1	2	3	4	5
12. General physical conditions of the area	1	2	3	4	5	1	2	3	4	5
13. Collection of garbage	1	2	3	4	5	1	2	3	4	5
14. Quality of life	1	2	3	4	5	1	2	3	4	5
15. Security	1	2	3	4	5	1	2	3	4	5
16. Level of tourism	1	2	3	4	5	1	2	3	4	5

24. Do you consider that the changes in the neighborhood affect your life:
  1. [   ] Very positively
  2. [   ] Positively
  3. [   ] Neutral
  4. [   ] Negatively
  5. [   ] Very negatively

25. Do you have any other comments regarding the physical conditions of the neighborhood?

_____
_____
_____
_____

Section IV. Economic conditions of the neighborhood

Please listen to each item carefully and tell me the appropriate number that indicates how much you are satisfied or dissatisfied with each of the economic conditions of the neighborhood 5 years ago and today.

    1= Very dissatisfied   2= Generally dissatisfied   3= Neither dissatisfied nor satisfied 4= Generally satisfied 5= Very Satisfied

27. How much you are satisfied or dissatisfied with:

Attributes	Five years ago		Today	
	Dissatisfied	Satisfied	Dissatisfied	Satisfied
1. The number of stores	1 2 3 4 5		1 2 3 4 5	
2. The shopping opportunities in the area	1 2 3 4 5		1 2 3 4 5	
3. The quality of retail service	1 2 3 4 5		1 2 3 4 5	
4. The cost of housing	1 2 3 4 5		1 2 3 4 5	
5. The amount of jobs in the neighborhood	1 2 3 4 5		1 2 3 4 5	
6. Parking for commercial activities	1 2 3 4 5		1 2 3 4 5	

27. Do you have any other comments regarding the economic conditions of the neighborhood?

_____
_____
_____
_____

Section V. Items owned or contained within the house/apartment.

28. Do you own or have the following items in your house or apartment?

Items that you or the household has	Yes	No
1. Car	_____	_____
2. Potable water	_____	_____
3. Electricity	_____	_____
4. Refrigerator	_____	_____
5. Television	_____	_____
6. Bathroom	_____	_____
7. Radio	_____	_____
8. Gas range	_____	_____
9. Computer	_____	_____
10. Internet Access	_____	_____
11. CD Player	_____	_____
12. Cellular phone	_____	_____

Infrastructure or services provided by Government or outside agencies

29. Compared to five years ago, tell me the appropriate number that indicates how much you are satisfied or dissatisfied with the following infrastructure or services provided either by the government or outside agencies in the neighborhood.

1= Very dissatisfied 2= Generally dissatisfied 3= Neither dissatisfied nor satisfied 4= Generally satisfied 5= Very Satisfied

Attributes	Five years ago	Today
	Dissatisfied Satisfied	Dissatisfied Satisfied
1. Potable water	1 2 3 4 5	1 2 3 4 5
2. Electricity	1 2 3 4 5	1 2 3 4 5
3. Sewage system	1 2 3 4 5	1 2 3 4 5
4. Access to the street	1 2 3 4 5	1 2 3 4 5
5. Access to mass transit	1 2 3 4 5	1 2 3 4 5
6. Garbage collection	1 2 3 4 5	1 2 3 4 5
7. Access to health care facilities	1 2 3 4 5	1 2 3 4 5
8. Police	1 2 3 4 5	1 2 3 4 5
9. Fire Department	1 2 3 4 5	1 2 3 4 5
10. Ambulance	1 2 3 4 5	1 2 3 4 5
11. Outside street lights	1 2 3 4 5	1 2 3 4 5

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30. Do you have any other comments regarding the infrastructure of the neighborhood?
_____
_____
_____
_____

Section VI. Level of Attachment to the neighborhood

31. Please indicate how much you agree or disagree with each of the following place-attachment statements
        1= strongly disagree   2= Disagree   3= neither agree nor disagree   4= Agree
         5= strongly agree.

Attributes	Five years ago					Today				
	Strongly Disagree				Strongly Agree	Strongly Disagree				Strongly Agree
1. I enjoy living in this neighborhood	1	2	3	4	5	1	2	3	4	5
2. I feel involved in my neighborhood	1	2	3	4	5	1	2	3	4	5
3. If I had to move, I would really miss my neighborhood	1	2	3	4	5	1	2	3	4	5
4. I feel like I belong in this neighborhood	1	2	3	4	5	1	2	3	4	5
5. I am very attached to my neighborhood	1	2	3	4	5	1	2	3	4	5
6. This neighborhood means a lot to me	1	2	3	4	5	1	2	3	4	5
7. I feel like this neighborhood is part of me	1	2	3	4	5	1	2	3	4	5
8. No other place can be compared to this neighborhood	1	2	3	4	5	1	2	3	4	5
9.This neighborhood is the best place to live	1	2	3	4	5	1	2	3	4	5
10. I would like to live in this neighborhood for the rest of my life	1	2	3	4	5	1	2	3	4	5

32. Have you considered moving out the neighborhood?
        1. [   ] Yes
        2. [   ] No

33. If the answer to the above question is yes,
        Why would you move? _____
        Where would you move? _____

34. Would you like to continue living in this neighborhood?
        1. [   ] Yes
        2. [   ] No
        3. [   ] I do not know

35. If the answer to the above question is yes, why would you like to stay?   (Check only the two most important reasons 1= the most important and 2= the second most important)

1. [   ] Accessibility to job
2. [   ] Architectural style of the area
3. [   ] Amenities in the area
4. [   ] I have friends in the area
5. [   ] I have relatives in the area
6. [   ] My ancestors lived in the area
7. [   ] I would like to live the rest of my life in the neighborhood
8. [   ] Other reasons   Specify _____

36. Do you have any other comments regarding your feelings toward this neighborhood?

_____
_____
_____

Section VII. Use of services or facilities in the neighborhood

Please listen to each item carefully and tell me the appropriate number that indicates to what extent you do these activities in your neighborhood during a period of a month compared to five years ago.

37. How often do you:

Question	Number of times five years ago in a month	Other, specify	Number of times In the past month	Other, specify
1. Go to the bank	0 1 2 3 4 5	_____	0 1 2 3 4 5	_____
2. Attend church	0 1 2 3 4 5	_____	0 1 2 3 4 5	_____
3. Go to the public library	0 1 2 3 4 5	_____	0 1 2 3 4 5	_____
4. Walk down a neighborhood street	0 1 2 3 4 5	_____	0 1 2 3 4 5	_____
5. Go to a club or hall	0 1 2 3 4 5	_____	0 1 2 3 4 5	_____
6. Go to a pub or a bar	0 1 2 3 4 5	_____	0 1 2 3 4 5	_____
7. Visit a recreation center	0 1 2 3 4 5	_____	0 1 2 3 4 5	_____
8. Go to neighborhood meetings held by residents, groups, or other organizations	0 1 2 3 4 5	_____	0 1 2 3 4 5	_____
9. Go to a public meeting	0 1 2 3 4 5	_____	0 1 2 3 4 5	_____
10. Visit the museum	0 1 2 3 4 5	_____	0 1 2 3 4 5	_____
11. Visit a park	0 1 2 3 4 5	_____	0 1 2 3 4 5	_____
12. Visit *Las Bovedas*	0 1 2 3 4 5	_____	0 1 2 3 4 5	_____

Section VIII. Neighborhood Involvement.

38. Do you belong to a neighborhood organization? If you do not participate in any organization please go to question 41

     1. [   ] Yes
     2. [   ] No

39. If the answer is yes, to how many community organization (s) do you belong? (Please circle one answer)

     1   2   3   4   5   _____ Other   Specify _____
     Names of the organizations:

      _____

       _____

       _____

40. Why do you belong to these organizations?   (Go to question 42)
_____
_____

41. If your answer is no, why do you not belong to these organizations?
         1. [   ] You have no time
         2. [   ] You are not interested
         3. [   ] You see no point in participating
         4.   [   ]   Other.   Specify
_____
_____

42. Have you participated in any way in the decision making about the future of this community?

     1. [   ] Yes
     2. [   ] No

43. If your answer is yes, how have your participated?
     Specify _____

44. If your answer is no, why you have not participated?
     1. [   ] You have no time
     2. [   ] You are not interested
     3. [   ] You see no point in participating
     4. [   ] Other
        Specify_____

45. Do you think residents should be more involved in the decision making process related to changes in the neighborhood?
     1. [   ] Yes   Specify _____
     2. [   ] No   Specify _____

46. If your answer to the previous question is yes, how should you participate?
     Specify _____

47. If your answer to the previous question is no, why do you think you should not participate?

        1. [   ] You have no time
        2. [   ] You are not interested
        3. [   ] You see no point in participating
        4. [   ] Other
             Specify _____

48. Do you have any other comments regarding your involvement in neighborhood's activities?

_____
_____
_____

Section IX Questions for residents regarding San Felipe as a World Heritage Site.

49. Do you know what a World Heritage Site is?
     1. [   ] Yes
     2. [   ] No

50. Could you define it for me? _____

51. Do you know that San Felipe was declared a world heritage site in 1997?
        1. [   ] Yes
        2. [   ] No

If you moved to San Felipe after 1997, please answer the following questions. If you were living in San Felipe before 1997, please go to question 54.

52. Has the declaration of San Felipe de Neri as a World Heritage Site by UNESCO influenced your decision to move into the area?
        1. [   ] Yes
        2. [   ] No

53. If your answer to the previous question is yes, how much has this factor influenced your decision to move into the area? (1= very little, 3= not influence; 5= very strong influence)

            1   2   3   4   5

Please indicate how much you agree or disagree with each of the following place- attachment statements

        1= Strongly disagree 2= Disagree 3= Neither agree nor disagree 4= Agree 5= Strongly agree.

54. Do you consider that the declaration of San Felipe as a historic district by UNESCO has

Attribute	Disagree			Agree		I Don't know
1. Helped to preserve the neighborhood's heritage	1	2	3	4	5	9
2. Increased community pride	1	2	3	4	5	9
3. Increased community attachment to the area	1	2	3	4	5	9
4. Increased community cohesion	1	2	3	4	5	9

55. Do you have any other comments regarding how the recognition of San Felipe as a World Heritage Site has influenced the neighborhood?

_____
_____
_____

HERITAGE TOURISM

56. Compared to five years ago, do you think that the amount of tourists that visit San Felipe weekly has
        1. [   ] Increased
        2. [   ] Stayed the same
        3. [   ] Decreased
        4. [   ] Other   Specify _____

57. Do you think that the impact of tourism in the neighborhood could be
        1. [   ] Extremely positive
        2. [   ] Positive
        3. [   ] Neutral
        4. [   ] Negative
        5. [   ] Extremely negative

58. What do you think are the most important services that should be improved in the community to attract tourism?
        1. [   ] Transportation
        2. [   ] Water
        3. [   ] Electricity
        4. [   ] Building infrastructures
        5. [   ] Other   Specify_____

59. What policies do you think should be taken in the community to protect historic sites?
        1. [   ] To have stronger laws regarding protection of the historic area
        2. [   ] More tourist policemen in the area
        3. [   ] More programs to guide the community
        4. [   ] Other   Specify_____

60. What do you think are positive aspects that tourism brings to the community?

_____
_____
_____

61. What do you think are the negative aspects that tourism brings to the community?

_____
_____
_____

62. Are you prepared to live in this historic area with all the restoration projects that might be established?
    1. [ ] Yes   Why_____
    2. [ ] No   Why_____

63. Do you participate in any economic activity related to tourism? If your answer to the question is no, please go to question 66.
    1. [ ] Yes
    2. [ ] No

64. If the answer to the question above is yes, what type of activities do you mostly do?
    1. [ ] Selling food
    2. [ ] Tourist Guide
    3. [ ] Parking valet
    4. [ ] Selling products
    5. [ ] Other   Specify_____

65. How much income do you obtain from activities related to tourism?
    1. [ ] _____Weekly
    2. [ ] _____Monthly

66. Are there any other comments you have regarding the changes in the neighborhood or about tourism or both?

_____
_____
_____

67. What do you think are the positives aspects that tourism could bring to the community?

_____
_____
_____.

68. What do you think are the negative aspects of tourism?

_____
_____

69. Are you prepared to live in this historic area with all the restauration projects?

1. [   ] Yes   Why_____
2. [   ] No   Why_____

70. Do you participate in an economic activity related to tourism? If your answer is no, please go to question 71
    1. [   ] Yes
    2. [   ] No

71. If your answer to the above question is yes what kind of activities do you do
    1. [   ] Selling food
    2. [   ] Tourist guide
    3. [   ] Taken care of cars
    4. [   ] Selling products. What kind of products? _____
    5. [   ] Others   _____

72. How much income do you obtain from these activities related to tourism?

        1. [   ] _____Weekly
        2. [   ] _____Monthly

73. Is there any other comments do you want to make in relation to the changes the neighborhood has had regarding tourism or both?

_____
_____

Thank You

Your time has been very valuable and your name and address will not be revealed.

Appendix E.7. Residents' Opinions Regarding How the Declaration of San Felipe as a Part of the Historic District of Panama by UNESCO has Influenced this Neighborhood

Level of agreement	Helped to preserve the heritage	Has increased the prestige of the neighborhood	Has increased the attachment to the neighborhood	Has increased the bound in the community	Has influenced in the rising of the land prices	Has influenced the relocation of people outside of the neighborhood
Total Strongly disagree	100.0 4.9	100.0 2.0	100.0 8.3	100.0 12.7	100.0 8.3	100.0 5.9
Somehow disagree	4.4	2.9	4.9	10.2	2.0	3.9
I don't agree or disagree	7.8	8.3	15.1	20.0	5.4	6.3
I agree	18.0	16.1	18.5	17.1	8.3	7.3
Strongly agree	51.7	59.5	40.0	28.3	61.5	63.9
Did not answer	13.2	11.2	13.2	11.7	14.6	12.7

Appendix E.8. Residents' Perceptions Regarding Physical Conditions of the Neighborhood

Five Years before and the Day of the Survey

Physical conditions	Very dissatisfied to Generally Dissatisfied		Not either satisfied or dissatisfied		Generally satisfied to very satisfied	
How dissatisfied to very satisfied are you with:	Before[199] %	After[200] %	Before %	After %	Before %	After %
Cleanliness	14.1	12.7	23.9	17.1	55.6	68.8
Lights	20.0	10.2	22.4	23.4	49.3	75.1
Cleanliness of the neighborhood	15.6	8.3	24.9	13.7	48.2	72.2
Quality of life	22.0	19.0	29.3	25.4	40.0	52.7
Infrastructure for tourist activities	16.6	8.3	20.0	10.7	53.1	75.6
Plazas conditions	19.5	6.8	27.8	12.7	43.9	75.6
Parks conditions	15.6	3.9	26.3	12.7	49.7	80.5
Security of Neighborhood	28.3	25.4	22.9	17.6	41.4	55.2
Traffic jam	22.0	18.5	21.0	19.0	48.8	60.0
Street conditions	24.4	17.6	27.8	24.9	40.5	54.7
Noise level	29.8	31.2	13.2	10.2	50.7	56.6
Transport system	24.9	24.9	15.6	12.7	51.7	60.0
Physical conditions of your houses	25.9	28.3	29.8	28.8	35.6	39.5
Housing conditions of neighborhood	32.7	34.6	34.1	30.7	24.4	31.2
Physical conditions of the area	26.3	22.4	32.2	27.8	30.7	55.4

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[199] It refers to five years earlier.
[200] It refers to the day of the survey. November 28 2005.

Appendix E.9. Residents' Perceptions Regarding Economic Conditions of the

Neighborhood Five Years before and the Day of the Survey

Economic conditions	Very dissatisfied to generally dissatisfied		Neither satisfied nor dissatisfied		Satisfied to very satisfied	
	Before	After	Before	After	Before	After
To what extent are satisfied or dissatisfied with :	%	%	%	%	%	%
Number of stores	21.5	24.4	16.6	18.0	56.1	56.6
Pharmacies	42.0	45.9	18.5	18.5	31.7	34.1
Restaurants	12.7	4.9	22.0	13.7	56.6	78.6
Hotels	40.5	40.0	22.9	24.9	27.3	31.2
Opportunities to buy in the neighborhood	20.5	19.0	16.1	13.7	55.1	63.4
Cost of housing	23.9	37.6	24.4	17.6	41.0	39.0
Amount of jobs in the neighborhood	42.4	43.9	27.3	24.4	18.0	23.4
Level of employment	41.0	45.9	22.0	19.5	17.5	20.0
Number of parking lots	45.9	47.8	25.4	20.0	21.5	29.3

Appendix E.10. Residents' Perceptions on the Social (QOL) Conditions of the

Neighborhood

Social (QOL) Conditions How satisfied you are with:	Very dissatisfied to generally dissatisfied		Not either satisfied or dissatisfied		Generally satisfied to very satisfied	
	Before **%**	**After** **%**	**Before** **%**	**After** **%**	**Before** **%**	**After** **%**
Potable Water	9.8	8.3	11.2	13.2	73.1	78.0
Electricity	7.3	5.4	8.8	10.7	77.0	83.4
Sewage system	17.6	15.1	26.3	19.5	49.3	62.4
Street maintenance	20.5	11.7	22.9	33.7	47.3	62.4
Access to public transportation	15.1	17.1	20.0	15.6	56.1	65.4
Garbage recollection	8.3	3.4	12.7	5.4	71.2	88.7
Access to health services	12.2	6.3	15.6	12.2	63.0	77.6
Safety given by police	15.1	19.0	19.0	16.6	49.3	61.4
Fire department in case of fire	19.5	15.1	16.6	10.7	54.6	71.2
Ambulance services	25.9	21.5	23.9	18.0	40.0	57.1
Street lights	18.0	9.8	16.1	12.2	59.0	76.6
Cleanliness and maintenance of historic monuments	16.1	9.3	15.6	8.3	60.0	80.0

Appendix E.11. Recoding for Demographic, Social, and Economic Variables

Demographic, social and economic variables	Recoding	Recoding number
Length of residency	0 – 10 years (Short time resident) 10.1 – 30 years (Medium time resident) 30.1 – 83 years (Longtime resident)	= 1 = 2 = 3
Income(heads of household)	$ 0 to 500.00 (Low income) 501.00 to 1000.00 (Medium income) 1001.00 to 4000.00 (High income)	= 1 = 2 = 3
Education	1 to 6 years (Low schooling) 7 to 12 years (Medium schooling) 13 to 22 years (High schooling)	= 1 = 2 = 3
Housing	Condemned houses(5) Given houses (4)	= 1
	Rented houses (3)	= 2
	Owned houses (1) Mortgage houses (2)	= 3
Employment	Student (1) Housewife (2) Unemployed (3) Retired (4)	= 1
	Maid (8) Independent (9) Patrono (10) Family worker (11) Work for a cooperative (12) Informal sector (13) Other (14)	= 2
	Government employee (5) Private employee (6) Panama Canal Employee (7)	= 3
Neighborhood Attachment	Negative perception Neutral perception Positive perception	= 1 = 2 = 3
Sex	Male Female	= 1 = 2
Age	18 – 30 31 – 50 51 – 83	= 1 = 2 = 3

Appendix E.12. Chi Square Results for the Differences among Length of Residency and the Physical, Economic and Social Indices

	Physical Index 2005 Recoded	Length of Residency Recoded	Economic Index 2005 Recoded	Social (QOL) Index 2005 Recoded
Chi –Square	221.123[a]	10.794[b]	55.554[c]	323.324[b]
Df	2	2	2	2
Significance level	.000	.005	.000	.000

a. 0 cells (.0%) have expected frequencies less than 5. The minimum expected cell frequency is 67.7.

b. 0 cells (.0%) have expected frequencies less than 5. The minimum expected cell frequency is 68.0.

c. 0 cells (.0%) have expected frequencies less than 5. The minimum expected cell frequency is 67.3.

Appendix E.13. Chi Square Results for the Differences among Income of Heads of

Household and the Physical, Economic and Social (QOL) Indices

	Physical Index 2005 Recoded	Economic Index 2005 Recoded	Social (QOL) Index 2005 Recoded	Income Heads of Household Recoded Recoded
Chi -Square	221.123[a]	55.554[b]	323.324[c]	191.172[d]
Df	2	2	2	2
Significance level	.000	.000	.000	.000

a. 0 cells (.0%) have expected frequencies less than 5. The minimum expected cell frequency is 67.7.

b. 0 cells (.0%) have expected frequencies less than 5. The minimum expected cell frequency is 67.3.

c. 0 cells (.0%) have expected frequencies less than 5. The minimum expected cell frequency is 68.0.

d. 0 cells (.0%) have expected frequencies less than 5. The minimum expected cell frequency is 52.3.

Appendix E.14. Chi Square Results for the Differences among Years of Schooling

and the Physical, Economic and Social (QOL) Indices

	Physical Index 2005 Recoded	Economic Index 2005 Recoded	Social (QOL) Index 2005 Recoded	Income Heads of Household Recoded Recoded
Chi -Square	221.123[a]	55.554[b]	323.324[c]	74.000[d]
Df	2	2	2	2
Significance level	.000	.000	.000	.000

Appendix E.15. Chi Square Results for the Differences among Attachment to the

Neighborhood and the Physical, Economic and Social (QOL) Indices: 2005

	Physical Index 2005 Recorded	Economic Index 2005 Recorded	Social (QOL) Index 2005 Recorded	Attachment Index After Recorded
Chi-Square	221.123[a]	55.554[b]	323.324[c]	187.376[b]
Df	2	2	2	2
Significance Level	.000	.000	.000	.000

a. 0 cells (.0%) have expected frequencies less than 5. The minimum expected cell frequency is 67.7.

b. 0 cells (.0%) have expected frequencies less than 5. The minimum expected cell frequency is 67.3.

Appendix E.16. Chi Square Results for the Differences among Housing Tenancy and the Physical, Economic and Social (QOL) Indices.

	Physical Index 2005 Recoded	Economic Index 2005 Recoded	Social (QOL) Index 2005 Recoded	} Housing Tenancy Recoded
Chi-Square	221.123[a]	55.554[b]	323.324[c]	56.849[d]
Df	2	2	2	2
Significance level	.000	.000	.000	.000

a. 0 cells (.0%) have expected frequencies less than 5. The minimum expected cell frequency is 67.7.

b. 0 cells (.0%) have expected frequencies less than 5. The minimum expected cell frequency is 67.3.

c. 0 cells (.0%) have expected frequencies less than 5. The minimum expected cell frequency is 68.0.

d. 0 cells (.0%) have expected frequencies less than 5. The minimum expected cell frequency is 68.3.

Appendix E.17. Chi Square Results for the Differences among Employment

Structure and the Physical, Economic and Social (QOL) Indices

	Physical Index 2005 Recorded	Economic Index 2005 Recorded	Social (QOL) Index 2005 Recoded	Housing Tenancy Recoded
Chi-Square	221.123[a]	55.554[b]	323.324[c]	25.265[d]
Df	2	2	2	2
Significance Level	.000	.000	000	.000

a. 0 cells (.0%) have expected frequencies less than 5. The minimum expected cell frequency is 67.7.

b. 0 cells (.0%) have expected frequencies less than 5. The minimum expected cell frequency is 67.3.

c. 0 cells (.0%) have expected frequencies less than 5. The minimum expected cell frequency is 68.0.

Appendix E.18. Chi Square Results for the Differences among Sex of the

Interviewee and the Physical, Economic and Social (QOL) Indices

	Physical Index 2005 Recorded	Economic Index 2005 Recorded	Social (QOL) Index 2005 Recorded	Sex Recorded
Chi-Square	221.123[a]	55.554[b]	323.324[c]	96.624[d]
Df	2	2	2	2.00
Significance level	.000	,000	,000	,000

a. 0 cells (.0%) have expected frequencies less than 5. The minimum expected cell frequency is 67.7.

b. 0 cells (.0%) have expected frequencies less than 5. The minimum expected cell frequency is 67.3.

c. 0 cells (.0%) have expected frequencies less than 5. The minimum expected cell frequency is 68.0.

d. 0 cells (.0%) have expected frequencies less than 5. The minimum expected cell frequency is 68.3.

Appendix E.19. Chi Square Results for the Differences among Age of the

Interviewee and the Physical, Economic and Social (QOL) Indices

	Physical Index 2005 Recorded	Economic Index 2005 Recorded	Social (QOL) Index 2005 Recoded	Housing Tenancy Recoded
Chi-Square	221.123[a]	55.554[b]	323.324[c]	14.937[d]
Df	2	2	2	2
Significance Level	.000	.000	. 000	.000

a. 0 cells (.0%) have expected frequencies less than 5. The minimum expected cell frequency is 67.7.

b. 0 cells (.0%) have expected frequencies less than 5. The minimum expected cell frequency is 67.3.

c. 0 cells (.0%) have expected frequencies less than 5. The minimum expected cell frequency is 68.0.

d. 0 cells (.0%) have expected frequencies less than 5. The minimum expected cell frequency is 68.3.

Appendix E.20. Chi Square of Residents and Ex-Residents of San Felipe by Category: 2005 to 2008

CATEGORY	TOTAL	POSITIVE	NEUTR	NEGATIVE		TOTAL	POSITIVE	NEUTR	NEGATIVE
ATTACHMENT									
TOTAL	61	52	1	8		59	43	7	9
NEIGHBORHOOD	21	18	0	3		23	18	1	4
TO LIVE|FAMILY	21	17	0	4		25	17	4	4
TO MISS	19	17	1	1		11	8	2	1
AESTHETICS									
TOTAL	99	50	10	39		36	24	5	7
TOURISM|TOURIST	20	13	3	4		12	10	1	1
HERITAGE|HISTORIC	40	23	5	12		12	5	3	4
TO PRESERVE/ TO CONSERVE/TO RESTORE|BONITO	39	14	2	23		12	9	1	2
RESISTANCE AND COMMUNITY INVOLVEMENT									
RESISTANCE									
TOTAL	92	16	3	73		72	4	7	61
AUTHORITY/GOVERNMENT	33	10	0	23		34	2	2	30
TO LEAVE/TO EVICT/TO KICK OUT	59	6	3	50		38	2	5	31
COMMUNITY INVOLVEMENT									
PARTICIPACION									
TOTAL	7	1	1	5		5	3	1	1
COMMUNITY CHALLENGES	31	4	1	26		58	21	13	24
HOUSING	19	2	1	16		41	11	10	20
QUALITY OF LIFE|MAL VIVIR	12	2	0	10		17	10	3	4
PHYSICAL AND ECONOMIC CHANGES									
TOTAL	73	29	5	39		41	14	6	21
TO INVEST/TO BUY/TO SELL/	35	9	2	24		11	2	1	8
CHANGES	38	20	3	15		30	12	5	13
SATISTACTION WITH SAN FELIPE									
TOTAL	42	30	3	9		18	12	3	3
NEIGHBORHOOD FUTURE									
TOTAL	19	13	1	5		22	10	4	8
SATISFACTION WITH NEW PLACE									
		No aplica	No aplica	No aplica		23	15	2	6
		TOTAL	YES	NO	D NOT ANSWER				
EXRESIDENTS DESIRE TO COME BACK TO THE NEIGHBORHOOD		12	8	1	3				

Appendix E.21. Example of Buildings and Apartments that Have Been Restored and Renovated and Their Prices.[201]

BUILDING	TYPE	PRICE (*in dollars*)	LOCATION	STATUS	PICTURES OBTAINED FROM *COMPANIES* WEBSITE	SOURCES: WEBSITE
Casco Viejo Park View Office Building	Commercial building Office retail and storage	2,525,000	Avenue A close to Santa Ana Park	SOLD		http://liveinvestpanama.com/listing/casco-view-park-view-office-building
Casco Viejo Ocean View Building	Commercial building	$625,000	Street 12 and A avenue	SOLD		http://liveinvestpanama.com/listing/casco-viejo-ocean-view-building
Casco Viejo Apartment Building	Commercial Building	$2,575,000	Intersection of Avenida B and Calle 12 East	SOLD		http://liveinvestpanama.com/listing/casco-viejo-apartment-building
Casco Viejo Old Mansion Shell	Commercial building	$465,000	Avenue A	SOLD		http://liveinvestpanama.com/listing/casco-viejo-old-mansion-shell
Casco Viejo Park View Building	Commercial building	$475,000	Avenue A	SOLD		http://liveinvestpanama.com/listing/casco-viejo-park-view-building
University Club	Apartment	$270.000	Calle 2da Oeste	For re-sale		http://www.sanfelipe.com.pa/Portals/0/mapa.html
Casa Arango	Restored Townhouse	697,000	Avenida B y calle 10 este	For re-sale		http://www.sanfelipe.com.pa/Portals/0/mapa.html

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[201] Information obtained from the company's website

Casa Velazquez*		N/A	Avenida A y plaza Herrera			http://www.sanfelipe.com.pa/Portals/0/mapa.html
Casa Elizabeth*		N/A	Avenida A y plaza Herrera			http://www.sanfelipe.com.pa/Portals/0/mapa.html
Casa Obispo*			Casa 10 este			http://www.sanfelipe.com.pa/Portals/0/mapa.html
Casa Garay	Apartment	265,000	Calle 9na este	For re-sale		http://www.sanfelipe.com.pa/Portals/0/mapa.html
Condominio La Merced*		N/A	Calle 9na este			http://www.sanfelipe.com.pa/Portals/0/mapa.html
Cuatro Casas-Casa Ardila	Apartment	500,000	Avenida A	For re-sale		http://www.sanfelipe.com.pa/Portals/0/mapa.html http://www.sanfelipe.com.pa/Clasificados_Mayo25.pdf
La Legación	Apartment	345,000	Avenida Central and calle 4ta	For re-sale		http://www.sanfelipe.com.pa/Portals/0/mapa.html

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Edificio Art Deco	Loft	540,000	Avenida A	For re-sale (March 2012)		http://www.sanfelipe.com.pa/Clasificados_Mayo25.pdf
Condominio Hotel Colombia	Apartment	525,000	Bolivar Plaza	For sale (March 2012)		http://www.sanfelipe.com.pa/Clasificados_Mayo25.pdf
Ph Callejon Del Chicheme	Apartment	409,000	Plaza Bolivar	For Sale (March 2012)		http://www.sanfelipe.com.pa/Clasificados_Mayo25.pdf
Edificio Casa Ruigar	Apartment	385,000		For re-sale (March 2012)		http://www.sanfelipe.com.pa/Clasificados_Mayo25.pdf
Casa Marquez Del Portago	1+Studio	265,000	Close to the Presidential Palace	For re-sale (March 2012)		http://www.sanfelipe.com.pa/Clasificados_Mayo25.pdf
Casa San Miguel	Plot and building	900,000		Restored building for sale		http://www.sanfelipe.com.pa/Clasificados_Mayo25.pdf
Condominio Benedetti Hermanos	Commercial local on the first floor	1,500,000	Avenida Central	Restored floor of the building for sale		http://www.sanfelipe.com.pa/Clasificados_Mayo25.pdf

* Information not available on the website.