

# COVID-19 and Labour Law: Panama

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### Abstract

Panamanian authorities acted quickly to address expected public health and workplace effects of the pandemic before the country saw its first confirmed case of COVID-19. Panama's National Assembly enacted legislation to allow telework and the labor ministry issued a Circular on February 27, 2020 to provide guidance to employers and workers on how to prevent infection from COVID-19 in the workplace, followed by several Decrees establishing guidelines to deal with the impact of the pandemic on workplaces. The government of Panama issued a national-level state of emergency declaration on March 13, 2020. In addition to public health and workplace measures adopted in short succession in March 2020, the Panamanian government adopted a financial aid package to mitigate the economic impact of the pandemic.

**Keywords:** Covid-19; Labour Law; Telework; Informal Sector

As of April 12, 2020, there were 3,234 COVID-19 cases and 79 deaths in Panama<sup>1</sup>. The first COVID-19 case was confirmed on March 9, 2020. The first death from the virus was on March 10, 2020<sup>2</sup>. The Government of Panama issued a national-level state of emergency declaration on March 13, 2020 – just two days after the World Health Organization declared a global pandemic<sup>3</sup>. On March 19, 2020, the Panama Canal Authority announced that one of its employees had tested positive for COVID-19<sup>4</sup>. Four passengers died on a cruise ship before it was finally granted permission to pass through the Panama Canal on its way back to Florida<sup>5</sup>.

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<sup>1</sup> RT Actualidad. Panamá registra un total de 3.234 casos de coronavirus y el número de muertes se eleva a 79. 12 April 2020. <https://actualidad.rt.com/actualidad/349629-panama-registra-total-casos>.

<sup>2</sup> BBC News Mundo. Coronavirus: Panamá reporta la primera muerte por covid-19 en Centroamérica y eleva a 8 el número de casos confirmados. 11 March 2020. <https://www.bbc.com/mundo/noticias-america-latina-51812612>.

<sup>3</sup> Resolución de Gabinete No. 11 de 13 de marzo de 2020 – Que declara el Estado de Emergencia Nacional y dicta otras disposiciones – Consejo de Gabinete. <https://www.mitradel.gob.pa/decretos-y-resoluciones-en-materia-laboral-por-covid-19/resolucion-de-gabinete-no-11-de-13-de-marzo-de-2020-que-declara-el-estado-de-emergencia-nacional-y-dicta-otras-disposiciones-consejo-de-gabinete/>.

<sup>4</sup> Cajar B. J. A., *Coronavirus en el Canal de Panamá, primer paciente de Covid-19*, in *La Estrella de Panamá*. 19 March 2020. [laestrella.com.pa/nacional/200319/coronavirus-canal-panama-primer-paciente-covid-19-confirmado](https://www.laestrella.com.pa/nacional/200319/coronavirus-canal-panama-primer-paciente-covid-19-confirmado).

<sup>5</sup> Moreno E., Graham D., *Coronavirus-hit ship granted permission to pass through Panama Canal*, in *Reuters World News*. 28 March 2020. <https://www.reuters.com/article/us-health-coronavirus-cruise-zaandam/coronavirus-hit-ship-granted-permission-to-pass-through-panama-canal-idUSKBN21F0WG>.

The Panamanian government placed the country under full quarantine for 15 days on April 1, 2020, taking measures to allow only 50% of the population to be outside their homes at any given time (women on Mondays, Wednesdays, and Fridays and men on Tuesdays, Thursdays, and Saturdays)<sup>6</sup>. On April 11, 2020, the National Assembly enacted Law No. 143 which allows the legislative body to conduct sessions virtually<sup>7</sup>.

Panamanian health and labor authorities began to take action to curb the spread of COVID-19 weeks before the country's first case was confirmed. Panamanian health authorities initiated rapid diagnostic testing, dispatching 25 diagnostic testing teams throughout the country – including in remote and indigenous communities<sup>8</sup>. Legislative and executive authorities acted quickly to adapt Panama's legal framework to address workplace issues expected to arise as a result the pandemic. One early action taken by the National Assembly was to adopt Law No. 126 allowing telework in Panama<sup>9</sup>.

On February 27, 2020, MINSA and Panama's labor ministry MITRADEL issued a Circular to all employers and workers identifying members of the workforce most at risk of contracting COVID-19 and suggesting actions like hand-washing and establishing channels for communicating possible COVID-19 infections<sup>10</sup>. On March 16, 2020, MITRADEL Executive Decree No. 78 adopted workplace measures to prevent COVID-19 contagion<sup>11</sup>. Some of the protective measures adopted include allowing pregnant workers, workers with chronic illnesses, and workers aged 70 and above to utilize vacation time before it has accrued to remain at home or under quarantine<sup>12</sup>. Executive Decree No. 78 also requires employers to inform workers about the option of teleworking under Law No. 126.

On March 20, 2020, MITRADEL adopted Executive Decree No. 81, which establishes guidelines for the temporary suspension of labor contracts as a result of workplace closures due to the pandemic<sup>13</sup>. In order to temporarily suspend individual labor contracts, employers must request authorization and submit documentation to MITRADEL, which will inform the union or worker representatives of the request<sup>14</sup>. Workers whose labor

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<sup>6</sup> MINSA. Comunicado No.35 Gobierno Nacional aplica nuevas reglas de movilidad para disminuir contagios por COVID-19. <http://www.minsa.gob.pa/noticia/comunicado-no35-gobierno-nacional-aplica-nuevas-reglas-de-movilidad-para-disminuir-contagios>.

<sup>7</sup> Ley 143 de 11 de abril de 2020. Que modifica y adiciona articulos a la Ley 49 de 1984, que dicta el Reglamento Orgánico del Régimen Interno de la Asamblea Nacional. [https://www.gacetaoficial.gob.pa/pdfTemp/29000/GacetaNo\\_29000\\_20200411.pdf](https://www.gacetaoficial.gob.pa/pdfTemp/29000/GacetaNo_29000_20200411.pdf).

<sup>8</sup> Barral B.. *Panamá va un paso por delante en la respuesta al coronavirus*, in *Noticias ONU*. 19 March 2020. <https://news.un.org/es/story/2020/03/1471462>.

<sup>9</sup> Ley No. 126 de 18 de febrero 2020. Que establece y regula el teletrabajo en la República de Panamá y modifica un artículo del Código de Trabajo. <https://www.mitradel.gob.pa/decretos-y-resoluciones-en-materia-laboral-por-covid-19/ley-126-de-18-de-febrero-de-2020-teletrabajo-asamblea-nacional/>.

<sup>10</sup> Circular de 27 febrero 2020 – COVID-19 – Mitradel – Minsa. <https://www.mitradel.gob.pa/decretos-y-resoluciones-en-materia-laboral-por-covid-19/circular-de-27-febrero-2020-covid-19-mitradel-minsa/>.

<sup>11</sup> Ministerio de Trabajo y Desarrollo Laboral (Mitradel) Decreto Ejecutivo No. 78 del 16 de marzo de 2020. Que establece medidas de carácter laboral para evitar contagion del COVID-19 en las empresas del país. <https://www.mitradel.gob.pa/wp-content/uploads/2020/03/Decreto-Ejecutivo-78-Normas-laborales-privadas.pdf>.

<sup>12</sup> Decreto No. 78, Arts. 2-4.

<sup>13</sup> Decreto Ejecutivo No. 81 de 20 de marzo de 2020 – Suspensión de Contratos -Mitradel. <https://www.mitradel.gob.pa/decretos-y-resoluciones-en-materia-laboral-por-covid-19/decreto-ejecutivo-no-81-de-20-de-marzo-de-2020-suspension-de-contratos-mitradel/>.

<sup>14</sup> Decreto No. 81, Arts. 2-6.

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contracts have been temporarily suspended are eligible for financial assistance from the government<sup>15</sup>.

In addition to adopting measures to address the health and workplace effects of the COVID-19 pandemic, the Panamanian government enacted the Panama Solidarity Plan (PPS - *Plan Panamá Solidario*) under Executive Decree No. 400 on March 27, 2020. PPS is designed to address the economic impact of the COVID-19 pandemic, including the closure of businesses and temporary suspension of labor contracts<sup>16</sup>, Executive Decree No. 400 expressly covers persons working in the informal sector. Unemployed persons are also eligible for assistance, even if they did not lose their jobs as a result of the pandemic.

The purpose of PPS is to preserve not only the health of the populace, but to maintain decent jobs in Panama. This purpose is to be achieved through provision of food, hygiene and medical supplies, and financial assistance to eligible persons in Panama. Persons eligible for assistance under PPS include those suffering from multidimensional poverty, vulnerable families, people who live in difficult-to-access zones, and persons engaged in economic activity on their own account<sup>17</sup>. Public servants, workers who continue to remain actively employed, retirees and pensioners, and persons whose most recent declared income is 11,000.00 balboas or above are not eligible for financial assistance under PPS.<sup>18</sup> According to the Panamanian social development ministry MIDES, food assistance was delivered to over 55,000 families during the first weekend of April<sup>19</sup>.

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<sup>15</sup> Decreto No. 81, Art. 5.

<sup>16</sup> Decreto Ejecutivo No. 400 de 27 de marzo de 2020. Que crea el Plan Panamá Solidario. [https://www.gacetaoficial.gob.pa/pdfTemp/28995\\_A/GacetaNo\\_28995a\\_20200403.pdf](https://www.gacetaoficial.gob.pa/pdfTemp/28995_A/GacetaNo_28995a_20200403.pdf), p.8 *et seq*).

<sup>17</sup> Decreto Ejecutivo No. 400, Art. 4.

<sup>18</sup> Decreto Ejecutivo No. 400, Art. 5.

<sup>19</sup> Ministerio de Desarrollo Social. Plan Panamá Solidario llega a 55 mil familias de 12 corregimientos de Panamá Centro. 4 April 2020. <https://www.mides.gob.pa/plan-panama-solidario-llega-a-55-mil-familias-de-12-corregimientos-de-panama-centro/>.