

Sin Arancel de por Medio – Episode 4**Panama Among Giants: Sovereignty, the Canal, and Global Power**

Full Transcript

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Oscar Guinea: Welcome to Sin Arancel de Por Medio, ECIPE's Spanish-language podcast. I am Oscar Guinea.

Renata Zilli: And I Renata Zilli.

Oscar Guinea: In this episode we have the pleasure of talking with Panamanian diplomat Carlos Ruiz-Hernández, until a few months ago deputy foreign minister of the Republic of Panama. Carlos has an outstanding diplomatic career. Among its achievements is Panama's entry as a non-permanent member of the United Nations Security Council since January 2025.

Carlos is currently a senior foreign policy advisor at the Washington-based Center for Strategic and International Studies, known by its acronym CSIS, and a Senior Fellow of the Inter-American Dialogue.

Carlos, welcome to the podcast.

Carlos Ruiz-Hernández: Thank you very much, thank you very much for the invitation, Oscar and Renata.

Renata Zilli: Carlos, I'm very pleased to have you here after not seeing each other for several years. For us at ECIPE it is a real pleasure to have your great experience and diplomatic career in this podcast and at this time when the focus of the international political world is on Panama. On several occasions, the president of the United States, Donald Trump, has spoken about the idea of recovering the Panama Canal and with a rather threatening tone. In fact, he mentions it in his inaugural speech that he is going to retake the Panama Canal.

But before we dive into that topic, I'd like to take a step back and ask you to share with us the international vision of a country as small as Panama. When we study and analyse international relations, most of the time we look at the actions and policies of large countries that influence global politics and it is a fact that we pay little attention to smaller economies.

So, tell us how we can understand the place and vision of Panama in the world.

Carlos Ruiz-Hernández: Yes, thank you for the question. The truth is that I think it is quite important to start like this. As you say, I believe that for a long time international relations for small countries and states like mine were automatic because there was a type of stability, a type of harmony, a type of concert of nations that had been going on for decades and coincidentally at this time, not only because of the conversations of the current President Trump and because of everything you are seeing. but there we are facing a movement of the tectonic plates that sustain the international system and that is coincidentally what is at the centre of President Mulino's foreign policy and that is the message that when it comes to formulating positions, the strategy and evaluating where it is and where we want to take Panama, Where the president wants to take Panama in terms of foreign policy is precisely that. To understand that at this precise moment there is a change in the bases that connect not only the economy, but also political relations, the identity relations of the peoples and it is precisely, as I was saying, what is at the centre of our politics, to present ourselves to the world as a country that understands the geopolitical reality of the world right now, that understands that we have to be flexible when it comes to evaluating rhetoric, evaluating positions, evaluating memorandums, evaluating comments, evaluating friendships, recalibrating positions and never losing sight of the fact that we are a completely democratic country, that we have our own internal

struggles, but basically respecting international law and respecting our Democratic Charter and that of other countries.

Renata Zilli: Hey, but precisely, what a good time, that is, it seems that all the stars are aligning and this 2025, Panama also began its two-year term as a non-permanent member of the United Nations Security Council. You were Panama's ambassador to the UN in 2011 when you were only 27 years old and I would like, from your experience, that you tell us what is the degree of influence of Panama in this forum, in the decision-making of high politics, at this time when you mention that the tectonic plates of geopolitics are in adjustment and then it has quite complex years. which include the war in Ukraine, a conflict in Gaza, in Israel, now recently with the Middle East, with the conflict in Iran. So, well, Panama does not have it easy, in addition to its own agenda. So, I would like you to tell us what Panama's position is, what are the values of foreign policy in Panama, how they materialize in the highest decision-making body of the international system, such as the Security Council, and if you can tell us what they are, how would you say this period was successful, how would this period be successful for Panama these two years, no?

Carlos Ruiz-Hernández: Well, yes, of course. Looking at it from an exclusive foreign policy point of view, well, part of the important thing about that chair that we have in the Security Council, as I was explaining to you, is to demonstrate to our colleagues in that chair, at that table, that we have the capacity to understand and understand the dynamics of each conflict. At the same time, then, it is to position our country as a vital player, which we have always been, and coincidentally the chair, our seat on the Security Council, began a few months ago, in January, a scant 30, 40 days after the current president of the United States put us with his comments and his opinions at the centre of the matter.

Then, the planets align. So, what President Mulino sees within the Security Council is a great opportunity to present ourselves as that actor, not only neutral, but restrained, right? Use that chair to make contributions in an active way, a very active way, not being passive.

So, I think that measuring success is precisely that, to take the message to the world that we Panamanians are a completely democratic country, where we have these conversations about foreign policy openly with our people, with our teams, with our partners, with our allies. And, then, I think that there becomes very interesting is the recalibration of our foreign policy. And what I am referring to is those strategic alliances, that strategic alignment with countries that share democratic values, with countries that share the relationship that peoples have with human rights, the relationship that Latin American countries have historically with the United States and with Europe as well.

Also to understand that we live from that seat in the Security Council, to understand that we are in a world where, in English the concept is called Great Power Competition, to understand that we are back entering an era in the international system where there are two forces that are pushing a multipolar world towards a slightly more bipolar reality, within an international system that accommodates many needs of the peoples. And I think that's where Panama can be a conduit to carry that conversation, a conversation that, as you said, is high, a conversation that is also malleable.

In a single session, a single resolution, a single decision, a single vote are not going to make a difference. It is an accumulation of decisions; it is an accumulation of positions that must be flexible at the end of the day. As you mentioned, the conflict in Ukraine, the conflict in Gaza, until a few hours ago a new conflict, a war, a conflict that is looming between two key countries in the Middle East.

So, there's a lot to weave in there. So, success will be measured, I think that nothing is in advance, but it will be measured to the extent that we as a country can participate in an active and not passive way.

Oscar Guinea: Let's dissect these two giants of international politics. Let's start with Uncle Sam. A few weeks ago you published an [article in Americas Quarterly](#) where, Carlos, you took a realistic and pragmatic stance on how Panama should respond to, as Renata has said, one of the biggest

diplomatic crises in its recent history, openly President Donald Trump's threat that the United States could retake control of the Panama Canal.

In this article, it is all very well, and I recommend to everyone, you advocate cooperation rather than confrontation, recognizing the deep symmetry of power between the two countries. Tell us a little more about your vision.

Carlos Ruiz-Hernández: Well, yes, of course, the key word there is pragmatics and that has been the position of President Mulino and the team of those who were involved in this whole issue and that is to understand, regardless of who is in the White House, to understand that the relationship between my country and, as you say, Uncle Sam, it is a historical relationship and our job is to keep it that way, regardless of the rhetorical X or Y that may come out at any given time. We received in Panama two visits from the two highest and most powerful secretaries in President Trump's cabinet, the cabinet of the secretary of state and the secretary of defence, and on both occasions the conversations were incredibly cordial, and the messages were quite clear, quite transparent, in which there is mutual respect between the countries. respect for our country's sovereignty over the Panama Canal. I urge you to see the Secretary of Defence in his final farewell message when he was leaving our country, where he explicitly talks and respects the sovereignty of our country over the Panama Canal.

In other words, on the issue of the bilateral relationship, the issue of recovering the channel, all those ideas, all those powerful ideas, such strong philosophical ideas that have been in the media, when it comes to landing them in the bilateral relationship, is transformed into a pragmatic and respectful relationship. What President Trump has been talking about on many occasions with respect to recovering the channel, that idea is always married to, obviously, what he was saying before the Great Power Competition and China's presence in Latin America. In that sense, President Murillo was always calm, he was always calm.

Sovereignty is something that is not negotiable, it is something that he has never been concerned about, because there is no real threat to attack the sovereignty of our country. It is a slightly more complex conversation about China's presence not only in Panama, but in Latin America. And that conversation of President Mulino, long before President Trump was elected at that time, because we began the term in July 2024, President Mulino, with a pragmatic vision, was always evaluating the relationship that he inherits as president with China.

That disaster that President Mulino inherits, a disaster in terms of foreign policy, because that relationship with China happened overnight, it happened without a process, a public debate, port concessions were approved that were not within his mandate, and there is a lot to say there, there is a lot to talk about there. So, President Mulino said, well, we are going to analyse this situation from a pragmatic point of view, we are going to carry out an analysis of what the presence of China means, what these memorandums 27, 28, 29, I don't remember clearly, of the BRI, the Silk Road, what has brought benefit to Panama, what has not brought benefit to Panama. We are going to revisit history in how that relationship in two past administrations is strengthened without having considered the geopolitical situation or anticipating the geopolitical situation in which we are today. And so, as I was saying, that rhetoric of recovering the Panama Canal is something that President Mulino has somehow not cared about, because the Chinese presence in Panama has absolutely nothing to do with the Panama Canal.

The Panama Canal is a global asset that is administered by an authority completely independent of the national government, which is the Panama Canal Authority, it is a completely autonomous authority, exclusively 100% Panamanian, which despite, in addition to managing and operating the canal in an extremely efficient way, very internationally recognized, in addition to all that, it is an authority and it is an entity that has expanded the operations of the canal in a way that is not only efficient, but has brought a lot of economic and social policy profitability to the country. So, from that point of view, the president has never been insecure about sovereignty or what power we Panamanians have over the canal, which is purely exclusive. So, the president has pragmatically focused on what is behind the lines of, as they say, populist rhetoric, let's talk in a way like that.

So, that is where President Mulino and his team, with the work teams of Secretary Hegseth and Secretary Rubio, at the time we had the clarity and to have those conversations about it. And that's where we are. Obviously, that doesn't happen overnight.

We are talking about months of negotiations, months of conversations, of sitting down with a government that, right now we are talking about the Panama Canal, but I don't know if you remember, on July 1, 2024, which is when President Mulino's term begins, that day President Mulino makes a recalibration of our relationship with the United States by signing a memorandum of understanding to address migration problems. Migratory problems that do not begin in Panama transcend our borders, but the impacts, not only psychological, human rights, environmental, and resources, affect Panama.

So, in that, President Mulino decides to forget any kind of conversation about the bilateral relationship and simply put the relationship to work. And it is there, it is the same, it is the same approach that he has had with this whole conversation of the Panama Canal. Aside from the rhetoric, let's sit down and work with our allies, which there are, let's use diplomacy, let's use diplomatic channels, and that's where President Molino has continued to work systematically and I don't have, now I'm out of the government, I don't have any sign that that's going to change in the future.

Renata Zilli: Going back to your *Americas Quarterly* article, on May 6, you told me that you are about to publish a new one, maybe at the end we can talk about it and tell us what the follow-up is, but I was struck by the fact that you refer to the Panama Canal as a global good, because through this monumental infrastructure work, I have been there, by the way, goods and ships of all nationalities cross.

To give you an idea of the magnitude of our audience, more than 180 marine routes converge through the Panama Canal that connect with 170 countries and almost 2,000 ports around the world, and precisely for this reason it was agreed since the Torrijos-Carter treaty that the canal would be a corridor of neutrals. In theory, a sovereign country can choose who to trade with and decide which companies can operate in its territory, but going back to the issue of neutrality and China, you are telling us that there is no such presence of China in the canal or in its ports, but you are also saying, you are telling us that President Mulino inherits a disaster, a disaster, and I would like you to explain what that means and also connect it with the presence of China in Latin America, because there are some ports that are being operated by companies, perhaps not Chinese, but from Hong Kong, and then it is considered that there could be influence and there are negotiations to retake these ports by other international companies, so we have to have a balance of which companies are operating these terminals.

But I would also like us to address the issue of the BRI, of the Silk Road in Latin America, because it seems to me, I still don't know if it is a fact, but there are already some opinions, some articles, that Panama would be willing to be the first country in Latin America, even to get out of this mega infrastructure project of China. which would mean a very interesting political position, because let's remember that one of the issues for which, there is a political connection, enters the BRI, but there is also an issue there with the ceasing to recognize Taiwan as an independent country at that time, and maybe this is part of what you say it inherits, so what is the future, what is the future of Panama's relationship with China, in this context of this Great Power Competition, its participation in the BRI, and of course, think about how that impacts Panama's foreign policy, and please really explain to us what the presence is. We understand that Trump's discourse is populist, and somewhat appeals to his base, to his internal politics, but what is the tangible reality, that is, what is happening today in the Panama Canal.

Carlos Ruiz-Hernández: The truth is that yes, yes, you threw me there a lot, but very important, I mean, let me see how I can divide it for you, three points that I recognize in your question, first neutrality, the second is something that I have defined as the political philosophy of the story, the philosophy of what it means that China is in Panama, and how the ports play, and how was the differentiation between the ports and the Panama Canal, if China, if the United States, if Panama, that is, that is a second point, and the third is the issue of the BRI.

Let me start with the last thing, a very clear idea, President Mulino, something that we did, part of the architecture of the foreign policy of his government, was the decision not to, to leave, that is, to leave the BRI, the silk road, it is a group of memorandums that in the words of the president, Panama has not been brought anything more or less, so being a pragmatic man in foreign policy, those memorandums of what are useful to me, what have the Panamanians been useful to us, so the president decides not to renew the country's participation in all these agreements that together form the Silk Road, Panama in 2017, in Latin America, became the first country, I think the only country in Latin America to have signed all those MOUs around the Silk Road, in my opinion a blunder of that administration, in the administration of the president, former president Juan Carlos Varela, today a man without a visa and with many legal problems in my country, that decision seemed to me at the time, I was coincidentally here in Washington, quite short-sighted, and many of those results not because of Donald Trump, but much the consequence of that decision at that time, not because of Donald Trump and I want to repeat it, is seen today in how world geopolitics is moving, that was a decision that was not taken with a vision of the future and that does not represent. And now I come back to the first point about neutrality.

It does not represent the reality that Panama plays and the role that Panama plays as a neutral country, in that sense, you mentioned Taiwan, back then, and I think I put it in the article, back then, that former president, that former administration, from one day to the next without talking, without having a public debate, without talking with our most important partners, including the United States, the U.S. ambassador, the U.S. ambassador, the president basically lies to his face that we were not going to make such a move to send Taiwan home and bring China, and that happens, that was a lie that was told to that ambassador, so *plain and simple*, and Panama decides to open up to China without having consulted with anyone or ourselves, then that diplomatic *faux pas* becomes like a snowball effect, right, and over the years a Chinese investment begins that is not the type of investments and transactions that our justice system, to which our system of economic policy, in our system of handling transactional issues is usually accustomed to handle, and that is what happens with all these Chinese investments throughout Latin America, that is an issue that is quite studied, so that is where the issue of neutrality and what we call it in the Mulino administration begins, strategic neutrality, Panama is a country that recognizes itself, the Switzerland of the Americas, etcetera, etcetera, etcetera, we like to see ourselves precisely because of the global *asset* that is the canal, it is a canal that is open to the world, neither one nor the other, so what happens? That the canal is neutral, but the government of Panama and the Panamanians are a separate entity, we are a separate country, we are the government and that is where President Mulino has very pragmatically tried to draw that line, correctly in my opinion, of that strategic neutrality, that recognizes that there is a Great Power Competition, that recognizes that there are tectonic plates very similar to the concert of nations and the Congress of Vienna in 1815, we are going through for the first time in centuries an internal review of what the international system means, so the government of President Mulino has to be strategic and flexible when it comes to understanding these geopolitical realities and accommodating the need and priority that we Panamanians have to continue being a neutral, strategically neutral country, without having to align ourselves with any bloc, which does not exist at the moment yet, as in the Cold War, but that reality exists and we have to recognize it, so that is the foreign policy exercise that we have been accustomed to, it is where that part of strategic neutrality comes in, as I was saying.

So, you talk about the ports, as a second point I was saying, to answer your question, that thing about the Chinese ports, in quotation marks, around the Panama Canal is a philosophical-political issue. The Panama Canal strip, the Panama Canal, if you look at the Panama Canal, it's distinctly Panamanian, period. The country is sovereign over that territory by the Torrijos-Carter treaties.

And that is a reality that must not be released, while one more defends something that does not exist... How to tell you? There is no need to defend sovereignty from that point of view because it exists and that's it.

Sovereignty is exercised; it is not defended. And Panama exercises its complete sovereignty over the Panama Canal and that is the principle where President Mulino, without insecurities, goes out

to talk with anyone, and in this case President Trump and his government. "Hey, we're sovereign here, period."

What is the second point? So, the second point is this talk of the ports, the blessed Chinese ports. If you look at the Panama Canal strip, in the Pacific Ocean and in the Caribbean Sea, yes, there are two ports, and there are two ports that are operated by a company that is headquartered in Hong Kong.

And today there is a very big conversation about whether Hong Kong is Chinese or independent, or Chinese or independent for some things, and it is a conversation that, like everything today, changes. What can be seen is that there is an effort by the People's Party and the central government in China to exert more control over Hong Kong. And that control affects a lot, and this is a clear secret, that Hong Kong-based companies today must be singing and dancing to the tune of the party.

So, that's where the conversation comes from. Those ports that are managed by a Hong Kong-based company, are they from China or are they not from China? So, something very interesting happens there.

Before President Trump took power, President Mulino already had this conversation with his foreign policy teams, with me, with the foreign minister, with everyone. The country is clearly a secret that my country, for one reason or another, the sectors that have to do with logistics and maritime, have not been happy with that concession and how that concession has been given. And that's why President Mulino decides before, and this is the key part of all of this, before President Trump took or was even elected, my president begins to evaluate, from a foreign policy conversation he begins to evaluate these concessions and he intends to go out to, well, they have to be audited, we have to be transparent, we are going to, as a government, evaluate not only these concessions, but all the concessions that are there, because we have a problem with a Canadian company that has a mine in Panama, so we have to start dismantling and cleaning up all that fabric, that is why I said, President Mulino inherits a disaster that has a lot to do with international relations and with international companies in my country.

So, this idea that the conversation has that there are two ports at the mouths that belong to China, is where this whole philosophical-political problem that I call it begins. The canal is completely controlled by Panama, period. There are two ports, yes, that operate two, that are operated by a company, that there is a, you can have a conversation about whether they are Chinese or not, but those ports do not control the Panama Canal, those ports do not affect the operability of the Panama Canal. The Panama Canal is a global asset open to world trade and Panama has all the tools to defend itself, to open up, to operate, to have the talks, to legally block movements that affect its operability, etcetera, etcetera, and it has the canal, the Panama Canal authority has the government as an ally to come out and defend the canal.

That is true, something that is very true, we are also there as a government, as a country and like, I imagine, the Panama Canal, which I am not talking about the canal, the authority of the Panama Canal, a conversation as a way of carrying out any kind of defence. If we have to have conversations about improving the systems that exist to protect us from cybersecurity threats, to protect ourselves from some type of threats that affect, all those conversations can be had not only with the United States, but with ourselves and any other type of ally, Dutch companies, German companies, that is, it is a conversation that will always be there. So, I'm telling you, it's moving on from populist rhetoric, regardless of whether it's happening in the United States or in Panama, because we in Panama have also had this populist conversation. President Mulino, by moving foreign policy, by advancing the foreign policy agenda, has triggered several protests and comments that are very unfair to President Mulino and what he was doing, because they do not accommodate and do not consider the pragmatic way in which the president has really recalibrated foreign policy. which was non-existent in my country.

Panama is coming out of a winter of foreign policy and when it comes to engage, we must do it precisely because we are a member of the Council, not a permanent member of the Security Council, an unelected member, as it is now called, of the Security Council. It is a very important chair, and President Molino must leave, the government of Panama must go out to weave foreign policy and that is something that had not been done in my country. Yes, and I don't know if that answers your question, but that presence of the agreement with China is a fallacy, it's more of a philosophical conversation than a real one.

Now, there are Chinese companies that have contracts and certain concessions and certain subcontractors around projects, the Panama Canal bridge, but that has nothing to do with the operation of the Panama Canal and where the Panama Canal is allegiance, which is to Panamanians and to the whole world. It is an openly recognized neutrality, it is a beautiful conversation that Panama likes to have, in fact, there is no insecurity around this and that is the position of President Molino.

Oscar Guinea: Okay, we've talked about Panama's relations with the United States and China, but here's the question from Europe and the European Union. Does the European Union have any role in the dynamics between Panama City, between Washington and Beijing, and in Panama's foreign and economic policy?

Carlos Ruiz-Hernández: Of course, of course, the European Union is, if not, peer with the United States for Panama, it is the other window we have to the world. Among the things that President Mulino, obviously the relationship with the United States is a priority for historical reasons, there is a privileged relationship, period. There is no longer any reason to fall into a mode of talking about this relationship, but one of the strong and strategic pillars of President Mulino's foreign policy is to get closer to Europe.

It is for Europe to see Panama as that hub, not only logistical, but as that hub of geopolitics, that hub of political philosophy, of foreign policy. And getting closer to the European Union, getting closer to Brussels is part of that foreign policy. The conversation of the Brussels Union, and I led it myself as vice-chancellor, I was in Brussels I think it was twice, it has a lot to do with, at this time and for President Mulino, President Mulino is a lawyer by profession, and he is a prominent lawyer in my country.

And Panama, part of the disaster that the president inherits, has been getting this bad reputation because of the issue of discriminatory lists and tax haven and non-tax haven and a few injustices that have carried that stigma. And Brussels becomes, the bureaucracy in the European Union, in the commission, becomes an important part of that conversation because Panama continues to be, or was until we talked, the administration being listed on these grey, black and blue lists. So, there was one aspect of our bilateral relationship with the European Union and Europe, it was to sit down and talk about that problem.

For President Mulino, as I was saying, it is very important that Panama gets off these discriminatory lists. And Panama has done absolutely everything to get to the point where the commission recommends getting off those grey lists. So, now it becomes part of the bureaucracy of the European Union and of the different directorates and the different commissions, it becomes part of that bureaucracy of Panama leaving those lists.

And last year I think it was that Panama, the commission, because of a conversation between the dynamics between the commission and the European Parliament and that bureaucracy, Panama is part of that grey list. And that's where diplomacy had to sit down, we had to sit down to talk and elevate that conversation and push that conversation. It is a matter of Parliament and different bodies within the European Union helping us to get off that list.

So, what I want to tell you with this is that Panama sees the European Union as a very important ally. Not only because of the issue of the lists, but because Panama has a very real intention. Until a few days ago, Panama's foreign minister carried out something that we began to work on months ago, which is Panama's intention to join the OECD. So, having very open channels with the European

Union and having all our, as they say, affairs in order with the European Union and our allies in Europe, becomes even more of a priority in that sense.

So, then, European Foreign Policy is quite different from how Washington is managed, but Panama is malleable and wants, as I said at the beginning, the message of telling the world that we understand the dynamics of the largest capitals and that we are willing to work on all issues.

Renata Zilli: Hey, Carlos, I would like to go too, that is, to go and close and connect some points. In other words, I think that also with the European Union, in addition to these issues of the lists and being like the black sheep of the family, it seems to be. I think that here I am venturing to put words that you have not said, but I see that there are other points in common between Panama and the European Union, such as the vision or concern towards the green transition, towards the digital transition, which is crucial for the Panama Canal.

And you also mentioned a few moments ago about the new threats, which are cyberattacks, but also the effects of climate change, and Panama specifically has registered these effects and quite important. Last year is one of the driest years in the history of the Panama Canal. This has a direct impact on the economy of many countries because logistics transit is becoming more expensive, and these climatic effects can be increasingly recurrent.

So, this is finally also now with Panama on the Security Council, because it also has a very interesting voice on these issues, which also represents countries, other countries, generally the smallest countries, the islands, are the most exposed to climate change. And perhaps you cannot find this dialogue so friendly with Washington, but perhaps you can find it with Brussels. So, I don't know how you see it, explain a little bit, to round it off and close, but I think it's essential that we touch on this part because we've also heard a lot in the news about how these global effects are affecting us, which only have a global response.

And indeed, it is there, in these international institutions that are half fractured, but they are precisely to solve these problems that are so important for a country like Panama, on which its economy depends largely on the success and neutrality of the canal.

Carlos Ruiz-Hernández: Yes, yes, as you say, I interpret it and that is how this government has seen it in Panama. Climate change is something that represents issues of security, issues of economic stability, and we just went through that in Panama a couple of years ago. A huge drought and the Panama Canal had to reduce to a certain extent the number of ships that transit the Panama Canal because the Panama Canal needs a lot of fresh water to operate.

So, that drought generates a security problem, it generates a problem of economic security, so climate change is something that we have, it is daily bread for a country like us that has such an important global asset. So, in that sense, Panama, Europe has become a great ally for us, to continue having that conversation. That this administration here in Washington has a different vision of climate change, well, for Panamanians, yes, it is a shame, or we will see and talk with Washington about that reality or not.

So, that's where Europe becomes an extremely important ally. Until a few days ago, I think 3 or 4 days ago, there was a very important conference in Nice that my president was going to attend and he could not because of domestic issues of the protests and other priorities. But I know that the foreign minister was there, and I know that the minister of the environment was there, which are two very active portfolios and that work very, very together, the environment with the Foreign Ministry.

And that is precisely why, because Panama has a responsibility to promote sustainable development, to see climate change as a threat, not only to security, but also to economic threats. It is because of the responsibility that we Panamanians must keep that canal open, to keep that channel functional, to keep that channel operational. And to the extent that those realities interact with climate change, the government must be there.

And obviously the know-how and knowledge does not belong to Panamanians alone, so we must go out to the capitals. The question you asked me about Europe sounded familiar to me. The expansion of the Panama Canal was a work that was carried out by an Italian company, Webuild, which is a company, an international consortium that has works all over the world and Europe.

So, Panama's relationship with Europe is not only important, but also of vital importance. And it has a lot to do with the issue of innovation, the issue of public policies around green energy in Europe are very key. And Panama is willing and has those channels open and that consensus around that question with Europe is quite clear.

So, climate action with Europe is something that we value very much there in Panama.

Oscar Guinea: Very well Carlos, because we are going to end with the last question, we ask all the guests on the podcast. It's an open and creative question and it's about Panama. I want you to imagine yourself as the king of Panama.

Let's say that you are in government, you do not have any political or economic restrictions, and your primary objective is to increase the economic development and wealth of your country. If you had to use one policy, do something, what would it be?

Carlos Ruiz-Hernández: To have just one.

Renata Zilli: One policy, no restrictions. That is why we say king, not democratic president, because you do not have any political, economic, or financial restrictions. If you had to choose a single policy for Panama's development, what would it be?

Carlos Ruiz-Hernández: Well, the first thing I would say is the issue of the king. I feel very uncomfortable if they are always in a king. I am very democratic in that sense.

I think that public policy in my country is happening today, I think, it is suffering from a very common phenomenon that happens around Latin America and that is that fragmentation of political consensus. Of the political parties.

So, I would do everything possible to unite those political parties, to unite those. Being an opposition does not mean that you must oppose absolutely everything.

Renata Zilli: Just because.

Carlos Ruiz-Hernández: I think that my country is a very small strategic country, but that it has a much larger position in the international system than we appear because we are very small. And I think it should be relatively easy to come to those agreements among ourselves. So, if I didn't have restrictions, I would try to get those oppositions and those political parties to all see the same vision and understand that Panama is a country that must be open to the world, right?

And that this political fragmentation is completely unnecessary. Sometimes opposing for the sake of opposing does not represent anything. And that is what I have done in this short year that I was close to the democratic power of my country, that political class of my country must start looking for those consensuses and looking for them because the country needs them and the world needs them. The region.

So, then, I'll leave it to you at that. I don't know if I was too far ahead but think that this is the key to generating climate change, *cybersecurity* and relations with the United States. If we do not agree, questions that are so key and simple at the same time, we are not going anywhere.

Renata Zilli: No, I agree completely with you, Carlos. In other words, and I think it is a recommendation that could be applicable to many other countries. We need to agree.

The region is like this.

Carlos Ruiz-Hernández: The region, the entire region is like this. And that is the problem. Moving public policy agendas currently has become very, very difficult because of internal politics.

And that is part of President Mulino's analysis. When it comes to making foreign policy decisions. To be able to have for foreign policy, as they say, it is a representation of the consensus that we have at home.

So, that consensus at home to be able to exercise and flex that foreign policy that Panama now has a very big deal with because of the Security Council and everything that has happened. We have to have that national consensus. And without that national consensus we are hurting ourselves, our identity as members of the international community.

So, it's very important. So, if I were king, viceroy or whatever, I would seek that consensus.

Renata Zilli: O magician.

Carlos Ruiz-Hernández: Or magician, exactly, magician.

Oscar Guinea: Well Carlos, thank you very much for joining us in Sin Tarifa de Por Medio and for sharing with us your vision and experience. It has been a real pleasure to have you on the program. And for those who want to follow you closely, now that you're in the world of think tanks and thought, where can they find you on social media?

Carlos Ruiz-Hernández: I'm not very active on social media, but I do have a Twitter account and it's [@RuizHernandezC](#). And there I am. Always be transparent and at the service for anything.

Thank you very much for the opportunity and for leaving me space, for humbly sharing certain things and I hope to see you back here.

Renata Zilli: Of course, no. Thank you very much, Carlos, for being here, for your comments, for your opinions. It has been a pleasure to see you again after so many years and thank you very much again.

Carlos Ruiz-Hernández: See you later, then. Thank you.

Renata Zilli: Well, Oscar, and what did you think of the conversation with Carlos?

Oscar Guinea: I found it a super interesting conversation. I'll be left with two ideas. The first is when he has described the role of a small country like Panama.

Small, but with a big impact. And the spoke of the need to be restrained, to be active and to be pragmatic. But within the vision that it is a democratic country and that it has respect for international law.

And the second idea, the one that I keep and that I liked in the conversation, was when he spoke of the channel as a neutral element, as a global good. But he has not necessarily said that Panama must be neutral, nor that Panamanians must be neutral, because they are in a specific geographical place and have a neighbour that is the United States with which they have a preferential relationship. And you, Renata, what do you keep?

Renata Zilli: Yes, I think that, returning to this issue of the relationship with the United States, I like that Carlos talks about Panama having to assume a very pragmatic vision and put aside populist rhetoric, understand why Trump says what he says, but in the end, sovereignty is not discussed. And that is what he maintains that Panama has made clear and has had good conversations with the officials and senior officials of the United States. That seemed very interesting to me, and it seems to me that it is also a foreign policy position very appropriate to the reality of a country like Panama.

You must be pragmatic, you are on this continent, it is a small country, you depend on the United States, and you have to manage relations with the world very carefully. And finally, the other point that catches my attention is this change in trend, isn't it? Like Carlos talks about inheriting a disaster, right?

I also found that very interesting the way he says it about the relationship with China. Of course, it also comes from a political position and opinion, but there is something very interesting there and I

think we are seeing a change in trend, not only in Panama, but globally, to recalibrate the relationship with China. He tells us that there have been several memorandums of understanding that are worth reviewing in the framework of the Silk Belt Road, which say, well, let's see if they are really benefiting Panama or not, that is, they were signed for the sake of signing.

It is also part of a trend of the past decades, isn't it? Of, yes, we all joined this project, but today, how is it materializing? It seems to me that it is a central point on which more than one country can join this conversation.

And, finally, economic relations, international policies are dynamic and must be adjusted to the realities and interests of the present and, of course, of the future of countries. And right now, I think Panama is giving us lessons, as a very small country, it's giving us very important lessons to the rest of the world.

Oscar Guinea: Phenomenal. Well, I hope that everyone who has listened to us liked the episode, as much as we did. And until next time.

Renata Zilli: Until next time and don't forget to also follow us on our networks and subscribe to our [Substack Sin Arancel de por Medio](#).