2007

Environmental Security In The Global Capitalist System: A World-systems Approach And Study Of Panama

Mark Allen Freeman
University of Central Florida

ENVIRONMENTAL SECURITY IN THE GLOBAL CAPITALIST SYSTEM: A WORLD-SYSTEMS APPROACH AND STUDY OF PANAMA

by

MARK ALLEN FREEMAN
B.A. University of Central Florida, 2004

A thesis submitted in partial fulfillment of the requirements
for the degree of Master of Art
in the Department of Political Science
in the College of Sciences
at the University of Central Florida
Orlando, Florida

Fall Term
2007

Major Professor: Peter Jacques

ABSTRACT

The current global capitalist system is at odds with environmental protection and the protection of indigenous people that are directly linked to the land on which they live. In environmental security literature, many have argued that, theoretically and functionally, it is possible to link national security with environmental security. However possible this may be on paper, in practice, the global capitalist system prevents this from becoming a reality. Using a world-systems approach, this thesis will show that core countries seeking to expand capital by tapping into new markets, locating new sources of raw materials and even forming strategic military partnerships in periphery countries unavoidably degrade the natural environment and thus, adversely affect the lives and health of indigenous people. It is also the argument in this paper that the primary purpose of strategic military partnerships with periphery states, such as those formed in Panama and Colombia, are primarily meant to protect economic interests, thus perpetuating the capitalist cycle. The end result is that, while it is theoretically possible, through a different theoretical lens, to bridge the definitional and theoretical gulf between national security and environmental security, the reality of the system subverts this endeavor, and will continue to do so under its current configuration.

This is dedicated to my mother and grandmother, for their continued faith and support in my academic endeavors. Without them, I would not be who I am or where I am in life.

ACKNOWLEDGMENTS

I would like to acknowledge and thank my thesis committee members, Dr. Peter Jacques, Dr. Waltraud Morales and Dr. Dwight Kiel. Their continued support and guidance has been extremely beneficial as I took on this endeavor. On a personal note, I would like to thank Dr. Peter Jacques for helping me through the rough times during this process and for being more than a professor; for being a friend.

TABLE OF CONTENTS

LIST OF FIGURES

LIST OF TABLES

CHAPTER ONE: INTRODUCTION

The global environment is changing. As a result of industrial processes, the atmosphere, water supplies, food supplies and the like are becoming more and more polluted. The countries of the first world are producing pollution at home and abroad as they seek to increase capital and expand into foreign markets. The effects of global environmental change, however, are predominately felt locally. That is, local communities, often poor and indigenous communities, feel the effects not only first, but also most intensely by processes that know no borders.

In previous scholarly work, many have argued that national security and environmental security could be theoretically linked in such a way as to provide policy makers the necessary justification to shift policy decisions in a more "environmentally conscious" direction. That is, environmental security as a field of study, has sought definitions and theoretical perspectives that allow national security and environmental security to be merged in a way that does not dilute the meaning of either term – although some authors vehemently deny any such linkage. Rather, for these scholars, both terms and subsequent policy actions would be enhanced.

In this thesis, I do not challenge the fundamental arguments from the theoretical framework in which they are organized. However, I argue that the particular framework used is wrong when one takes the realities of world-system into account. Why is this so? In short, the current global capitalist system does not allow for core-states, primarily focused on increasing national wealth and capital, to make environmental security a concern of enough prime importance to deal with such challenges. Rather, core-states

place economic prosperity – and security which then results in stability, which in turn leads to future economic prosperity – at the top of their list of priorities.

Using a world-systems approach pioneered by Immanuel Wallerstein which is steeped in Marxist influences, this paper will analyze the current global capitalist system and its effects on policy. This paper will first explain the fundamental core arguments of the previous work in detail. The paper will then make a case for why these arguments were framed in an incorrect way and how using the world-systems approach – a critical analysis of the global capitalist system – more accurately reflects the realities on the ground. Further, this approach better explains why policies of core-states – specifically the United States – do not adequately take into account the concerns – both environmental and human health-related – of periphery and semi-periphery states and the people within those states.

To make this point clear, a case study is necessary. The case of Panama is a place to start. Panama is a periphery state that lies amongst other periphery states in Central and South America. Panama is of key strategic and economic importance to the United States because of its main asset, the Panama Canal.

U.S. interest in the canal dates far back and U.S.-Panamanian relations have long-been centered on this key component of the international trade system. Writing in 1992, Michael L. Conniff noted:

> The U.S. alliance with Panama has lasted a century and a half, making it the longest in both countries' histories. Panama, moreover, always figured larger in Americans' consciousness than would be expected, given its diminutive territory and population. Policing the isthmus in the nineteenth century required the United States to maintain its first permanent overseas naval force, which became the Caribbean Squadron in the era of gunboat diplomacy. The United States gained its first military enclave in Latin America with the creation of the Canal Zone and its attendant military

> bases. The controversy over Panama's separation from Colombia and the task of building the canal commanded U.S. attention for over a decade. The 1977 treaties modifying the alliance caused the most heated treaty ratification battle ever fought in the United States. And the recent invasion constituted the largest military operation between the Vietnam War and the Middle East crisis of 1990. For better or worse, Panama has preoccupied the United States the way few countries have (p.4).

This paper will explore, in detail, the Panama Canal's history – including its construction and importance to the international economy, as well as the Panamanian economy. Further, this paper will stress U.S. influence in the internal operations within Panama (construction and operation of the Canal; installation of strategic military bases; regional security alliances to protect against regional *in*security).

This paper also serves another goal: to help bring the scholarly community, specifically the IR community, to a vantage point that allows for more critical assessments of the world-system. Currently, most scholars miss the point when it comes to discussing environmental and human security. Certainly, core-states (or perhaps, groups and individuals within core-states) are concerned with environmental issues especially as more and more are personally affected. As some argue, the growing realization by people within states allows for more communication and cooperation to combat environmental risks (Beck, 1992 and 1999). That being said, the reality is the poorest people in the poorest states receive the blow first and often hardest when it comes to environmental degradation and even natural disasters and the elite can largely escape such risk. Understanding why this is so is essential and this paper seeks to bring the discipline closer to that goal.

CHAPTER TWO: ANALYSIS OF ENVIRONMENTAL SECURITY

Why are "developed" states more readily able to export their environmental risks than poorer states. And further, what mechanisms allow this to take place? This paper seeks to answer these questions and obtain a better understanding of the current world-system and the how this system influences the policy of nation-states with regard to the concept of national and environmental security. As was noted above, previous work done in this field has argued that the two conceptions of environmental security and national security could be merged in such a theoretical way that policy makers would then have the justification to then translate these ideas into substantive policies. However, this may not be the case when one considers capitalism's role in the modern world-system.

A review of the ideas formulated and arguments made in the environmental security literature is necessary in order to have basis from which to then critically analyze these ideas and arguments. Following this review, an examination of the world-systems approach is then necessary to steer the discussion in a way that allows for one to make the case for utilizing a different theoretical approach to this issue.

An Overview of the Theoretical Argument

As noted, previous discussions within the field were focused on linking environmental security and national security as concepts theoretically and then translating this into policy. This section looks at how this was done by analyzing the literature and the theoretical framework of the field.

Concepts of Relationship: National and Environmental Security

If one sees environmental security as a subset only of national security, then the first response to environmental security threats, no matter the cause, would likely be military in nature (Concept 1). On the other hand, if environmental security revolves around resources and environmental degradation (which may lead to conflict, but might be direct threats themselves) the response may deal with mitigation of pollution, for instance, to the exclusion of the military (Concept 2).

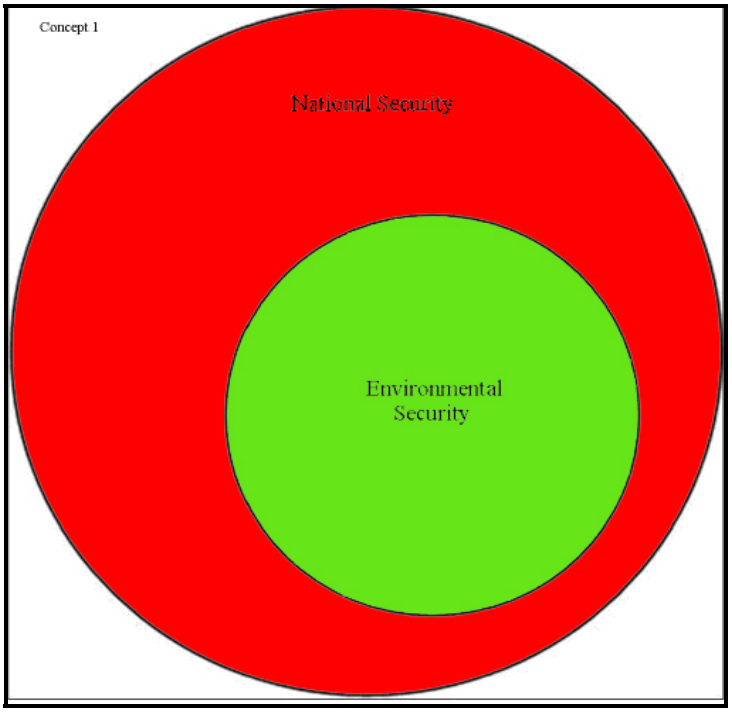

Figure 1 Environmental Security Within National Security

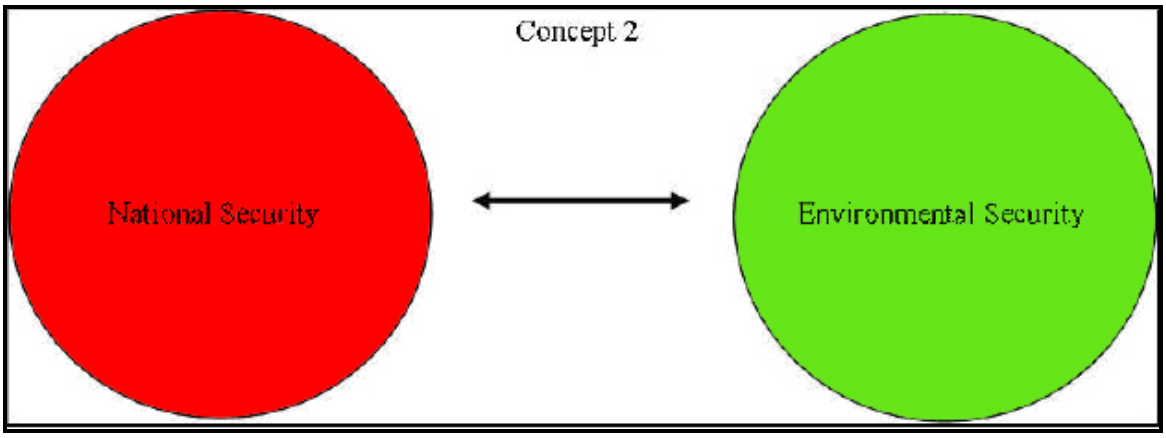

Figure 2 Non-Military Responses to Environmental Security Issues

A third perspective denies any link whatsoever between national and environmental security. These are considered separate spheres altogether (Concept 3). Luckily, almost no authors argue that all military conflict is caused by environmental insecurity issues, and equally as unanimous is the agreement that not all national security threats are environmental in nature. This allows one to bridge the gap between the debate, by conceiving of security in general as a process containing subsets of national and environmental security, and an area that contains both (and likely others, though those are not analyzed here).

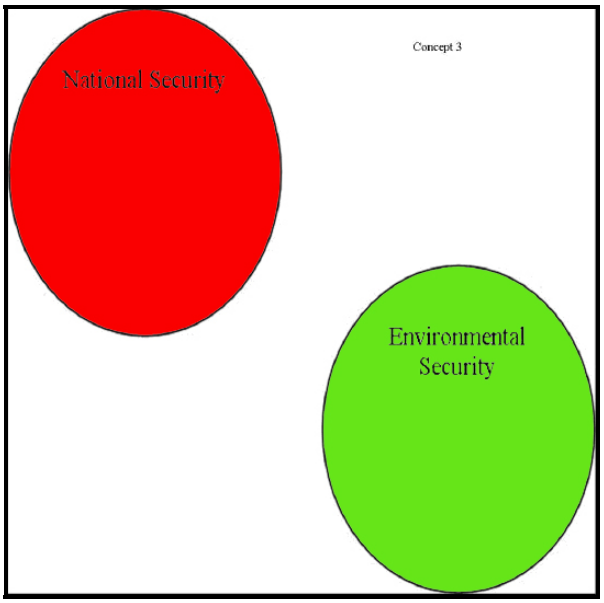

Figure 3 Environmental Security and National Security as Mutually-Exclusive

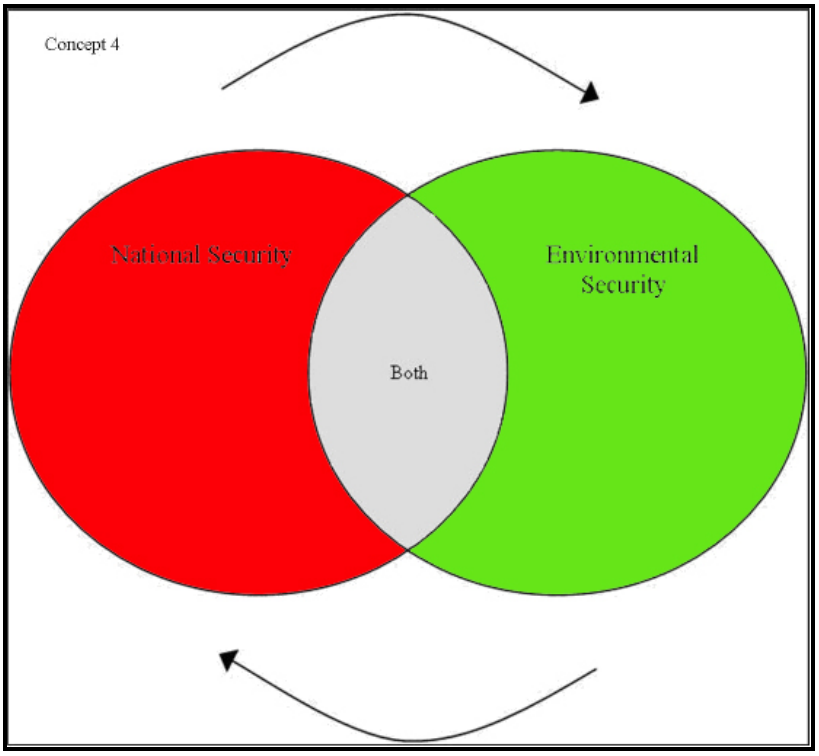

Figure 4 The Concepts Merged with Feedback

Conceived of this way, one can see that while national security and environmental security may have a large overlap, there are places within each field that do not relate directly to the other. These areas are where the insecurity of the population falls into clearly one area or another. There is likely no military solution to most water pollution issues, just as there is no environmental solution to invasion.

Where national and environmental security overlap is obviously part of the contestation, but it is clear from the literature that environmental security is not *only* a subset of national security and national security does not inherently affect environmental security. It is important that the areas of overlap, as well as feedback, between the two securities should be identified by further empirical analysis along the lines of the Toronto Group. This would allow for some basis to determine the recalibration of security into a more holistic concept. If scholars could explicitly acknowledge that the two securities are related, through the similar goal of relieving insecurity, it would shift the focus of the field away from differentiating security into smaller less effective areas, to seeing where each can best influence policy.

Also, certain environmental problems such as hurricanes and tornadoes constitute localized national security threats. Linking these problems with the idea of the protection of individuals, that is, alleviating insecurity, and couching that within the national security arena. This, it is argued, constitutes a direct link between a nation's security, specifically that of the U.S., and environmental security an area representative of the feedback that is contained within the holistic security concept.

Nina Graeger puts it very well when she gives four reasons for making a theoretical and operational linkage between security and environment.

> First, environmental degradation is in itself a severe threat to human security… Second, environmental degradation or change can be both cause and consequence of violent conflict…Third, predictability and control are essential elements of military security considerations, and these are also important elements in the safeguarding of the environment…Fourth, a cognitive linkage between the environment and security has been established. It has become legitimate for mainstream politicians to speak out in favor of an environmentally responsible security policy (p.110-111).

Scholarly Literature

The above theoretical discussion was the result of good consideration of the evolving scholarly debate regarding the linkage of environmental security and national security as concepts with intended policy implications. This section of the chapter discusses these scholarly debates in detail and provides a critical analysis of the previous work done in this field.

For decades now, scholars have long debated whether, and to what extent, environmental issues are related to security. The early work done in this field argued that no longer should security threats be perceived strictly in military terms. As Richard H. Ullman so eloquently explains, "Since the onset of the Cold War in the late 1940s, every administration in Washington has defined American national security in excessively narrow and excessively military terms," (1983, p. 129). Some argue that environmental degradation causes security threats, namely resource wars, while others maintain that environmental degradation itself is a human security threat in the form of food shortages and the vulnerability that disaster brings (Foster, p. 377; Broda-Bahm, p. 159). As always within academia, this leads to second tier arguments about the appropriate response to environmental security.

Previous Concepts and Definitions in Environmental Security

Currently there is a theme in the literature that revolves around the definition of environmental security as a concept. Gregory Foster, for instance, places the debate in this context:

> Most discussions of the meaning of environmental security focus on the nature of *security* – whether it is fundamentally a military phenomenon that, by implication, would tend to render environmental concerns largely irrelevant, or whether it is something more robust and inclusive that logically would encompass, and perhaps even revolve around, environmental considerations (p.375).

All of these discussions are a result of a misunderstanding of national security as a concept, defining it too narrowly, or showing how resource scarcity leads to conflict, making environmental security effectively a *part* of national security. Also, they state that some areas of the debate also stem from the fact that security, as a concept, has no consensus definition.

Carsten Ronnfeldt in his article *Three Generations of Environment and Security Research* breaks down the history of the research in the field of environmental security into three generations. The first generation debated "whether and how environmental issues should be incorporated into security concerns (p.473)." Also, this generation saw the emergence of authors who argued that a more robust definition of national security was needed. The early work done by Richard H. Ullman (1983) called for a redefinition of "security" to encompass a broader array of problems and threats. The fundamental idea behind Ullman's work was that a narrow conceptual definition of security is dangerous in that it presents a false image of reality (1983, p. 129). Ullman highlights two principle problems with this sort of definitional constraint:

> Defining national security merely (or even primarily) in military terms conveys a profoundly false image of reality. That false image is doubly misleading and therefore doubly dangerous. First, it causes states to concentrate on military threats and to ignore other and perhaps more harmful dangers. Thus it reduces their total security. And second, it contributes to a pervasive militarization of international relations that in the long run can only increase global insecurity (1983, p. 129).

Indeed, and undoubtedly, military threats are of great importance. What Ullman – and others that have followed – argue is for a more sweeping definition of national security, one that takes into account non-military threats as well as those which are military in nature. Only then will a true conceptual understanding of security be possible.

The second generation of the discourse focused on empirical research looking at the connections between environmental degradation and conflict and while the third generation is still developing – which recognizes that resource scarcity is not the sole cause of conflict and criticizes the second generation for focusing on this variable - it seems to simply be adding more inclusive material to the second and looking at the inverse relationship of how conflict effects the environment (p.478).

That environmental changes may be causally linked to violent conflict has been the subject of many empirical analyses (Homer-Dixon 1991; Homer-Dixon 1994; Homer-Dixon 1995; Percival and Homer-Dixon 1998). Moreover, the underlying principles that Ullman articulated in his early work back in the 1980s remain in all work seeking to link environmental problems with security concerns. In other words, scholars who argue that linkages exist presumably regard current conceptualizations of security as being insufficient. Homer-Dixon indirectly makes this point when he states:

> We may learn that there are real opportunities for intervention; hardship and strife are not preordained. But it seems likely that, as environmental degradation proceeds, the size of the potential social disruption will

> increase, while our capacity to intervene to prevent this disruption decreases. It is therefore not a reasonable policy response to assume we can intervene at a late stage, when the crisis is upon us (1991, p. 116).

Homer-Dixon recognizes, however, that there are problems that may arise from trying to link environmental change with something as broad as the term "security". He points out that "security" is a term that opens up a vast array of sub-issues, especially if one defines security "to include human physical, social, and economic well-being," (1991, p. 77). Thus, Homer-Dixon focuses on acute conflict or conflict where there is a large probability of violence resulting from environmental change and degradation, which ultimately will lead to things such as resource scarcity (1991, p. 77). Still, regardless of how he frames it, ultimately, Homer-Dixon is discussing how conflict can lead to instability and in turn, can become a security issue. For instance, Homer-Dixon discusses that environmental pressures can cause disruptions in normal social relations and that these disruptions "in turn, may cause several types of acute conflict, including scarcity disputes between countries, clashes between ethnic groups, and civil strife and insurgency, each with potentially serious repercussions for the *security* interests of the developed world," (1991, p. 78, emphasis added).

Perhaps making a stronger link (although not empirically) between environmental degradation and U.S. security interests is Norman Myers (1989) who argues that environmental challenges faced by those in the developing world pose security threats to the United States as well. All too often, the result of environmental degradation and economic disorder in the developing world, Myers states, "is civil turmoil and outright violence, whether within a country or with neighboring countries," and furthermore that, "By helping key Third World countries with their environmental needs, the United States

is helping itself," (1989, pp. 24-25). This differs somewhat from Homer-Dixon in that Myers identifies a link between conflict and instability in other parts of the world with security in the United States in multiple forms; not only from violence, but from economic turmoil as well . Myers identifies three specific cases in which U.S. security interests are at stake and related to environmental problems: deforestation in the Philippines, water deficits in the Middle East, and land degradation in El Salvador. These three are all examples of where the United States has military, security and economic interests. Thus, instability, social upheaval, and conflict pose threats to the United States with respect to these specific interests.

Daniel Deudney provides somewhat of a digression from the main thrust of the debate, indicating that environmental security as a concept should not be included with national security, as it is a fundamentally different idea, neither national, nor dealing specifically with security (Deudney, 1991).

To quote Deudney:

> The fashionable recourse to national security paradigms to conceptualize the environmental problem represents a profound and disturbing failure of imagination and political awareness….The movement to preserve the habitability of the planet for future generations must directly challenge the tribal power of nationalism and the chronic militarization of public discourse. Ecological degradation is not a threat to national security; rather, environmentalism is a threat to national security attitudes and institutions. When environmentalists dress their programs in the blood-soaked garments of the war system, they betray their core values and create confusion about the real tasks at hand (Deudney 1991, online).

He makes his arguments however, along the same lines as the other researchers, specifically looking at national responses to environmental issues and resource/poverty wars, questioning their viability as concepts.

Mark A. Levy makes a somewhat similar argument to Deudney, stating that,

> Others want people to engage in double counting [that is, security in both environmental and national aspects] because they do not think that the policies that emerge from "single counting" are adequate. If this is the case, then the justification for linking environment and security in an existential way lies in its effects in the competition for sound bites on the evening news and in political campaigns and, by extension, in the competition for budgetary and other scarce resources (p.44).

Many of the arguments contained within the environmental security literature are definitional in nature. What exactly is environmental security, how is it applied? "For the critic as well as for the philosopher, definitions are most productively thought of as arguments (Broda-Bahm, p.160)," and environmental security is no exception to this rule. In fact, half of the argument around the definition of environmental security revolves around the redefinition of a nearly equally contested term, national security. Foster indicates these definitional issues have comprised the majority of the literature (p.375).

Discussions of what level at which security applies, individual, state, international, and of what comprises security abound, and there is also quite extensive discussion about what exactly constitutes the environment.

In his paper *Is the Environment a National Security Issue*, Marc A. Levy states,

> Whether or not one accepts the definitions offered here, one conclusion is inescapable. The literature to date has either failed to offer definitions at all, or has offered plainly self serving and close-minded ones. If there is to be any serious consideration of environmental threats by the security studies and security policy communities, we need more thoughtful consideration of how to define the potential common ground (p.37).

Unfortunately, Levy's definition excludes a large number of resources that normally would be considered part of the environment from his definition. His definition of environment limits environmental security issues to only "those that involve biological processes that include ecological feedbacks and equilibria (sic.)" (Levy, p.38). This

limitation is symptomatic of what Levy argues are the problems with the definitions already contained within the literature; it suits only the author's needs. As an example, Levy's definition would not include petroleum. In addition, Levy argues that there must be a direct, empirical link between environmental security and *national* security, an existential link is not enough for a reassessment of national security concerns in Levy's mind (p. 43).

Part of the problem among all the authors is a conflation of terms. Environmental security is not the same as environmental degradation. Environmental security *deals* with environmental degradation and scarcity. We can see a parallel in national security. When one speaks of national security, one is usually referring to "the decisions and actions deemed imperative to protect domestic core values [and property] from external [or internal] threats (Leffler, p. 143)." One then is not dealing with war itself, but the decisions and actions used to prevent war (for instance). Looking at the literature however, one does not see the same differentiation within the discussion about environmental security.

This difference in the discussions about environmental and national security partially differs due to the somewhat backwards focus on security. The literature tends to utilize the concept of security, national or environmental, however defined, as the starting point. This blurs the connections between the two largely because the similar areas of concern focus around the concept of *insecurity*, a related but different concept.

As the third stage of environmental security studies is still developing, it is important to begin by focusing on where the second stage has brought the field, and re-evaluate it in light of the above discussion. Again turning to Rønnfeldt, one can see that

this generation was focused on tracing the process of environmental degradation to conflict (p.474). The authors, particularly of the Toronto Group (led by Thomas Homer-Dixon), sought to provide empirical evidence that environmental issues led to conflict and therefore had national security implications. Their findings have tended to imply that because resource scarcity can lead to conflict, environmental issues, to a large extent, should be considered within the security sphere.

Soroos agrees, "*Theoretical* arguments focus on empirical cause-and-effect relationships, in particular the potential of major environmental changes to generate and intensify conflict between and within states (p.318)."

In addition to their cause and effect nature, the arguments in the second generation often focused around the issue of scarcity, a limited resource with competition for it. Water, cropland, fish stocks and the like were considered the independent variables with conflict as the dependent (Ronnfeldt, p.476). Again it should be noted that there is conflation between the causal relationships and the concept of environmental security.

There are important implications that result from this view. It begs the question of whether a nation can intervene in another to stop environmental degradation if it is deemed that it may later lead to conflict. In addition, if environmental security is contained wholly within national security, it changes the responsibility from civilian to military, each area of responsibility having wholly different policy communities and dealing with different insecurities. It also changes the way one approaches questions within environmental security (Barnett, 2001).

All of the literature focuses on the practical aspects of environmental security as affecting national security. It seems that no matter where a scholar comes down within

the argument, there is an acknowledged relationship between the two concepts. Though there are those who feel that this relationship is only useful insofar as it brings environmental issues some more prescience, the majority of the literature is focused on the gap between the definitions that, to an extent, can be bridged. There is also a second arena where the comparison of environmental and national security is highly appropriate. Coming from the rational choice school of thought, it conceives of national security as public goods.

Public goods are non-rival, non-excludable goods. That is, once the good is provided, no one can be excluded from it and someone's enjoyment of the good does not lessen another's. In most cases these goods are provided by government because private businesses cannot provide the good at "an appropriate price to cover the cost of resources used to provide that service [good] (Mikesell, 3)." National security is the quintessential public good, and is very likely the most cited example of one, though it is likely that all of environmental security falls squarely within the public goods category as well. Pollution reduction for instance, is a public good (if it is provided). As is the case with national security, environmental security is neither excludable nor rival.

This is an angle that has been explored before, though mostly in the context of human security. If a government has the same responsibilities towards environmental security as national security, it means there needs to be an essential reevaluation of the place that environmental security holds within the policy sphere. By viewing environmental security as a public good, there is a tacit acknowledgment that the government must take responsibility for it, as one of the characteristics of a public good

is that it cannot usually be provided by a private interest, less so a group of private interests.

This additional theoretical similarity merely adds to the idea that the spheres of environmental and national security can be combined on some level, and thus further supports the argument for a holistic security concept containing both. It is important to understand that this does not mean a militarization of the environment as authors like Deudney argue (1991) nor does it mean the swallowing up of national security issues within environmental concerns. It does, however, mean that responsibility for the alleviation of insecurity must take into account both national *and* environmental concerns, or there has been a dereliction of duty on the part of the U.S. government.

There is an argument that is consistently cited within the literature critical of environmental security that the link between environment and security is just smoke and mirrors (Levy, 1995). The argument continues that the reason for this false linkage is so those who have environmental concerns can get the same attention that is given to security. This is false because, as shown above, those same critics acknowledge at least a tacit linkage between the two concepts.

> The concept of environmental security has been criticized for its normative connotations…Mixing political activism with research is not in itself a problem as long as the two can be kept as analytically distinct categories – as in peace research, conceptualized as research on and for peace. The traditional security paradigm also has strong normative connotations – for example, seeing the nation-state as a territorial and organizational form to be defended with no need of further legitimation (Graeger, 113).

If then, there are strong areas in common between environmental and national security, and they can be thought of as the same *type* of issue, and suffering from similar

normative burdens, why has the both the literature as well as the policy thus far treated them as separate?

Part of the answer lies in the areas in each of the respective concepts that are not contained within both. As noted above, not all national security issues have an environmental component. Intelligence gathering, essential to national security, has little to no relation to environmental problems just as beach erosion has little to no effect on national security. Too often those areas have been the focus of the discussion. In a published communication between Marc A. Levy and Thomas Homer-Dixon, the focus of the conversation is on methodology; specifically what cases should be selected for study. Each one of the cases focuses on scarcity issues.

This focus on scarcity is due to the fact that Homer-Dixon is using concept 1 (figure 1) as his base. In order for something to be contained within National Security, on some level it must lead to conflict. Focusing on conflict as the base of an argument over environmental security guarantees that it will be contained within the national security sphere. This stands in contrast to the holistic security concept above. While scarcity issues that lead to conflict will certainly be looked at within a national security scope, it changes the focus away from conflict per se, and sees other security issues that result directly from environmental issues.

> Environmental degradation and violence pose very different types of threats. Both may kill people and may reduce human well-being, but not all threats to life and property are threats to security. Disease, aging, and accidents routinely destroy life and property, but we do not think of them as threats to security. And when an earthquake or hurricane causes extensive damage, it is customary to speak of natural disasters, but not to speak about such events as threatening national security (Deudney, 1991).

This argument Deudney makes actually supports the above. He is essentially arguing that because none of the things he mentions leads to conflict, that they should not be considered within a security framework. In addition, his argument assumes only purposeful intent of damage constitutes a security threat.

Graeger shows how the above conceptions of environmental security must be overcome:

> A new concept of security that includes the environment seems to be justified. On the other hand, 'environmental security' cannot be completely dismissed as a concept just because no single definition has been universally accepted. Indeed, different definitions may serve different purposes. Rather than looking for a new definition of environmental security, we should define its various zones or areas of application. This includes the various components of the concept as well as the appropriate levels for dealing with environmental security. Components of environmental security include military preparedness, technological and industrial installations and other activities that may damage the environment in a way that creates a security threat without necessarily leading to overt conflict. Determining the extent of such threats must be based on detailed empirical studies (p.115).

Point of Departure

Perhaps where previous discussions fail is in their inability to fully and adequately explain why theory does not translate into policy. There is no real explanation of why those in Washington, D.C. – the policy makers – fail to deliver sound environmental security policies. It is implied that this is because there is little theoretical basis for doing so. It is also implied as more and more people focus on environmental problems, this could change, even noting that many public, administration officials in recent years have addressed some of these issues, even if rhetorically. Lastly, the above discussions hint that there is a difference between policy from administration to administration, noting that the administration of George W. Bush has largely rolled back – or is attempting to roll back - many key pieces of environmental legislation.

What the above discussion fails to show is that there really is not a serious discussion of actual policy, regardless of administration. Further, there is no real sound explanation as to why this is the case, leaving one to wonder why this appears to be so.

CHAPTER THREE: A NEW THEORETICAL VANTAGE POINT

In order to have a better understanding of why these theories that have been developed over the years fail to explain the lack of sound environmental security policy on the part of the United States – or many "developed" states for that matter - it is necessary to look at the problem from an entirely new and fresh theoretical perspective. In no way is there disagreement, fundamentally, with the previous discussions' basic theoretical premises; it *is* possible to theoretically and conceptually link environmental security and national security as concepts. The usefulness of these theories, however, is what is in question in this chapter. Theories are only as good as their explanatory power, and previous work in the field offers little in the way of explanation, often where scholars argue is most important: in spheres of policy.

Thus, a new theoretical framework will be explained in this section that allows for a better explanation of the current state of the world-system. Specifically, this paper will utilize a world-systems approach, focusing on the global capitalist system. This theoretical framework was pioneered by Immanuel Wallerstein and an overview of his contributions is now necessary. World-Systems theory provides a new, fresh theoretical vantage point that can provide an explanation for why developed states – referred to as "core" states – often fail to employ sound environmental security policies, specifically when it comes to their international business and security practices abroad, primarily in the lesser-developed states, or the periphery.

Wallerstein's World-Systems Approach

Wallerstein defines a world-system as a "social system, one that has boundaries, structures, member groups, rules of legitimation, and coherence. Its life is made up of the conflicting forces which hold it together by tension and tear it apart as each group seeks eternally to remold it to its advantage," (1976, p. 229). Further, he states that world-systems are further defined by their self-containment as a primarily economic-material entity which is based on an "extensive division of labor and that they contain within them a multiplicity of cultures," (1976, p. 299). Not to be confused with a world-empire, Wallerstein distinguishes the two by arguing that the main difference is that world-empires are those in which a single political system reigns over most of the area that falls under the umbrella of the empire. Instead, specifically within the capitalist world-system, the capitalism upon which it is ruled by economic factors operate within an arena larger than that which any political entity can totally control (Wallerstein 1976, p. 230).

Structure of the Capitalist World-System

In Wallerstein's world-systems approach – in a way that mirrors classical Marxism – there is a division of labor. However, Wallerstein differs from Marx in one key area. Whereas Marx argued that the unequal division of labor was based on occupation, Wallerstein argues that the division of labor – while to some degree *is* based on occupation – is primarily based upon geographic location (1976, p. 230). Why is this so? For Wallerstein, this is a function of the "social organization of work, one which magnifies and legitimizes the ability of some groups within the system to exploit the labor of others, that is, to receive a larger share of the surplus," (1976, p. 230). In this

world-system culture is linked to geographic, spatial location. Thus, certain homogenous groups can exert pressure in order to develop cultural-national identities. It can therefore be envisioned that certain groups will, over time, develop a more advantageous position within the world-system. And according to Wallerstein, this is indeed the case.

Core-States

Core-states within the capitalist world-system are in an advantageous position for a multitude of reasons, not the least of which is their economic superiority over other states and areas. These states have a national, cultural identity which moves parallel with strong state "machinery" which allows for the protection against "disparities that have arisen within the world-system," and also serves as an "ideological mask and justification for the maintenance of these disparities," (Wallerstein 1976, p. 231). In essence, core states direct the flow of capital in the system to their benefit.

One can envision the core states. Examples of such states are the United States, the United Kingdom, Germany, France and Japan. These states, and others like them, have amassed the vast majority of capital amongst themselves. The rest of the world strives to make it into the "core".

Periphery-States and Areas

In stark contrast to core states are the peripheral states, or what Wallerstein termed peripheral "areas". Wallerstein avoided using the term "state" because, in reality, often there are areas of exploitation that are, in effect, "stateless". Examples of these

would be colonial situations, as was the case with many of the colonies of the United Kingdom in the latter part of the nineteenth century, moving into the twentieth century.

These indigenous states, even if they have gained independence from their colonial powers (as most have), remain weak and have a "low degree of autonomy" within the world-system (Wallerstein 1976, p. 231). Examples of periphery states would be most of the states within the formerly British and Ottoman-controlled Middle East (Jordan, Iraq, Syria, etc) and virtually all of sub-Saharan Africa.

Semi periphery-States

In addition to the core and periphery states, there is, in between, a category of state which plays a vital structural role in the organization of the world-system. These states are sometimes the result of core states falling from the core or periphery states that Wallerstein terms have been "promoted" (1976, p.231).

The main function of these states, in addition to providing expanded economic capabilities, is they act as a buffer or an intermediary between the core and periphery in a number of vital geopolitical areas. As Wallerstein points out:

> These middle areas (like middle groups in an empire) partially deflect the political pressures which groups primarily located in peripheral areas might otherwise direct against core-states and the groups which operate within and through their state machineries. On the other hand, the interests primarily located in the semiperiphery are located outside the political arena of the core-states, and find it difficult to pursue the ends in political coalitions that might be open to them were they in the same political arena (1976, p. 231).

In another way, these semiperiphery states exploit the periphery as well. For example, the British imported cotton from India in the late nineteenth and early twentieth centuries and Spain imported gold and silver from the Americas, both operations often done under coercive measures.

Much like with classic Marxism, in the world-systems approach, there is a hierarchy of the division of labor. However, differing from Marx, Wallerstein sees this again, geographically. Also differing from Marx, where the basic hierarchy was two-tiered, the world-system is has three tiers: the core, the semiperiphery and the periphery. They can be visualized using this illustration:

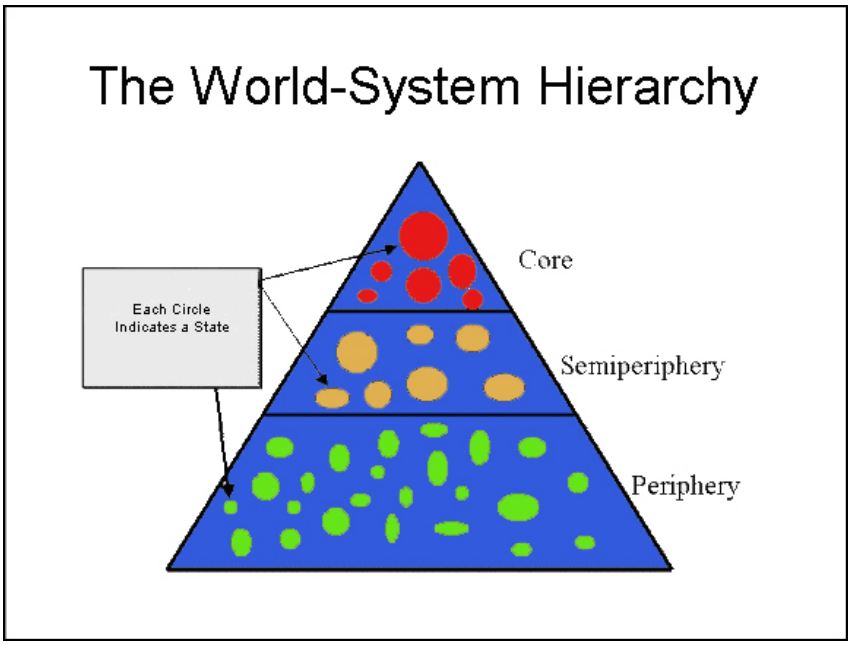

Figure 5 World-System Hierarchy

Source: Chase-Dunn, Christopher and Terry Boswell 2002

At the top of the hierarchy, the core-states possess skills, technology and capital which differ from that of the semiperiphery and periphery. These skills and technology are more valued than those in the semiperiphery and periphery and the occupations those

within these states match. Often, the means of production lie in the periphery and semiperiphery primarily. Skilled labor and the owners of capital, on the contrary, reside more predominately in the core states. Thus, the owners of production are often in states other than those that manufacture the products. Further, as Wallerstein explains, “a capitalist world-economy essentially rewards accumulated capital, including human capital, at a higher rate than "raw" labor power,” (1976, p. 232). Being that these differences are geographically and culturally pre-determined, there is a geographical maldistribution of skills in the system. Furthermore, the world-system lends itself to maintain these situations, rather than change them, with core-states seeking to remain in the core; the marketplace reinforces these divisions.

One key thing to make note of here is that there is no central political institution that absolutely governs this world-economy. Thus, it is very difficult for groups or processes to intervene in the system with the hopes of redistributing the “rewards” of the system.

Looking at the world through the world-systems framework allows one to address questions, like those in this paper, from an entirely different theoretical vantage point. The Marxist roots are apparent and obvious. But world-systems analysis succeeds where Marxism fails. Classical Marxism predicted the fall of states after revolutions of the proletariat. Leninist-Marxism predicted that states will offset the revolution by expanding into new markets and sources of raw material. Thus, Leninist-Marxism proves a formidable foundation for the world-systems approach.

As Wallerstein himself notes:

> The ongoing process of a world-economy tends to expand the economic and social gaps among its varying areas in the very process of its

> development. One factor that tends to mask this fact is that the process of development of a world-economy brings about technological advances which make it possible to expand the boundaries of a world-economy. In this case, particular regions of the world may change their structural role in the world-economy, to their advantage, even though the disparity of reward between different sectors of the world-economy as a whole may be simultaneously widening. It is in order to observe this crucial phenomenon clearly that we have insisted on the distinction between a peripheral area of a given world-economy and the external arena of the world-economy. The external arena of one century often becomes the periphery of the next, or its semiperiphery. But then too core-states can become semiperipheral and semiperipheral ones peripheral (1976, p. 232).

World-Systems Explanation of Negligible Environmental Security Policy

Because core-states have accumulated the most wealth, they are the most powerful. Core-states have the strongest economies, core infrastructures and militaries. They can continue to expand their economies in a variety of ways. One way to do this is to secure sources of raw materials, or access to raw materials. Another way is to secure primary trade routes and points of exchange. Insecurity disrupts the global capitalist system. As was earlier noted, but probably not highlighted enough, is the fact that core-states, such as the United States are increasingly preoccupied with regional security in the "developing" world. Economic security is the prime goal here with perpetuation of the normal flow of operations within the world capitalist system.

Where core-states must weigh environmental degradation against economic gain, they will always side with the latter. There are a number of examples of this throughout history – deforestation in tropical rainforests in the Amazon River basin in Brazil to create farmland, whose products often are shipped back to core-states for consumption, is but one obvious example.

For purposes of this paper, one case study will be conducted. Panama makes a great case, once again, for its economic importance. Coupled with this, it has vast environmental and natural assets. The case of Panama will highlight the lengths core states, specifically the U.S., will go to protect their economic interests, even going as far as environmental degradation, pollution and harming human health. Further, these periphery and semi periphery states (such as Panama, being a semi-periphery state) are locked into the system and thus cannot do anything but "go with the tide" of capitalism as it dictates that Panama must maintain the Panama Canal, even if it means destroying its natural environmental assets.

CHAPTER FOUR: THE PANAMANIAN CASE

When choosing a case study for this paper, it was essential to find a state that possesses three fundamental features. First, the state must have key environmental resources that the people of the country – especially the marginalized and indigenous people – are fundamentally tied to, whether that tie be through agriculture, hunting, tourism, or culture (or some combination of these and other factors). Second, the state must have key features that make it appealing to outside foreign investment and interests. Often, these same environmental resources that so many poor and indigenous rely on are the same resources that core states and their multinational corporations so aggressively seek to exploit. Third, the state must be, at the very least, a semi-periphery state in the world-systems hierarchy.

When utilizing these three features to aid in the search for a case, many cases make logical candidates, but for purposes of this paper, Panama is an ideal choice. Panama is a semi-periphery state that has been the interest of core states for well over a century due to its location and natural resources. This chapter highlights Panama's appeal and importance within the global capitalist system.

Panama in the World-System

Perhaps the most fundamental basis for a cross-Isthmus transportation route in Panama was the discovery of gold in California in 1849. As John Lindsay-Poland (2003) points out, this event "led thousands of foreigners eager for wealth – U.S. citizens prominent among them – to trek across Panama, the shortest land route between the Atlantic and

Pacific coasts," (p. 13). What resulted within what is now Panama was a dramatic economic boom in coastal cities such as Colon and Panama City.

In a sign of things to come – also highlighting something that world-systems theory predicts –many local whites reaped the financial rewards, building housing in country as they accumulated wealth.

It was soon obvious that, with the shear numbers of people making the trek, a faster route was needed. The Pacific Mail Steamship Company obtained a contract to build a railway cutting through the isthmus utilizing the labor of imported Chinese, Irish and others, but predominately black workers from the Caribbean (Lindsay-Poland 2003, p. 14).

In typical capitalist fashion, the end of the construction of the railway left thousands of black laborers jobless. In a volatile post-construction environment, tensions between Americans and Panamanians were high, which culminated during this period with the so-called "Watermelon Riot" of 1856. This incident resulted in the deaths of sixteen passengers at a rail station and almost led the U.S. to send Army troops in to settle the dispute.

As can be seen, from the outset, the Panamanian Isthmus has been of long importance. The discussion above highlights the early U.S. involvement in Panama. This involvement has included everything from military presence to Canal construction. This chapter discusses the history of the Panama Canal and its economic importance. The following chapter will discuss in more detail security concerns within Panama on the part of the United States and will highlight the actions taken by the United States.

Subsequently, a discussion will be given highlighting the increasing environmental concerns that are being raised in lieu of U.S. military presence within Panama.

The Panama Canal and its Importance to the Capitalist World-System

The Panama Canal has had a long history, one that has seen, for much of that history, the responsibility of control and oversight resting in the hands of an outside power, the United States. Only recently did Panama take control of the Canal, owning all the responsibilities – and problems – that comes with that control. The Canal's history is long and dates back far into the nineteenth century.

The nineteenth century saw many developments in trade, technology and communications that led to increased attention being paid to Central America. Also, the nineteenth century saw an emergence of a new sense of independence in much of Latin America, particularly Central America. As Thomas M. Leonard (1993) notes, "As the Spanish American independence movements gained momentum in the 1810s, the call for the United States recognition of the new republics increased," (p. 54). Leonard also goes on to explain how even the famous 19th Century U.S. statesman, known as " The Great Compromiser", Henry Clay envisioned a great potential for new markets in the former Spanish colonies.

The United States paid little attention to the isthmus until shortly after 1810 when Colombia received independence from Spain. Up until this time, United States trade relations focused mostly on Europe, Brazil, and the Caribbean (Leonard 1993, p. 54). Recognizing Colombia at this time also meant indirectly recognizing Panama, which was, at the time, a part of the Colombian state.

Throughout the first half of the nineteenth century, U.S. and British relations were strained with regard to the isthmus at Panama. With the United States being granted unrestricted transit of passengers and cargo over the isthmus in 1846[1], the British became alarmed. Later, in 1849, soon-to-be President Zachary Taylor commanded his Secretary of State, John Clayton, to protest British claims in the area (Leonard 1993, p. 56). After much bickering and debate followed by negotiations, the British and American governments reached an agreement. In 1850, the Clayton-Bulwer Treaty pledged that each government would not "assume a dominion over and part of Central America," (Leonard 1993, p. 57). The reality of the treaty was that it merely put on hold plans for construction of a canal on the isthmus. In the meantime, a functioning railroad acted as the link between East and West in terms of trade and passenger transportation.

Frenchman Ferdinand de Lesseps undertook the Canal project as a private entrepreneur in 1879. Many in the United States feared that the Caribbean Sea would be turned into an American Mediterranean, referring to constant conflict in that sea (Leonard 1993, p. 59). The project headed by de Lesseps continued for eight years, but ultimately failed. Further, private projects headed by Americans were also failing in the area and also in Nicaragua. Soon, calls for a government controlled canal would grow even louder.

The Colombian government played a key role during this period. The Colombian government was seeing little return from the railroad on the isthmus and feared U.S. expansion into its territory. This lead the negotiations between the two governments to end in frustration, with the Colombian government calling for the United States to seek alternate routes, i.e. through Nicaragua, give greater financial concessions for the

[1] *See* Bidlack-Mallarino Treaty of 1846.

Colombian resource if used, and a better definition of sovereignty rights to be given (Leonard 1993, p. 63). Also, obviously, Panamanians were concerned. They saw great opportunity in a Canal through Panama, and feared the U.S. would give up and go to Nicaragua for their canal. In 1903, Panamanians selected Manuel Amador Guerror to head to Washington to meet with U.S. officials[2]. After negotiations, Amador left with assurances that the U.S. would recognize and respect Panamanian independence, thus setting the stage for a revolt against Colombia.

The revolt occurred November 4, 1903 assisted by U.S. Naval ships that arrived in Colón which protected the uprisings. Amador was able to recruit 500 "bought" Colombian troops and the local fire department to ignite the revolt (Leonard 1993, p. 64). A few days later, President Theodore Roosevelt declared that he had taken Panama, following the successful revolution.

The treaty that followed was incredibly one-sided. Panamanians were asked to give up the rights to a large section of their land. This also included giving control to the United States over canal construction, maintenance, operation, sanitation and protection as well as lands and water sources outside of the canal "zone". Panamanians received $10 million and an annual payment of $250,000 for these rights. Unfortunately, they were in no place to protest or negotiate, for the U.S. threatened to pull out of the territory and allow for Colombia to return to deal with Panama and those who had revolted. Thus, the treaty was signed and construction began soon thereafter.

Construction proved to be long and difficult. Diseases such as malaria needed to be dealt with. Sanitation problems also arose. However, these problems were addressed

[2] Interesting of note, Amador is now the name of a section of Panama City, near the Canal, on the Bay of Panama.

and construction continued. In Washington, debates also arose, centered mainly on how to oversee the Canal and who should be appointed to manage the Canal once completed and in what capacity. However, in 1912, the Panama Canal Act was signed which abolished the role the Canal Commission had played during construction. In its place, a governor would be appointed by the president to govern the Canal in four-year terms. If war broke out, the Canal could be handed over to an Army officer, selected by the White House (Major 1993, p 73). Such was the basic structure of governance that lasted for the remainder of the twentieth century. What once began in the hot, tropical jungles as merely more than an idea soon became one of the man-made wonders of the world that helped to establish a successful economy in Central America and a hub for global commerce. The next section will serve to briefly describe how the Canal functions. This helps to better understand the physical environment of the Canal Zone, plus it illustrates the current capacity problems the Canal is facing.

Design of the Canal

The Panama Canal lies in the Rio Chagres Basin on the Isthmus of Panama. As Stanley Heckadon Moreno explains:

> The historical Chagres River Basin, which serves as the basin for the Panama Canal, extends some 3,260 kilometers in length and is not only the most important river basin in Panama but also one of the most strategic river basins in the world. Its two major lakes – Gatún and Alhajeula – function as reservoirs for the water needed to operate the inter-oceanic canal as well as to supply the water requirements of both Panama City and Colón, urban concentrations that contain more than half of the country's population. (Moreno 1993, p. 129).

Both Lakes Gatún and Alhajeula were manmade creations. Gatún was created in 1913 by damming the Rio Chagres at its Atlantic end to aid in flooding the area for the Canal. Alhajeula was created in 1934 for similar purposes, but by damming the Madden River in the high mountainous areas of the country.

The design of the Canal is fairly straightforward. The Canal acts almost as a two-way street with ships being able to pass in either direction. The Canal operates on a system of locks which serve to raise and lower water levels to allow for passage of ships. The three sets of locks, beginning on the Atlantic side are Gatun Locks, the Pedro Miguel Locks, and the Miraflores Locks. The three sets of locks of the two-lane Canal work as water elevators that lift the ships to the level of Gatun Lake, 26 meters over sea level, and later lower them again to sea level on the other side of the Isthmus of Panama[3]. The Canal functions in almost all-weather. Fortunately, Panama has been spared from major storms such as hurricanes due to its location.

[3] Taken from the Panama Canal Authority's website.

The Canal currently is able to pass 37 ships per day, in both directions. This is interesting since it takes roughly 8-10 hours for a ship to completely transit the canal. The two-way system of the Canal, however, speeds up the process. The Panama Canal requires extremely large amounts of water to function. Each lock requires, on average, 52 million gallons of water. This is only a small portion, however, of the total amount of water extracted each day from the Rio Chagres Basin. Some 2,800 million gallons of water are extracted daily from the Basin (Moreno 1993, p. 130). The 2,800 million gallon figure is a bit outdated, however. Moreno (1993) explains how this figure was expected to increase due to population growth to be around 4,000 million gallons by the year 2000. No current estimation of total watershed usage could be found.

The Canal faces growing capacity problems. Two new terms are now introduced: *Panamax* and *Post-Panamax*. Panamax refers to the maximum size a ship can be and still pass through the Panama Canal. Post-Panamax refers to those ships built since, which are larger than the maximum size, thus they are unable to pass through the Canal. There has been a steady rise in the number of Panamax ships passing through the Canal, from 4,198 in 1999 to 5,329 in 2004. The Canal Authority has managed to deal with these issues by implementing the two-way passage and utilizing the ability to have nighttime transits instead of daytime only transits[4].

Only until recently has this posed any significant problem, as there were not a large number of Post-Panamax ships in the world. However, Post-Panamax ships are bigger and faster, and thus, more attractive to shipping companies seeking to carry goods around the world in the most speedy and efficient manner. According to a report in *Latin Finance,* currently there are 248 Post-Panamax ships on order from the world's shipping

[4] *Lloyd's List*, March 18, 2005

lines for delivery starting in 2006 and international ports are launching plans to meet and accommodate their size and capacity[5] What this means for Panama is that the nation finds itself in a predicament. To expand or not to expand? Before venturing into a discussion of the expansion plans, I feel it is necessary to explain the environmental and biological makeup and importance of the Canal Watershed area in Panama.

The Canal Watershed

Panama's climate is typical of tropical areas. For the most part, Panama experiences heavy amounts of seasonal rain. There is a dry season which runs from about January through May, with the remainder of the defined by typical tropical rains. Annual rainfall is estimated to range anywhere from 110-152 inches (Moreno 1993, p 131).

The biodiversity in Panama, particularly in the watershed area is extremely great. The Canal sits in the center of one of the most biological diverse areas in the world, and apart from Amazonia and the northern and central Andes, Southern Central America has more forest bird species than any other region in the world (Condit et al 2001, p. 389). Also, Panama has as many plant species per 10,000 km^2 as any region in the world, even more than Amazonia and the Malay Peninsula (Condit et al 2001, p. 389).

Richard Condit and numerous other colleagues, including Stanley Heckadon Moreno, published the findings of a report based on a project for monitoring the Panama Canal area. This source will be used primarily for discussion on the biodiversity of the Canal area.

[5] *Latin Finance*, February, 2005

To begin, the forests themselves in the Canal Basin are extremely diverse. Tree inventories have been conducted in recent years and the numbers are staggering. According to a recent inventory (Condit 2001) there are 983 species of tree in the area surrounding the Canal. Of that number, over 200 had not been previously recorded in the watershed, which suggests that there still may very well be countless species of tree left undiscovered at this time (Condit et al 2001, p. 392).

The diversity of the bird population in the Canal Watershed area is also extremely impressive. According to Condit et al (2001), 650 species of bird are known in the Canal Watershed, which represents about two-thirds of the Panamanian avifauna (p. 393). Worthy of note is the fact that some 226 species of the total 650 are restricted to forests and are at most risk from deforestation (Condit et al 2001, p. 393). What is troubling is that not all of the bird species fall under the protection of Panama's National Park System. As Condit and his colleagues point out:

> Although only a handful of species are known to have disappeared from the canal watershed and neighboring forests in the decades since the canal's completion, failing to protect a significant majority of the remaining forest tracts on both the Caribbean and Pacific slopes will certainly cause further reduction in regional levels of avian diversity. Long-term maintenance of bird species diversity in the canal watershed will therefore require preservation of large forest tracts from ocean to ocean and reestablishment of a forested corridor from the lowlands of the canal area to the Chagres lowlands and foothills (2001, p. 394).

Amphibians are also diverse in the watershed area. However, they seem to be fairing better than the diverse avian population. There are 93 species of amphibians in the Canal Watershed area, and all but one of those species occurs in a protected area (Condit et al 2001, p. 394). Condit and his colleagues point out that, while there have been drastic declines in amphibian populations at sites throughout the world, within

Panama there does not appear to have been any such decline (p. 394). However, it does seem to make sense to assume that any larger scale alteration to forest tracts in the watershed and Canal Basin could have the potential to drastically change this trend, especially if forest and natural wildlife protection are not given priority[6]. These issues must be addressed and adequately assessed when investigating the feasibility of any sort of expansion of the Canal.

Economic Issues

When a developing nation takes on such an enormous task as the Panama's Canal expansion project, there are multiple areas which need attention and investigation. The environmental side of the problem has been addressed in this paper. Now the focus of this paper will turn to economic issues which need to be addressed.

Panama's estimated 2004 GDP was $20.57 billion, according to the CIA[7]. The make up of that figure rests largely on Panama's ever-expanding service sector, which accounts for roughly four-fifths of the nation's economy. Of all the different services, operation of the Panama Canal makes up the largest chunk of the country's economy. Followed by banking, insurance and tourism, operation of the Panama Canal has been the most fundamental asset to Panama's economy. In fact, it can (and has) been argued (Varela, 1998), without much disagreement, that without the Canal and the migration to the Canal Zone - as well as the Colón Duty Free Zone - the service sector would not

[6] For anyone interested in biodiversity in Panama, and planning to visit the region, I recommend visiting Summit Gardens in Gamboa, just outside of Panama City. They offer species rehabilitation projects in addition to having on display a wide variety of wildlife. In particular, the Harpy eagle project is very impressive.

[7] *See* CIA World Fact book www.cia.gov

have arisen as rapidly and the economy would not have boomed they way it has since construction. Varela puts it best:

> ….since the construction of the Panama Canal in 1914, uneven economic and regional development emerged in the Republic of Panama as a result of the increasing service function of Panama's economy and the concentration of its economic activities in one specific geographic area: the adjacent territory of the Panama Canal…this situation generated the rapid development of Panama City and its surrounding areas within the Province of Panama, creating what became the Metropolitan Area of Panama (Varela 1998, p. 5).

Most of the money that comes in from operating the Canal comes in the form of toll revenues. Ships pay a toll based on their size and weight, and these fees are the largest part of the Canal revenue equation. Toll revenues for the Panama Canal for the 2004 fiscal year surpassed the $1 billion mark for the first time[8]. Canal revenues are the backbone of Panama's economy. Without the Canal and the income that follows, Panama would not be were it is today.

As with many developing nations, Panama has a large debt to payoff. Canal expansion could plunge the country further into debt. However, Ricuarte Vasquez, a former deputy administrator of the Panama Canal Authority (ACP) and now Minister of Finance seeks to calm citizens and says that taxpayers will not be expected to finance the expansion project. He further says, "The expansion of the Panama Canal should be financed by tolls and the income that it generates,"[9] However, it remains unclear whether this message has permeated down to the people of Panama. With the riots during the summer of 2006 in Panama City over proposed social security reform, the

[8] *Latin Finance*, February, 2005.
[9] Taken from *Lloyd's List International* November 9, 2004

Panamanian citizenry will most likely be at least a little more than apprehensive on this topic.

Mr. Vasquez indicates that the expansion should be financed by increases in tolls charged to ships making the voyage through the canal. This seems easy enough; divert the burden of payment from the people to the shipping companies. However, it would be foolish to think that shipping companies would take on this added cost without protest or looking for alternatives. Recently, the Canal Authority has changed the ways the container shipping industry will be charged to cross the Canal. What this does is bring in an additional $185 million dollars in Canal revenue[10]. However, this change was seen by the shipping companies as a possible sign of things to come. Shipping companies expect some increases in tolls to pay for an expanded Canal. However, they also expect that such increases should not be over and above what will be necessary to keep international shipping and international trade operating at an optimum capacity, without passing costs further down the line to consumers. Shipping companies can be expected to find the most cost-effective way to transport their good around the world to their customers. If toll fees are seen as being too high, they will look elsewhere. For example, if it is more cost-effective to bypass the Panama Canal altogether and use faster, larger ships to travel around the tip of South America, then one should expect shipping companies to do so. Further, if utilizing the Suez Canal more frequently will be cost-effective, then companies should be expected to go that route as well. Another option which is greatly garnering attention of the shipping industry is the possibility of utilizing the so-called "Northwest Passage" in the Arctic which may become navigable as global warming continues. This possibility would greatly reduce shipping times.

[10] *Lloyds List International*, March 18, 2005

Some estimates put toll increases at nearly four-fold to pay for Canal expansion, which could reduce the Canal's competitiveness against alternatives, such as the Suez Canal[11]. Large shipping companies like Maersk-Sealand and Costco, if given no other options, will find an alternate route to cost-effective shipping practices. One has to wonder whether a four-fold increase in toll fees will be acceptable to the shipping industry.

The Nicaraguan Option

It has already been mentioned in the previous section that shipping companies might rely more on the Suez Canal for shipping if they are asked to pay too hefty of a price to transit the Panama Canal. Railways might also be another alternative to get goods across the isthmus at a cheaper price. However, another alternative may soon be on the horizon. For years, the Nicaraguan government and numerous other countries have shown interest in developing some sort of inter-oceanic crossing within the Central American country. If put into motion and subsequently completed, this possibility could spell the end of the line for the Panama Canal.

Interest in Nicaragua as a crossing point dates back to the 19th Century. Around the same time Panama was being investigated for its potential, Nicaragua was also being examined. In particular, the large Cocibolca Lake, south of Managua was considered as a sort of short-cut to allow ships to pass through[12] De Lesseps, decided to go the Panamanian route, and faced very little opposition, having already successfully built the Suez Canal. Although he failed to build a canal in Panama, the United States picked up where he left off, and never looked back.

[11] *Financial Times, London Edition*, July 13, 2005
[12] *UPI*, February, 22, 2005

In the mid-1990s, new calls for a canal in Nicaragua began to be heard within the country. Many argued that a canal would help the country recover from its civil war and boost its economy ahead of its neighbors in Central America[13]. The government is currently looking at four options, two being an overland route using railways and the other two being a maritime route. Overland routes would be cheaper to construct, however, the income generated from a maritime route with its ability to transport larger quantities of goods would be greater. It is unknown which option, if any, the government will settle on. However, it seems as though the Nicaraguan government is leaning towards the maritime route.

In 2004, a delegation of Russian business men visited Nicaragua to assess the feasibility of a canal in that country[14]. The proposed canal project has been dubbed the Grand Canal project and will utilize a link system of rivers and lakes, which will mean less dredging and digging. Estimates suggest that companies will have to invest around $20 billion to construct the proposed canal and that it will create 40,000 jobs in Nicaragua[15]. It remains to be seen whether Nicaragua is willing to take on such a large-scale and expensive project, but if Panama serves as a model, the positive economic impact a canal could have in the long-run may prove to be appealing for a nation with a troubled economy[16].

This chapter has highlighted some key fundamental aspects of Panama's place within the global capitalist system. First, Panama's key strategic location – both for economic and military purposes – has meant that many core states have shown interest in

[13] *UPI*, February, 22, 2005
[14] *Latin America News Digest*, February 10, 2004
[15] *Latin America News Digest*, February 10, 2004
[16] According to the CIA World Factbook, Nicaragua has a GDP $12.34 billion and a GDP per capita of $2,300 while Panama has a national GDP over $20 billion and GDP per capita at $6,900.

the Central American state, but none more so than the United States. Second, Panama's position within the world-system as a semi-periphery state means that it is eager to continue its relationships with the core, in hopes of breaking through into the "circle of the elite" among states. This also has other implications. Panama, being in this position, is desperate to avoid sliding back into the periphery. An ecological disaster; the breakdown of the Panama Canal by outside forces (such as development-induced strain on the watershed area or an attack by terrorist groups); a new, faster transportation route for shipping such as the Nicaraguan option or the emerging Northwest Passage are all possibilities that could affect Panama's primary source of income: the Canal. How the Canal goes, so goes Panama.

Interestingly though, Panama seems to be in a catch-22. As Panama seeks to expand the canal, more and more development within the watershed area can be expected. Afterall, development boomed during the 20th Century in the immediate Canal watershed region. This development, though, puts strains on the watershed itself, as well as creates more sources of pollution, health and safety hazards and marginalization of the poor and indigenous.

Thus, Panama is of key importance to many states, but primarily to the United States. The United States has had a paternal role in dealing with Panama, from the time of Panama's independence to the handover of the Panama Canal to the Panamanian government on December 31, 1999. Because of Panama's economic importance in terms of trade and natural resources, Panama was a prime location for U.S. military interests as well. In short, protecting Panama meant protecting the Canal and having a strong

military presence meant a “stable” Latin America and Caribbean region would hopefully mean a more prosperous (for the U.S.) region as well.

CHAPTER FIVE: ECONOMIC INTERESTS VIA SECURITY

It is necessary to explore the militaristic security threats that Panama faces to help explain the strong U.S. presence in the country. As has been noted, these threats pose a direct threat to the Panama Canal which in turn pose a threat to U.S. economic interests within the region. If the Canal is damaged or destroyed, or even taken out of U.S. control, the economic impact could be huge for not only the United States, but for many other core states.

So, what are the main threats, real or perceived? What have been the threats, real or perceived in years past? And what have been the policy responses to these real and/or perceived threats? This chapter will discuss all of these within a historical context. Futher, this chapter will highlight the economic and human impact these policies have had on the two main indigenous groups within Panama, the Kuna Yala and the Ngobe.

Currently, the main direct security threat in Panama comes from outside its borders with the Colombian internal conflict and the ever-looming threat of it spilling over and causing regional instability. However, securing the Panama Canal region has been of vital concern to the United States for well over a century. This chapter presents an overview of U.S. military involvement in Panama (and Colombia, its closest neighbor) as well as the environmental socio-cultural consequences of such involvement.

U.S Security in a Historical Context

As was briefly touched upon in the preceding chapter, the United States has (and has had for over a century) placed a priority on securing Panama and maintaining a

peaceful environment. It is in the interest of the United States, as Panama – even before the Panama Canal became operational – has been a key component to global trade.

Rebellions, insurrections and even world wars have repeatedly shifted focus in Washington, D.C. to securing the Canal. Following the Gold Rush, there were numerous events that called for U.S. military action or presence in Panama.

Following the Watermelon Riot in 1856 there were numerous riots and insurrections, usually involving Caribbean Blacks against the governing power inside Panama (Lindsay-Poland 2003, p. 15). Each time such an event occurred, the United States military was engaged in some way, whether peace-keeping or actual combat.

Interestingly enough, with increased pressure generated by the Civil War in the United States, President Abraham Lincoln even went as far as to develop a plan to move emancipated Blacks to a large plot of land in Chiriquí. This coincided with a special deal arranged by the Chiriquí Improvement Company (based in Philadelphia) to sell the U.S. Navy coal for a discounted price. The Blacks, Lincoln envisioned would then be put to work in the coal mines of Chiriquí and live separately from the Whites who he believed could not coexist with Whites (Lindsay-Poland 2003, p. 15).

In 1880, President Rutherford Hayes pointed toward the future when he called for an American-controlled canal on the isthmus. He even warned direct military opposition to a canal owned and operated by European countries. To prepare, the U.S. Navy began military maneuvers in the waters off the coast of what is now Panama. The statements by Hayes, coupled with the military maneuvers, angered the Colombian government. Panama was then under Colombian control, and the Colombians felt that they had not been properly notified of U.S. intentions.

In the subsequent years, many rebellions arose, pitting Panamanians against the Colombian governing authorities in Panama. Whites who lived in the area stayed out of the conflicts for the most part. However, more often than not, the U.S. military was brought in to address the conflicts. The following table highlights the major involvements of the United States military within Panama:

Table 1 Chronology of U.S. Intervention in Panama

Date	Rationale	Date	Rationale
September 19-22, 1856	"to protect American interests during an insurrection"*	**September 17-November 18, 1902**	"To place armed guards in all trains crossing the isthmus"
September 27 – October 7, 1860	Internal conflict	**November 1903**	Colombian military prevented from putting down independence movement
1861	Political disturbance	**November 17-24, 1904**	"To protect American lives and property at Ancón at the time of a threatened insurrection"
March 9-10, 1865	"To protect the lives and property of American residents during a revolution"	**1908, 1910, 1912**	U.S. troops supervised elections outside of the Canal Zone.
April 1868	"To protect passengers and treasure in transit during the absence of local police or troops"	**1918-1920**	"For police duty, according to treaty stipulations, at Chiriquí during electoral disturbances and subsequent unrest"
May 7-22 and September 23-October 9, 1873	"To protect American interests during hostilities over possession of the government of the state of Panama"	**April 1921**	U.S. naval ships held maneuvers on both sides of the isthmus during a border dispute between Panama and Costa Rica
March and April 1885	"To re-establish free transit during revolutionary activity"	**October 12-23, 1925**	Panama City: "Strikes and rent riots led to the landing of about six hundred American troops to keep order and protect American interests"
March 8-9, 1895	"To protect American interests during an attack on the town of Bocas del Toro by a bandit chieftain"	**January 9, 1964**	Panama City and Colon: U.S. soldiers kill 21 and wounded 500 students who attempted to raise the Panamanian flag inside the U.S.-controlled Canal Zone
November 20-December 4, 1901	"To protect American property on the isthmus and to keep transit lines open during serious revolutionary disturbances"; with French participation	**December 20, 1989**	U.S. invades Panama with 25,000 troops to protect U.S. citizens as well as the Canal infrastructure; also to stop drug trafficking and restore democracy
April 16-22, 1902	Bocas del Toro occupied at request of United Fruit Company	**December 5, 1990**	U.S. troops intervene in Panama City quell protests by police demanding higher wages and political reforms

*Testimony of Secretary of State Dean Rusk in 1962 to justify possible direct intervention in Cuba. (Senate Committee on Foreign Relations, *Situation in Cuba*, found in *Panama and the United States: The Forced Alliance*, Michael Conniff (1992).

World War II and Beyond

The largest buildup of U.S. forces in Panama occurred in the years preceding U.S. involvement in WWII. The United States had recently - in 1942 – obtained concessions by the Panamanian government to occupy 134 sites within Panama, including nine airfields and two radar sites (Lindsay-Poland 2003, p. 45). This period also, interestingly, marked the first time the United States Navy was able to expand its operations during war via the Panama Canal. At its height, the U.S. military had placed 63,000 troops within Panama (Lindsay-Poland 2003, p. 45).

The strategic importance of Panama as a gateway to the Pacific for the U.S. military is obvious. Also, however, there were other strategic possibilities within the countries borders. Beginning in 1943 and lasting until 1968, the United States had an active chemical weapons testing program in Panama. The main goal, according to many U.S. military officials, was to defend against an invasion. Major General Preston Brown was in control of U.S. military operations in Panama during the time and he believed that the jungle environment, with its humidity and heat, offered a great environment for what were termed "persistent gases". This led to a buildup of chemical weapons stockpiles in the years before the actual testing began. And according to Lindsay-Poland (2003), "By 1940, the United States had eighty-four tons of mustard gas; ten tons of phosgene; thousands of mustard-charged mortar rounds; and hundreds of assorted chemical projectors, shells and cylinders on hand in the Canal Zone," (p. 49).

During the War years, and in the years immediately following WWII, countless tests using chemical and nerve gases were conducted. Live animals were often brought in, specifically goats from Ecuador, to test these chemical weapons. However, as

Lindsay-Poland points out, many military scientists felt that tests on non-human subjects were “inadequate” and that tests on soldiers should thus be conducted (2003, p. 55). Subsequently, Lindsay-Poland notes, that some sixty thousand solders were exposed to “chemical agents in various sites by the end of the war,” and, “at least four thousand of these people were subjected to high doses of mustard gas or Lewisite (an arsenic agent) in gas chambers or in contaminated field areas,” (2003, p. 55). In addition, the U.S. used newly enlisted Puerto Rican soldiers in is tests as well, which resulted in many of the soldiers being hospitalized.

The tests also served to train U.S. troops in case they were themselves exposed to chemical weapons. In one test, five tons of mustard gas was dropped via aircraft on a platoon of U.S. soldiers wearing gas masks. These soldiers were then forced to stay in the area of the jungle that had been sprayed for twenty four hours.

Nuclear Panama

The use of chemical weapons inside Panama continued for decades. What is probably more troublesome is the fact that the United States government even had nuclear ambitions there as well. Unlike other locations, the plan was not to simply test nuclear weapons. Quite on the contrary, the plan was to excavate land for an even larger, sea-level canal on the isthmus.

John Lindsay-Poland discusses this endeavor, named Project Plowshare, in detail:

> The plan was to set off two hundred fifty to three hundred hydrogen bombs in the Darién Province region of Panama, near the border with Colombia, with each explosion carrying explosive power between twenty

> and two thousand times that of the bomb in Hiroshima in order to build a sea-level waterway without locks. The project would displace forty thousand people, mostly Kuna Indians for whom the area was home; shatter windows up to five hundred miles away; and possibly cause damage to the existing canal from earth slides (2003, p. 74).

Lindsay also points out that this illustrates how Panama was a "target of opportunity for scientists intent on completely transforming the environment to fulfill U.S. strategic aims, largely oblivious to the cost to the tropics' resident life," (2003, p. 74).

Luckily for Panamanians and the natural environment, the plan met a fierce opponent: environmentalism. The environmental movement was gaining strength during this period – the 1960s – and the Limited Test Ban Treaty of 1963, the Nuclear Nonproliferation Treaty and the Treaty of Tlateloco all merged almost simultaneously to put a halt to Project Plowshare.

Formal U.S. Military Departure

With the departure of the U.S. military presence in Panama at the end of 1999, Panama became the owner of dozens of former military installations, many of which had weapons ranges riddle with "bombs, mortars, rockets and other dangers," (Lindsay-Poland 2003, p. 139). After contentious debates between the U.S. and Panama over who should clean it up, the end result was that the United States left over one hundred thousand pieces of unexploded ordinance inside Panama (Lindsay-Poland 2003, p. 139). The weaponry and explosives that remained led to many accidents. The figure below shows the number of military installations in the immediate Canal Zone during the time of the handover.

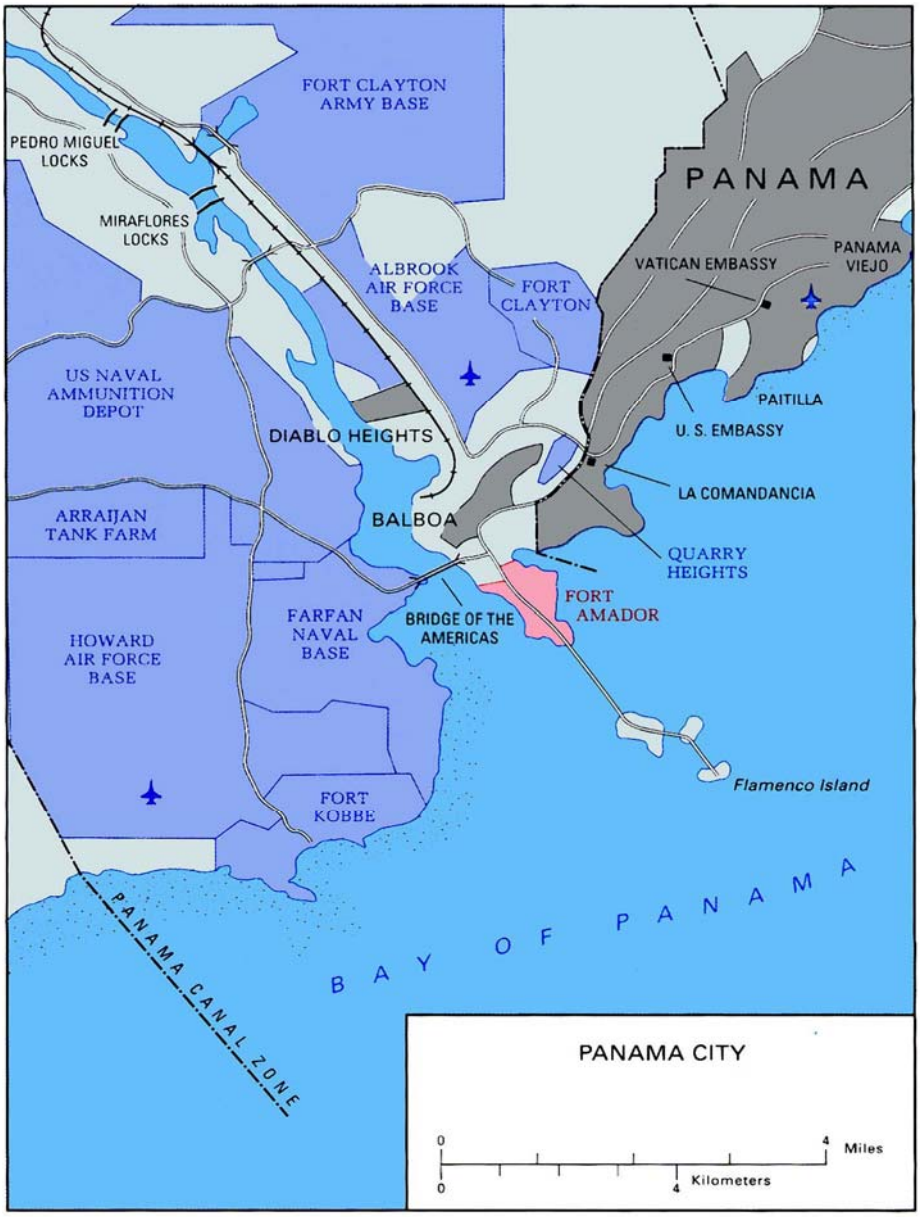

Figure 6 U.S. Military Installations

Source: U.S. Military

Further, with the period of military base closures that the Pentagon experienced in the 1990s, many situations at bases abroad led to environmental contamination. In December 1993, Defense Secretary William Perry signed a new policy regulating the cleanup of overseas military installations which, for all intents and

purposes, only elevated cleanup operations to a priority if the risk to human health was imminent and sustainable (Lindsay-Poland 2003, p. 145). John Lindsay-Poland (2003) argues that this bias towards cleanup of overseas bases is a pattern of environmental racism that was also witnessed within the United States, in mostly African American communities with military installations (pp. 145-146).

Even worse, more information was uncovered as the U.S. cleared out the remainder of its military installations in Panama regarding chemical weapons and spraying. Chemical pesticides DDT and Chlordane were used heavily on military installations and even residential areas in the Canal Zone, even after they had been banned in the United States. The result of this spraying has resulted in significant human health hazards (Lindsay-Poland 2003, p. 167). Also, water samples at Howard Air Force Base and at the Army base at Fort Kobbe indicated high levels of petroleum distillates (Lindsay-Poland 2003, p. 167).

In an effort to assuage fears by the poor and indigenous in Panama, the government engaged in a reforestation project that would reforest many of the lands once occupied by U.S. military installations. The main idea here was to make the forested and newly reforested areas a buffer to keep people out of the explosive-laden areas of former bases.

This project however, ultimately reeked of capitalist intentions rather than intentions based primarily on the welfare of the environment and the country's people. When the project was developed, a cost-benefit analysis was employed to put a value on a hectare of tropical forest used for "sustainable exploitation. This neoliberal economic policy was echoed by developers who sought to make commodities of the land and its

people. In John Lindsay-Poland's book *Emperors of the Jungle* (2003), Herman Bern, promoter of the Gamboa Tropical Rainforest Resort – situated north of Panama City near the Canal – is quoted as saying "…we have nature as our theme park…We have several indigenous communities. We want to interact and work very closely with them, so that we can show their culture, their way of living…We'll make a project that wealthy people will want to visit," (p. 182). The capitalist system has a way of exploiting whatever can be exploited. Whenever a group of people (or land) is not tied directly into an economic system through labor or direct resource exploitation – such as the case with "protected lands" – the core-states and their capitalists find a way to make of profit nonetheless.

Narcoterrorism and Post-Cold War Panama

The demise of the Soviet Union and the end of the Cold War left many in Washington to question Panama's strategic importance. However, there was soon a new role Panama could strategically play; fighting the drug war.

Panama was a very important center for drug trafficking, primarily cocaine coming out of Colombia. The Canal offered great opportunities to ship cocaine – and other narcotics – abroad. Thus, fighting this dilemma was of prime importance. More so, however, was the increasing hostilities within Colombia their propensity to spill over into neighboring Panama. The paramilitary groups, primarily the Revolutionary Armed Forces of Colombia (FARC), are of most concern to the governments of both Colombia and the United States. Colombia's place in the region – and with respect to Panama specifically – cannot be overstated. Colombia's internal struggles pose direct security threats to Panama, and in turn, the Panama Canal. Protecting Panama's borders means protecting Panama's vital assets, the first of which is the Canal. Thus, a secure Colombia

equates to a more secure region. A more secure region benefits Panama directly as expansion plans can more easily proceed, foreign investment is not scared away and instead, returns more fervently, and new partnerships with regional and global players can be made.

Background and History of the FARC

Today, the FARC is the most powerful and successful guerilla army in the world, fielding approximately 18,000 fighters, of which most are peasants.[17] To better understand the FARC of today and the conflict overall, however, it is essential to know where the FARC comes from. The FARC traces its origins back to the 1950s and a period of intense civil war – *la violencia* - within Colombia. *La violencia* was a bloody internal war that left 200,000 dead.[18] Throughout the first half of the 20th Century, there had been much strife, both politically and militarily, between liberals and conservatives. La Violencia represented the final phase of open warfare between the Liberals and the Conservatives, and occurred between 1946 and 1958.[19] This period had witnessed a new rift forming within Colombia, as well as throughout all of Latin America: the political split between left and right. Many throughout Latin America began finding much interest in Marxist philosophy, rooted in the Hegelian dialectic. This was also true within Colombia. However, Colombia differed from other Latin American states in that lacked any central power; Colombia at this time could be characterized by its continued dispersion and fragmentation of power throughout the country, a premodern attribute, and

[17] *Latin American Perspectives*, Vol. 27, No. 5, Sept. 2000, p. 134
[18] *The Washington Quarterly*, Summer 2002, "Colombia: Failed, Failing, or Just Weak?" p.123
[19] *Vanguard Revolutionaries in Latin America,* James F. Rochlin, 2003, p. 95.

in some ways is still present today.[20] Grace Livingstone makes this point clearly when she says:

> The Colombian State has never had control over all its territory. Since independence there have been local armies, guerrillas, bandits, armed peasants and landowners controlling parts of the country.[21]

Being that there was no "nation-state" in the sense that we now think of, Colombia of this period was marked by many feuding clans of groups vying for power, most notably within the political left. By the mid-1940s, a prominent and outspoken figure for the left began to emerge within Colombia. Jorge Eliécer Gaitán was vehemently outspoken and criticized the maldistribution of wealth in the country as well as the concentration of political power in the hands of a miniscule oligarchy.[22] However, Gaitán was not a self-proclaimed communist. With three-quarters of the population being peasants, and with only 3 percent of landowners controlling over half of the agricultural land[23], it is not too difficult to understand why Gaitán was becoming such a popular figure within Colombia. Gaitán's message was taken to heart by many within Colombia, and as a result violence dramatically increased throughout the countryside and within principle cities.

Gaitán's message, while not technically communist, presented a threat to those in power within Colombia as well as to the United States. This period coincides directly with the early stages of the Cold War. Within the context of this global proxy-war between the United States and the Soviet Union, the rising Marxist rhetoric coming out of

[20] Rochlin, p. 95.

[21] *Inside Colombia*, Grace Livingstone, 2003, p. 35.
[22] Rochlin, p. 95
[23] Rochlin, p. 95

Colombia was sure to alarm officials in Washington. On April 9, 1948 Gaitán was assassinated. Many throughout the country believed that the CIA had supported the operation, and many still do today. However, the CIA denies any involvement. Whether the CIA was involved or not, the end result was devastating. Mass riots broke out within the capital city of Bogotá, the most powerful mass organization ever in Colombian history.[24] This period of instant violence and rioting is known as *Bogotazo* and was marked by lootings of government buildings, offices, shops, and mansions. However, the violence did not stop there. After the rioting was quelled by the military, violence continued in the countryside as peasants and liberals continued to revolt where they could. Suppression was the method employed by the army and police to keep the uprisings down. Villages were burnt, women were raped, and people were killed in many horrific ways. As Livingstone puts it, "Each act of violence sowed the seeds for a reprisal".[25] When all was said and done, after a decade of bloodiness and devastation, the social revolt was successfully defeated and the country continued to be dominated by large landowners.

During this period of violence, many people banded together to form guerilla groups with hopes of successfully fighting back against the powerful army and police forces in Colombia. Throughout the subsequent years, these politically motivated rebel groups formed communities in the countryside, recruiting peasants to their cause. Eventually, these communities became self-sufficient farming communities. However, in 1964 the Colombian government launched a military offensive against one particular

[24] *War in Colombia*, "Gaitán and the U.S. Head to Head", Gloria Gaitán, 2003, p. 112.
[25] Livingstone, p. 42

community, Marquetalia, and the rebels were forced to flee.[26] This did not stop the cohesiveness of the guerrillas, however, as meetings continued to be held and in 1966 the FARC was officially formed by Manuel Marulanda Vélez.

Expansion of the FARC

Following its formation, the main goal of the FARC was survival. Nowhere near its size and strength of today, the FARC of the 1960s and 1970s was tasked with maintaining cohesion, recruitment, and defensive operations for the most part. When the FARC did operate offensively, it often did so with infrequent and rapid guerrilla attacks on military encampments as well as raids on farms. The goal of these offensive operations was mainly to aid its survival by capturing military equipment as well as securing food and supplies.[27] However, the FARC also kidnapped hostages for ransom – a trend we still see today, which will be discussed in further detail later – and settled scores with government and military informants.

The FARC claimed to be a politically motivated military operation. An interesting move to give the cause more credibility with this title came in the late 1960s. During this time, the FARC began to "look" like an army, with uniforms and even an insignia being worn by its "soldiers". These formative years were witness to a slow expansion of the FARC, but nonetheless significant and extremely meaningful.

The very early stages of the FARC, the formative years, typically saw the FARC operating in areas they had always historically been in. Facing a determined army with

[26] Livingstone, p. 44
[27] *Colombian Labyrinth,* Angel Rabasa and Peter Chalk, 2001, p. 24.

far superior numbers and weapons whose goal was crushing their movement dictated that the FARC could not successfully branch out into other territories. This changed, however, during much of the 1970s. As early as 1969, the FARC had opened up a second "front" in central Colombia. In 1971, a third front was created in the Urabá area, in the Darien gap between Panama and Colombia.[28] Many of the FARC's early activities of small raids, recruitment, and propaganda were paying off as its membership began to increase, even if it was ever so slowly.

Organizationally, the FARC was also evolving and growing. In 1974, the organization established a general staff and a secretariat to provide political direction.[29] Expansion continued in the early 1980s as a new expansion strategy was being implemented. This new strategy called for the creation of many new fronts. Furthermore, each new front would be tasked with gaining enough strength to create another front.

Perhaps a brief definition of a front is necessary. For this definition, I will turn to a very well-rounded, detailed one provided by Angel Rabasa and Peter Chalk in their book *Colombian Labyrinth*:

> A front is not a military unit of any particular size; it refers to a guerrilla command operating in a geographic jurisdiction. Within the front jurisdiction there are combat, support, and infrastructure elements. Usually the core of the front is the combat units, generally one or several companies. A company consists of some 50-55 fighters, divided into two platoons called guerrillas, each consisting of approximately 25 fighters. Besides combat units there are commissions, staffed by militia members. The finance commission is in charge of collecting "taxes." In addition, there are logistics commissions, intelligence commissions, public order commissions, mass work commissions, and others as may be designated by the front commander.[30]

[28] Rabasa and Chalk, p. 24.
[29] Rabasa and Chalk, p. 24
[30] Rabasa and Chalk, p. 25

This should clear up any confusion about what exactly a front is. It should not be confused with a military front in the sense of a large-scale war such as World War II and Germany's Russian "front".

The 1980s and the Drug Trade

Primarily due to a lack of financial ability to acquire weapons and fund its operations, the growth of the FARC was slow during the 1960s and 1970s. Remember, the main goal during this period was survival against the Colombian forces. The 1980s saw a drastic change in the way the FARC conducted its operations as well as a rapid increase in size and strength. The primary reason for this surge in power and ability was due to the illicit drug trade. In 1982, a decision was taken by the Seventh Conference of the FARC to develop links with the Colombian drug industry that would provide the money - and manpower - necessary for the creation of a "true" democracy.[31] By occupying many coca-growing regions of Colombia, the FARC were able to establish ties with the cocaine industry, which was experiencing a large boom in demand throughout the world and especially within the United States. With its capabilities and its influence, the FARC began to take control of every aspect of the narcotics trade within Colombia. The FARC established themselves early on as security forces for the drug-traffickers in Colombia. Components of the FARC essentially provided law, order, and protection to populations and regions involved in coca cultivation, chemical processing of raw coca into cocaine, as well as distribution. [32] Because of their role as security for drug-

[31] *Nonstate Actors in Colombia: Threat and Response*, Max G. Manwaring, 2002, p. 5.
[32] Rochlin, p. 99

traffickers, they have been known to require fees or "taxes" for their efforts. The FARC is alleged to have charged as high as a 10 percent tax on the aspects of the industry in which it was involved.[33]

The FARC began to experience trouble, however, during the 1980s. The huge narco-kingpins, such as Pablo Escobar, began to create their own security forces, rather than pay the FARC for their services. One main reason for this was ideology. These kingpins were known for being extremely capitalistic, which clashed with the leftist-Marxist ideals the FARC held. Being that one of the FARC's main goals was land reform, kingpins with large estates were very wary of the FARC and their operations. Thus the paramilitaries, created in the mid-1980s partially at the behest of narco-kingpins, have largely served the security functions previously performed by the FARC.[34] Still, the FARC maintain close ties with the narcotics industry in Colombia. Since the 1980s, the FARC has relied on the coca-cultivation of many peasants in the south of the country, where they still tax almost every aspect of the industry. According to the BBC, now they tax every stage of the drug business, from the chemicals needed to process the hardy coca bush into cocaine and the opium poppy into heroin, right up to charging for the processed drugs to be flown from illegal airstrips they control.[35]

By immersing itself in the booming cocaine industry, the FARC created a viable means of increasing cash to fund its operations and strengthen its forces. Estimates abound, but the general consensus figure for the FARC's yearly revenue from narco-trafficking is $300 million. The importance of narco-trafficking in strengthening the ability of the FARC in both weaponry and size is explained well by Max G. Manwaring:

[33] Rochlin, p. 99
[34] Rochlin, p. 100
[35] *BBC News*, http://news.bbc.co.uk/1/hi/world/americas/1746777.stm

> As a result, FARC expanded from approximately 2,000 guerrilla fighters in 1982 to over 70 fronts (company-sized units) with 18,000-20,000 fighters in 2001. This illicit funding has provided the FARC with the capability of confronting regular Colombian military units up to battalion size, and of overrunning police and military installations and smaller units. Moreover, insurgent presence has spread from 173 municipalities in 1985 to 622 in 1995, out of a total of approximately 1,050.[36]

Today, an estimated 50-60 percent of all FARC fronts' financing originates in drug-related activities and a recent raid unearthed evidence confirming the involvement of the FARC in almost aspect of the international drug trade.[37] Perhaps this is one of the reasons why the FARC (and other such groups in Colombia) have grown militarily while other rebel groups throughout Latin America were not and have been forced to negotiate or have been annihilated.

Flirting with a Political Front

The 1980s saw more than just the FARC incorporating the drug-trade into its financial base. This also was the time when the FARC flirted with a political front to reach its goals. In the mid-1980s, the Colombian government approached all of Colombia's guerrilla groups, including the FARC, with a plan for peace. This plan included granting amnesty for guerrilla fighters and also had a ceasefire component. Throughout the so-called peace process, the FARC was still outspoken against the Colombian government. The FARC claimed that the negotiations and actions of the Colombian government did nothing to reverse the socioeconomic trends that were occurring in Colombia. The FARC continued to insist for land reform, redistribution of wealth, and other reforms.

[36] Manwaring, p. 5
[37] *War and Lack of Governance in Colombia,* Edgardo Buscaglia and William Ratcliff, 2001, p. 5

Despite the criticism that the FARC so often expressed of the Colombian government, in 1985 the FARC created a new leftist political party, the Union Patriótica (UP). This was the first time, in all of its history that the FARC had seriously attempted to take the political route power. The members of the UP consisted mainly of those guerrillas who accepted the amnesty promised by the Colombian government. In its first congressional election in 1986, the UP won a surprising 14 seats. This joy and success, however, were short-lived. Members of the UP who participated in Colombian politics became easy targets for the right-wing paramilitary death squads that were tasked with crushing the FARC and other leftist guerrilla groups. Reportedly, some of these death squads had ties to the Colombian government. During the late 1980s and early 1990s, between 2,000 and 4,000 UP leaders and supporters were assassinated by right-wing paramilitary forces that the FARC claimed were often aligned with the government.[38] With the UP now decimated, the only legitimate political route for the FARC was closed. The FARC then decided that there was no hope for a political route to power. Thus, the FARC focused on the military route, which they still employ today.

Other Activities Employed by the FARC

There are many tactics the FARC engages in as means to reach its ultimate goal of the eradication of the state. Most consider the non-military tactics to be acts of terrorism, thus the label of the FARC as a terrorism group.[39] The following section outlines in detail the various actions employed by the FARC.

Military

[38] Rochlin, p. 10
[39] See U.S. State Department's list of terrorist groups.

If the FARC were merely narco-traffickers, they would not gain the notoriety that they currently have within Colombia, nor would they alarm officials within the United States either. The FARC is a highly organized rebel group. Some might call the FARC a venerable army of highly trained fighters. With its increasing cash flow, the FARC has been able to increase its military capabilities drastically. The rebels have been able to increase their military capabilities in four main areas. First, the FARC has been able to improve its command and control capabilities to the point where they now can coordinate with multiple units on the ground. This makes for strategic attacks that are much more efficient and effective. Second, they have been able to purchase much more advanced communications equipment that allows for better placement and movement of forces throughout the country. Third, they have begun to create special forces units designed to carry out specific missions, such as assaults and demolitions. Finally, the guerrillas have had the financial capacity to purchase heavy weaponry that drastically levels the playing field. Roman D. Ortiz, in his essay *Insurgent Strategies in the Post-Cold War: The Case of the Revolutionary Armed Forces of Colombia* explains the extent to which the FARC have gone to employ heavy weaponry:

> The Colombian guerrilla forces employed in their operations a level of heavy weapons support almost unheard of among the revolutionary movements in the continent in terms of quantity and quality. This material included mortars, rocket launchers, and heavy machine guns. Moreover, although they were not used in combat, it became *Colombian Revolutionary Armed Forces* known that they had at their disposal a certain amount of portable surface-to-air missiles (SAMs) as well as some helicopters and fixed wing aircraft for use in logistical support tasks. [40]

The 1990s saw large increases in FARC activity. The weaponry that the FARC was – and currently is - able to employ in combat makes them a serious threat to the

[40] *Insurgent Strategies in the Post-Cold War: The Case of the Revolutionary Armed Forces of Colombia*, Roman D. Ortiz, 2002, pp. 136-137.

Colombian army as well as others. To reach its goal of overthrowing the government, the FARC must chip away at that governmental control. The most efficient way of accomplishing this, a way with a higher likelihood of success, is to isolate certain areas, drive out police, military, and government officials, and then establish control. This is exactly the type of strategy the FARC typically employs. During the 1990s, the FARC focused on the capital, Bogotá, with hopes of isolating that city by gaining control of surrounding areas. The FARC also created urban militias – a new component to the FARC's military strategy – which multiplied the strength of the fronts themselves. Just how far FARC had progressed was brought home in late February 1998 when the understrength 52nd Counter-guerrilla Battalion (52 BCG) of the newly formed 3rd Mobile Brigade (3 BRIM), deploying only 154 men in three of its companies, was lured into a prepared ambush and decimated at El Billar, Caqueta.[41] The FARC has also been known to plant bombs, conduct mortar attacks on government buildings, and assassinate key figures in cities and towns throughout Colombia. These military tactics have proven to be successful – although not always – for the FARC, if for nothing else than demonstrating their highly organized nature and ability to conduct complicated yet successful military operations.

Kidnapping and Extortion

In order for the FARC to become one of the most powerful rebel groups in the world, it must supplement its finances by means other than the global drug trade. It has been established that the FARC (reportedly) draws in over $300 million a year through the drug industry. However, a growing military (whether it is legitimate or rebel) will

[41] *Colombian Army Adaptation to FARC Insurgency,* Thomas Marks, 2002, p. 8

continuously need more money. The FARC recognized this long ago and therefore has had kidnappings (for ransom) and extortion in practice for some time. The strategy of the FARC is to kidnap individuals suspected of having two main criteria: 1) some sort of relationship to an important government official or 2) some degree of wealth; a combination of both would be the most beneficial to the FARC. Therefore, in many respects, the FARC does not discriminate. Tourists have been kidnapped. Relatives of wealthy landowners are also targeted. Government officials, if not killed outright, are held for ransom, as well as their relatives. Colombia, a country rife with violence and conflict, where guerrilla groups such as the FARC are a constant threat (as are the paramilitaries), is home to over 3,000 kidnappings a year, with a large portion of that total belonging to the FARC.[42]

The Kidnappings do not occur only within the Colombian borders, however. The countries that share borders with Colombia are also affected. Panama, Ecuador and Peru have all had citizens from within their borders kidnapped and held for ransom. The problem, as I shall demonstrate later, is not confined to Colombia. It has widespread implications for the entire region. No one should be fooled into thinking otherwise.

Extortion, while not as "sexy" as kidnapping does occur and is used often by the FARC to increase their money supply. This is common throughout Colombia, as FARC soldiers often extort money from people who are wealthy and typically own lots of land. The FARC will also strong-arm these individuals into handing over large sums of money in exchange for protection of their businesses and their lives. One estimate has the FARC bringing in over $160 million from extortion and ransoms.[43] These activities, coupled

[42] *BBC News:* http://news.bbc.co.uk/1/hi/world/americas/2452909.stm
[43] *Current History*, February 2000, "The Enigmatic Guerrilla: FARC's Manuel Marulanda", Andres Cala

with the highly lucrative narco-trafficking industry have helped fund the FARC's activities and allowed it to become one of the most well organized and armed rebel groups in the world.

With the internal conflict continuing with no end in site inside Colombia, others in the region have obvious cause for concern. Colombia's neighbors that share border with the distressed state have worries of a spillover of the conflict into their territories. These worries are largely justifiable as FARC incursions have already occurred, and have been occurring for some time. This section will focus on one important country in the region, Panama. Panama is a key ally in the region to the United States, and thus an important place to look when discussing security dilemmas.

Panama, although very tiny, is highly valuable to the United States and the entire world. The Panama Canal is one of the most important hubs for commerce and trade in the global capitalist world-system. It is also the country's main source of income (generally from taxes placed on ships passing through the Canal). Once a part of Colombia, Panama is very vulnerable to any conflict in neighboring states. A periphery state of this importance cannot crumble from within or from outside forces. Thus, Panama continues to remain an important security and economic concern for the United States.

On December 31, 1999 the United States handed over control and sovereignty of the Panama Canal to Panama. While this event was applauded by some and assailed by others, the fact of the matter was, Panama was finally completely independent from outside powers. Security of the Panama Canal was now in the hands of Panamanian security forces, not the United States Defense Department. Not surprisingly, the

withdrawal of the last U.S. military units at the end of 1999 gave this nation a responsibility for which it had neither experience nor adequate forces. [44]

As with other neighboring countries, the FARC has routinely ventured into Panama seeking rest, recuperation, even recreation. The Darien Province is the province in eastern Panama, bordering Colombia and is characterized by rugged terrain and tropical rainforest. This is an ideal area to hideout and escape Colombian forces, mostly in the form of paramilitaries. However, not surprisingly, the paramilitaries are not shy about following the FARC into Panamanian territory. In 1997 reports surfaced that paramilitary commanders were offering $2,000 for each guerrilla killed in Panama.[45]

For both the United States and Panama, the FARC present a variety of problems. First, there is the fear of scaring off foreign investors. If the core countries of the capitalist world-system see Panama as being an insecure country that allows rebels (now considered terrorists) to flow unabated through its territories, then investors will be reluctant to spend millions of dollars on projects that could potentially become prime targets or collateral damage in a cross-border conflict.

For this reason, it took quite some time before the Panamanian government would acknowledge any presence of the FARC within its territory. Furthermore, Panamanian security forces have often been held back far from the Darien region and been ordered to avoid contact with armed Colombian forces, whether they be guerrillas or paramilitaries. Given the superiority of the Colombians, whether guerrillas or paramilitaries, in combat skills and equipment, this strategy was not altogether unreasonable.[46]

[44] Millett, p. 18
[45] Millett, p. 18
[46] Millett, p. 18

Second, the FARC have brought their kidnapping activities into Panama. Locals suspected of having wealth or tourists are targeted. Violence has reached the point that many locals are extremely fearful. The Bishop of Darien, Romulo Emiliani, declared that "armed groups have transformed our peaceful province. Now kidnapping and assault have become as common here as in Colombia."[47]

Third, the conflict has spilled over enough to cause physical destruction in villages of Darien. Much of this destruction is caused by the Colombian paramilitaries chasing the fleeing FARC or destroying areas suspected of housing FARC supplies and soldiers. For many local Panamanians, the Colombian paramilitaries are just as bad, if not worse than the FARC rebels. In June 1999, Interior Minister Mariela Sagel said that, while border crossings had been going on for 25 years, paramilitaries now "have threatened the Panamanian townspeople with death if they continue selling supplies to the rebels. The peaceful coexistence has ended."[48]

The fourth problem is concerning refugees from Colombia. The border with Panama has, in recent years, seen drastic increases in fierce fighting between FARC rebels and Colombian paramilitaries. Dr. Richard Millett explains how recent fighting has caused the refugee problem:

> In December 1999, heavy fighting near the border caused over 300 refugees to pour into the Darien, further exacerbating the region's problems. By March 2000 the number had reached 500, and Panama began urging Colombia to accept their repatriation.[49]

[47] Millett, p. 19
[48] Millett, p. 19
[49] Millett, p. 19

Panama cannot afford to deal with a refugee crisis. With no security forces that amount to anything, Panama is having enough trouble trying to deal with the insurgent problem. Refugees would only compound difficulties for the Panamanian government.

Future Prospects

The situation in eastern Panama is anything about stable. The border remains permeable, with border crossings occurring regularly by FARC rebels and paramilitaries. Two scenarios are possible in Panama. One, the Colombian government can continue to combat the FARC with little success, and hope they fade away. They can hope that *Plan Colombia* will indeed work and that the FARC will figuratively starve to death. This is the best scenario for Panamanians. However, that possibility is not likely given the fledgling nature of *Plan Colombia.*

The second scenario is much less comforting. If the Colombian government does decide to fiercely crackdown on the FARC – whether or not this effort is substantially supported by the United States - the result could be catastrophic for its neighbors, particularly Panama. Should this occur, we might see the often mentioned "balloon effect" result. FARC forces facing insurmountable odds and mounting losses might flee Colombia. If they flee into Panama, the Panamanian government will have little in its arsenal to stop their incursion. Of all the bordering nations, Panama is the most vulnerable, having neither regular armed forces nor direct land connections with the border region, a long history of the usage of Panamanian territory by Colombian narco-traffickers, and a lack of any real capacity to control its land, sea, or air frontiers. [50] With

[50] Millett, p. 17

these characteristics, any large-scale FARC migration to Panama could potentially be devastating.

The Panamanian government is stuck between a rock and a hard place. They have no military. Their Public Forces (PF) has no heavy weapons, poor communications and poorly trained leadership, rendering them highly ineffective against forces of any substantial size and strength. If it were the case, the FARC and paramilitaries could destroy villages in Darien and spread westward, leaving destruction in their wake with little to no resistance. However, any lack of action is looked down upon by the United States, especially after September 11th. Panama risks straining relations with the United States by not acting and potentially hurting itself economically. The best way the Panamanians can handle this situation is by sending whatever forces it has to the Darien, and hope the situation does not deteriorate.

Panama is very reluctant to ask for U.S. assistance because it is still only recently under its own control completely. Many within Panama are not ready – and may never be ready – for a return of U.S. military forces to Panamanian soil. This might be their only option however. If the FARC and paramilitaries bring the fighting to Panamanian territory in any large-scale capacity, the Panamanian government will be left with no options but to appeal to the United States. The United States would most likely be willing to assist. Depending on what is going on throughout the world at the time, the United States would love to regain control of Panama Canal security. It would benefit its influence in the region as well as aid in the global war on terror, as the canal is a major hub for narcotics trade that fund terror groups all across the globe. Also, terror groups

might wish to attack the Canal. The U.S. with its resources would be much more effective at attack prevention than the Panamanians.

All of these scenarios may sound depressing to many Panamanians. However, Panama cannot afford to lose its primary source of income in the Canal. With plans at expanding the Canal, Panama is looking at developing and increasing its economy. An attack by the FARC, or any other terror group for that matter, would be devastating to the tiny state. With no other major global exports, Panama's development would stifle. Panama cannot afford to become, once again, a banana republic. A return to assistance from the United States might be an inevitable reality for Panama if it wishes to develop at all in a region full of conflict and violence. The future is uncertain. What is certain is that this region will continue to be extremely important in the coming years as fighting continues and peace seems further and further away. The coming years will be significant in determining what the outcome will be for Colombia, the FARC, and Panama.

Indigenous People in Panama

The current discussion has centered on how the priorities of security and economic prosperity (via the accumulation of wealth, i.e. capital) have placed a burden on the natural environment and people of Panama. But what must be discussed to some degree of great detail is the impact felt by the indigenous group within Panama, as has been said before, the poorest people in the poorest states often feel the effects first and harshest – and indigenous are often on the margins of society (Wickstrom 2003).

Specifically within Panama two main indigenous groups are found, the Kunas and the Ngobe. These indigenous groups, like others throughout Latin America – and many

parts of the so-called developing world – face increasing challenges brought on by globalization and pressures of the capitalist world-system. The main reason for this in Panama, as with other states, is the need to constantly increase the coffers. Periphery states like Panama seek to make headway into the semiperiphery and core. Thus, as Stefanie Wickstrom notes, "Ecological conservation and development programs that might help rural communities meet their own changing needs have not been lasting priorities of national development in Panama," (2003, p. 44). Instead, the elite in Panama choose to cooperate with foreign governments and multinational corporations that prop up the Panamanian state in return for the assistance by the Panamanian government with international development schemes which highlights the fact that the capitalist world-system has failed to address the needs of Panama's poor majority. (Wickstrom 2003, p. 44). The following map shows the distribution of ethnicities throughout Panama. Notice the areas that are orange and indicated "Tribal Indian" territories on the northeastern Atlantic Coast (Kuna) and in the Western mountainous areas (Ngobe).

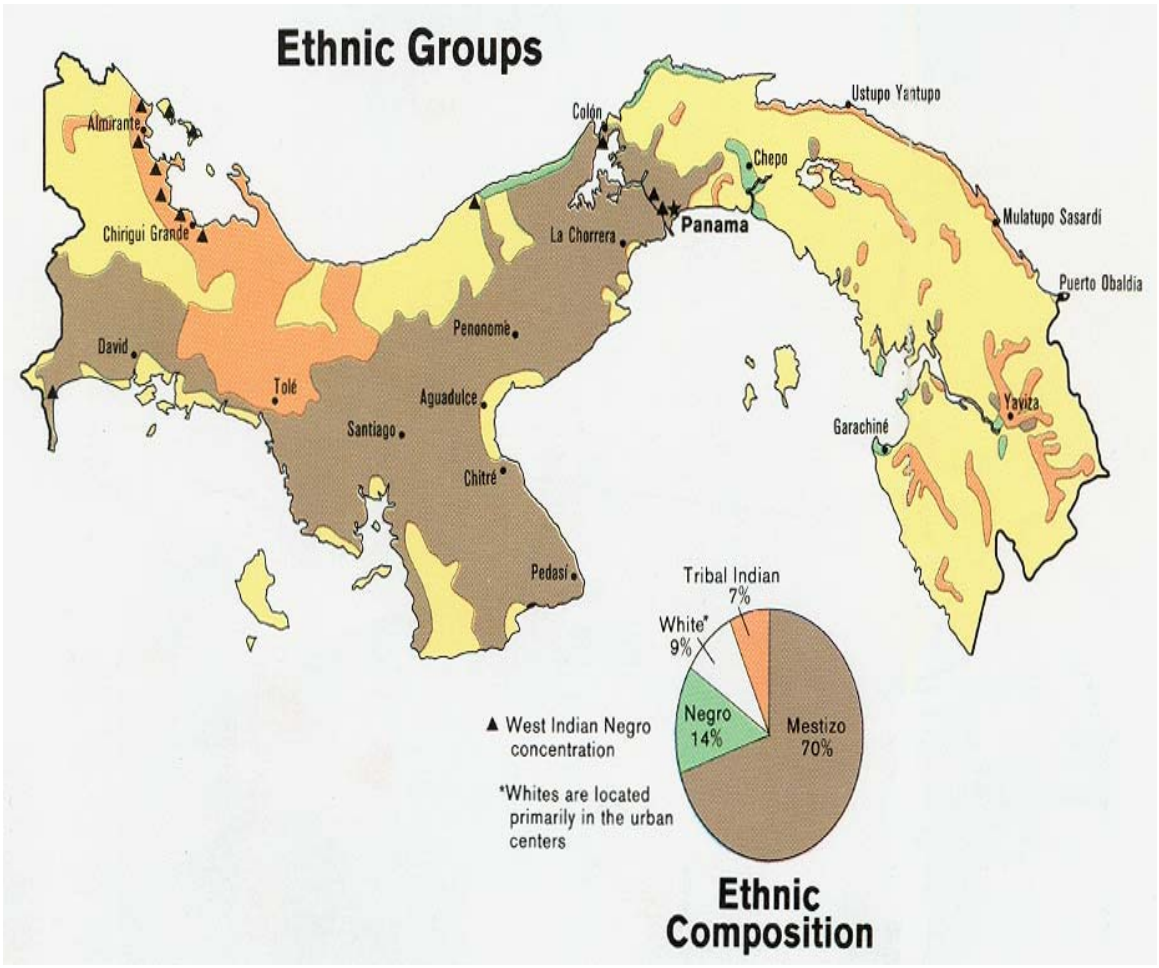

Figure 7 Map of Ethnic Groups

Source: University of Texas Online Library

As is the case with other places throughout the developing world, in Panama, the government attempted to force indigenous populations to assimilate into the "civilized world" in ways such as the transfer of indigenous lands to non-indigenous land buyers, especially internal and external corporations who would then use the land for agricultural purposes (Guionneau-Sinclair 1991; Howe 1998). The Panamanian government, through continual legislative approval, has the right to govern indigenous lands.

Despite some gains made by indigenous groups within Panama under President Omar Torrijos in the 1970s, there are still some critical fissures in indigenous rights, such as the right the government can reserve to exploit natural resources on indigenous lands.

Thus, large-scale development patterns can continue on indigenous lands. Elton (1997) notes that seventy-five percent of the mining concessions in Panama are on indigenous lands.

The Kuna in Panama occupy an area in northeastern Panama, on the Atlantic/Caribbean coast called Kuna Yala. The Kuna have had more direct contact with outside peoples over the century than any other indigenous group within Panama, and through their associational networking, have maintained a large degree of their social and cultural traditions, specifically with regard to traditional socio-cultural institutions. As outsiders continued to try and occupy their land, Kuna organization and communication throughout Panama grew stronger as a cooperative mindset among differing tribes was necessary to sustain farming, hunting and gathering and to hold out against these outside forces attempting to settle (Wickstrom 2003, p. 47). Thus, over the years, extensive development has not taken place on Kuna lands. Regardless, the natural resources within their territories are becoming degraded, such as sea turtle populations, and outside developers are constantly seeking political routes in Panama City to have access to resources such as timber and mineral deposits in Kuna lands (Wickstrom 2003, p. 48). As this continues, and as their resources are continually degraded, Kuna are forced inland, where and emerging tourism industry is allowing them to sell Kuna crafts. Thus, Kuna traditional culture is now being sold in the global economy, but the price to the Kuna themselves may be more than the income they are gaining in monetary terms.

The Ngobe are a similar case. Although not as politically organized as the Kuna, they have been able to successfully organize modern political systems. Forced in the mountainous territories of inland Panama by European settlers, the Ngobe dispersed and

formed smaller localized groups of Ngobe throughout the region. Communication and decision-making were done at this level, with little to no communication with other Ngobe groups in the greater area. This could potentially be why external attempts to control Ngobe affairs overall have been to some degree unsuccessful. For over 300 years, this political culture has meant that the Ngobe have lived together (relatively) and cooperate without being subject to conquest (Wickstrom 2003, p. 49).

However, by the mid-twentieth century, industrial external forces started to change things. Developers seek natural resources had begun to make their way into Ngobe lands. Thus, the ecological systems they had helped sustain for centuries were beginning to be lost and many of their cultural traditions were also succumbing to these external forces. To make matters worse for the Ngobe, some Panamanian companies have expressed interest in the possibility of harnessing hydroelectric power in Ngobe lands via the Tabasará River, which could potentially inundate large sections of Ngobe land (Wickstrom 2003, p. 51).

For the Kuna and the Ngobe – as well as other groups in other periphery states – protecting ecological lands and natural resources as well as maintaining cultural traditions and identities has proven difficult. As Stefanie Wickstrom notes:

> The experiences of the Kunas and the Ngobe suggest that *some* cultural survival and control over homelands may be secured by resisting external control of lands and resource management but that integration with the dominant Panamanian society and the world capitalist system can undermine cultural survival and ecologically sustainable productive activities. Poverty in indigenous communities and environmental degradation in rural Panama are both attributable in large part to the imposition of politico-economic institutions, practices and priorities that have undermined the capacities of indigenous peoples and peasants to meet their needs in ecologically sustainable ways (2003, p. 61 emphasis added).

The world capitalist system does not prioritize on anything other than capital accumulation, fed to the core states in a seemingly endless cycle of exploiting not only people but the natural landscape of the periphery states. To seriously expect the states of the first world to place a serious emphasis on ecological and cultural protection is a mistake. It is also a mistake to expect states in the periphery, eager to make headway into towards the core to do so either, especially when the first to feel the shock of natural resource degradation are the indigenous groups which often posses little to no political power at the national level.

CHAPTER SIX: CONCLUSIONS AND DISCUSSION

The discussion thus far has shown that the world-system – driven by the machinery of capitalism – is not concerned with environmental protection in periphery states, nor is it concerned with the lives of the poor within those states. The poor, who are often indigenous and on the margins of society, face the consequences of globalization in the capitalist system via environmental degradation and natural resource depletion. Further, the risk to human health in periphery states is also at risk because of the processes of capitalism, which focuses primarily on economic development. Development by foreign companies – and even elites within periphery states – equates to a loss of culture as well as exploitation of the natural environment.

The case of Panama has been highlighted in this paper and its relationship, primarily with the United States, serves as a window into how the machine of capitalism works through the lens of world-systems analysis. The core-states – in this case the United States – exploits the periphery-states (Panama). Through military intervention and occupation – as well as construction and maintenance of the main source of income (the Panama Canal) – the United States created a pseudo-colony in Panama. Encouraging Panamanian independence from Colombia in the 19th Century allowed the United States to further fulfill its dreams of Manifest Destiny. With Panama, the United States, for all intents and purposes, controlled one of the most important pieces of property and infrastructure to the global economy. Further, the installation, over time, of multiple military sites allowed for the strengthening of U.S. military forces in the Latin American

region of the Western Hemisphere, putting the U.S. in a position of strategic, military superiority during and after World War II.

The importance of the relationship between the United States and Panama cannot be emphasized enough. Countless scholars have stressed this point and for many different reasons. The Panama Canal is the basis for all that goes on within Panama. Currently, we see renewed interest in this state as the Panamanian government gets underway with its expansion project. For a time, talk of a new Nicaraguan route – and perhaps the Northwest Passage – diverted attention of the global core from Panama. The recent instability in the country with riots over social security reform and the worry among many in the global trade industry that the people of Panama would vote against the referendum for expansion certainly did not help matters.

However, the people have since voted for expansion[51], and even though talks continue on the Nicaraguan route[52], the expansion of this waterway is crucial for the Panamanian – and global – economy. Panama sits poised to reclaim its vital role; a role it was beginning to lose a grasp on. For Panama, seeking to make its headway in the global core, this is extremely important. Living up to its nickname as the "Hub of the Americas" seems more possible now that passage of the referendum on expansion has been made; the return to a banana republic seems less likely.

However, and this cannot be stressed enough, the majority of Panamanians are poor and will face increasing pressure as development encroaches on currently undeveloped land which is vital to so many with in Panama. The poor and indigenous have been somewhat successful at holding out against foreign developers, but with a

[51] Please visit http://news.bbc.co.uk/2/hi/americas/6074106.stm fore more information.
[52] Please also see http://news.bbc.co.uk/2/hi/americas/5405884.stm for more information.

Panamanian government riddled with corruption in the past and focused on increasing its global position (and position within Latin America), one must question how long these groups can hold out. Wickstrom (2003) already makes this point when she discusses the degree to which the Kuna and Ngobe have already given up some of their cultural traditions. It seems that it is only a matter of time before the capitalist world-system will dictate that these groups will become more and more assimilated into "civilized" society and that the environment and human health will take a back seat to the accumulation of wealth, funneled back to the core.

This paper has also argued that scholars are missing the point. That is, focusing on the definitional and theoretical linkages between national security and environmental security – and even human security – obfuscates the real problem at hand. It does not matter if these two concepts can be theoretically linked. If these ideas do not reach the elites in the political and global commerce spheres, it makes no difference. Further, there is little evidence to show that even if these ideas *did* make it to the elite level anything would be done.

Scholarly work done by people such as Thomas Homer-Dixon is useful, however, as it highlights the growing concern among the "first world" of violence and conflict that can break out due to environmental and resource degradation. Violent conflict is never wanted.

However, it almost seems that, inevitably, these discussions turn to how violent conflict leads to regional instability, which in turn leads to an economic security threat to foreign investors and economies back in the core. Rather than expressing genuine concern for lives lost and environmental destruction, the core resorts to expressing

concern over falling markets and the "bottom line". Afterall, if core-states did possess a moral imperative, much like that expressed by Robert McNamara and James Blight in their seminal work *Wilson's Ghost: Reducing the Risk of Conflict, Killing and Catastrophe in the 21st Century*, then these states would be obliged to take action, expend resources and potentially lose lives fighting for the poor, weak and marginalized in states thousands of miles away (or even on our borders). And where would be the profit in that?

On the contrary, only when severe economic loss or gain will the states of the core take military action to stop genocide or killing. Usually, the core wraps itself in the mantra of helping the weak, when, in reality, access to an oil pipeline is of more importance.

Further, as Nicholas Hildyard (1999) points out, even these outbreaks of conflict are often misunderstood by policy makers and scholars. Often, it is much easier to attribute conflict in periphery states to something that is the result of population pressures (which stress natural resources) or to some long-standing animosity between tribal groups rather than look at what really is going on. Hildyard argues that closer inspection of situations, more often than not, reveals that a "complex web of politics, economics, history, psychology and a struggle for identity" produces these animosities and that often the simple claims made are done so by the elite with self-interested agendas - agendas that often involve the accumulation of wealth at the expense of the lives poor – (1999, p. 4).

Thus, there must be a shift in the scholarly community, specifically IR, so that these seemingly irresolvable theoretical and definitional debates can be replaced by

substantive, critical analysis of the world-system in which we all live and are ultimately deeply invested in. Currently, scholars are not seeing the forest for the trees, and soon, there will be no forest to see.

Some possible criticisms of the arguments laid forth in this paper are those often raised by scholars such as Ulrich Beck (1992, 1999). For Beck, the world is entering into what he terms a "world risk society" where public discourse becomes open and more transnational. Diverging from the analysis laid forth in this paper, the elites cannot escape the ills of development and industry (pollution, global climate changes, "risk" etc.). Therefore, these elites, along with their poorer brethren must unite. Thus, the battle against environmental and health hazards will be waged by newly formed cohesions of civic groups and organizations lead by an assortment of elites and poor, unities that cross state borders and cultural and ethnic lines. As Beck states, "David *plus* Goliath" (1999, p. 41).

These ideas differ largely from class-based analyses like traditional Marxism and the World-Systems approach employed in this paper. For Beck, this new global endangerment is replacing the class system and its potential position as an organizing for dismantling the capitalist system. Beck sees that all groups, workers, business owners and the rich are all affected. Thus, to Beck, over time, the divisions of class within society become increasingly blurred and eventually disappear because in the end, everyone sits on the same "playing field" due to exposure to environmental risks. This theoretical vantage point lessens the role states play within the global system and emphasizes individuals and groups instead. While recognizing the a class-based global

society exists, Beck is confident that this is temporary, but instead of a classless society as Marx or even Wallerstein might envision, Beck argues for the "risk society".

But, as Elaine Draper points out, to conclude from this that class society is being fundamentally replaced seems a bit of a stretch (1993, p. 642). As she notes,

> Toxic waste dumps are seldom found beneath the green estates of the wealthy. Environmental hazards present the greatest threat to the poor and racial minorities (Farley and Allen 1987; Draper 1991). Dangerous goods find more willing buyers within less developed countries and impoverished communities. And while it is true that the makers of defective autos also die in car accidents, they do so less often because they are much more likely to drive safer cars. In general, the costs of hazards are externalized and paid by the public rather than fully absorbed by business (1993, p. 642).

Certainly it is true that certain environmental risks are truly global or transnational in nature. Global climate change, fishery depletion, water pollution are all examples of such transnational risks. However, to conclude that all environmental and health risks become so large as to burden every member of the world system, indiscriminant of position within that system so as to render the system useless seems overblown. Indeed there will be newly formed alliances between different groups; perhaps even once competing groups. But it is highly more probably the companies will cooperate with companies and NGOs will cooperate with NGOs that share similar interests. Even if more substantional and robust alliances are forged, as Beck predicts, there is another fundamental flaw with this analysis, which is discussed below.

What Beck's argument – and many like it – fail to adequately argue is exactly *how* these newly formed alliances will result in a new political structure sufficient enough to tackle the inarguably transnational problems the world faces. In other words, what is

to say that these newly formed cohesive "forces" will not end up just formulating ad hoc responses to environmental and health challenges? As Harriet Bulkeley notes:

> The argument that risk society heralds a new political dynamic, in which a division emerges between an impotent formal political system and various subpolitical arenas, is difficult to sustain…Beck's thesis does not adequately capture the political dynamics of contemporary risk issues (2001, pp 442-443).

For Beck – and many others – globalization as a force "implies the weakening of state structures, of the autonomy and power of the state," (1999, p. 13). For all intents and purposes, if correct, this would doom any world-systems theory where states and their agents (multi-national corporations) are the key players. However, the current world is dominated by an elite few who control what issues are open for debate and discourse. The range of issues open for passionate and moral engagement has been curtailed by a new economic constitutionalism that has price and trade stability at all (social) costs written into the statutes of the World Bank, the International Monetary Fund, the World Trade Organization and the newly created European Central Bank and states, coupled with the economic interests they serve, have arguably been strengthened – not weakened – by the policy constraints they themselves sought and enacted (Hueglin 2000, p. 868).

In contrast to Beck, Wallerstein (1976; 2000; 2004; 2004) and many others like him feel that the system will so exploit the poor within the core that there will be a global social movement to eradicate the capitalist system as we know it. Similar to Beck in one respect, Wallerstein has begun to recognize the growing use of technology (via the internet and other communications means) as ways of allowing people around the world to discuss their place within the global society. Wallerstein has begun to leave his nation-

state centric approach, recognizing the importance of groups and individuals. However, the author of this paper is still skeptical that this new "social forum," to use Wallerstein's language, will actually be capable of generating enough momentum to destabilize the behemoth that is the global capitalist economy. Nor does this author think that Beck's idea of a globally aware and communicative "risk society" will develop in such a way to reach an outcome with the result being the minimization of risk for *all* members of global society. It is true, the internet, cell phones, and the like make for much easier communication. What is highly unlikely, however, is that vertical communication between the elite and the "rest" will rise to a point that cooperation can occur. For example, the forced displacement of millions of people within the dalit and adivasis castes in India for the construction of the Sarovar Dam in India, and the Indian government's inability to provide proper compensation or quell fears of public health risks highlights this problem (Dwivedi, 1999).

Certainly, underlying any world-systems analysis, one must recognize the other factors that are play within societies at all levels. Cultural, religious, ethnic, gender and class cleavages all play a role. However, the ultimate determining factor is power and power is directly tied to capital accumulation. Those within power seek to maintain power at the cost of the "rest". All other things aside, economic factors are the major determining factor in the world-system, and the world economic system is so deeply rooted at this point, it seems unlikely the social revolutions within states by the poor will eveer generate enough momentum to destabilize the system sufficiently to bring about significant, global change.

It is a fanciful idea, and is perhaps possible. But, what is more likely, according to this author, is the complete and utter collapse of the capitalist system by its own actions and its impact on the natural environment. Complex systems such as the atmosphere, water systems, etc. are highly unpredictable and as Beck himself even notes, risks that cannot be calculated are accepted as denied insurability (1999, pp. 31-32). Industrial "experts" say there is no risk while insurance experts say things are too risky, resulting in a cycle of not thinking about issues in a perverse way to ensure sanity (Beck 1999, p. 105).

Scientists really have no way of determining when a system will break down. In other words, there is a cliff, we know it is there, but we have no way of seeing it or determining when we will be approaching it. Thus, systems could shut down, resulting in large-scale economic collapse around the world. It could very well be that the inevitable global equalizer is not a revolution to replace the capitalist world economy with a more equitable, utopian global society consisting of more localized, sustainable development. In contrast, it could very well be that the capitalist system will so damage the natural environment, that the earth itself revolts against our industrial processes and decides for us that these processes must stop. The outcomes could be very similar, but the way we get to that outcome is yet to be determined.

APPENDIX: U.S. – Panama Treaty of 1903

Convention for the Construction of a Ship Canal (Hay-Bunau-Varilla Treaty), November 18, 1903

Concluded November 18, 1903; ratification advised by the Senate February 23, 1904; ratified by President February 25,1904; ratifications exchanged February 26, 1904; proclaimed February 26, 1904. (U.S. Stats., vol. 33.)

The United States of America and the Republic of Panama being desirous to insure the construction of a ship canal across the Isthmus of Panama to connect the Atlantic and Pacific oecans, and the Congress of the United States of America having passed an act approved June 28, 1902, in furtherance of that object, by which the President of the United States is authorized to acquire within a reasonable time the control of the necessary territory of the Republic of Colombia, and the sovereignty of such territory being actually vested in the Republic of Panama, the high contracting parties have resolved for that purpose to conclude a convention and have accordingly appointed as their plenipotentiaries,-

The President of the United States of America, John Hay, Secretary of State, and

The Government of the Republic of Panama, Philippe Bunau-Varilla, Envoy Extraordinary and Minister Plenipotentiary of the Republic of Panama, thereunto specially empowered by said government, who after communicating with each other their respective full powers, found to be in good and due form, have agreed upon and concluded the following articles:

ARTICLE I

The United States guarantees and will maintain the independence of the Republic of Panama.

ARTICLE II

The Republic of Panama grants to the United States in perpetuity the use, occupation and control of a zone of land and land under water for the construction maintenance, operation, sanitation and protection of said Canal of the width of ten miles extending to the distance of five miles on each side of the center line of the route of the Canal to be constructed; the said zone beginning in the Caribbean Sea three marine miles from mean low water mark and extending to and across the Isthmus of Panama into the Pacific ocean to a distance of three marine miles from mean low water mark with the proviso that the cities of Panama and Colon and the harbors adjacent to said cities, which are included

within the boundaries of the zone above described, shall not be included within this grant. The Republic of Panama further grants to the United States in perpetuity the use, occupation and control of any other lands and waters outside of the zone above described which may be necessary and convenient for the construction, maintenance, operation, sanitation and protection of the said Canal or of any auxiliary canals or other works necessary and convenient for the construction, maintenance, operation, sanitation and protection of the said enterprise.

The Republic of Panama further grants in like manner to the United States in perpetuity all islands within the limits of the zone above described and in addition thereto the group of small islands in the Bay of Panama, named, Perico, Naos. Culebra and Flamenco.

ARTICLE III

The Republic of Panama grants to the United States all the rights, power and authority within the zone mentioned and described in **Article II** of this agreement and within the limits of all auxiliary lands and waters mentioned and described in said **Article II** which the United States would possess and exercise if it were the sovereign of the territory within which said lands and waters are located to the entire exclusion of the exercise by the Republic of Panama of any such sovereign rights, power or authority.

ARTICLE IV

As rights subsidiary to the above grants the Republic of Panama grants in perpetuity to the United States the right to use the rivers, streams, lakes and other bodies of water within its limits for navigation, the supply of water or water-power or other purposes, so far as the use of said rivers, streams, lakes and bodies of water and the waters thereof may be necessary and convenient for the construction, maintenance, operation, sanitation and protection of the said Canal.

ARTICLE V

The Republic of Panama grants to the United States in perpetuity a monopoly for the construction, maintenance and operation of any system of communication by means of canal or railroad across its territory between the Caribbean Sea and the Pacific ocean.

ARTICLE VI

The grants herein contained shall in no manner invalidate the titles or rights of private land holders or owners of private property in the said zone or in or to any of the lands or

waters granted to the United States by the provisions of any Article of this treaty, nor shall they interfere with the rights of way over the public roads passing through the said zone or over any of the said lands or waters unless said rights of way or private rights shall conflict with rights herein granted to the United States in which case. the rights of the United States shall be superior. All damages caused to the owners of private lands or private property of any kind by reason of the grants contained in this treaty or by reason of the operations of the United States, its agents or employees, or by reason of the construction, maintenance, operation, sanitation and protection of the said Canal or of the works of sanitation and protection herein provided for, shall be appraised and settled by a joint Commission appointed by the Governments of the United States and the Republic of Panama, whose decisions as to such damages shall be final and whose awards as to such damages shall be paid solely by the United States. No part of the work on said Canal or the Panama railroad or on any auxiliary works relating thereto and authorized by the terms of this treaty shall be prevented, delayed or impeded by or pending such proceedings to ascertain such damages. The appraisal of said private lands and private property and the assessment of damages to them shall be based upon their value before the date of this convention.

ARTICLE VII

The Republic of Panama grants to the United States within the limits of the cities of Panama and Colon and their adjacent harbors and within the territory adjacent thereto the right to acquire by purchase or by the exercise of the right of eminent domain, any lands, buildings, water rights or other properties necessary and convenient for the construction, maintenance, operation and protection of the Canal and of any works of sanitation, such as the collection and disposition of sewage and the distribution of water in the said cities of Panama and Colon, which in the discretion of the United States may be necessary and convenient for the construction, maintenance, operation, sanitation and protection of the said Canal and railroad. All such works of sanitation, collection and disposition of sewage and distribution of water in the cities of Panama and Colon shall be made at the expense of the United States, and the Government of the United States, its agents or nominees shall be authorized to impose and collect water rates and sewerage rates which shall be sufficient to provide for the payment of interest and the amortization of the principal of the cost of said works within a period of fifty years and upon the expiration of said term of fifty years the system of sewers and water works shall revert to and become the properties of the cities of Panama and Colon respectively, and the use of the water shall be free to the inhabitants of Panama and Colon, except to the extent that water rates may be necessary for the operation and maintenance of said system of sewers and water.

The Republic of Panama agrees that the cities of Panama and Colon shall comply in perpetuity with the sanitary ordinances whether of a preventive or curative character prescribed by the United States and in case the Government of Panama is unable or fails in its duty to enforce this compliance by the cities of Panama and Colon with the sanitary ordinances of the United States the Republic of Panama grants to the United States the right and authority to enforce the same.

The same right and authority are granted to the United States for the maintenance of public order in the cities of Panama and Colon and the territories and harbors adjacent thereto in case the Republic of Panama should not be, in the judgment of the United States, able to maintain such order.

ARTICLE VIII

The Republic of Panama grants to the United States all rights which it now has or hereafter may acquire to bee property of the New Panama Canal Company and the Panama Railroad Company as a result of the transfer of sovereignty from the Republic of Colombia to the Republic of Panama over the Isthmus of Panama and authorizes the New Panama Canal Company to sell and transfer to the United States its rights, privileges, properties and concessions as well as the Panama Railroad and all the shares or part of the shares of that company; lot the public lands situated outside of the zone described in **Article II** of this treaty now included in the concessions to both said enterprises and not required in the construction or operation of the Canal shall revert to the Republic of Panama except any property now owned by or in the possession of said companies within Panama or Colon or the ports or terminals thereof.

ARTICLE IX

The United States agrees that the ports at either entrance of the Canal and the waters thereof, and the Republic of Panama agrees that the towns of Panama and Colon shall be free for all time so that there shall not be imposed or collected custom house tolls, tonnage, anchorage, lighthouse, wharf, pilot, or quarantine dues or any other charges or taxes of any kind upon any vessel using or passing through the Canal or belonging to or employed by the United States, directly or indirectly, in connection with the construction, maintenance, operation, sanitation and protection of the main Canal, or auxiliary works, or upon the cargo, officers, crew, or passengers of any such vessels, except such tolls and charges as may be imposed by the United States for the use of the Canal and other works, and except tolls and charges imposed by the Republic of Panama upon merchandise destined to be introduced for the consumption of the rest of the Republic of Panama, and

upon vessels touching at the ports of Colon and Panama and which do not cross the Canal.

The Government of the Republic of Panama shall have the right to establish in such ports and in the towns of Panama and Colon such houses and guards as it may deem necessary to collect duties on importations destined to other portions of Panama and to prevent contraband trade. The United Skates Shall have the right to make use of the towns and harbors of Panama and Colon as places of anchorage, and for making repairs, for loading, unloading, depositing, or transshipping cargoes either in transit or destined for the service of the Canal and for other works pertaining to the Canal.

ARTICLE X

The Republic of Panama agrees that there shall not be imposed any taxes, national, municipal, departmental, or of any other class, upon the Canal, the railways and auxiliary works, tugs and other vessels employed in bye service of the Canal, store houses, work shops, offices, quarters for laborers, factories of all kinds, warehouses, wharves, machinery and other works, property, and effects appertaining to the Canal or railroad and auxiliary works, or their officers or employees, situated within the cities of Panama and Colon, and that there shall not be imposed contributions or charges of a personal character of any kind upon officers, employees, laborers, and other individuals in the service of the Canal and railroad and auxiliary works.

ARTICLE XI

The United States agrees that the official dispatches of the Government of the Republic of Panama shall be transmitted over any telegraph and telephone lines established for canal purposes and used for public and private business at rates not higher than those required from officials in the service of the United States.

ARTICLE XII

The Government of the Republic of Panama shall permit the immigration and free access to the lands and workshops of the Canal and its auxiliary works of all employees and workmen of Whatever nationality under contract to work upon or seeking employment upon or in any wise connected with the said Canal and its auxiliary works, with their respective families, and all such persons shall be free and exempt from the military service of the Republic of Panama.

ARTICLE XIII

The United States may import at any time into the said zone and auxiliary lands, free of custom duties, imposts, taxes, or other charges, and without any restrictions, any and all vessels, dredges, engines, cars, machinery, tools, explosives, materials, supplies, and other articles necessary and convenient in the construction, maintenance, operation, sanitation and protection of the Canal and auxiliary works, and all provisions, medicines, clothing, supplies and other things necessary and convenient for the officers, employees, workmen and laborers in the service and employ of the United States and for their families. If any such articles are disposed of for use outside of the zone and auxiliary lands granted to the United States and within the territory of the Republic, they shall be subject to the same import or other duties as like articles imported under the laws of the Republic of Panama.

ARTICLE XIV

As the price or compensation for the rights, powers and privileges granted in this convention by the Republic of Panama to the United States, the Government of the United States agrees to pay to the Republic of Panama the sum of ten million dollars ($10,000,000) in gold coin of the United States on the exchange of the ratification of this convention and also an annual payment during the life of this convention of two hundred and fifty thousand dollars ($250,000) in like gold coin, beginning nine years after the date aforesaid.

The provisions of this Article shall be in addition to all other benefits assured to the Republic of Panama under this convention.

But no delay or difference opinion under this Article or any other provisions of this treaty shall affect or interrupt the full operation and effect of this convention in all other respects.

ARTICLE XV

The joint commission referred to in Article VI shall be established as follows:

The President of the United States shall nominate two persons and the President of the Republic of Panama shall nominate two persons and they shall proceed to a decision; but in case of disagreement of the Commission (by reason of their being equally divided in conclusion) an umpire shall be appointed by tire two Governments who shall render the decision. In the event of the death, absence, or incapacity of a Commissioner or Umpire, or of his omitting, declining or ceasing to act, his place shall be filled by the

appointment of another person in the manner above indicated. All decisions by a majority of the Commission or by the Umpire shall be final.

ARTICLE XVI

The two Governments shall make adequate provision by future agreement for the pursuit, capture, imprisonment, detention and delivery within said zone and auxiliary lands to the authorities of the Republic of Panama of persons charged with the commitment of crimes, felonies or misdemeanors without said zone and for the pursuit, capture, imprisonment, detention and delivery without said zone to the authorities of the United States of persons charged with the commitment of crimes, felonies and misdemeanors within said zone and auxiliary lands.

ARTICLE XVII

The Republic of Panama grants to the United States the use of all the ports of the Republic open to commerce as places of refuge for any vessels employed in the Canal enterprise, and for all vessels passing or bound to pass through the Canal which may be in distress and be driven to seek refuge in said ports. Such vessels shall be exempt from anchorage and tonnage dues on the part of the Republic of Panama.

ARTICLE XVIII

The Canal, when constructed, and the entrances thereto shall be neutral in perpetuity, and shall be opened upon the terms provided for by Section I of Article three of, and in conformity with all the stipulations of, the treaty entered into by the Governments of the United States and Great Britain on November 18,1901.

ARTICLE XIX

The Government of the Republic of Panama shall have the right to transport over the Canal its vessels and its troops and munitions of war in such vessels at all times without paying charges of any kind. The exemption is to be extended to the auxiliary railway for the transportation of persons in the service of the Republic of Panama, or of the police force charged with the preservation of public order outside of said zone, as well as to their baggage, munitions of war and supplies.

ARTICLE XX

If by virtue of any existing treaty in relation to the territory of the Isthmus of Panama, whereof the obligations shall descend or be assumed by the Republic of Panama, there

may be any privilege or concession in favor the Government or the citizens and subjects of a third power relative to an interoceanic means of communication which in any of its terms may be incompatible with the terms of the present convention, the Republic of Panama agrees to cancel or modify such treaty in due form, for which purpose it shall give to the said third power the requisite notification within the term of four months from the date of the present convention, and in case the existing treaty contains no clause permitting its modification or annulment, the Republic of Panama agrees to procure its modification or annulment in such form that there shall not exist any conflict with the stipulations of the present convention.

ARTICLE XXI

The rights and privileges granted by the Republic of Panama to the United States in the preceding Articles are understood to be free of all anterior debts, liens, trusts, or liabilities, or concessions or privileges to other Governments, corporations, syndicates or individuals, and consequently, if there should arise any claims on account of the present concessions and privileges or otherwise, the claimants shall resort to the Government of the Republic of Panama and not to the United States for any indemnity or compromise which may be required.

ARTICLE XXII

The Republic of Panama renounces and grants to the United States the participation to which it might be entitled in the future earnings of the Canal under Article XV of the concessionary contract with Lucien N. B. Wyse now owned by the New Panama Canal Company and any and all other rights or claims of a pecuniary nature arising under or relating to said concession, or arising under or relating to the concessions to the Panama Railroad Company or any extension or modification thereof; and it likewise renounces, confirms and grants to the United States, now and hereafter, all the rights and property reserved in the said concessions which otherwise would belong to Panama at or before the expiration of the terms of ninety-nine years of the concessions granted to or held by the above mentioned party and companies, and all right, title and interest which it now has or many hereafter have, in and to the lands, canal, works, property and rights held by the said companies under said concessions or otherwise, and acquired or to be acquired by the United States from or through the New Panama Canal Company, including any property and rights which might or may in the future either by lapse of time, forfeiture or otherwise, revert to the Republic of Panama, under any contracts or concessions, with said Wyse, the Universal Panama Canal Company, the Panama Railroad Company and the New Panama Canal Company.

The aforesaid rights and property shall be and are free and released from any present or reversionary interest in or claims of Panama and the title of the United States thereto upon consummation of the contemplated purchase by the United States from the New Panama Canal (company, shall be absolute, so far as concerns the Republic of Panama, excepting always the rights of the Republic specifically secured under this treaty.

ARTICLE XXIII

If it should become necessary at any time to employ armed forces for the safety or protection of the Canal, or of the ships that make use of the same, or the railways and auxiliary works, the United States shall have the right, at all times and in its discretion, to use its police and its land and naval forces or to establish fortifications for these purposes.

ARTICLE XXIV

No change either in the Government or in the laws and treaties of the Republic of Panama shall, without the consent of the United States, affect any right of the United States under the present convention, or under any treaty stipulation between the two countries that now exists or may hereafter exist touching the subject matter of this convention.

If the Republic of Panama shall hereafter enter as a constituent into any other Government or into any union or confederation of states, so as to merge her sovereignty or independence in such Government, union or confederation, the rights of the United States under this convention shall not be in any respect lessened or impaired.

ARTICLE XXV

For the better performance of the engagements of this convention and to the end of the efficient protection of the Canal and the preservation of its neutrality, the Government of the Republic of Panama will sell or lease to the United States lands adequate and necessary for naval or coaling stations on the Pacific coast and on the western Caribbean coast of the Republic at certain points to be agreed upon with the President of the United States.

ARTICLE XXVI

This convention when signed by the Plenipotentiaries of the Contracting Parties shall be ratified by the respective Governments and the ratifications shall be exchanged at Washington at the earliest date possible.

In faith whereof the respective Plenipotentiaries have signed the present convention in duplicate and have hereunto affixed their respective seals.

Done at the City of Washington the 18th day of November in the year of our Lord nineteen hundred and three.

JOHN HAY [SEAL]

P. BUNAU VARILLA [SEAL]

Source:
Inter-American relations; collection of documents, legislation, descriptions of inter-American organizations, and other material pertaining to inter-American affairs.
Compiled by Barry Sklar and Virginia M. Hagen
Washington, U.S. Govt. Print. Off., 1972

REFERENCES

Aguilar, Eloy O. Panama's new president will make tough decision on canal expansion. (2004, April 20). *The Associated Press [Panama City]*. Retrieved October 5, 2005, from Lexis-Nexis Database.

Any expansion of Panama Canal will have to be approved by the country's voters. (2004, October 27). *The Associated Press* [Panama City]. Retrieved October 5, 2005, from Lexis-Nexis Database.

Barnett, Jon. 2001. "Security and Climate Change." Working Paper for Tyndall Centre for Climate Change Research

Barnett, Jon and Stephen Dovers. 2001. "Environmental Security, Sustainability and Policy." Pacifica Review. 13(2): 157-169.

Beck, Ulrich. 1992. *Risk Society: Towards a New Modernity*. London: Sage Publicatoins

_____. 1999. *World Risk Society*. Cambridge: Polity Press.

Biesanz, John and Mavis. 1955. *The People of Panama*. New York, NY: Colombia University Press.

Big plans that will create a new meaning for the word panamax: The Panama Canal Authority and shipping lines have united to make the case for the expansion of the waterway, which is likely to reach its maximum possible capacity in 2012. (2005, March 18). *Lloyd's List International*, p. 7. Retrieved October 5, 2005, from Lexis-Nexis Database.

Broda-Bahm, Kenneth T. 1999. "Finding Protection in Definitions: The Quest for Environmental Security." Argument and Advocacy. (35):159-170.

Browitt, Jeff. *Third World Quarterly.* "Capital Punishment: The Fragmentation of Colombia and the Crisis of the Nation-State." 22:6 pp. 1063-1078, 2001.

Bulkeley, Harriet. 2001. "Governing Climate Change: The Politics of Risk Society?" Transactions of the Institute of British Geographers. 26(4): 430-447

Buscaglia, Edgardo and William Ratliff. 2001. *War and Lack of Governance in Colombia: Narcos, Guerrillas, and U.S. Policy*. Stanford, CA: Hoover Institution on War, Revolution and Peace.

Butts, Kent. 1996. "National Security, the Environment and DOD." Environmental Change and Security Project Report. 22-27.

Cala, Andrés. *Current History*. "The Enigmatic Guerrilla: FARC's Manuel Marulanda." February, 2000.

Canal set for public debate: Judgment day is fast approaching for the people of Panama as they seem set to be called on to determine the long-term future of the canal. (2004, November 9). *Lloyd's List International*, p. 13. Retrieved October 5, 2005, from Lexis-Nexis Database.

Conca, Ken. 2002. "The Case for Environmental Peacemaking," in Conca, Ken and

Condit, Richard, W. Douglas Robinson, Roberto Ibáñez, Salomón Aguilar, Amelia Sanjur, Raúl Martínez, Robert F. Stallard, Tomas García, George R. Angehr, Lisa Petit, S. Joseph Wright, Tara R. Robinson, and Stanley Heckadon. 2001. "The Status of the Panama Canal Watershed and its Biodiversity at the Beginning of the 21st Century,". *BioScience*. 51:389-398.

Conniff, Michael L. 1992. *Panama and the United States: The Forced Alliance.* Athens, GA: The University of Georgia Press

Crandall, Russell. 2002. *Survival*. "Clinton, Bush and Plan Colombia." 44(1): 150-172.

Dalby, Simon. 2002. "Security and Ecology in the Age of Globalization." ECSP Report. 8: 95-108.

Deudney, Daniel. 1991. "Environment and Security: Muddled Thinking." Bulletin of the Atomic Scientists. 47 (3):22-28 accessed through EbscoHost January 30, 2006.

Diehl, Paul F. 1998. "Environmental Conflict: An Introduction." Journal of Peace Research. 35(3):275-277

Draper, Elaine. 1993. "Review: Risk, Society, and Social Theory." Contemporary Sociology. 22(5) 641-644.

Dudley, Steven. 2004. *Walking Ghosts: Murder and Guerrilla Politics in Colombia.* New York, NY: Routledge.

Dwivedi, Ranjit. 1999. "Displacement, Risks and Resistance: Local Perceptions and Actions in the Sardar Sarovar." Development and Change. 30: 43-78.

Eddy, Elizabeth. 2004. "Environmental Security: Securing What for Whom?" Social Alternatives. 23(4):23-28.

Ehrenman, Gayle. 2003. "Pumping Up the Canal." *Mechanical Engineering*, September.

Elton, Charlotte. 1997. *Panamá: Evaluación de la sostenibilidad nacional*. Panama City: Centro de Estudios y Acción Social Panameño.

Falk, Richard A. 1971. This Endangered Planet: Prospects and Proposals for Human Survival. New York: Random House.

Foster, Gregory D. 2001. "Environmental Security: The Search for Strategic Legitimacy." Armed Forces and Society. 23(7):373-395.

Galvis, Constanza Ardila. 2000. *The Heart of the War in Colombia*. London, UK: Latin America Bureau Ltd.

Guionneau-Sinclair, Francoise. 1991. *Legislación amerindia de Panamá. Centro de Investigaciones Antropológicas de la Universidad de Panamá, Facultad de Humanidades.*

Graeger, Nina. 1996. "Environmental Security?" Journal of Peace Research. 33(1):109-116.

Griffith, Ivelaw L., ed. 2000. *The Political Economy of Drugs in the Caribbean.* New York, NY: St. Martin's Press, Inc.

Hall, Thomas D. ed. 2000. *A World-Systems Reader: New Perspectives on Gender, Urbanism, Cultures, Indigenous Peoples, and Ecology*. Lanham, MD: Rowman and Littlefield Publishers, Inc.

Hildyard, Nicholas. 1999. In Mohamed Suliman, ed. *Ecology, Politics and Violent Conflict*. London, U.K.: Zed Books.

Hogan, J. Michael. 1986. *The Panama Canal in American Politics*. Carbondale, IL: Southern Illinois University Press

Homer-Dixon, Thomas F and Levy, Marc A. 1995. "Environment and Security." International Security. 20(3):189-198.

Homer-Dixon, Thomas F. 1994. "Environmental Scarcities and Violent Conflict: Evidence from Cases." International Security, 19(1): 5-40.

_____. 1991. "On the Threshold: Environmental Changes as Causes of Acute Conflict." International Security. 16(2): 76-116.

Howe, Benjamin Ryder. 2001. *Foreign Policy*. "Revolutionaries or Crooks?" Issue 122 pp. 98-100.

Howe, James. 1998. *A People Who Would Not Kneel: Panama, the United States and the San Blas Kuna*. Washington, D.C.: Smithsonian Institution Press.

Hueglin, Thomas O. 2000. "Review: World Risk Society by Ulrich Beck." Canadian Journal of Political Science. 33:4 866-868.

Leach, Peter T. Panama flap; Canal authority reassures customers, says it's made no decision on financing of expansion. (2005, July 25). *Journal of Commerce*, p. 18. Retrieved October 5, 2005, from Lexis-Nexis Database.

Leffler, Melvyn P. 1990. "National Security." The Journal of American History. 77 (1):143-152.

Leonard, Thomas M. 1993. *Panama, the Canal and the United States: A Guide to Issues and References*. Claremont, CA: Regina Books

Levy, Marc A. 1995. "Is the Environment a National Security Issue?" International Security. 20(2):35-62.

Lindsay-Poland, John. 2003. *Emperors in the Jungle: The Hidden History of the U.S. in Panama*. Durham, NC: Duke University Press

Livingstone, Grace. 2004. *Inside Colombia: Drugs, Democracy and War.* New Brunswick, NJ: Rutgers University Press.

Major, John. 1993. *Prize Possession: The United States and the Panama Canal 1903-1979*. Cambridge, UK: Cambridge University Press.

Manwaring, Max G. May 2002. *Strategic Studies Institute of the U.S. Army War College*. "Nonstate Actors in Colombia: Threat and Response."

Marks, Thomas. January 2002. *Strategic Studies Institute of the U.S. Army War College*. "Colombian Army Adaptation to FARC Insurgency."

Martinez Lasso, Esteban. 1996. *Las Alternativas al Canal de Panamá y sus Impactos a Nivel Local y Global*. Istituto del Canal de Panamá y Estudios Internacionales.

Matthew, Richard A. 2000. "The Environment as a National Security Issue." Journal of Policy History. 12(1): 101-122.

Matthew, Richard and Bryan McDonald. 2004. "Networks of Threats and Vulnerability: Lessons from Environmental Security Research." Environmental Change and Security Project. (10):36-41.

McLean, Phillip. 2002. *The Washington Quarterly.* "Colombia: Failed, Failing, or Just Weak?" 25:3 pp. 123-134.

Millett, Richard L. October 2002. *Strategic Studies Institute of the U.S. Army War College*. "Colombia's Conflicts: The Spillover Effects of a Wider War".

Moreno, Stanley Heckadon. 1993. "Impact of Development of the Panama Canal Environment,". *Journal of Interamerican Studies and World Affairs.* 35:129-149.

Myers, Norman. 1989. "Environment and Security." Foreign Policy. 74:23-41.

Nagle, Luz E. December 2002. *Strategic Studies Institute of the U.S. Army War College*. "Plan Colombia: Reality of the Colombian Crisis and Implications for Hemispheric Security."

Niesten, Eduard T., Richard E. Rice, Shelley M. Ratay, Kristen Paratore (eds.). 2004. *Commodities and Conservation: The Need for Greater Habitat Protection in the Tropics*. Washington, D.C.: Conservation International, Center for Applied Biodiversity Science.

Ortiz, Román D. 2002. *Studies in Conflict and Terrorism.* "Insurgent Strategies in the Post-Cold War: The Case of the Revolutionary Armed Forces of Colombia." 25:127-143.

Percival, Val and Thomas F. Homer-Dixon. 1998. "Environmental Scarcity and Violent Conflict." Journal of Peace Research. 35(3): 279-298.

Petras, James. 2000. *Latin American Perspectives*. "The FARC Faces the Empire." 114:27:5 pp. 134-142.

Rabasa, Angel and Peter Chalk. 2001. *Colombian Labyrinth: The Synergy of Drugs and Insurgency and its Implications for Regional Security*. Santa Monica, CA: RAND

Renner, Michael. 2004. "Environmental Security: The Policy Agenda." Conflict, Security and Development. 4(3):313-334.

Rochlin, James F. 2003. *Vanguard Revolutionaries in Latin America: Peru, Colombia, Mexico*. Boulder, CO: Lynne Rienner Publishers, Inc.

Rønnfeldt, Carsten F. 1997. "Three Generations of Environment and Security Research." Journal of Peace Research. 34(4):473-482

Russian Businessmen Interested in Nicaragua Grand Canal Construction. (2004, February 10). *Latin America News Digest*. Retrieved October 5, 2005, from Lexis-Nexis Database.

Sequiera, Karen M. Joseph. 2002. "Development of Artisanal Fishery in Rama Cay

Community, Atlantic Coast of Nicaragua." Masters Thesis. Norwegian College of Fishery Science, University of Tromsø-Norway.

Soroos, Marvin S. 1994. "Global Change, Environmental Security, and the Prisoner's Dilema." Journal of Peace Research. (31):317-332.

Suarez, Roger. Analysis: Options for a Nicaraguan Canal. (2005, February 22). *UPI* [Managua]. Retrieved October 5, 2005, from Lexis-Nexis Database.

Thoumi, Francisco E. 1995. *Political Economy and Illegal Drugs in Colombia*. Boulder, CO: Lynne Reinner Publishers, Inc.

Toledo, Rebeca, Teresa Gutierrez et al ed. 2003. *War in Colombia: Made in U.S.A.* New York, NY: International Action Center

Tomorrow's Canal. (2005, February). *LatinFinance*, p. 72. Retrieved October 5, 2005, from Lexis-Nexis Database.

Ullman, Richard H. 1983. "Redefining Security." *International Security*. 8(1):129-153.

Varela, Olmedo J. 1998. *The Panama Canal, Migration Streams, and the Changing Patterns of Human Settlement in the Republic of Panamá*. Occasional paper for the Center for International studies, University of Wisconsin.

Varlamov, Igor. Russian experts to decide on role in canal building in Nicaragua. (2004, February 6). *ITAR-TASS News Agency* [Mexico City]. Retrieved October 5, 2005, from Lexis-Nexis Database.

Wallerstein, Immanuel. 1976. *The Modern World-System: Capitalist Agriculture and the Origins of the European World-Economy in the Sixteenth Century*. New York, NY: Academic Press.

_____. 2000. *The Essential Wallerstein*. New York, NY: The New Press.

_____. 2004. *World-Systems Analysis: An Introduction*. Durham, NC: Duke University Press.

_____. 2004. "The Rising Strength of the World Social Forum." *Dialogue and Universalism.* 3(4):83-85.

Wickstrom, Stefanie. 2003. "The Politics of Development in Indigenous Panama." *Latin American Perspectives*. 131(30):43-68

Wright, Robert. Panama Canal expansion may force toll rise. (2005, July 13). *Financial Times* [London], p. 14. Retrieved October 5, 2005, from Lexis-Nexis Database.