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Abstract of Dissertation Presented to the Graduate School
of the University of Florida in Partial Fulfillment of the
Requirements for the Degree of Doctor of Philosophy

THE PANAMA CANAL EXPANSION PROJECT: TRANSIT MARITIME MEGA PROJECT
DEVELOPMENT, REACTIONS, AND ALTERNATIVES FROM AFFECTED PEOPLE

By

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August 2007

Chair: Anthony Oliver-Smith
Major: Anthropology

The direct confrontation between residents of Panamanian rural communities with the Panama Canal Authority and, indirectly, with the International Maritime Trade is the reason de
entrée for this study on the impact of global maritime trade on rural communities, and the dynamics of local resistance to development projects. Such aspects are the result of the Panama Canal Expansion Project. Currently, the Panama Canal Authority, the government agency responsible for the management of the waterway, is taking steps toward the physical expansion of the Panama Canal. The collateral impacts of this project would include the forced migration of whole communities, the reconfiguration of the ecological landscape of an important area of the provinces of Colón, Panama, and Coclé, and the replacement of traditional activities of rural people by other activities related to the expansion of the waterway.

The Panama Canal is an important and conflictive early chapter in the geography of globalization, especially the space-time compression considered to be fundamental to it. At the beginning of the 20th century, the construction of the Panama Canal served to the economic and military consolidation of the USA reducing the time of connection between its East and West coasts.
At the beginning of the 21st century, the increasing dimensions of the vessels that navigate some routes connected by the Panama Canal demands its widening. The magnitude of the works could be as transcendental to Panama as the construction of the waterway one hundred years ago with possible huge impacts on the human, ecological, and economic landscapes of the isthmus. This project will require the construction of a new set of locks that would require the use of colossal amounts of water, much more than the 52 million gallons used presently to move each passing ship through the waterway. As new sources of water not related to the present canal are considered as possible source of water for the new project, this alternative is creating a conflict with rural communities that claim that their water resources are going to be alienated by the Panama Canal Authority for the benefits of international maritime trade. What are the forces that drive these contradictory perspectives? How extremely opposed are they? How are these forces articulated in the national and international sphere? What are the implied criteria of development that are present in the Panama Canal expansion project? Which elements are shaping or reinforcing the agency of the resisting communities? What are the particularities and links of this resistance in the context of global resistance movements?
CHAPTER 1
DEVELOPMENT, POLITICAL ECOLOGY, AND THE PANAMA CANAL EXPANSION PROJECT IN THE CONTEXT OF GLOBAL CAPITALISM

Introduction

On October 22, 2006, a national referendum was held in Panama in order to decide about the implementation of the project of widening the Panama Canal. On that event, seventy-eight percent of the voters gave their approval to what could be the most important megaproject in the history of that country since the construction of the waterway almost one hundred years ago. Due to the colossal dimensions of this project, the complex series of socio-economic dynamics related to it, its status as a national cultural icon, and the fact that the Panama Canal has been the key point of articulation between Panamanian and international economic dynamics, the expansion of this waterway becomes an interesting vintage point to study the interaction of global and local processes when they are mediated by the construction of a maritime megaproject.

This study begins with the contention that, despite the fact that the Panamanian Constitution establishes that any decision regarding the expansion of the Panama Canal has to be approved by the people of Panama through a national referendum,¹ the Panama Canal Authority (ACP) –the autonomous Panamanian agency responsible for the management of the Canal- and the Panamanian political and economic elite have already decided to implement the expansion of the Panama Canal regardless of any previous public consultation and discussion of the consequences and costs of the project. Within the context of this decision framework, I argue that the ACP has pursued in advance the control of land and water resources needed for the expanded waterway, privileging international and global economical imperatives over any other

¹ Cf. Article 325, Title XV of the Constitution of Panama.
local considerations and interests that might be equally demanding; however, the achievement of
this objective has been limited by the actions of local rural agents.

In more specific terms, this case is a description and analysis, from an anthropological
perspective, of the process of articulation of contemporary global maritime transportation trends
with Panamanian economic and political interest groups in order to promote the expansion of the
Panama Canal and the Panama Canal watershed. This is also a study of the resulting conflict that
these projects of expansion created with local rural communities over the control of lands and
water resources and how different Panamanian groups of power perceive, promote or question
specific discourses on trade, development and local rights in relation to the management of
natural resources. In general, this conflict is framed and shaped by a diverse set of factors such
as the evolution of global maritime trade and the shipping industry, the rationality and impacts of
megaprojects, the history of the Panamanian transit-centric economic model, the character of
Panamanian politics and groups of economic interests, and the resistance activities of marginal
rural social actors to top-down decisions that affect their survival.

Because of the amount of work implied, organizational complexity, economic cost,
requirement of labor, transformation of the ecosystem, and the social impacts attached to it, the
expansion of the Panama Canal reintroduces Panama into the circuit of world class megaprojects.
As such, I argue that this expansion seems to follow a specific sort of rationality and process of
implementation that tend to prioritize technical and economic concerns over other aspects
equally or more relevant, like, for example, the reconfiguration of the ecological, cultural and
economic landscapes of important areas of three provinces of the republic of Panama and the
relocation of several communities. These claims have been made also by a group of peasants
from different communities located in the highlands of the provinces of Panama, Colón and
Coclé that were going to be affected by the project. In order to challenge what appeared to be a top-down project that seemed to be imposed upon them; peasants from those communities formed a grass roots organization called the Coordinadora Campesina Contra los Embalses (CCCE). This organization assumed an active role demanding a change in the decision making process apparently forged in a context of the world shipping industries, a scenario quite distant from the peasants’ reality as practitioners of subsistence agriculture. With this attitude, the CCCE set a national precedent in Panama by challenging the almost unquestionable status of the main national icon, the Panama Canal, and opened the door for a wider discussion, in which other actors took part, about the tangible impacts of the waterway for the rest of the country.

Additionally, and despite the fact that the result of the referendum gave the public seal of approval to the project of expansion of the Panama Canal, there was room for analyzing, from an anthropological perspective, the factors and dynamics that contextualized the definition of the limits of the expanded watershed of the canal, one of the most controversial components of the project of expansion of the waterway. Considering this panorama, some questions came to mind: What were the forces that drive the alternative perspectives about the expansion of the Panama Canal and the Panama Canal watershed? How opposed were they? How have these forces been articulated in the national and international spheres? How were global and local rationalities presented? What was the criterion of development that was implicit in the Panama Canal expansion project? Which elements were shaping or reinforcing the agency of the communities challenging the logic of this project? What were the ethical implications found in the implementation of this project?
Preliminary Elements of the Conflict: Global Commercial and Maritime Trends, National Development Needs and Management of Natural Resources

The Panama Canal Expansion Project was considered by international and Panamanian figures as a technical and economic challenge that Panama had to ponder seriously in view of not only the role that this waterway has played in global maritime trade, but also in consideration of the impact that such an eventful project will have for the Panamanian economy (Alvarado 2005, p.5, Arias 2003, p.5). The discussions regarding the expansion of the canal have acquired a more public and urgent tone since the year 2000, when the waterway was transferred to Panama after almost one hundred years under the control of the United States.

Several arguments were used to justify the expansion of the Panama Canal. It was claimed, for example, that Asian economic expansion in general, and particularly the overwhelming surge of the Chinese economy, has increased the size of the markets on that side of the globe and, consequently, the volume of trade between the Atlantic and the Pacific that moves through the waterway. It has been observed, as well, that the evolution of maritime transportation technology, which includes the phenomenon of containerization, has radically transformed maritime transport services. As a result, naval companies from Asia and Europe have been building bigger container ships that can carry more cargo per voyage. However, a growing number of these ships are too big to pass through the original Panama Canal. Officials of the ACP have argued that, if the Panama Canal is not expanded by the first decade of the 21st century, the new mega-ships would seek alternative routes, which will compromise the international relevance and national economic profitability of the waterway (Alvarado 2003, Ardito Barletta 2005, Economist 2004, Martínez Laso 2001, pp.254-255). In order to meet this demand, the ACP proposed the construction of a third set of bigger locks.
The operation of the proposed new locks for the Panama Canal will require, among other factors, the use of colossal amounts of water, much greater than the quantities needed for the functioning of the present waterway. The original watershed of the canal has been providing enough water to satisfy the needs of the waterway during almost one hundred years. In fact, each transit through the canal requires the pouring of 52 million gallons of water, for an average of 40 transits per day. However, some environmental phenomena, like El Niño, which has produced occasional shortages of water in the watershed, have raised concern about the risks of not having, in the long term, enough supply for the additional requirements of an expanded waterway. In 1999, in order to face this possible shortcoming, the ACP expanded what is known as the Panama Canal watershed with the purpose of building what were called “hydraulic projects” in the rivers Indio, Caño Sucio, and Coclé del Norte (1999, ACP/URS-D&M/IRG/GEA 2003, CEASPA 2002). This expansion included areas, which contain lands and rivers that have been serving several rural communities. However, these lands and rivers did not have any geographic or hydraulic connection with the activities of the Panama Canal. Not only the decision to expand the Panama Canal watershed to an area that was not linked at all to the activities of the Canal, but specially the way this decision was implemented – through a hurried legislative process without a previous consultation with the residents of the area- ignited a set of actions and reactions from peasants, agents of the Panama Canal Authority, and other Panamanian citizens (Antinori 2001, p.22, CEASPA 2002, p.73).

Besides the discussion around the expansion of the watershed, I could appreciate the fact that the decision to expand the Panama Canal was promoted in Panama through the presentation of two combined discourses: one that appeals to the urgency to update the waterway to the level of the current and future trends of global maritime trade, and another that claims that national
development depends on the ineludible decision of widening the waterway (Hoffman 2005, Jordán 2005, Martínez Laso 2001, pp.254-255). However, critics have pointed out that this project will not solve the persistent economic inequality promoted and imbedded in the Panamanian model of economic development and will impose an extreme economic burden on the country. In fact, with a cost estimated by 2006 at 5.2 billion dollars, the expansion of the canal will require an investment that could be equivalent to nearly 60 percent of the gross domestic product of Panama. This represents a financial dimension without parallel anywhere else in the world’s contemporary or past history (Hoffman 2005, p.32).

The elements of the discussion analyzed in this document are presented in a socio-political moment and academic context when the understanding of development, the rationality and impacts of megaprojects, and the consequences of economic globalization are under a great deal of scrutiny because of the persistent doubts about who receives the benefits and pays the costs of development projects (Appadurai 1996, Cardoso 1972, CEASPA 2002, Edelman 1999, Escobar 1995, Hoogvelt 2001, Hughes 2002, Niesten & Reid 2001, Ocampo & Martín 2003, Schaeffer 1997, Stiglitz 2002, Tortosa 2001). Considering the persistent social and economic inequality that pervades Latin America despite the implementation of development policies and projects, it will be interesting to document the initial stages of the decision making process of the Panama Canal expansion megaproject. This effort will provide a historical reference of a so-called development project that can be confronted with future evidence of its concrete impacts on Panamanian socio-cultural, economic and political landscapes.

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2 This opinion was addressed by an article in the section of Finances in the Panamanian newspaper La Prensa, on November 24, 2005. According to this article, the Panama Canal could produce incomes in the range of 10 billion dollars between 20014 and 2025.
Methodological Aspects of the Research

The process that I followed to be introduced into this discussion, and to collect and analyze the relevant data, was especially influenced by several factors that, directly and indirectly, connected me with this case. I had to admit, from the beginning, that my selection of this topic responded, partially, to my concern about the ethical aspects involved in the decision making and implementation processes of development projects that have been performed by Panamanian political and economic elite at the cost of more vulnerable people.

I think that we, as scholars, have a special responsibility that goes beyond the exposure of new findings of scientific knowledge for the consumption of academia. In this regard, I consider that there is a need to relate even more our academic activity with the reality of countless people whose fate has been marked and is decided by those with more economic and political power. The reality of suffering, caused by injustice and the way power has been used by those possessing it, is an aspect that should not be ignored if we, scholars –and specially social scientists- want to make a contribution worthy of relevance. In this regard, I coincide with the position of Marc Edelman when he says that “understanding the human tragedy of contemporary Third World is better served by social scientific practice that attempts, however imperfectly and incompletely, to document and to come to grips with the forces creating, resisting and reconceptualizing change” (Edelman 1999). However, understanding is one step that needs to be followed by concrete actions that are especially demanded when human suffering is in front of our eyes. In this opportunity, I intend to make a contribution to the exposure of another case in Latin America in which powerful agents and their discourses about development are promoted but also contested by traditionally marginal groups. I want to present also specific examples of how any discussion among stakeholders of different levels of power and perspectives, not only could be challenging to one another; but also how they face their internal contradiction.
I intend to contribute as well, to the anthropological study of maritime trade and shipping activities by addressing their impacts on human contexts and scenarios different from those often studied in coastal locations. From the methodological perspective, by presenting the complications I faced when I was trying to keep track of a process with high socio-political and economic implications, I also want to document, once again, the difficulties that anthropologists face when we try to get involved in a public discussion within a socio-political context that sets limits to critical opinions regarding development projects.

**Historical and Personal Relationship with the Object of Study**

My interest in this conflict originated from the online news I read, while studying in Gainesville, Florida, during the summer of 2001. At that time, I read about the claims that a group of Panamanian campesinos were presenting to the Panama Canal Authority (ACP) after the National Legislative Assembly legally defined the new limits of the Panama Canal watershed. When I read about the people involved and their claims—which at that time had been underway for at least one year—I realized that I was quite familiar with their geographic, historic and political contexts, thanks to several factors that related my personal experience with the history of the Panama Canal and the people affected by its expansion. One of my grandmothers was born in the town of Matachin in 1893.\(^3\) That was one of the twenty-one villages that were submerged under the waters during the construction of the Panama Canal between 1904 and 1914. That was the reason why she was among the first group of people that had to be relocated during the construction of the Panama Canal.

\(^3\) It is said that this name comes from the Spanish expression “Mata Chino” (“Chinese Killer”) and alludes to the great number of Chinese workers who died because of the harsh work conditions during the construction of the Panama Railroad in the 1880’s.
I was born in Colon, a city that, since its foundation, in 1852, has been linked to the transisthmian transit through Panama. Colon City was built to serve as the Atlantic terminal for the Panama Railroad, the first inter-oceanic transport megaproject of the Americas, which preceded the Panama Canal as a mean of transportation for people and commodities between the Atlantic and the Pacific oceans. The house where I was raised was located less than 200 meters from Limon Bay, the Atlantic entrance or exit of the Panama Canal; therefore my earliest child memories of the outside world are connected to the view of ships going to or coming from the Panama Canal when passing through this bay.

In 1987, when I was doing my undergraduate studies in Economics at the University of Panama, I completed a three-month internship at the Accounting Division of the Panama Canal Commission (PCC), the bi-national agency that preceded the Panama Canal Authority in the management of the waterway. That was my first and only direct opportunity to learn, as an insider, about the professionalism and work discipline demanded by the US managers of the Panama Canal. It was also my first intercultural work experience. I was a Panamanian Spanish-speaking student working in Panama under the supervision of US citizens who did not speak Spanish, in an institution that was controlling an important Panamanian resource. Despite the fact that the common language among my coworkers was Spanish, all official documentation had to be written in English. The $400.00 monthly salary I earned –minimum wage at that time at the PCC- practically doubled the average salary of the Panamanian employees who, with the same or more preparation and experience than me, worked for the Panamanian government.

The historical conflictive relationship between Panama and the United States, thanks to the presence of the Canal, was stressed even after the signature of the Torrijos-Carter treaty, which, in 1977, established a specific deadline for the transference of the waterway to the Panamanian
jurisdiction on December 31st, 1999. According to one article of this treaty, the US had the right to intervene militarily in Panama in case the security of the Panama Canal was at risk.

Because of this provision, and in order to depose the Panamanian dictator Manuel Antonio Noriega, the US government decided to invade Panama on December 20th, 1989, arguing the need to guarantee the security of the waterway, defend Panamanian democracy and the security of American citizens resident in Panama. Despite the dubious legitimacy of those reasons, the invasion was launched demanding a high toll from Panama in terms of human lives. Two of my brothers were among the hundreds of casualties produced by that invasion. By July 1990, one and a half year after joining the Jesuits, I was sent to work in a mission of evangelization in the area of Rio Indio. During that mission, I visited about 12 communities where I could meet several lay leaders of the Catholic Church.

Eleven years later, in 2001, when I was doing my Ph. D. studies in Anthropology at the University of Florida, I read about the conflict about the expansion of the Panama Canal in online reports from Panamanian newspapers. In one of these reports, I read that some peasants of the region of Rio Indio were protesting against the construction of a lake in that area. I later knew that, among the leaders of the protest against the creation of the new lake were some lay leaders of the Catholic Church whom I had met during my visit to that region as a Jesuit novice. Since then, the curiosity for this issue that involved people I knew, encouraged me to contribute to this discussion about the implications of the expansion of the most emblematic Panamanian icon and about the role that anthropology could have in the critical analysis of this project.

**Methodological Tools and Process**

The aspects that I covered in this dissertation were based on information gathered from different sources, and applying different methodologies of data collection and analysis. I approached this discussion mainly as a case of political ecology ethnography, a methodological
and analytical perspective that considers the different points of view of conflicting agents regarding the use or control of natural resources (Little 1999, p.15).

My first direct contact with my research setting was through a series of exploratory visits I made during the summers of 2001 and 2002. On each visit, I spent about a month and a half visiting several rural communities, as well as collecting preliminary information about the Panama Canal in Panama City. After making an agreement of pastoral cooperation with the team of Claretian missionaries – a Catholic religious order- responsible for the religious attention of the people living in the area of the watershed of the Indio and Caño Sucio rivers, I established the official contact for my future visits to several rural communities in the provinces of Colón and Coclé for my fieldwork that began in April 2003.

For this purpose, I spent one year and four months in Panama -from April 2003 to May 2004 and from September to November of the same year-. My contact with the rural communities consisted of 17 visits of about ten days each, during the rainy and dry seasons. During that time, I had more than 52 in depth interviews, 10 focus groups, and participated in about 24 informative and religious community meetings. In those visits, I interviewed adult men, women, teenagers, missionaries, and lay leaders.

Despite my presence in communities collecting data about their everyday lives, this study relies more on the description of a conflicting process between people established in different locations than on an exclusive ethnographic description of a specific setting. In fact, as the discussion I was following was held in different rural and urban fronts, I had to move between these different scenarios; therefore, I had to be flexible in the implementation of a long term-one location traditional anthropological ethnography. The development of events forced me to adapt my research methodology in order to keep track of the activities and dynamics of one of the rural
groups involved in the discussion, in this case the Coordinadora Campesina Contra los Embalses
(CCCE).

Besides my direct contact and follow up of the activities of the CCCE, I also spent part of
my time in the cities of Panama and Colon interviewing specific officers of the Panama Canal
Authority and other government and independent key informants from whom I got different
opinions. I interviewed officers from the Environmental, Social and Marketing Departments of
the Panama Canal Authority, as well as the chief officer of the Inter-institutional Commission of
the Panama Canal Watershed (CICH), the office in charge of the coordination of the activities of
different government agencies that serve the population of the Panama Canal Watershed.
Because of the mobility involved in this process, this study can fit among the cases of multi-sited
ethnography.

According to George Marcus, “multi-sited research is designed around chains, paths,
threads, conjunctions, or juxtapositions of locations in which the ethnographer establishes some
form of literal, physical presence, with an explicit posited logic of association or connection
among sites that, in fact, defines the argument of the ethnography” (Marcus 1995, p.105).
Another anthropologist, Ulf Hannerz, points out that “the nature of certain problems, or the
formulation of certain topics, is sometimes translocal, not confined to a single location”.
Moreover, he argues that, in such cases, “the locations involved are connected one another in
such a way that the relationships between them are as important for this formulation as the
relationship within them” (Hannerz 2003, p.206). In this regard, my ethnographic work was done
by moving in different places of rural and urban Panama following the development of actions
and movements of some of the stakeholders involved in the discussion of the expansion of the
Panama Canal. For this reason, and despite its limitations in comparison with the traditional
long term and detailed ethnographic account of daily events in one location, I considered that multi-sited ethnography was the appropriate methodology to study a discussion held among different parties and settings, and also because of the rapid succession of events that were shaping the evolution of this discussion. As the unifying element of such a geographically widespread research was the topic of discussion among stakeholders, I can say that my anthropological setting was the conflict itself.

Through participant observation, I collected information in a wide variety of settings and activities such as community meetings, demonstrations, conferences, and other events where some of the stakeholders took part. The fact that, as a native Afro-Panamanian, I could consider myself an insider researcher within a Panamanian setting, could not exonerate me from being involved in the cultural dynamics of my home social context where ethnic profiles are not ignored and certain racial prejudices are still present. In a similar way, it was not possible to separate, in certain contexts of my fieldwork, my role as a researcher and my role as Catholic priest, for example, when attending a case of a stillborn baby, getting emergency help for sick people during several of my visits to the communities, giving spiritual support, and celebrating Catholic sacraments for the people that also were my informants. Therefore, even though that I assumed the role of a common participant in several events and locations, my profile as Afro-Panamanian and as a Catholic priest made obvious my presence in events where the rest of the participants were of mestizo origin or knew about my religious role.

After facing the reality of a discussion among several stakeholders that were continuously moving and evolving, it was evident for me that, despite the convenience of multisided ethnography, this method had its limitations. In fact, despite my interest in doing so, it was difficult for me to spend the same amount of time with each stakeholder. Several factors affected
this purpose, among others, the dramatic differences and distances between the rural and urban settings where these stakeholders were located, their different level of openness to collaborate in a research project, and their perception of my role as a Catholic priest or as a scholar. I also had to distribute my time between the city and the villages, according to the set of events that were developing there: community meetings, demonstrations, conferences, etc. For this reason I could not follow the simultaneous evolution and mobility of other stakeholders involved in the discussion. For example, I could not participate as an observer in the series of visits that officers of the ACP were doing to several communities, or even be present in meetings organized by the ACP when they were held in the same community I was visiting. This was prevented because the reluctant attitude of the ACP toward independent researchers and because the members of the CCCE were also suspicious of any person who participate in the meetings with the ACP. I also had to rely on other methods, like structure and semi-structured interviews, which where helpful in the process of collecting specific information in a limited time.

In order to understand the promotion of the expansion of the Panama Canal launched by the ACP in the urban sectors, I attended several conferences delivered by officers of this agency in different forums in Panama City. I also observed the publicity announcements of the Panama Canal Authority in different local newspapers and in El Faro, the biweekly newspaper from the Panama Canal Authority. Additionally, I consulted several opinion and informative articles about the expansion of the Panama Canal published in Panamanian and international newspapers. Other source of information regarding the Panama Canal and its territory were the ANCON foundation, the Mesoamerican Biological Corridor, and the National Environmental Authority.
To get a complementary and contrasting perspective from the information provided by the Panama Canal Authority, I participated, as well, in several meetings of a commission of the Conference of Bishops of Panama that was supporting the peasants affected by the expansion of the Panama Canal watershed. This commission was formed by the bishops of the dioceses of Colón, and Coclé and the archbishop of Panama, as well as representatives of other Catholic organizations that have been in contact with the peasants. Among these organizations, the most outstanding relationship was with Pastoral Social-Archdiocesan Caritas, which has assumed a very important and outspoken position in support of the peasants affected by the expansion of the watershed. I also contacted some members of an independent group of professionals that are also questioning actively the logic and technical justification of the expansion of the Panama Canal. For complementary quantitative information, I relied on reports from the Office of Statistics of the General Comptroller of Panama, reports from the Ministry of Agricultural Development, the Ministry of Economy and Finances, and the Agricultural Development Bank.

Besides the contemporary information I collected through interviews, focus groups and participant observation, I also collected historical data about the Panama Canal through complementary archival, bibliographical, and on line research. I consulted the archives and documentation about the history of the transit area of Panama and the Panama Canal that were available at the Panama Canal Institute of the University of Panama, the Library of the University of Panama, the Library of the Panama Canal Authority, the Library of the National Lottery of Panama, the National Library of Panama, the Library of the Smithsonian Tropical Research Institute in Panama City, and the Latin American Collection at the University of Florida. I also got some valuable information about the original forced relocations during the construction of the Panama Canal at the archives of the Ministry of Foreign Affairs and at the
National Archives of Panama. I also used written copies of the hearings of the discussions that preceded the approval of the expansion of the Panama Canal Watershed at the library and web page of the Legislative Assembly of Panama. I also relied on bibliographical references in order to get information about the international shipping business, and maritime transportation.

Due to the nature of the conflict and the role of the leadership of the Catholic Church in this discussion during the time of my fieldwork, it was self evident that my condition as a Catholic priest was an asset but also a liability depending on which of the stakeholders I was relating to. In fact, during the time of my fieldwork, the most outspoken authorities of the Catholic Church have been very critical of the arguments of the Panama Canal Authority and supportive of the position of the rural people that complained against the way the widening of the Panama Canal has been implemented. For that reason, being a priest helped me to be welcomed by the leaders of the peasant’s movement that felt supported by the leaders of the Catholic Church. However, this same religious role limited my relationship with those peasants who were supportive of the actions of the ACP and, as a researcher; I could confirm the complaints about the secrecy of this institution made by other researchers and scholars who wanted to know in advance more inside details about the expansion of the Panama Canal but who faced quite difficult access to more specific information from the Panama Canal Authority.

I found that, despite their courtesy in receiving me for an interview, the officers of the ACP were quite reluctant to provide additional information that could not be found in the official web page of the ACP. The public delivery of information about this project was generally incomplete, generic, quite superficial and mainly focused on the demands of international trade as the main justification of the project.
For the analysis of some of the data collected, I will rely more on discourse and content analysis in order to find patterns of rationalities and perceptions of the different stakeholders involved in the discussion (Bernard 2002). The basic materials for this analysis are recorded interviews, written documents, and opinions expressed in the Panamanian and international newspapers, journals, and in several web pages. I kept track of articles of opinion, publicity ads and news related to the Panama Canal published during and after my fieldwork in Panama.

My overall intention is to observe the consistency of a discourse in favor of or against the expansion of the Panama Canal through the use of language, images, and other types of resources to influence public opinion. In the case of the ACP I will focus, among other references, on different articles and advertisements published in Panamanian newspapers, as well as on the official biweekly newspaper El Faro published by the ACP, and in the webpage of the ACP. 4

A complementary aspect of my research took shape when, during my visits to the communities, and with the help of Enrique Castro, a Panamanian film maker, I could record different activities such as meetings and interviews so that I could have a perspective not only of my informants’ perceptions and comments, but also my own interaction with the informants. From my contact with Castro, came the idea of collaborating in a project that could go farther than a research aimed for academic purposes. In fact, we considered that we should implement concrete actions in order to make public the information we were collecting, so we could contribute to a wider and deeper public awareness and discussion about implications of the expansion of the Panama Canal. As a result, we collaborated in the production of a set of

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documentaries about the impact of the expansion of the Panama Canal that originally was intended to be broadcasted on national TV some weeks before the referendum of October 2006.

**Anthropology and Maritime Processes**

This study is focused on a conflict produced at the local level by the dynamics of global maritime trade. As such, this study tries to expand the range of interest of the discipline known as maritime anthropology. According to James M. Acheson (1981), scholars interested in maritime anthropology have been focused on three subjects: modern fisheries, shipboard life, and prehistoric marine adaptations. More than two decades after his assessment, it seems that this division prevails. A general review of the bibliographical references on this subject, confirms that anthropological studies of maritime dynamics have been mainly focused on the experiences of coastal communities and socio cultural practices of people devoted to fishing (Breton 1999, Lise 1988, Quezada & Breton 1999, Taylor 1992, Villareal 2004).

The relevance of the archeological study of the impact of maritime dynamics and their influence on social processes has been acknowledged by Sean McGrail (2003), who addressed their chronological precedence over other human activities. According to McGrail, archeological evidences have challenged some parameters established by historians in order to describe and explain human processes.

... There were seamen before there were farmers, boatbuilders before wainwrights, and navigators before there were megalith designers; indeed seafaring seems to be as old as humankind. Evidence to support these assertions comes from Australia, northern America, and the eastern Mediterranean (McGrail 2003, p.2)

In more contemporary terms, Sam Tangredi, a senior military fellow in the Institute for National Strategic Studies at the National Defense University, points out that the human ability to move across the oceans successfully was the historical turning point that enabled higher levels of international trade and profits to stimulate the evolving trend toward economic globalization.
In fact—he explains—ocean navigation was crucial for this trend because it was the initial means used by humans as a constant medium and as a primary means for communication and commerce. From these perspectives, the role of maritime transportation was clearly perceived as a means of providing not only a space for the smooth flow of people and products but also as a base of strategic domination (Tangredi 2002).

A little more than one hundred years ago, the historian and military strategist Alfred Thayer Mahan defined the concept of sea power according to the characteristics that presently are useful to describe globalization. Among these characteristics, Mahan included: accelerated communication and international trade, multinational use of a “global common”, and the reduction of the security and sovereignty of (certain) nation-states (Tangredi 2002). Nowadays, the increasing efficiency and sophistication of port and shipping services have boosted the trading of commodities, raw materials, and components even more almost everywhere in the world. The result of this is that maritime shipping became the dominant mode of transportation that moves, since the last part of the 20th century, more than two third of world trade (Kumar & Hoffmann 2002, Pronk 1990, White 1988). From the historical perspective, Michael Pearson (2006, p. 353) remind us about the fact that, because their exposure to different geographical and cultural influences, there are more commonalities among different littoral or coastal societies beyond national borders that among littoral and inland societies within one country. However, by overcoming the limitations that time and space presented in the past, the expanding network of relationships created by the global maritime activities is reaching more geographical and cultural landscapes beyond the coastline.

The previous data could be useful to understand that, despite the fact of the undeniable importance studying coastal communities, the archeology of shipping, and the experiences of
fishermen, there is still room for anthropological exploration of the dynamics and impacts of contemporary global maritime trade and transportation in the worldwide processes of economic, political and cultural changes not only in coastal communities but also in inland societies. From this perspective, the study of dynamics triggered by, for example, the existence of settings such as ports and naval bases, or economic activities such as shipbuilding, logistic maritime services, and containerization, can provide interesting areas of inquiry. The fact that the Panama Canal performs a key role in the articulation of international maritime trade, at the same time that has been the crucial element that helped in the configuration of the socio-cultural identity of a whole country, positions this project in the intersection of interest of global and local actors and, may be, in the scope of maritime anthropology.

**Anthropology of Development and Megaprojects Assessment**

The case I am studying can fit as well into the broader realm of studies of anthropology of development. Development, as a western concept of economic improvement, as a political discourse, or as a practice of national or local management, has been the object of extended discussions within and outside the academia, according to its diverse objectives, ideological emphasis, frames of references, or the agents who argue about the topic. With an approach that looks into the domain traditionally controlled by economics, anthropology has made an important inroad into the set of values, criteria, discourses and ideologies that human groups promote or contest about development (Arce 2000, Chambers 1983, Cooper & Packard 1997, Escobar 1991, Esteva 1993, Frank 1997, Gardner & Lewis 1996, Gunder Frank 1969, Oliver-Smith 2006, Peet & Hartwick 1999, Quarles Van Ufford 2003, Tortosa 2001).

Anthropologists have had an important contribution in the critique of the pretension of Western scientific knowledge of being all-encompassing and efficacious (Hobart 1993, Scott 1998). For this purpose, the anthropological methodological approach to the study of
development includes the representation of conflicting actions and events which directly affect future actions. Other issues of anthropological interest include, for instance, the study of how knowledge, power and agency are represented and how responsibility is attributed in different situations (Edelman 1999, Hobart 1993, p.13).

Some anthropological critiques of development have also been scrutinized. For example, Marc Edelman, in his study about rural social movements in Costa Rica, criticizes the omission that post-modern anthropologists of development have made of the most obvious subject of anthropological investigation: flesh and blood human beings. This author claims that some notorious critiques of development have relied so much on high levels of abstract analysis that have prevented them from the analysis of historical examples or illustrative cases. He also points to the exclusion from the panorama of analysis the relevant macroeconomic and social indicators framing the lives of these subjects like, for example, “the forms of accumulation and distribution, non-discursive and material reproduction of classes, sectors, corporations, and family groups that make up any contemporary economy” (Edelman 1999, pp.8-9).

Regarding the topic of development, I, as a Catholic priest, after acknowledging some of the critiques received by some actions and persons from the ecclesiastical hierarchy for their role in favor of the dominant elites in specific historical and social contexts, cannot elude the doctrinal inroads that the Catholic perspective have made in the analysis of development. For this reason, and trying to put aside any prejudice that some academic sectors could have from religious criteria of analysis, I want to mention some of the elements of Catholic teaching on development that also have shaped my personal criteria of analysis.

In fact, I think that there is an interesting series of papal documents and statements that are coherent with some of the critiques of development coming from the social sciences. These
documents show an evolution of the conception of development that integrated the evolving perspectives of the social sciences regarding this topic. For example, in 1961, Pope John XXIII, on his encyclical Mater et Magistra, addressed the issue of development by linking economic and social progress and the need to reduce social inequalities. He said that

. . . Economic progress must be accompanied by a corresponding social progress, so that all classes of citizens can participate in the increased productivity. The utmost vigilance and effort is needed to ensure that social inequalities, so far from increasing, are reduced to a minimum.\(^5\)

In the same line of reasoning that understood economic growth as an incomplete perception of development, Pope Paul VI insisted, in 1967, that the terms cannot be understood exclusively in terms of economic growth, but as an integral concept that must be consider each person and the whole person.\(^6\) Regarding the effects of individualism and competition as the base of development, the Pope claimed that individual initiative and the criteria of competition will not ensure satisfactory development and admonishes that the increase of the wealth of the rich cannot be pursued while the burden on the needed and oppressed is also increased.\(^7\)

Twenty years later, in 1987, Pope John Paul II on his encyclical Solicitudo Rei Socialis, made an additional contribution to the Catholic perspective on development stressing the moral implications of any initiative that promote accumulation and consumerism.\(^8\) On Paragraphs 33 of this encyclical, Pope John Paul II expressed a moral critique to development when the preeminence of the profit criteria excludes the respects of human rights:

\(^5\) C.f. 1961 John XXIII, Mater et Magistra # 73.
\(^6\) Populorum Progressio # 13.
\(^7\) Populorum Progressio # 33
\(^8\) John Paul II, Solicitude Rei Socialis # 28.
Nor would a type of development which did not respect and promote human rights - personal and social, economic and political, including the rights of nations and of peoples - be really worthy of man.

Today, perhaps more than in the past, the intrinsic contradiction of a development limited only to its economic element is seen more clearly. Such development easily subjects the human person and his deepest needs to the demands of economic planning and selfish profit.

The intrinsic connection between authentic development and respect for human rights once again reveals the moral character of development: the true elevation of man, in conformity with the natural and historical vocation of each individual, is not attained only by exploiting the abundance of goods and services, or by having available perfect infrastructures.

When individuals and communities do not see a rigorous respect for the moral, cultural and spiritual requirements, based on the dignity of the person and on the proper identity of each community, beginning with the family and religious societies, then all the rest - availability of goods, abundance of technical resources applied to daily life, a certain level of material well-being - will prove unsatisfying and in the end contemptible. The Lord clearly says this in the Gospel, when he calls the attention of all to the true hierarchy of values: "For what will it profit a man, if he gains the whole world and forfeits his life?" (Mt 16:26)

True development, in keeping with the specific needs of the human being-man or woman, child, adult or old person-implies, especially for those who actively share in this process and are responsible for it, a lively awareness of the value of the rights of all and of each person. It likewise implies a lively awareness of the need to respect the right of every individual to the full use of the benefits offered by science and technology.

In the next paragraph, Pope John Paul II includes in the Catholic discourse on development the respect of what he calls the natural world, or the ecosystem, connecting in this way with the sort of critique that other discipline have been done about the impact of development on the natural resources.

Nor can the moral character of development exclude respect for the beings which constitute the natural world, which the ancient Greeks - alluding precisely to the order which distinguishes it - called the "cosmos." Such realities also demand respect, by virtue of a threefold consideration which it is useful to reflect upon carefully.

The first consideration is the appropriateness of acquiring a growing awareness of the fact that one cannot use with impunity the different categories of beings, whether living or inanimate - animals, plants, the natural elements - simply as one wishes, according to one's own economic needs. On the contrary, one must take into account the nature of each being and of its mutual connection in an ordered system, which is precisely the cosmos."
The second consideration is based on the realization - which is perhaps more urgent - that natural resources are limited; some are not, as it is said, renewable. Using them as if they were inexhaustible, with absolute dominion, seriously endangers their availability not only for the present generation but above all for generations to come.

The third consideration refers directly to the consequences of a certain type of development on the quality of life in the industrialized zones. We all know that the direct or indirect result of industrialization is, ever more frequently, the pollution of the environment, with serious consequences for the health of the population.

... A true concept of development cannot ignore the use of the elements of nature, the renewability of resources and the consequences of haphazard industrialization - three considerations which alert our consciences to the moral dimension of development.9

The previous selection of papal statements can also serve as the complementary background of my personal perspective on development that were taken into consideration when analyzing the ethical foundation of the discussion about the expansion of the Panama Canal and the rationality that is behind it.

**Megaprojects: Definitions and Impacts**

As I have stated in previous pages, this case addresses some dynamics related to the implementation of a maritime transport megaproject. Megaprojects can be considered as the highest contemporary symbols of modernism, a rationality that perceives the use of technology for the control and transformation of nature as the ultimate signal of progress. The magnitude of megaprojects has been imposing radical transformation of ecosystems, human settlements, and economic dynamics with consequences that cannot be ignored nor underestimated. They also imply the investment of enormous amount of capital and labor, and the creation of complex organizational structures.

When thinking about development projects and megaprojects, the most common images that come to mind are those usually portrayed by planners, technocrats, and politicians. These

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9 Solicitudo Rei Socialis #34.
images, associated with emblematic gigantic infrastructures like dams, highways, bridges, ports, mines, airports, industrial plants, etc., are presented as symbols of human domination over nature, the power of public authority, expression of national pride, or as the keys for progress that will put the national economy in the train of the buoyant global capitalist system (Flyvbjerg et al 2003, Ribeiro 1987).

The application of the term megaproject became common since the late 1970’s when it was used simultaneously by the Canadian government and the Bechtel Corporation to describe, respectively, huge energy development projects, and large portfolios of very large-scale projects that were implemented at that time (Altshuler 2003). Some definitions refer to specific aspects of those projects, such as their economic value, labor and organizational dimensions, and the magnitude of their impacts. For example, the scholars Allan Altshuler and David Luberoff suggested a monetary criterion that could be used to qualify a project as a mega project. Even though they clarified that this was just an approximate value rather than a “hard-and fast threshold”, they set the standard of value of at least $250 million dollars, in inflation adjusted year 2002 dollars (Altshuler 2003, p.2). But, in the wider sense, they also described mega projects as “initiatives that are physical, very expensive, and public”. The Federal Highway Administration (FHWA) put a higher economic bar when defining megaprojects as “major infrastructure projects that cost more than $1 billion”. However, this institution uses another definition of megaprojects, considering them “projects of a significant cost that attract a high level of public attention or political interest because of substantial direct and indirect impacts on the community, environment, and state budgets” (Capka 2004).

According to Paul Geller and Barbara Lynch, megaprojects are projects that, intentionally, transform landscapes rapidly and radically in very visible ways, and require coordinated
applications of capital, state power and sophisticated technology -generally imported from industrial countries- (Gellert & Lynch 2003). For analytical purposes, Geller and Lynch divide mega-projects into four types:

- **Infrastructure** (i.e. ports, railroads, urban water, and sewer system)
- **Extraction** (i.e. mineral, oil, gas)
- **Production** (i.e. industrial tree plantation, export processing zones, and manufacturing parks)
- **Consumption** (i.e. massive tourist installations, malls, theme parks, and real state development).

Sometimes, a combination of such projects will constitute also a mega project, for example, when dam projects require roads and power lines (Gellert & Lynch 2003). Authors like Bent Flyvbjerg (2003) consider infrastructural megaprojects as the key elements in the creation of a new world order, helping in the movement of people, goods, energy, information, and money with unprecedented ease. Within the time-space compression logic of contemporary global trends, infrastructure megaprojects could be considered, as Flyvbjerg says, “the great space shrinker”. They are the ultimate piece of human ingenuity that promote a faster or more efficient communication between centers of production or service and consumers, or between different reciprocal markets. Railroads, airports, highways, ports, and artificial islands, are some of the most outstanding and commons elements in this constellation of engineering feats. However, the interplay of interests linked to the monumental magnitude of these kinds of projects has moved their role from being a means for production and consumption to be an end in themselves (Flyvbjerg et al 2003).

**Primary and secondary effects of megaprojects**

Despite the positive intentions that could be expressed in their design and planning, some studies from the perspective of the social sciences have found that development projects and
megaprojects are the cause of involuntary displacements as well as the impoverishment of a great number of people (IRN 2003). In fact, through the years, the evaluation of the impacts of megaprojects, tends to be less than positive, not only because their financial, and environmental costs, but also because of their predominant tendency to affect the most vulnerable people (Flyvbjerg et al 2003, IRN 2003, Kanbur 2003, Oliver-Smith 1996, pp.78-79, Samset 2005, pp.1-2, Schmink & Woods 1987, p.38, Scott 1998). For that reason, and the complexity of interests behind their conception and implementation, the analysis of the consequences of megaprojects as a whole demands the consideration of the primary and secondary impacts of the stages of definition, planning, construction and performance that are related to the degree of immediacy and visibility of the impacts observed.

There is an opinion that displacement is the main primary or direct effect of megaprojects (Cernea 2003, Flyvbjerg et al 2003, p.17, Gellert & Lynch 2003, p.17, Oliver-Smith 2006). Michael Cernea, for example, labels the displacement produced by development projects as a “perverse and intrinsic contradiction in the context of development” (Cernea 2000, p.11). Displacement is understood as the physical movement, but not only of people “out of the way” of the project developed, but also the movement of workers into the areas of construction of the project. This last type of displacement occurs in a context of inequality, generally driven by economic need with the quite frequent limited conditions and benefits for the laborers.

It can be said also that displacements are those circumstances that, even without physical relocation, imply a transformation of the livelihood in communities dependent on local resources, or when biodiversity is diminished by a mega project, as when forests are clear cut and planted with monocultures. In this regard, it is has been noticed that local ecosystems, archeological sites, human settlements, and local ways of living could be severely affected or
altered by the amount of land cleared, flooded, leveled, or buried, and the remains that are disposed by the construction of a megaproject (Gellert & Lynch 2003, p.16). The quite often-induced migration of huge numbers of laborers, and dwellers could have a wide variety of impacts in their places of origin and destiny as was proved overwhelmingly with the construction of the Panama Canal, a project that changed totally the ethnic panorama of the Isthmus with the import of a huge amount of labor coming from more than 95 countries (Gólcher 1999, McCullough 1977).

Secondary effects are socio-natural processes that take a variety of forms, and can occur at some remote distance in time or space from the site of the project. They are effects that are not mediated by the direct control of decision makers (Penz 2003, p.140). Among the socio-natural secondary impacts of megaprojects, there are landslides, floods, water saline decline, soil and water salinization, aquifer disruption causing problems downstream, etc. (Gellert & Lynch 2003, p.16). Secondary impacts are subject to greater uncertainty than the primary ones and, therefore, are less difficult to control or predict (Flyvbjerg et al 2003, p.19).

**Development, megaprojects and political ecology**

Despite their undeniable origin in relatively powerful instances, top down decisions regarding megaprojects have been questioned openly as soon as affected people organize actions according to their awareness of their rights to -and power to demand- a fair treatment from others, and when the threat of being displaced is perceived (Baviskar 1995, Little 1999, Little 2001, Locker 1998, Long 2000, Novoa 1998, Oliver-Smith 1996). Alternative political, social and even religious institutions have given support to the increasing agency of groups traditionally marginalized (Edelman 1999, Schmink & Woods 1992).

When analyzing and interpreting the outreach of the claims and struggles of stakeholders affected by development projects and megaprojects, some scholars have ascribed them with
connotations that sometimes go beyond the original motivations of complaint. For instance, according to Joao Martínez-Alier, some of the social struggles by poor people can be considered ecological struggles, independently of the name they officially assume. He claims that this ecological intention can be either hidden or evident when the motive of the struggle is to defend access to natural resources against the advance of the generalized market system (Martínez-Alier 1991, p.621). Maybe this characterization could be accepted as long as the concern or intention about the preservation or sustainability –not its unilateral exploitation- of the natural endowment is implicit or explicitly included within the framing of the struggle. However, this type of categorization is not shared by Peet and Watts (1996, p.35) who argue that, in practical terms, ascribing a pure environmental identity to these claims is not necessarily accurate because the grassroots and NGO movements that are at the center of these conflicts are generally focused on broader issues like livelihood conditions and justice. Additionally, even the struggle about the control of natural resources could present the confrontation of different competing depredatory models of relationship with the environment despite the rural or urban origin of the stakeholders confronted.

The critique of the peasants of the expansion of the Panama Canal watershed has addressed the rationality behind the national policy regarding the use of natural resources. At the same time, it confronts other groups of power that want to control these resources. When talking about confrontation of actors of different levels of power about the use or control of ecological settings, we are entering the realm of political ecology.

Political ecology, as an area of inquiry of special attention in contemporary social science, puts in evidence this sort of conflict of interests, considering the relationship of power and the diversity of worldviews regarding nature held by different stakeholders. These conflicts expose
the interplay and tight relationship between power, management of landscapes, and socio-political influence (Flyvbjerg et al 2003, p.17). They expose, as well, the contesting rationalities behind the control of resources endangered by the logic of consumerism or overexploitation inherent to the dynamics of capitalism.

According to Peet and Watts (1996), political ecology is one of the most important fields of analytic production that relate environment and development. They trace the origin of the term to the 1970’s when it emerged as a response to the theoretical need to relate the use of land with the local-global political economy and as a reaction to the growing politization of the environment. At that time, Eric Wolf addressed the analysis of property as a tension between the way households achieve a balanced use of the resources they depend on and the juridical rules concerning the rights of property (Wolf 1972). From that original perspective, juridical patterns were considered a tool in the struggle to maintain or restructure the economic, social, and political relations of society. While acknowledging the use of the term political ecology in academic publications in the late 1960’s and 1970’s, Tim Forsyth (2003) reminds us that the possibility of integrating political analysis with environmental explanation was previously theoretically considered. In fact, it was in the early 1960’s when the first discussion of ecology as a science with political content emerged. In that sense, ecology was considered not only the study about the human impact on the biophysical environment, but also as a philosophical perspective to observe holistically the interactions between people and the environment.

The Colombian historian Germán Palacio considers that, despite the fact that the struggles for the control of natural resources are as old as the existence of human societies, the categorization of such disputes as environmental is a more recent theoretical trend (Palacio 1998, p.6). In his analysis of the structural causes of conflict over natural resources, Gabriel E. Páramo
argues that the conflicts in the society regarding the ecosystem are based on the way the relationships of production and distribution are established and in the national model of development (Páramo 1998, p.133).

For some scholars, political ecology unites the concerns of ecology with political economy (Baviskar 1995, Peet & Watts 1996). This blend of fields integrates the focus on the variety of relationships that human societies maintain with their environment, and the analysis of the power relationships between stakeholders (Little 1999). Other aspects of interest are focused on the complex socio-economic interactions that produce environmental destruction or deterioration (Bryant & Bailey 1997), and the understanding of politics as an arena for the production of new truths in which environmental concerns are understood to take a decisive role (Vélez Galeano 1998, p.44). When evaluating the anthropological relevance of political ecology, Anthony Oliver-Smith (2001) considers that this approach is specifically helpful for the outlining not only of the promotion and defense of the claims and points of view of different stakeholders about disputed resources and territories, but also of the way the competing discourses of cultural and political legitimacy are displayed and reciprocally affected.

Most of the studies in political ecology are more oriented to the issue of social justice in environmental disputes and struggles over resources in developing countries (Baviskar 1995, Forsyth 2003, Little 1999, Muradian & Martínez-Alier 2001, Novoa 1998, Schmink & Woods 1992, Uribe H. 1998). These studies are focused on conflicts resulting from the implementation of a variety of projects or by the direct exploitation of natural resources. As a general fashion, the cases studied were located mainly in South America, Africa and Asia and addressed the effects of development projects such as dams, roads, or exploitation of natural resources, which were
primarily conceived to promote national development but also with certain direct or indirect articulation with the dynamics of economic globalization.

When recognizing that much of political ecology remains within the macro-structural framework that privileges the decisive influence of broad economic forces in the shaping and determination of local histories, cultures, and societies, Donald Moore (1996, p.126) points out the importance of other factors that shape the struggle about natural resources in the called Third World. He mentions, for instance, the micro-politics of peasant’s struggles over the access of productive resources, and the symbolic contestations that constitute these struggles. In this regard, an ineludible aspect in political ecology is the study of the social movements that have been articulated around specific conflicts and how these movements define an ideological frame of their struggles (Rothman & Oliver 2002).

Social Movements in the context of political ecology

According to Alain Touraine, social movements are “forms of social mobilizations which involve a contest over cultural models which govern social practices and the way societies function, a struggle over normative models of society” (Gledhill 2000, p.87). More specifically, in the Latin American context, social movements are a form of resistance to domination, exploitation and subjection or as collective protest against the excessive concentration of decision-making power and the incapacity of the state to provide services (Bebbington 1996, p.94). The variety of motivations that justify the actions of social movements makes it difficult to locate them within one specific ideological framework. Differently from political parties, social movements function not primarily through the insider channels of the political establishment, but tend to mobilize precisely in opposition to some of the dynamics predominant within those channels (Barnes 1995). Social movements imply the presence of a sense of collective purpose in order to achieve political goals that require interaction with other political actors. These political
goals are expressed as claims for the recognition of their rights or the extension and exercise of rights (Oliver-Smith 2006). They have the ability to develop a collective perception of reality that encourages solidarity, shared identification, and alternative values contrasting with the ones that seem to be socially dominant and, when addressing socio-economic issues, social movements tend to resist state and market decision in their daily life; claiming their autonomy and independence of state intervention (della Porta et al 2006, p.18).

Considering the present global panorama in which distinct localities across national borders are linked by social relations in such a way that local events are affected by and affect events occurring in distant settings (della Porta et al 2006, p.3), contemporary social movements tends to be also the reaction to the implementation of political or economic actions designed in international scenarios that restrict, affect or threat specific rights at the local level. Conversely, these movements tend to create explicit or implicit international bonds in order to gain support for their causes (Rothman & Oliver 2002).

At the theoretical level, a predominant tendency in research on social movements paid a special attention to the political environments that movements face. This approach was known as political opportunity theory and became the predominant framework of analysis of social movements (Goodwin & Jasper 2004). By the integration of inputs from the additional research on social movements that gave a special importance to the assessment of the group’s agency, political opportunity theory evolved in what later was called the political process model. This perspective includes concepts of mobilizing structures, political opportunity structure, and cultural framing. Mobilizing structures allude to the informal networks, preexisting institutional structures, and informal organizations that preexist and generally are the base that facilitates the articulation of a movement (Morris 2004, p.235). Citing Sidney Tarrow, Allan Morris defines
political opportunity structures as the “consistent –but not necessarily formal or permanent-dimensions of the political environment that provides incentives for people to undertake collective action by affecting their expectation for success or failure” (2004, p.35). This political environment includes the presence of favorable changes in the political system, the presence of division among political elite, and the presence of external allies. Framing processes refer to the “shared meanings and definitions that people bring to their situation.” In this regard, I agree with Morris when he mentions that cultural aspects such as ideas, belief systems, rituals, emotions, oratory, and grievance interpretations are important elements that fuel social movements. Other perspectives of analysis pay special attention to the leadership, formation and strategies of the movements. However, as Anthony Oliver-Smith reminds, ethical discernment is required precisely when the disclosure of internal aspects of these movements could compromise specific individuals or could be used by antagonists of these groups in order to neutralize or disarm these movements (Oliver-Smith 2006, p.143).

One particular perspective on the studies of social movements is focused on the reactions against Development-induced displacement and resettlement (DIDR). In this regard, the majority of studies have paid special attention to the resistance to dams. Geographically, these studies paid special attention to processes in India, Southeast Asia, and Latin America (Oliver-Smith 2006).

Despite the general theoretical tendency to set unifying criteria to identify social movements, and after observing certain dynamics and processes during my fieldwork, I agree with the anthropologist John Glendhill when he advises that, when analyzing social movements, we should avoid perceiving them as unitary actors lacking of internal contradictions and contradictory tendencies, isolating them from the larger social, cultural, and political fields in
which they are immersed (Gledhill 2000). In fact, as Barry Barnes (1995, p.151) suggests, due to the complexity and contradictory dynamics perceived within them, rather than thinking of these movements as a unified or uniformed entity, they should be characterized by “loose connections between a plurality of groups, individuals, and organization”.

In Panama, the conflicts that relate political ecology, megaprojects and social movements against DIDR are not new. Other projects of great magnitude such as the Bayano Dam and the Cerro Colorado Mining Project set precedents as national infrastructural megaprojects with heavily criticized implications on people and the ecosystem. In the case of the Bayano Dam, the process of implementation of the project and the relocation of people were made during a period of military dictatorship that prevented the articulation of a resistance movement. This context and the intensive use of a discourse of national development, implemented a hydropower project that today is not as successful as predicted (Wali 1989).

The Cerro Colorado Mining Project exposed a case that, during the 1970’s and early 1980’s, caught the public attention in Panama when the fear of the consequences of the project of exploitation of copper by the Canadian Rio Tinto Zinc Company in the mountains of Chiriquí generated a strong reaction by the indigenous people living in the area. The resulting pressure ultimately caused the cancellation of a project of exploitation of what was considered one the biggest reserves of copper in the world (Gjording 1991, pp.3-4). The case I am studying introduces to the existing bibliography of political ecology a discussion of how the expansion of global capitalism, and more specifically maritime transportation, could demand the control and transformation of landscapes not obviously linked to the maritime activities and how these demands are contested by local groups.
As the next chapters will show, this study reveals certain similarities with other cases of resistance to development projects in aspects such as the positioning of actors of different levels of power, the dispute over the control of specific natural resources, the influence of international capital and local elite in the definition of specific discourses about development and social benefits, the reaction it triggered from affected communities, the involvement of other stakeholders and allies, etc. The particularities of this study include the facts that it exposes an extreme case of explicit articulation of global and local dynamics in pursuing the implementation of a national project primarily oriented to satisfy the needs of international capitalism and, contrary to other cases, this is not about a conflict around one megaproject among several in one national context, but about a megaproject or “the” megaproject that defined the history and will condition the destiny of a whole country: Panama. Additionally, and as was mentioned earlier, the fact that the key factor that originated this study is a megaproject that symbolizes the global process of capitalist articulation through the use of maritime services, introduces to the anthropological discussion some aspects that can be considered by the scholars of maritime anthropology.

**Rationality and ethics of development megaprojects**

The reality of megaprojects is not exempt from ideological and ethical implications that become evident when particular perceptions about their utility are promoted and even imposed using economic or political power in detriment of other perceptions. There is no doubt that when the rules of the market and profit making become the main points of references in the definition of development plans, policies, and projects, some other aspects of human reality are affected. Unfortunately, human suffering, marginalization, and overexploitation of natural resources are not excluded from the consequences of megaprojects. These are some of the reasons why my concern about megaprojects are similar to the critique that other anthropologists have done when
these initiatives are justified exclusively under the criteria of profit (Kanbur 2003, Schmink & Woods 1987).

Gustavo Lins Ribeiro (1987) has made an interesting synthesis of some characteristics of the rationality of megaprojects. Generally, megaprojects are presented as promoters of development for all social classes and ethnical groups related to them. On his analysis about the planning, promotion, and implementation of megaprojects, Ribeiro points out that even though megaprojects create an outstanding offer of labor, the people coming from local communities, closer to the sites of the project are assigned in the lowest positions of the labor market. Additionally, the numbers of jobs created represent a small proportion of the mammoth financial investment for the project.

Ribeiro presents, among others, these additional characteristics of megaprojects:

- Megaprojects generally respond to preexistent economic needs, and to create new economic platforms.
- Major decisions are made by decision-makers whose rationality is based on the logic of the articulation of national and international economic systems.
- The global distribution of megaprojects follows the trends of the international division of labor –and in certain ways the logic of economic and politic dependence-.
- Megaprojects are controversial because of their huge demand of capital and work, and because they promote great changes. In fact, their dimensions guarantee that they will be considered geo-political factors with relevance at the national, regional, and international levels.
- Megaprojects are launched and promoted through planning, and according to scientific evaluations of their viability. To make it possible, megaprojects require a centralized structure of management.
- The majority of megaprojects is managed by public corporations or has tight relationship with government agencies. The bigger the project, the bigger is the influence of the corporation at government level. For that reason, the high ranked personnel of such corporations has access to the higher national and international levels of government.
- The logic of the grandiosity of megaprojects promotes the idea that the dimension of the project is positive by itself because it produces a great number of jobs. The logic also
makes explicit that the megaproject will rescue the region or country from its backwardness.

- National history is the favorite source of events that are oriented to support the implementation of the megaproject as something that has to be done. Nationalism becomes a key element in that redemptory ideology.

- The ideology of redemption appears quite often as a historical challenge that has to be faced just building the mega project.

- Populism is another ideology that supports megaprojects. According to this perspective, promoters of the megaprojects tend to popularize the image of an egalitarian—though temporary—society. In this society, the common objective, embodied in the mega project, destroys all cultural differences and class divisions through their unification under the banner of progress.

Additionally, the issue of rationalities and ethics of megaprojects has been addressed also by Bent Fyvberg when defining a predominant behavior pattern of a series of megaprojects he has studied (Flyvbjerg et al 2003, p.6). He mentions, for example, what he calls the “megaproject paradox” that consists of the irony of the increasing number of megaprojects that are built despite the poor performance record of the greatest part of them. His analysis puts in evidence a missing point in the evaluation of the consequences of such projects when the power that promotes them imposes a particular sort of rationality and knowledge that marginalizes other types of knowledge (Flybjerg 2001, p.142).

Additionally, there is the issue of the intentional or unintentional exclusion in the decision making process in megaprojects. In this regard, James Clingermayer argues that: “many exclusionary impacts can be affected by the representation of interests in the decision making process, the rules that guide the substance and process of decisions, the rhetoric behind a proposal, and the reorganization of the administrative, legislative and judicial structures that will make decisions”. He added that the exclusionary impacts bring about wealth redistributions, generally from developers and low-income residents to middle and upper-income residents (Clingermayer 2004). In a similar perspective, Anthony Oliver-Smith confirms that the logic of
megaprojects justifies the criteria of the greatest good for the greatest number instead of
acknowledging the rights of the less numerous and less powerful (Oliver-Smith 1996, p.76).

The perspective of exclusion is also congruent with the metaphor of maps used by James
Scott (Scott 1998, p.87). According to this metaphor maps are simplified representations of a
specific reality that set guidelines and points of references helpful to orient the users according to
the frames of references selected by the designers. The designers of a map have the power to
influence the perception of the reality observed by the users. Paul Geller and Barbara Lynch
claim that megaprojects are conceived, justified, and promoted according to specific rationalities
and ideological frameworks of references created in what they call “epistemic communities”
(Gellert & Lynch 2003, p.16). These authors define an epistemic community as “an elite group of
actors from state agencies, international lending and donor institutions, and the private sector
who undertake and shape megaprojects”. These communities have common cultural perceptions
and ideological assumptions generally related with criteria such as public good, progress,
rationality, and even could have a racial base. Epistemic communities tend to justify
megaprojects and categorize their collateral displacements as externalities that must be either
ignored or addressed through remediation. These communities can hold a level of power that
they use either to promote their particular perception about a megaproject or to dismiss or deny
the legitimacy of alternative critical perceptions, and even getting rid of their opponents.
Moreover, according to the level of power they hold, epistemic communities can influence or
shape the general perception of reality (Flyvbjerg 1998).

From another point of reference –the holocaust- Zygmund Bauman (1989) has contributed
with an in depth analysis of the rationality and pattern of actions of specific groups of interests.
Following the rule of achieving their own objectives of promoting their worldviews, these elites
even get rid of their opponents (Bauman 1989, p.91). In fact, Bauman argues, as long as the pursuing of their specific objective is considered their priority; these groups organize institutional structures in such a way that their elements function apart from ethical references (Bauman 1989, pp. 100-101).

Geller and Lynch point as well, that megaprojects serve the material interest of powerful actors in the process of capital accumulation, especially for financial institutions and construction firms, as well as modernization and territorialization ambitions for states. These interests are reflected in and reflect the ideologies of the communities of actors engaged in project development. Such ideologies inform an optimistic culture of decision making that favors massive, rapid landscape change and exclude potentially affected populations from decision making (Gellert & Lynch 2003, p.20). In fact, that exclusion could be masked by a teleological discourse that justifies physical and social sacrifices –such as collateral social and physical impacts- in order to reach development. From all these perceptions, obvious relationship can be found with Gramsci’s arguments about the control that elite exercise over particular sectors of society such as culture, education, religion and the media in order to obtain consent for their authority (Scott 1985, p.39).

**Panama Canal Megaproject: Rationality and Texts**

The rationality of megaprojects has permeated the history of Panama because the existence of this country as an independent political entity was based precisely on the construction of the Panama Canal. In fact, in Panama, the predominant perception promoted by the national elite among the population is that the Panama Canal is the defining reference of Panama’s reality. This perception fits in what Foucault called a “regime of truth” that the political and economic apparatuses of power diffuse in order to impose a particular perception of the economic reality (Peet & Watts 1996, p.13). For this purpose, the use of discourses and texts are crucial. As Peet
and Watts have synthesized, a discourse is an aspect of language use that express a particular standpoint that is related to a certain set of institutions or worldviews. Discourse tend to focus on a delimited range of objects, emphasizing some concepts while ignoring others (Peet & Watts 1996). At the same time, and according to the social and historical context in which it is used, a discourse generally becomes the essential base of a text.

The anthropologist Mark Allen Peterson defines text as “any discourse fixed by some mode of representation: writing, magnetic tape, photography, video, or any combination” (Peterson 2003, p.60). In this regard, a text is understood as a linguistic, visual and/or auditory phenomenon that is fixed, coherent, with a structure, topic and referential meaning. As a phenomenon with coherence, a text can be transferred from one context to another, keeping its distinctiveness despite the fact that its meaning could vary according to the cultural codes for its interpretation. As a phenomenon aiming for social interaction, a text tries to transmit a message from someone to another one. The addressor - the one that creates the text- could be a person, an institution, and even a device (Peterson 2003, p.78). Aspects such as hegemony of and resistance to discourses are parts of the complex perception of mass media. Alluding to a Gramscian perspective, James Scott argues that hegemonic elites, by virtue of the power they hold,

... create and disseminate a universe of discourse and the concepts that go with it, by defining the standards of what is true, beautiful, moral, fair and legitimate... and build a symbolic climate that prevents subordinate classes for thinking their way free (Scott 1985, p.39).

I consider that the combination of texts and discourses became the platform over which the centralist image of the Panama Canal was built in Panama. In fact, besides the evident role of the waterway in shaping the history, politics, and economy of the country, the persistent promotion of the image of the Panama Canal through different means has established a text of national identity that has permeated almost all aspects of the Panamanian self-perception.
Discourses and texts are the raw material that feeds the activity of the mass media, another influential factor in the configuration of contemporary social processes. As it was pointed out by Mark Allen Peterson (2003), mass media have introduced a technological transformation in the natural process of human communication that basically is built around the interaction form person to person, or from one person to a small number of listeners. The technological component that is introduced in this process is aimed to reach a multiple number of people who usually are not interconnected to one another. A wide array of factors such as books, television, radios, newspapers, magazines, comic books, cartoons, telephones, billboards, videos, films, e-mails, etc. is clustered in the general inventory of mass media. From the anthropological perspective, Peterson raises the question of how these technologies mediate human communication, and how this mediation is embedded in broader social and historical processes (Peterson 2003, p.5). According to Eric Lown (2001), media became a central resource for defining aspects such as social position and status, and for positioning people through discourse. Generally, he argues, these discourses are used to legitimate or de-legitimate particular perspectives or worldviews and the holders of such perspectives. This is the reason why those seeking power tend to pursue the control of media, which serve as “agenda setters”. In fact, Lown says, even though the media not always succeed in telling people what to think, have an impressive record in telling them what to think about (Louw 2001, p. 19). This reasoning, built around the Gramscian concept of hegemony also implies that meaning making and meaning circulation are basic instruments for those pretending to become and keep dominants.

Despite the fact that the role of mass media in the promotion and contestation of megaprojects can justify another area of inquiry, I just want to point out, as an example, the relevance of the media for the promotion of specific symbols and images that link Panama’s
identity as a nation to the Panama Canal. In Panama, the media and the educational system were instruments at the service of transmitting, promoting and preserving specific texts and discourses that presented the canal as the ubiquitous national icon par excellence. The image of the Panama Canal was the persistent text inserted in documents and objects intimately linked to the daily life of the Panamanian citizens (Figures 1-1 to 1-5). For example, Figure 1-1 presents, the image of one of the locks of the canal as the background of a license plate.

Figures 1-2 and 1-3 present the image of the Panama Canal in personal identification documents such as the ID card issued by the Panamanian government in 1999 and in the national passport. Additionally, figures 1-4 and 1-5 present how the image of the Panama Canal was used for educational purposes in textbooks for courses as different as Social Sciences and Mathematics. Besides these examples, the images of the Panama Canal have been used in posters, post cards, restaurant tablecloths, key holders, advertisements, and TV spots. If the text of the Panama Canal can be found in almost any place of the national panorama, from the international perspective, it cannot be denied that the canal is the main reason why Panama is known worldwide. The preeminence of the canal as the main Panamanian icon was satirized in the title of a book written by the Panamanian Gregorio Selser: “Erase un Pais a un Canal Pegado” (There was a Country Attached to a Canal) (Selser 1989), which implies ironically that Panama, as a country, was like an appendix of the canal built in the middle of its very territory.

Panama Canal Megaproject: General Overview

The Panama Canal was built by the United States between 1904 and 1914 in order to facilitate the mobility of ships between the Atlantic and the Pacific oceans. This feat of engineering can be considered among the most impressive megaprojects in the history (McCullough 1977). The construction of this waterway established world historical precedents
in terms of cost, engineering design, public health practices, amount of human labor employed, and magnitude of transformation of a tropical ecosystem, as well as its amount of casualties.

The construction of the Panama Canal was so transcendental in ecological, human, economic and geopolitical terms, that its existence was crucial in justifying the efforts of making Panama an independent nation by its separation from Colombia in November, 1903 (De la Rosa 1968, Diaz Espino 2001, McCullough 1977, Montiel Guevara 1999, Ricord 1975). The 80-kilometer-long cut through the isthmus made it possible to reduce considerably the time and distance required to travel between the Atlantic and Pacific Oceans (Figure 1-6).

When the canal was inaugurated in 1914, it was intended to respond the needs of expansion of the international markets and military power that required adequate and updated technology and infrastructures of transportation. A ship can save over 7,800 miles between New York and San Francisco by passing through this inter-oceanic route, compared with the alternate route around the southern tip of South America.

After almost one century under the control of the United States, the Panama Canal and its neighboring territories were transferred to Panamanian jurisdiction on December 31st, 1999. Since then, the Panama Canal became an even more important and reliable asset thanks to the direct and indirect economic benefits it has been providing to Panama, a country that, during all its history, has organized its economy mainly around the service activities related to the inter-oceanic transit through the waterway.

**Expansion of the Panama Canal: Global and Local Agents and the Maritime Factor**

Since its construction, between 1904 and 1914, the Panama Canal deepened even more this role by assimilating Panamanian geography into the dynamics of global trade. As soon as Panama got control over the canal on December 31, 1999, the nation got engaged in a complex network of global and local stakeholders interconnected by complementary and even
contradictory economic, political and cultural relations linked to the processes of production and
distribution of commodities. These stakeholders are part of a varied cast coming from the
international, national, regional and local levels that include retailer stores, international
maritime companies, US port authorities, Panamanian government institutions, rural
communities, peasants, independent professionals, and even religious representatives.

“Stakeholder” has been defined as “any individual or group who can affect -or is affected
by- the achievement of organizational objectives” (Freeman 1984). One way to determine the
relevance of a stakeholder could be according to the level of power and legitimacy they enjoy,
and the urgency of their claims. In this sense, power could be defined as the stakeholder’s ability
or potential ability to impose its will on others or its degree of influence in the output of a
decision. Legitimacy could be understood as the “perception or assumption that the actions of an
entity are desirable proper or appropriate within some socially constructed system of norms,
values, beliefs and definitions”. Urgency is related to the importance and sensitivity of time of
the claims made by the stakeholder (Friedman & Mason 2004, pp.238). These criteria will be
part of the analysis that will be done regarding the different stakeholders involved in the project
of expansion of the Panama Canal that will be presented in the next chapters.

As we have seen through this chapter, the discussion about development includes, among
other things, the analysis of the economic interaction of global and local contexts as well as other
aspects that, despite being related to economic dynamics, go beyond them. Megaprojects have an
important role in this interaction and are subject to closer analysis due to the magnitude of their
effects and the complex interplay of interests, objectives, benefits and risks they involve.
Megaprojects also are critical scenarios that trigger conflicts regarding the use and control of
natural resources and expose the interplay of a variety of agents and dynamics of power.
One particular element of this study is the consideration of the maritime factor as the feature that triggered a series of dynamics that have affected the cultural, economic, social and political configuration of Panama. Departing from the traditional studies of maritime anthropology focused on the social and cultural dynamics of coastal villages or the activities of fishermen, this case introduces into the scope of anthropological interest the impact and influence of global trends in maritime trade and shipping activities not only on the lives, values, and actions of human societies that depended on them, but also in social groups that are not related to them. The Panama Canal embodies the ultimate example of the powerful connotations of a megaproject linked to the global maritime dynamics. Its construction determined the destiny of the geography of Panama and its population. As long as national and international economic and political elites have identified the relevance of Panama to the existence and good performance of the waterway, local text and discourses were created and promoted in order to reinforce in this country a social and economic base dependent on the transit activities of the Panama Canal. Historical and geographical conditions have had also an important influence in the configuration of the current dependence of Panama on the transit activities as we are going to see in the next chapter.

Figure 1-1. License plate: Panama, 1999.
Figure 1-2. Identification Card: Panama 1999

Figure 1-3. National Passport: Panama, 2005.

Figure 1-4. Cover of a 5th grade language textbook. Panama, 2007
Figure 1-5. Cover of a 10th grade textbook. Panama, 2007.

Figure 1-6. Geo-strategic inter-oceanic location of Panama and the Panama Canal
CHAPTER 2
TRANSIT IN PANAMANIAN LANDSCAPES IN GLOBAL AND LOCAL PERSPECTIVE

The present day role of Panama as route that allows transit from the Atlantic to the Pacific Ocean, and from North to South America, is the outcome of a birthmark rooted in a complex series of economic, social and ecological dynamics that have defined the history of this country through centuries, and even millennia. In fact, the Isthmus of Panama a strip of land and water of about 75,517 km² –almost the size of the state of South Carolina- that owes its existence to colossal geological processes that more than three million years ago finally closed a sea passage between the Atlantic and Pacific Oceans (Eldredge 1998). The closure of this passage created, as well, a natural land bridge that connected the two biggest extremes of the Americas and produced a dynamic of transit along the isthmus with transcendental effects in the ecological and biological evolutions not only in the Americas but in the rest of the world.

Transit through Panama made possible the spreading of biological species from North to South America, and vice versa (Coates 1996, Cooke et al 1986, Svitil 1996).¹ The emersion of the Isthmus of Panama also triggered the extinction of many land species as invaders from North and South America expanded their range of influence to places where they were not native and became predators of some host species (Eldredge 1998, p.178).

However, as soon as Panama became a land bridge, it also became a sea barrier with tremendous consequences. When dividing the oceans, the Isthmus of Panama on one side, transformed the Caribbean into a closed sea, with few tidal movements and low levels of nutrients, making the water saltier, warmer, and adequate for the development of coral reefs. On

¹ See Burkart, Marchetti and Morello in “Grandes Ecosistemas de México y Centroamérica”; Gallopin, G.C. (ed). There are evidences of the presence of four meters-high birds, a species of giant armadillo, a giant sloth, and other animals that migrated through Panama from South America to Texas and Florida and other areas of North America. Currently, only three of the migrating species from the South have survived up to present times: hedgehogs, armadillos, and opossums. From North to South America, Panama was the bridge for the migration of felines, deer, tapirs, and some extinct species of horses, mastodons, and elephants.
the other side, the Pacific Ocean became colder, less saline, with more nutrients and less coral reefs and speciation. Separate evolution of marine creatures in both oceans was triggered from their resulting isolation (Collins 1996, Eldredge 1998, p.178).

There is a hypothesis that attributes other far reaching impacts to the emersion of the Isthmus of Panama; for example, the formation of the Gulf Stream. According to Steven Stanley paleobiologist at Johns Hopkins, this stream is the result of a change in the course of the flow of the Equatorial stream that, prior to the existence of the Isthmus in the Tertiary time, moved freely from the Atlantic to the Pacific oceans (Stanley 1987). When Panama emerged, it became an obstacle to the Equatorial stream, which was turned back to the North, forming the Gulf Stream. One of the consequences of this change was the beginning of the Ice Age, a phenomenon that resulted when the waters of the Gulf Stream began to provide more moisture to the northern regions and promoted an increase of snowfall in the Northern hemisphere, which originated the building up of ice caps. The Gulf Stream, as well, moves warm water from the tropics to the Artic regions and literally prevents the freezing of the European coasts during winters (Coates 1996; Svitil 1996).

Another hypothesis attributes additional far-reaching and momentous global impacts to the existence of the Isthmus of Panama such as, for example, the triggering of the evolution of hominids in Africa. In fact, according to Steve Stanley, the blockage of the currents of water moving from the Atlantic to the Pacific that initiated the Gulf Stream, influenced the warming of the Atlantic Basin and, collaterally, of the African landscape. The obstruction of the streams of warm water coming from Africa produced a drier environment near the Equatorial Africa, promoting the change of forest covering of the area into savannahs and, influencing the evolution

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of Australopithecus, who probably were compelled to abandon arboreal activity that kept them in evolutionary stability for more than 1.5 million years (Stanley 1995).³

Its condition as a natural land passage, added to its location in the tropical region of the Americas, has given Panama rich biological assets. In terms of its biological endowment, it is known that Panama nowadays hosts about 10,000 species of plants, 1500 of them endemic (Correa 1996). Moreover, according to the total number of species located in its territory, Panama ranks #19 in the world. It is estimated that Panama hosts 225 species of mammals, 214 species of reptiles, 143 amphibians, 929 birds, and 1500 species of butterflies (CEP 1996, Hughes 2002). Considering the ratio of species and territory of this country, Panama has a density of species 41 times higher than China, 21 times higher than Brazil, and 4 times higher than Colombia (Correa 1996). Only in Barro Colorado, the top of a mountain that, after the formation of Gatun Lake needed for the functioning of the Panama Canal, became a 15 km² island, it is estimated that there are more varieties of plants than in all Europe and more tree species than in all North America above Mexico (King 1996, Royte 2001, p.10).

Running through the Panamanian territory, there is a cordillera dividing the country in two basins, the Atlantic and the Pacific, with rivers and streams that irrigate the areas and also made possible the migration of fresh water fish from South to Central America (Bermingham et al 1996). These rivers functioned as providers of food, as well as important means of transportation for the people who originally settled in the Isthmus.

Near the center of the Isthmus of Panama, in its narrowest area, the height of the mountains decreases to the lowest levels of the range. This factor, and the existence of the Chagres River in the same region, made possible the use of this region as an area of easy transit.

between the Pacific and the Atlantic; and crucial for the construction of the Panama Canal at the beginning of the 20th century (Castro 2003).

**International Trade and Panamanian History**

The human presence in Panama, dating from eleven thousand years ago, was marked by the movement of human groups that migrated from the Northern to the Southern hemisphere of the Americas (Jaén Suarez 1981). The evidence of Panama as an area of human traffic and the consequent trade between North and South America since pre-Columbian times is supported by findings of South American products and crafts as well as Toltec and Olmec ceramics in indigenous tombs in Panama (Disselhoff 1953). There are also reports of jewelry of Panamanian origin found in Yucatan, in the central part of Mexico, and in the temple of Chichen Itzá (Araúz & Pizzurno 1991).

Besides other important impacts produced by the existence of Panama, a conjunction of economic, political and social factors was added to the geography and ecology of the isthmus making Panama, since the 16th century, the privileged passage for products and people between Europe and the Americas, and, since the second half of the 19th century, the location of transport megaprojects without precedent in the Americas, such as the Panama Railroad and, principally, the Panama Canal. These megaprojects caused important ecological, political, social and economic transformations in Panama thanks to the introduction of increasingly sophisticated transport and construction technology, numerous migrant laborers, and the establishment of colonial political regimes that were imposed by Spain and the United States (Castro 2003a, Lindsay-Poland 2003, Mack 1944, McCullough 1977, Ribeiro 1987). These conditions practically reduced the function of the ecological endowment of Panama to the level of transit activities. According to this logic, lands, forests, rivers, and human labor were used as resources and instruments at the service of international transit, and, collaterally, most of the activities of
the rest of the Panamanian territory were oriented to the needs of the transit area of Panama (Conniff 2001, Jaén Suarez 1981).  

**Transit in Panama during Colonial Time**

The insertion of Panama into the dynamics of international commerce goes as far back as the XVI and XVII Centuries with the Spanish conquest and colonization of the Isthmus (1501-1530). From the Isthmus of Panama were launched the Spanish expeditions that conquered part of Central America and of Peru and its surrounding areas. After the conquest of Peru, Panama became the preferred passage for the exchanges of products and people between the Spanish empire and its colonies in the New World (Araúz & Pizzurno 1991, Castillero Reyes 2003, Conte-Porras 1999, García 2000, Jaén Suarez 1978, Mack 1944, Ward 1993). Between the XVI and XIX centuries, when the means of transportation were as rudimentary as the mule, slave bearers, carriages, and carracks, the main transformation of the Panamanian landscape took place along the valley of the Chagres River. For this purpose, a 50 mile- mule track, known as Camino Real, was built between Panama City, in the Pacific, and Nombre de Dios and Portobello in the Atlantic. Later, from the Pacific side, another track called Camino de Cruces, was build for the movement of people coming from, or going to, the Atlantic via the Chagres River (Castillero Reyes 2003, Castro 2003a). This became the historical transit area of Panama (Figure 2-1). Some parts of the tropical forest in this area were cut in order to build the roads used for the transportation. It took four days to move silver, gold, commodities, and people from one terminal site of Panama to the other; an exchange that boosted the transit route across Panama during almost two centuries (Castillero Reyes 1999, Jaén Suarez 1981, Mack 1944). The

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4 For example, the traditional ranching activities in the interior of Panama were oriented to satisfy the demands of the people living in and moving through the transit area.

5 A carrack is a beamy sailing ship common in the 15th and 16th centuries.
activities along the transit area, attracted people from the rest of the country, produced the depopulation of other areas of Panama, and, paradoxically but consequently, promoted the restoration of the forest covering in places like Darien and the Atlantic coast, which had been deforested during pre-Columbian times (Jaén Suárez 1981).

The magnitude of the commercial traffic through Panama was enormous in terms of the global economy at that time. Christopher Ward (1993) points out that the flow of silver coming from the Americas to Europe tripled the amount of silver in circulation in the world, and 60 percent of that silver was transported by way of Portobelo. In this town, were held the Portobelo Fairs, which consisted of an annual exchange event where merchants coming from Europe and South America met for a few weeks to conduct a season of trade. These fairs, which were held between 1597 and 1739, were considered at that time, the biggest commercial fairs in the world (Castillero Reyes 2003, Vilar Vilar 1982, Ward 1993).

Once the so-called New World began to play a more relevant role in the Atlantic trade, Europe’s markets began to be more dependent on the success or failure of the trade in Panama and the timely arrival of the fleets coming from this area with their supplies of gold and silver. From what can be called today a global impact, the economic activity in the Mediterranean, Austria, and Turkey was affected by the availability of Spanish silver that was mainly collected through Panama. This also provided the foundation for national economies—especially in Holland—and, as Christopher Ward says, the silver extracted from the Americas provided the bullion needed to balance the exchanges between Europe and Asia, via the Baltic and Constantinople (Ward 1993). In any case, the traffic of imperial commerce became the backbone of the Panamanian economy, which, ever since, oscillated from periods of growth, stability, and decline, according to the dynamics of that international movement.
Modernity and Transport Megaprojects in Panama

The role that the colonial system assigned to Panama as an area of transit was deepened thanks to the global revolution in the transportation systems that took place in Europe and the USA in the first half of the nineteenth century (Conniff 2001). A brief look at the historical context can serve to locate them within the network of a global panorama.

The modernist perspective of progress as the transformation and domination of nature through the use of technology and human ingenuity (Scott 1998, pp.89-90) was put in practice in Panama, between 1880 and 1914 with the building of important transport megaprojects that responded to global dynamics. In fact, the last 180 years of economic globalization –especially between 1870 and 1913- has been marked, among other facts, by the development of new technology, especially in the area of transport and communication facilities, such as the invention of the railway, the steamship, and the telegraph. These technological developments set the stage for the construction of important maritime transport megaprojects, such as the Suez and the Panama Canals, which required huge financial investment, sophisticated organization, massive use of human labor, and radical transformation of the ecosystems (Castillo 1999, Gellert & Lynch 2003, Montiel Guevara 1999:19, Ocampo & Martín 2003).

Panama railroad

By the middle of the 19th century, the development of a new transportation technology coincided with a socio-economic event that again put Panama as the pathway for international flow of people and commodities. The discovery of gold in Sutter’s Mill, in January 1848, which occurred shortly after the US annexation of the Mexican territories, triggered a massive flow of people and goods form the East Coast of the US to California (Avila 1998, Castillero Reyes 1999, Rawls & Orsi 1999, Sherman Snapp 1999). The need of the United States to control a faster route to connect the rest of the country to the California mines, hurried the construction of
the Panama Railroad, which was the first inter-oceanic railroad in the Americas (Mack 1944). Private interests, who were envisioning the potential of a growing trade between New York and the West Coast, managed to get a concession from the Colombian government to build that railroad through the Isthmus. The concession, given to the New York-established Panama Railroad Company, granted exclusive rights –during 45 years- to built and operate a railroad, highway, or canal across Panama, along with complementary steamboat service if desired (Lindsay-Poland 2003).

The Trans-Isthmian Railroad performed a valuable role in the expansion of the US economy, reducing the time of traveling between coasts and thus promoting the expansion of human settlements in the west. In fact, thanks to the railroad, the transit from New York to San Francisco through Panama generally took 21 days, four days less than traveling from Saint Louis to California (Mack 1944). When its forty-seven and a half mile long track was completed, the railroad allowed passengers to cross the Isthmus of Panama in three hours instead of the three to four days required by mule and boat (Bethel 1999).

The activities of construction of the railroad, which lasted between 1850 and 1880, gave an economic boost to the transit region, whose landscape was altered in order to serve the transit activities. One outstanding example is the transformation of Manzanillo Island in the Atlantic coast—an originally inhospitable mangrove island- into a peninsula that became the setting for the present Colon City, a place deliberately created in order to serve as the Atlantic terminal of the railroad. Additionally, several banana plantations were established along the route (Jaén Suarez 1981, Mack 1944). Despite this ecological and agricultural transformation of the landscape, tropical forest prevailed in the greatest part of the transit region. However, near
Panama City, the area kept affected by the slash and burn practices that were common since pre-colonial times.

The construction of the railroad had paradoxical consequences in the Panamanian employment market. It attracted workers that had been working previously as canoe operators, as well as in hotels, restaurants, saloons, brothels, and shops at the service of the American travelers that already had been going to California through Panama using the river and land transportation system similar to the ones used during the colonial times (Mack 1944). Additionally, the railroad project required the immigration of labor from places as diverse as China, Ireland, Jamaica, and Cartagena (Lindsay-Poland 2003, Mack 1944).

The presence of foreigners in the work of construction of the Trans-Isthmian Railroad transcended the work on the project itself and, quite soon, some of these immigrants were integrated into the Panamanian population with some collateral complications. For example, with the quantity of foreign workers that were imported, the local population of the transit zone of Panama was soon practically outnumbered. This fact caused some distress within the Panamanian white elite that feared that the permanent immigration of nonwhite or nonwestern people would weaken the cohesiveness of the native population (Conniff 2001). Additionally, with the import of workers there was a rise of epidemics of yellow fever, a disease that previously was practically non-existent in Panama.

In terms of human costs, the number of people who died during the construction of the railroad or were relocated or affected by this project is unknown. The Railroad Company kept mortality statistics of the Caucasians, but not of the dark skinned workers. According to these records, 293 white employees died from different causes during the five years of construction (Mack 1944). Other immigrants, like an impressive number of Chinese workers, could not cope
with the harsh labor conditions and committed suicide in massive numbers (Lindsay-Poland 2003). Some scholars estimate that the number of people who died during the years of the construction of the railroad was at least six thousand (Conniff 2001).

Besides these aspects, the Panama Railroad was, at that time, one of the most expensive infrastructure projects, and the first transcontinental railroad in the world, as well as the largest US investment in Latin America costing $8 million dollars (McCullough 1977). It was estimated that, between 1848 and 1869, about 600,000 passengers traveled through Panama, and the amount of coined gold mined in California that was moved across this route was worth $710 million (Bethel 1999, Conniff 2001).

Because almost all of the lucrative businesses profiting from the service of the railroad were taken by foreigners, Panamanians did not receive the greatest benefits of this trans-isthmian project, with the exception of the local elite of investors in real estate and the railroad workers. As this project provided a complete transportation service between the terminal cities of Colon and Panama, Panamanian muleteers, boatmen, and carriers in demand for the previous inter-oceanic transport service became obsolete and unable to make a living in an economy where the revenues were concentrated in foreign hands (Conniff 2001, p.30). The coast-to-coast transportation eliminated, as well, businesses in intermediate towns that had been surviving thanks to the previous and less sophisticated transportation by carriages and boats service from the colonial times. This forced many of their habitants to move to the terminal cities where the economy was exploding. However, as the railroad was reaching its completion, fewer and fewer workers were needed there, and the Panamanian economy felt the loss. In fact, instead of construction crews, the railroad demanded smaller gangs for improvement projects needed until 1859. Thousands of black workers, who were employed during the construction years, were left
unemployed, and Panama lost up to $150,000 in monthly income that previously were received from those who paid for non rail transportation of passengers, freight and merchandise (Conniff 2001).

When the railroad was activated, there were claims that the railroad brought a false prosperity because the goods and people flowed through and left few material improvements in the Isthmus (Conniff 2001, p.36). Due to the dependency of the Panamanian economy on the transit activities, the vulnerabilities of the services provided by the railroad company affected the economy of the country, which, from 1850, continued to suffer from a series of booms and busts, according to the vagaries of the railroad traffic, international business cycles, and the appearance of competitive routes, repeating a pattern observed during the colonial times.

The decline of the Panama Railroad began when the transcontinental railroad across the United States was completed in 1869. Because of the lack of adaptation of the Panama Railroad administration to the new situation, the Panamanian route lost half of its passenger service to California. By 1870, a consortium of US railroads, after suffering a contraction of the market at home, paid the Panama Railroad an annual fee to limit its services across the Isthmus. A few years later, the Panama Railroad would start to decline.

**French canal**

The idea to build a canal through Panama was considered as far back as the 16th and 17th centuries, when Panama was under the jurisdiction of the Spanish crown. By the second half of the 19th century, French engineers and businessmen were the first to make a real attempt to build a canal through Panama. It was the time when the development of engineering techniques had been proved proficient enough to build the most outstanding megaprojects of the time such as the Suez Canal and the transcontinental railroad across the United States; both completed in 1869.
(Castillero Reyes 1999). This coincided also with the end of the US Civil War of 1861-1865 and the consolidation of the US as nation and its emergence as a military and economic power.

The new context was propitious to renew interest in the improvement of maritime transportation between the East and West coasts, an interest cherished by president Ulysses Grant who envisioned the building of a canal in Central America (Conniff 2001, p.42). Simultaneously, a group of French investors, led by Ferdinand de Lesseps, who directed the construction of the Suez Canal, implemented an aggressive plan for building a similar canal in Panama.

It is considered that, in different aspects, the French project, which began in 1881, had a greater impact in Panama than the railroad. For example, an important demographic feature was introduced locally with the immigration of people coming from the Antilles, the greatest part of them from Jamaica. It is estimated that, from that country alone, came more than 40,000 workers during the years of the construction (Jaén Suarez 1981). This factor contributed enormously to the shaping of the ethnic mosaic of contemporary Panama where descendants of those immigrants are established in the cities of Panama and Colon. Additionally, it is considered that the construction of the French canal created more economic and social distortions than the ones produced during the construction of the railroad in terms of inflation, real-state speculation, food shortages and social unrest (Conniff 2001, p. 49). The death toll was higher too. It is estimated that more than twenty thousand people died during the years of construction of the French Canal. Part of the forest between Panama and Colón was cleared again and more than 50 million cubic meters of earth and rock were removed from the path of the canal (McCullough 1977).

Due to administrative and financial problems, the French project was aborted by 1889. Soon the rights to build a canal were bought by the United States, which, through a series of
political and diplomatic maneuvers, received the consent of the Colombian authorities ruling Panama at the time, to continue the excavations.

**Panama Canal**


Because of its geographical and political nature, the building of the Panama Canal can be considered an important and conflictive early chapter in the geography of globalization, especially in terms of the space-time compression considered fundamental to the process. David Harvey (2001) argues that the capitalist mode of production creates cheap and rapid forms of communication and transportation in order to promote the reduction of the costs of production and circulation of the products delivered to distant markets. The effect of these investments is the acceleration of the velocity of circulation of capital, and consequently, of the accumulation process. During the middle of the 19th and the beginning of the 20th century, the creation of infrastructures like the Panama Canal, the Suez Canal, the Panama Railroad, and other types of transport infrastructure, were justified under this logic, as they made faster communication with distant markets, and a higher rate of return on its commercial investments possible to the United States. This commercial interest was reinforced with the growing status of the United States which, between the 1890’s and the end of the World War I, rose from regional to global commercial and military power thanks to the development of its industrial potential.

In fact, the need of the United States to find new markets in Latin America and the Pacific in order to deliver the production surplus resulting from the depressions of 1873-78 and 1882-85,
was one justification for the interest in controlling the Panamanian transit route (Lindsay-Poland 2003). Another justification came after the Spanish-American War of 1898 made clear the need to establish a strategic route that would allow the rapid deployment of US maritime forces between the Atlantic and the Pacific oceans. The construction of a canal through Panama would serve handsomely for this purpose (Keller 1983, Lindsay-Poland 2003, Méndez D' Avila 1984, Ribeiro 1987). All these considerations reflected the maritime strategic domain theory that was proposed by the influential historian and strategist Alfred Thayer Mahan who argued that the control of the sea determined the international struggles for power (Lindsay-Poland 2003, McCullough 1977, pp.250-251).

To build the 51 mile long Panama Canal, the US government managed, in 1904, to take political control of a 10 mile-wide path of land in the middle of Panamanian territory. This was made possible with a political move that included US support for the independence of Panama from Colombia, and imposing on the newly born republic of a controversial treaty that granted the US a status of semi sovereignty in perpetuity on the transit area of Panama (Castillero Reyes 1999, McCullough 1977, p.250).

**Ecological, Socio-cultural and Economic Impacts of the Construction and Functioning of the Panama Canal**

It is undeniable that the construction of the Panama Canal was possible, on one hand, thanks to a paradoxical combination of hostile and favorable environmental and geological conditions, and, on the other, the implementation of human engineering and organizational ingenuity. For instance, the complex topography of the watershed of the Chagres River, and the

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6 Going from the east to the west coast of the United States through Panama represents a journey of just 8,000 miles in comparison with the 21,000 miles that would take going down South America.

7 These factors include the narrowness of Panamanian territory, the low elevation of its mountain range at the narrowest part of the country, a predominant mercantilist ideology among the Panamanian elite, and its perception that the destiny of Panama was to serve as a point of transit.
high precipitation regime of Panama’s nine-month-long rainy season were useful, respectively, to create the main path of the Canal and to guarantee the water supply for its functioning (Castro 2003a, Eldredge 1998, p.179). On the other side, the construction of the Panama Canal became a reality, as well, thanks to the alignment of the geopolitical and economic interest of the United States, and the economic interests of the local Panamanian elite.

However, it is well known that all the planning and construction process of the Panama Canal by the United States was made without concern for the political, economic, human, and environmental reality of the transit area, as well as of the rest of Panama. For this reason, despite its impressive display of state of the art technology and well articulated management, the Panama Canal produced a trauma and radical transformation in the geographical, political, and cultural landscapes of Panama with lasting consequences (Eldredge 1998, Jaén Suárez 1986, p.13).

The impacts of the construction of the Panama Canal surpassed, by far, all the previous infrastructural initiatives for inter-oceanic communication. In fact, by being built between 1904 and 1914, the Panama Canal can be considered the first mega project of the 20th century, and became, at that time, the most expensive infrastructure project in the world in terms of monetary, ecological and human costs. About 352 million dollars (6.5 billion in 2005 money) were spent in this work, more than four times the cost of the Suez Canal in Egypt, and exceeded by far anything built or bought by the government of the United States (Frazier 2005). In fact, its cost was five times higher than another even remotely comparable US federal expenditure: the 75 million dollars that was the total amount paid for the acquisition of Louisiana, Florida, California, New Mexico, Alaska and the Philippines (Curry 2003, McCullough 1977, p.400).
The resulting transformation of the Panamanian landscape was, according to John Lindsay-Poland, the largest single human alteration of a tropical environment in history (Lindsay-Poland 2003). This alteration included the removal of 219 million cubic meters of land; the clearing of about 164 square miles of jungle,\(^8\) and the disappearance or forced relocation of 20 communities, aspects that could be seriously questioned according to the current standards of environmental impacts of development projects. This megaproject also required the creation of Gatun Lake that, with its 423 square kilometers, is as big as the island of Barbados. For that purpose, Gatun Dam, the biggest one of the world at that time, was built (Eldredge 1998, McCullough 1977).

Additionally, on the Pacific coast, some islands were connected to the mainland with the soil extracted from the excavations, and, on the Atlantic coast, huge wave breakers were built to protect the city of Colon from the heavy waves of the Caribbean Sea.\(^9\)

Considering the human factor, the construction period of the Panama Canal, attracted to Panama the third massive wave of foreign workers in less than a century, after the construction of the Panama Railroad and the French Canal. Between 1904 and 1914, more than 75,000 West Indians migrated to Panama, especially from the Lesser Antilles, Barbados, Trinidad and Tobago, Saint Thomas, Martinique, and Guadalupe (McCullough 1977, p.476).\(^{10}\) More than 15,000 Europeans and almost the same number of US citizens also moved to Panama during the construction years. Some other workers came from Colombia, El Salvador, and the interior of

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\(^8\) This is equivalent to more than a half of the area of New York City and a little more than the total area of the US Virgin Islands.

\(^9\) Colon City was, as well, the result of a similar transformation but at a lower scale for the construction of the Panama Railroad. Originally an inhospitable mangrove island, Colón was transformed into a peninsula in order to function as the Atlantic Terminal of the Panama Railroad.

\(^{10}\) According to David McCullough, about 10 percent of the population of Barbados, and 40 percent of the adult males of that island were recruited to work in the construction of the waterway.

The human and racially-biased-cost of the project becomes evident when looking at the toll of 5,609 people who died during the ten years of the excavations from diseases and accidents under the US administration; of these, at least 4,500 were black employees (McCullough 1977). If the number of deaths during the French period is included, the toll would be raised as high as 30,000 casualties. This reference has given the Panama Canal—besides with the Baltic Sea-White Sea Canal—the somber first place in the list of the deadliest engineering projects of the 20th century (ENR 2003a).

As deadly as its construction was, the existence of the canal had other effects. For example, since its completion in 1914, the canal has become into an artificial East-West barrier for the dissemination of tropical illness such as malaria and yellow fever, thanks to the health policies applied in the Canal Zone, and quarantine control applied to the ships passing throughout the waterway (Jaén Suárez 1990, McCullough 1977). The knowledge accumulated in the detection and control of vectors of tropical illness had a resounding impact in world health policies. Additionally, the construction and functioning of the waterway generated positive outcomes for the benefit of the US economy and the Panamanian economic elite.

In fact, the activities during the construction of this megaproject became an important incentive for factories and providers in the US. More than fifty factories, mills, foundries, and machine shops in Pittsburg were the providers of equipment and tools for this project (Frazier 2005, McCullough 1977, p.598). Additionally, the Panama Canal megaproject became an experimental field that tested technology and logistics that later were applied in future hydrological projects like the Hoover Dam in 1935 and the more than 400 big dams that were

As soon as it was inaugurated, the Panama Canal became an important asset that benefited the increasing trade between the two coasts of the continental US territory, subsidized its national maritime trade, and helped to consolidate its military power (Selser 1989, p.37). Since its inauguration in 1914, the canal has been the transit route of some 900,000 ships, roughly 13,000 to 14,000 a year, which represents 4% of the world maritime traffic. Passing through the 80 km (51 mile) Panama Canal, the ships moving between the two coasts of the United States save 8,000 miles and more than 20 days of travel time in comparison to the alternative route of Cape Horn (Maddox 1993).

For a period of 36 years, from 1915 to 1951, vessels belonging to the US government paid no tariff for passing through the Canal. After 1951, these costs were debited to the US Federal government. The tariff for international vessels that was established in 1915 was $0.90 per ton for loaded ships, and $0.50 for war ships. It was not until 1974, 59 years after the inauguration of the Canal, that the US government announced the first increase in the tariff that ships had to pay for passing through the Canal (Acosta 1995). According to the economist Xabier Gorostiaga (1984), between 1914 and 1970, US commerce saved about US$600 million per year, and the military savings were around US$250 million per year because of the low tariff fixed in 1914. For that reason, Gorostiaga estimates that the US military and commerce savings, from 1971 to 1991, were around US$17 billion. Paradoxically, between 1904 and 1970, the direct benefits received by the Republic of Panama from the US government in total annual payments reached only US$ 55 million.
In a report presented in 1972 by the Economic Commission for Latin America (CEPAL 1972), it was recognized that the fixed tariff policy greatly benefited US consumers, importers and exporters. The same report estimated that, between 1960 and 1970, the international users of the Canal saved about US$5.4 billion. According to José Isaac Acosta, between 1970 and 1980 the savings were around US$ 8.055 billion (Acosta 1995). The benefits that the users receive from the Panama Canal are the relatively cheap toll fees to use the waterway, and the advantage of using a safe and smooth pathway from one ocean to the another (Ohtake 2001b). Between 1989 and 1998, 68% of all agricultural shipments of the United States were sent through the Panama Canal and near 14% of US ocean-borne cargo used the waterway (Eriksen 2000, Sullivan 2005).

From the perspective of the Panamanian commercial elite, the construction of the Panama Canal represented the fulfillment of not only Panama’s destiny to serve as a bridge for the world commerce, but also a good opportunity for becoming an international emporium due to the economic boost that the megaproject would bring to the deprived national economy (Conniff 2001, Figueroa Navarro 1982, Jaén Suarez 1981, Navas 1979, Vásquez 1980). In this regard, the Panamanian scholar Juan Materno Vasquez (1980) points out, for example, that the construction of the waterway became an “obsessive idea” among the influential groups of Panama at the time of its construction with quite specific innuendoes. Vasquez recalls the fact that, by the end of the 19th century, the interest of the economic leadership of Panama was so focused on the advantages resulting from the construction of the canal, and the commercial activities around it, that Dr. Manuel Amador Guerrero – the first president of Panama- expressed

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11 This perception was canonized in one of the official symbols of Panama: its national shield, the motto of which is the Latin expression: Pro Mundi Beneficio (For the Benefit of the World). Other triumphant local slogans have proclaimed for generations that Panama was “Puente del Mundo, Corazón del Universo” (Bridge of the World, Heart of the Universe).
the original intention of declaring independence from Colombia exclusively in the area assigned for the construction of the waterway (Vásquez 1980).

As long as no other productive alternative with a similar promising dimension was fostered in Panama, the service activities around the transit zone became the predominant national economic references, and the Panama Canal became the national icon par excellence as long as the benefits that the local economic and political elite perceived around the transit activities were identified and promoted as benefits for the rest of the country. For that reason, the dominant assumption was that investing in the canal was –as Ira Rubinoff of the Smithsonian Tropical Research Institute said- the “manifest destiny of Panama’s geography” (Economist 2004). In this regard, the analysis of the relationship between power and rationality in the implementation of megaprojects described by the scholar Bent Flyvbjerg is applicable here (Flyvbjerg 1998, p.36, Wolf 1999, p.5). Flyvbjerg argues –in the same line as Nietzsche and Gramsci- that power defines rationality as well as reality. This can be understood as the capacity of those with power to define what counts as rationality and knowledge and therefore what counts as reality. According to Flyvbjerg, power is expressed as the ability to make one’s own view of the world the worldview with which others live or one’s ability to impose one’s will on the actions and attitudes of others.

However, this apparent faculty of those with power to define the rationality and reality within Panama was not absolute due to the fact that the waterway became a controversial instrument that subrogated Panamanian sovereignty to the interests of the United States with less than desirable consequences for the national evolution of that Central American country. In fact, as soon as it was completed, the canal became a US economic, political, and military enclave in Panama with geo-strategic ends. The United Status established, in what was called the Canal
Zone,\textsuperscript{12} laws, a language, authorities, a racially segregated society, an economy and, ultimately, an administrative and military organization that became the pivotal point for several military interventions in the Panamanian politics and in the rest of Latin America (Beluche 2003, Diaz Espino 2001, Lindsay-Poland 2003, Mastellari Navarro 2003, McCullough 1977, Montiel Guevara 1999, Soler 1975).\textsuperscript{13}

The connotations of the ambiguous regime of US sovereignty on the Canal Zone transcended the limits of the mechanical operation of the waterway, making inroads into the realm of international confrontation between the governments of the US and Panama when the interests of the Panamanian elite were affected or limited. However, as the following pages will show, marginal sectors of the Panamanian society also challenged, at least partially, the dynamic that the construction of the Panama Canal was imposing on Panamanian landscapes.

**Forced Relocations and Controversies with Local People**

Up to now, we have seen that, as happened with the transit megaprojects that preceded it, the construction of the Panama Canal, following the rationality of modernity, exploited the Panamanian ecosystem for its own functioning, and promoted, simultaneously, the development of a series of economic activities that reinforced the mercantilist ideology among the Panamanian elite who profited from them (Soler 1972, Vásquez 1980). However, there were some cultural spaces where the rationality of subjugating natural resources to the needs of the waterway was not welcome. This was, for example, the case of the Kuna people of San Blas archipelago, known also as Kuna Yala, at the northeast coast of Panama.

\textsuperscript{12} That was the area, immediate surrounding the Panama Canal, where the United States established military bases, towns, and other infrastructure. It was ruled as an American state within Panama with its own laws and governor.

\textsuperscript{13} The School of the Americas was located on a military base in the Canal Zone. This institution—devoted to the training of Latin American military personnel—has a tarnished reputation thanks to the content of the training they offered and to some of its Alumni who became dictators or were accused for serious violations of human rights in Latin American.
For the construction of the Gatun locks, the project was in need of appropriate sand. For that reason, engineers in charge of the project went as far as Nombre de Dios, about 40 miles northeast from the area of construction, to get suitable material. In their search for more sources of sand, the engineers reached the Kuna Yala archipelago. When the engineers approached the natives to ask if they would sell them sand, the Kuna’s response was that the water, land and sand of the islands were God’s gifts to them, and that they cannot sell or give those gifts to the white man. The engineers were allowed to stay overnight on the condition that they left at dawn and never returned. Nothing more was said (McCullough 1977, p.594, Sherman Snapp 1999, p.47).

This case seldom referred to in Panamanian historical accounts, reveals how a marginal group in the newly formed country rejected a foreign logic of commoditization of nature by alluding to their own religious values and relationship with nature. Even today, the San Blas or Kuna-Yala people keep a regime of political autonomy that was officially recognized by the Panamanian government during the 1940’s and that has been respected by the following governments since then. Subsequent statements of this group kept challenging the intentions of bringing their lands into the orbit of interests linked to the expansion of the Panama Canal.

As was confirmed with other future megaprojects all around the world, forced relocation of communities was one the primary human effects of the construction of the Panama Canal. However, this issue was almost ignored by official historical accounts, probably because of the overwhelming power of the US over the Panamanian government and its inhabitants at that time.

Archival references that I found at the library of the Ministry of Foreign Relations of Panama, testify to some conflicts between the authorities of the Panama Canal and local Panamanian communities that were forced to relocate. These references expose the ignorance
and lack of skills of the agents of the Panama Canal when interacting with rural Panamanian people. These data complement the only reference made by David McCullough about the thousands of Panamanians who were displaced by the advance of the waters of the Gatun Lake. They were dispossessed of their lands and properties, and were resettled in higher settlements. However, they were not consulted when the decision about their fate was made, and they considered that they were not fairly compensated, and were resentful of being relocated arbitrarily (McCullough 1977, p.587). McCullough cites the words of a woman who, recalling how she and her family were forced to abandon their home, said: “The Americans took awful advantage of the poor people, because they had no one to speak for them” (McCullough 1977).

Among the archival data I found, there are some pieces of correspondence dating from 1915. These references stand as interesting examples of the problems created by the process of relocation of the Panamanian settlements of the communities of Nuevo Gatún and Limón in the province of Colon. The first reference is a letter that was written by the Minister of Foreign Relations of Panama, Ernesto T. Lefevre to Mr. G.W Goethals, Governor of the Canal Zone. In that letter, Mr. Lefevre asked for support for a community that was relocated twice, something unexpected due to the guarantees the residents received the first time they were displaced.

Panama, Mach 6, 1915.

Mr. Governor:

The President of the Republic has received a memorandum signed by more than 150 residents of Nuevo Gatun, who -due to the notification made by the authorities of the Panama Canal that they should move again from that town- have chosen as a new location for their residence, the site known as “Guineal”, a place that is located at the margin of the Gatuncillo river, about a mile from the site assigned for the new town of Limón, lands that are located more than one hundred feet above sea level.

The residents ask that, considering their poverty, the government of Panama asks the government of the Canal Zone in order to get that this take charge of the relocation of their houses and the preparation of the land where they are going to settle their new town, as
well as that they build again their church they had in Viejo Gatun and later in Nuevo Gatun.

Considering that the residents of Gatun have been affected the most by the needs of the Canal because, since 1907, they were forced to move to Nuevo Gatun with the promise that they will not be bothered with another relocation. With this promise, they organized their agricultural labors at their convenience. I am addressing you, with instruction of the President of the Republic, to find out if the government of the Canal Zone would attend to the pleas of those people, and as it was done with the people of Nuevo Limon, the relocation of their huts and the clearing of the area called “Guineal” and that the church of Gatun be rebuilt at the expense of the government of the Canal.

With this, the government of the Canal will prove its goodwill to the inhabitants of the Isthmus, as a fair compensation for the sacrifices made by them at the benefit of the great feat that has transformed the continent, and in fulfillment to agreements signed by your government….

E.T Lefevre.

In the second letter, residents of the community of Limón complained to the Minister of Foreign Relations, Mr. Lefevre, about the situation they were facing with their forced relocation and with the type of houses they were provided by the Panama Canal officers. It is interesting to see the different logic of Panamanians and the American officers of the Panama Canal implicit, in this opportunity, regarding to the traditional architectural design of the villagers in comparison with the housing that was provided by the Panama Canal Company, and how the logic of design of the foreigners is imposed, but also contested. Let us take a look to the letter of complaint written by some people who were forced to relocate.

Limón, March 8, 1915.

The Honorable Ernesto T. Lefevre

Secretary of Foreign Relations

Panama

Sir:

As a resident of this district and one interested in the well-being of the town of Limon, which is about to be removed to a new site on the shore of Gatun Lake, I take the liberty to bring the following to your notice:
The work of building the new houses on the site selected was begun last week by a working force sent by the Canal authorities and already the manner in which it is being done has given rise to complaints on the part of the householders of Limón. The houses in this settlement are of the cottage type, mostly roofed with palm leaves, the roof rising high with a steep pitch, and with a space varying between seven and eight feet between the floor and the roof plate. The relative height and steepness of the roof serve to break the effect of the sun’s rays, so that the interior of this type of house is usually delightfully cool even on hot days. The houses being erected by the Canal employees have less space between the floor and roof plate, the roof is lower and is of corrugated iron. The result of this change, the owners complain, is that with an iron roof more nearly flat and closer overhead, the houses will be unbearable hot during a great part of the day and will be quite uninhabitable during the dry season. This defect of construction is noticeable in all of the houses now in course of erection.

At the request of the local inspector, Mr. Julian Aguirre, I interpreted to the American foreman in charge of the work the complaints of the people on this point. He replied stating that the houses being erected are really better than those they have to vacate, but that in any case he was acting under superior orders and could not deviate from them...

In view of the circumstances set forth above, and the instance of Mr. Aguirre, I make bold to bring to your attention the necessity for early action with a view to having the Canal authorities erect comfortable houses for the villagers. They ask that the houses be built with greater headroom, or height from floor to roof-plate, and that the roof be made higher and steeper, or otherwise it will be necessary for them to remove the corrugated iron and replace it with palm.

I would respectfully observe that if your desirable intervention on behalf of the townsfolk is to be effective it should be prompt, and I trust you will pardon the suggestion that you take without delay the requisite steps to ensure he desired change in the method of building the new houses. I have the honor to be, Sir, your obedient servant,

Gerald Hamilton.

These pieces of correspondence show the open discontent and conflict created not only by the forced relocation, but by the imposition of housing conditions that were alien to the real needs of the locals. It was evident, as well, that the top down decisions made by the management of the Panama Canal were not necessarily accepted without question, despite the overwhelming power of the institution over Panamanians villagers and the Panamanian government.

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14 Archivos del Ministerio de Relaciones Exteriores. Ciudad de Panamá.
Despite these and other incidents, and as happened during the construction of the Panama Railroad and the French Canal, the Panama Canal became a magnet for people from other areas of the country, attracting them to the surroundings of the transit region and shaping the actual demographic configuration of Panama. In fact, because of the development of the transit region, an impressive migration of people near the area of the Canal produced a disproportional human concentration in this area. For instance, by 1870, 26% of Panama’s population resided in the metropolitan areas of Colon and Panama. In 1920, it was 34%, in 1980 52%, and in 2000 nearly 60% of the Panamanian population lives in the transit area (Jaén Suarez 1981). A subsequent phenomenon of this migration to these metropolitan areas was the disorganized expansion of human settlements that mushroomed along the trans-isthmian highway, the main road connecting the cities of Panama and Colon. This and the expansion of ranching activities in the surrounding areas, have increased the process of deforestation in the area surrounding the Canal (Sanjur 2000). One direct consequence of this deforestation is the increase in the deposit of sediments in the area of the lakes of the Canal, and the growing pollution of the streams that go to these lakes (Jaén Suárez 1986).

The Panama Canal and the Panamanian Transit-Centric Economic Model

As far as it was shown, the century-years-old patterns of international commercial relations that assigned and virtually restricted the use of the territory of Panama for the transit of products and people, is at the core of what I call the Transit-Centric Panamanian economic model, that I define as the dominant cluster of economic activities related to the transit of people and commodities throughout the Panamanian territory. The historic circumstances mentioned in the previous pages made possible, as well, the rooting among the Panamanian political and economic elite that led the independence of Panama, of a rationality and ideology that have kept identifying the destiny of the country with the role of being a place for transit. As a result, I
argue that the type of rationality that has been promoted in Panama for generations has followed this logic: what is good for the international trade is good for the Panama Canal, and what is good for the Panama Canal is good for Panama.

This logic is also supported by the series of service activities that have been developing in Panama thanks to the existence of the canal. Port services, a logistical center, banking services, ship registration, ship chandlers, fuel supply, the Colon Free Zone, the Tran-isthmian Railroad, general maritime services, etc., were established as spin off activities resulting of the presence of the waterway. The consequence of the predominance of this cluster of activities is that nowadays the macroeconomic structure of Panama is highly dependent on these service companies, which represent more than 75 per cent of the GNP. These activities have formed an economic enclave in the transit area of Panama that contrast ostensibly with their socio-economic surroundings. For example, despite the Panama Canal and the Colon Free Zone—an area of tax free import and re-export activities located in Colon City—represent 15 per cent of the GNP, they support just about 3 per cent of the labor force (MEF 2004a, World Bank 2000, p.28). By 2003, the rate of unemployment in Panama was 12.8%, the highest of Central America, and 40.5% of the population of the country was living in poverty, 26.5% of them in extreme poverty (MEF 2004a). In this regard, the World Bank recognized that three quarters of the poor and 91 per cent of the extreme poor live in the countryside of Panama. Two thirds of

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15 Cf. page 122.
17 Report on Unemployment in Central America made by the Panamanian Businessmen Association. La Prensa, May 29th, 2005. According to the economic report of the Ministry of Economic and Finances of Panama, this percentage is 9.2%.
18 This proportion continues unaltered according to more recent estimations.
all rural residents fall below the full poverty line, and close to 40 per cent live in extreme poverty.\textsuperscript{20}

The data about the level of poverty in Panama has been reinforced by the fact that this is one of the most unequal countries in the world. According to an assessment made by the World Bank in the year 2000, the bottom quintile consumes 3.5 percent of total consumption and the top quintile consumes 53 percent. In terms of incomes, the poorest quintile receives 1.5 percent of the total income, whereas the richest receive 63 percent (World Bank 2000, p.6).

The enormous structural concentration of power and wealth in Panama has been politically, economically and socially constructed and reinforced. The unequal distribution of wealth favors the small, local elite that generally assumes the process of decision-making in the country and whose interests are not oriented to the countryside through links to food or industrial production (Dougherty 2000). And, as it has been proven historically, the population of Panama has not been able to create a grass root political force to counterbalance the economic and political elites.

Another important factor to consider is the foreign debt. According to the Ministry of Economy and Finance of Panama, the international debt of this country in 2004 was 7.2192 billion dollars (MEF 2004a, p.3). The burden of the national debt of Panama has prevented the adequate allocation of economic resources to areas that could provide improved living conditions for a great number of Panamanians. In any case, Panama, like the rest of Latin American countries that have experienced the economic setbacks of the 80’s and 90’s, is in need of investments that could boost the national economy and help to solve the problems of

\textsuperscript{20} This study defines poverty as the level of per capita annual consumption required to satisfy the minimum average daily requirement of 2,280 calories. The annual cost of this minimum yields a poverty line of $519. Below this level of expenditures, or extreme poverty, individuals cannot maintain the minimum level of caloric consumption even if all resources were allocated to food.
unemployment and poverty, generally considered among the main objectives in national development policies (MEF 2004b, p.11).

**Background of the Panama Canal Expansion Megaproject**

As happened in the previous centuries with the evolution and development of the technology of transportation and the evolution of international trade that demanded the adaptation and transformation of the Panamanian landscapes, today there is a direct relationship between the evolution of inter-oceanic global trade, naval strategic needs, and the technology of maritime transport, with the demands to expand the Panama Canal. However, it has to be acknowledged that the expansion of the waterway is an issue that was pondered as far back as 1928 just fourteen years after its inauguration. The possibility of expanding the Panama Canal or building a new sea level waterway was especially considered after World War II when the Panama Canal Company pondered about the alternatives needed to protect the canal against the probability of an atomic attack, and to keep pace with the increase of the traffic though the waterway. According to these evaluations, a sea level canal would recover more easily after an attack than a lock canal, and could accommodate wider ships like the aircraft carriers built for the US Navy (Lindsay-Poland 2003). At that time, the main criteria for such interest were military strategy and defense needs. Nowadays, the objectives of expansion are related to the policy of adapting the services of the waterway to the demands of the world maritime trade (Benjamín 2001, p.7).

Fernando Manfredo, a former deputy manager of the Panama Canal, recalls that, by 1964, US President Lyndon Johnson recognized that the useful life of the Panama Canal was limited. Manfredo quoted President Johnson when he pointed out that soon the Canal will not be able to fulfill the needs of US world trade. The president alluded that, at that time, more than 300 of the existing ships or ships in construction were too big to pass through the Canal (Manfredo 2000a,
In consequence, the US Congress approved US $17 million in funding to study the possible sites of a sea level canal. A parallel consideration was taken regarding the use of nuclear explosions for the excavations.

According to John Lindsay-Poland (2003, p.74), the “nuclear canal” represented a hope to give a beneficial use to nuclear explosions by transforming a savage jungle into a new pathway for civilization. However, the enthusiasm for the use of atomic explosions to dig a sea level canal was deflated, on one side, by an international movement that promoted the ban on atmospheric nuclear tests. This movement and other initiatives produced the signature of the Limited Test Ban Treaty, the Non Proliferation Treaty, and the Treaty of Tlatelolco, which banned nuclear weapons in Latin America. On the other side, at the local level, the Kuna leaders opposed this project when an alternative route was drawn near the Kuna territory. Concerned also about the inequality of costs and benefits of the project, the Kunas also claimed that they would never benefit from the construction of that canal but would be exploited and enslaved (Lindsay-Poland 2003, p.95-96). Added to the active opposition to this alternative, the studies ordered by the congress at that time concluded, as well, that the new generation of large ships would not make the Canal obsolete because they were serving other trade routes that would never pass through Panama. In 1985, the governments of the US, Japan and Panama formed the Study Commission of Alternatives for the Panama Canal. Its main responsibility was to present a proposal of improvement of the waterway that could be implemented as a response to the demands of the world trade of the new millennium (Manfredo 2000b, p.16). By 1993, the Commission presented the results of its US $20 million study, which concluded that there was no need to make any important improvement before the end of the second decade of the XXI century.
In October of 1997, the Universal Congress of the Canal, an international event organized by the Panamanian government, was held in Panama City. On that opportunity, two consortia (one European, hired by the European Economic Community, and another hired by The Panama Canal Commission) established that the conclusions of the 1993 studies about the dates of the required improvements of the Canal needed to be corrected. They mentioned that the rise of China and other Asian economies as important agents of the new world trade order and, therefore, international maritime activity changed the panorama observed in the previous analysis. According to these conclusions, the improvements to the canal would have to be done by the first decade of the XXI century (Manfredo 2000a). As a result, within a few years, an alignment of global and local actors interested in the updating of the Panama Canal as soon as possible became a reality. This alignment and the dynamics associated to it will be presented in more detail in the following chapters.

Figure 2-1. Location of transit routes in Panama during colonial times. A) Map of Panama. B) Detail of transit. Sources: Instituto Geográfico Tommy Guardia and Historia de Panamá (Castillero Reyes 2003).
Figure 2-1. Continued
CHAPTER 3
GLOBALIZATION, TRADE AND MARITIME TRANSPORTATION

Globalization is a phenomenon with roots deeply grounded in history. The processes of a fluid interaction of human societies, economies, cultures, and technological knowledge beyond national boundaries have been part of the evolving reality of the world that reached new levels since the emergence of Capitalism in Europe in the Middle Ages (Appadurai 1996, Beck 1998, Held 2002, Hopkins 2001, Ocampo & Martin 2003). The growth of maritime trade and traffic can be seen as both an incentive and a consequence of globalization, together with telecommunications, trade liberalization, international standardization, and the evolution of transport technology (Kumar & Hoffmann 2002, Rodriguez 1999, Tangredi 2002, UNCTAD 2001).

Maritime transport is considered, among the variety of means of transportation, the most globalized industry (Donn 2002, Pronk 1990). Since most of maritime transport moves between two or more countries, and the service they receive no longer needs to be provided by people of the same nationality of the cargo they move, almost any commercial transaction performed using one vessel could involve the connection between people and properties from more than a dozen countries. Such global relationships can be seen when, for example, a ship may be registered in Panama, but its owner can be Swedish, and the components of the shipping service such as insurance, equipment, merchant sailors, or certificates of classification of societies, are very likely to have been acquired in many different other countries (Kumar & Hoffmann 2002).

Globalization has led also to an increasing level of specialization in maritime business. The areas of such concentration of activities are: ship construction, technical management of

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1 Omitting the conceptual discussion about this term quite well documented in the literature, I use the term to describe a worldwide flow of interactions such as human migrations, and language, religious, and political expansions, as well as other economic and ecologic dynamics that transcend national boundaries.
ships, ship repairs and dry-docking, ship registration, crewing, shipping finance, ship chartering and brokering, and marine insurance (Kumar & Hoffmann 2002). In Latin America, there are several examples of concentration in activities related to the maritime business that are heavily related to the geographical location near the sea, and to the particular characteristics of the economy of the countries involved. For example, Antigua and Barbuda and Panama are specialized in services and provide open registry; Honduras exports the highest number of seafarers per capita. Brazil, Chile, and Argentina host the main shipping industries of the region, and maintain some shipbuilding companies. In a certain way, this trend of specialization has to do with what are considered the comparative advantages of these countries. In fact, Brazil, Chile, and Argentina are among the most industrialized countries in the region, and Panama and Antigua & Barbuda are service economies (UNCTAD 2001). However, there are other examples that make outstanding exceptions. A nation without maritime tradition or even coastline, like Switzerland, is an important maritime player. This country hosts the world’s largest freight forwarder, and one of the top five liner shipping companies in the world, the Mediterranean Shipping Company. This country without a coastline has 246 ships which represented 0.92% of the world fleet by the year 2000 (UNCTAD 2001).

The impact of globalization in shipping activities include the introduction of containerization, a simplified way of transportation of products in uniform receptacles, that is allowing almost any shipping company in the world to move easily to new markets and provide its services globally (see page 98). This apparently simple factor is imposing new trends in the design of ships and in the overall process of connection between producers and consumers.

Other factors that are having an extraordinary impact on the evolution of maritime trade are the trend to gigantism in the building of ships and the construction of faster vessels, which
are related to the capitalist logic of accumulation and time and space compression of which the Panama Canal is an outstanding symbol. As happened in previous moments in history, this logic of accumulation in the process of consuming and producing commodities has been the cause of these transformations.

**Maritime Transportation: General Characteristics**

Maritime transportation is not a uniform activity provided under fixed circumstances. It is part of a complex variable network of activities that includes aspects as diverse as ship design, port services, port design and management, legal services, satellite communications, etc. The types of maritime transportation services depend on factors such as the kind of commodities transported and the timing required for their delivery (CRS 2004). One of the main types is **liner shipping** which consists of maritime transport of commodities provided in a regularly scheduled itinerary at fixed rates on a given trade route. These carriers transport commodities with a higher degree of industrial processing using containers.

Another type is called **tramp shipping**, which is a transport performed irregularly in time and space, depending on momentary demand. The term **tramp** comes from the time when vehicles used to travel long distances to seek loadings (for example, tramping). Generally, non-containerized raw materials like crude and refined oil, grain, coal, and bauxite are transported in tramp carriers (Fink et al 2002, Frankle 1987, White 1988).

Regarding the main types of ships used for the transportation of commodities, the main classification includes the following:

*Container ships*: These ships are designed to carry containers, which are special receptacles where goods are stored and shipped between the sites of production and consumption (Figure 3-1). Nowadays, the greatest part of the world’s manufactured goods and products are carried in containers.
**Bulk Carriers:** They are used for the transportation of raw materials (i.e. iron ore and coal). They can be distinguished by the hatches raised above deck level covering the large cargo holds (Figure 3-2).

**Tankers:** They are used to transport crude oil, chemicals, and petroleum products. They have a similar appearance to bulk carriers but the deck is flush and covered by oil pipelines and vents (Figure 3-3).

**Ferries and Cruise Ships:** Ferries are used for short journeys to transport a mix of passengers, cars, and commercial vehicles (Figure 3-4). Most of these ships are what is called in the shipping jargon Ro-Ro (roll on- roll off) ferries where vehicles can drive straight on and off the vessel. Cruise ships are designed for leisure purposes of the passengers (Figure 3-5).

Other criteria can be used to classify ships, such as size (containership generations, VLCC\(^2\)/ULCC\(^3\) for tankers, etc.); market and technological specification (Suezmax, Panamax, etc.); and safety and security records (class of ships, security levels, etc.) (UNCTAD 2004a, White 1988).

Among the different types of ships, the most outstanding and recently developed model is the containership. This became a revolutionary move in the process of smoothing the storage and transportation of commodities in a faster and less expensive way using containers. The invention of containers is an interesting example of how a particular technological initiative to promote efficiency in the transportation of cargo triggered a process with unsuspected revolutionary global economic and social consequences.

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\(^2\) VLCC (Very Large Crude Carrier) they are crude oil tankers of 175,000 Deadweight tons or above.

\(^3\) ULCC (Ultra Large Crude Carrier) refers to crude oil tankers of 300,000 Deadweight tons or above.
Containers and Containerization: Revolutionary Global Impacts

No analysis of the panorama of maritime trade is complete without alluding to the phenomenon of containerization, a dynamic of global impact that originated, almost fifty years ago, from an individual decision that was implemented for practical reasons in order to ease the process of embarking and disembaroking cargo ships. In fact, containers were the fruit of an initiative of Malcom McLean, the owner of a local transport business in New Jersey who became the founder of Sea-Land, the largest US based sea carrier (Coyle et al 2001, p.38, World Trade 2004). His idea was to accelerate the process of loading and unloading cargoes to and from a ship’s deck; a process that, in the 1930’s, would take up to ten days. Instead of trying to transport whole conventional truck trailers, he decided to use special boxes that could be stacked and layered in the hold. These boxes were called containers.

In 1956, after buying two steamships companies –the Pan Atlantic and the Waterman- he continued pursuing his ideal after converting the deck of two ships into trailer platforms. The next year, the first containership from the Pan Atlantic steamship company, carrying 58 35-foot containers, sailed from Port Newark, New Jersey to Port Houston in Texas and Puerto Rico (Talley 2000, World Trade 2004). In a subsequent development, McLean equipped the new containerships with cranes to pick up containers from the pier and lower then into subdivisions of the ships that were called “cells”. At that time, each ship could carry 226 units of 35-foot containers, and, soon, McLean’s company developed a regular service between New York, Florida and Texas. By the 1960’s container shipping grew dramatically as other competitors began to refit their ships according to the container system of storage and transportation, and when docks learned to accommodate the special needs of such vessels.

One step in the evolution of the process of containerization included the standardization of containers’ sizes and fittings in such a way that any box could lock on to any other box, ship or
plane cell, and trailer chassis. The standardization of containers unified their dimensions to 20 or 40 feet length by 8 feet high (or 8 feet 6 inches high) and 8 feet in width, and ever since they are measured and identified as “TEU” (Twenty foot Equivalent Units). In other words, a TEU is one 20-foot container and a 40-foot container is equivalent to two TEU.

Another step that deepened the relevance of containerization was taken when, the administrator of New York Harbor promoted the construction of a container terminal in Port Elizabeth, New Jersey, becoming the first exclusive terminal of this kind. The articulation of the system added another link when railroad companies, convinced by the benefits of containerization, competed to carry the units across the country on flat cars. The influence of McLean kept growing abroad, being the one who, in 1966, built the first container port in Europe, specifically in Rotterdam (Coyle et al 2001, World Trade 2004).

The success of this option of transportation resulted from its ease in handling, reduction in labor, its better protection against damage and theft, and reduction of cost at the beginning and end of the shipping service. Only one person can load and unload cargo that, in other times, would require dozens of dockworkers. Additionally, turnaround times of vessels in a port have been reduced from three weeks to 24 hours (Coulter 2002, Tetley 1990). Another advantage of containers is because they are a versatile option for the transportation of a wide variety of commodities: frozen beef, LCD monitors, subway cars, perfumes, etc.

The phenomenon of containerization has affected, as well, the shipping activities of the carrier vessels and the handling of containers in ports. In a report presented in April 2004 by the United Nations Conference on Trade (UNCTAD), it was recognized that containerization is the technological concept governing the transport of manufactured goods and, despite the fact that the adaptation to that system of management is expensive and reduces the use of labor, it has
become an unavoidable technological standard to be implemented by the players in the international trade (UNCTAD 2004d, p.5). In fact, since the first containership crossed the Atlantic in 1966, world trade became increasingly dominated by containerized freight in such a level that, by 2002, container transportation accounted for more than sixty percent of the world trade in terms of value and almost two third in terms of volume (Coulter 2002).

According to another UNCTAD report, at the beginning of 2004, the top 25 container carriers control 79% of the world’s TEU capacity. Among the main carriers, there is the Danish Maersk-Sealand\(^4\) group that, with more than 500 vessels, account for 12.2 % of the ships operating in the market (UNCTAD 2004e). Following, there is the Mediterranean Shipping Company (MSC)\(^5\) that, with 288 ships calling on 215 ports, takes 7.15% of the market share. Its headquarters are in Geneva, Switzerland, paradoxically a landlocked country. The Chinese Evergreen and P&ON are next in the list. Ten of the top fifteen liner companies are based in Asia.

Even though containerization was developed originally in the USA, nowadays nearly eighty two percent of all containers are built in China, with the China International Marine Containers (CIMC)\(^6\) and Singamas being the two leading container builder companies (Jung 2005). By 2005, a container built in China was sold for $2,500. The more than 3,500 cargo ships that navigate the oceans today are loaded with about 15 million containers. In fact, as it is estimated that the container market is growing three times faster than the world economy, there

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is no doubt that the containership industry has became a formidable international player (Jung 2005)\(^7\)

As containers became a crucial element in the transportation of products, containerships, as well as the industry of containership building were claiming more relevant roles. In fact, the four biggest containership builders are in Asia, three Korean -Hyundai, Samsung and Hanjin- and one Japanese –IHI-. Korean shipyards account for 62% of orders, and all Asian shipyards together are responsible for 86% of the world containership building. These percentages dwarf Europeans yards that together have 13% of market share, and North and South American yards that count with less than 1% (UNCTAD 2004e).

During the last few years, there has been an increase in the building of new containerships. The number of orders doubled, going from 135 contracts, in 2002, to 325 in 2003 (UNCTAD 2004b). These new building contracts are also reflecting a trend opting for post-Panamax containerships, that are vessels of more than 290 meter long, 32.3 meters wide and with a draught of 12 meters, measures that surpass the dimensions able to squeeze through the Panama Canal.\(^8\)

According to a study made by Drewry Shipping Consultants in 2005, from 1995 to 2003, the number of transits of container cargo through the Panama Canal has climbed from an estimated 2.76 million TEU’s to 5.22 million (Figure 3-6). By the fiscal year 2004, almost 70% of the container traffic through the canal was related to the United States, representing more than 3.5 million TEU’s with a value of about US $10 billion (Drewry 2005, p.1). The percentage of containers moving between Asia and the US East Coast through the canal increased from 12% in

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\(^7\) [http://www.spiegel.de/international/spiegel/0,1518,386799,00.html](http://www.spiegel.de/international/spiegel/0,1518,386799,00.html). Last accessed, April 4, 2007.

1999 to near 40%, in 2004 (Figure 3-7). For the fiscal year 2004, despite representing 18 per cent of the transit through the canal, containerships amounted to 33 per cent of the total income that the waterway received from tolls, with a projected tendency to increase in the future (Colindres 2005, Drewry 2005).

**Post Panamax Megaships, International Port Facilities, and the Panama Canal**

As the trend in the shipping industry is toward using what are called Post-Panamax vessels that can carry between 4,500 to 12,000 containers or TEU’s, some of these carriers are limited in their options for deploying their vessels in the Pacific-Atlantic route using the Panama Canal (Lugo 2003). Additionally, these megaships are also facing the fact that many ports that traditionally have been served by the Panama Canal route are not deep enough to harbor them. One response to this has been the construction of mega-ports that have a minimum quay length of 330 meters; minimum draft of 15 meters without tidal windows; and a minimum crane outreach of 48 meters (Coulter 2002, Talley 2000).

Officers of the Panama Canal Authority and other specialists have analyzed and exposed the relationship between the trends of growing containership and the Panama Canal in several studies and articles (Alvarado 2004, Buendia 2004, Delgado 2001, Lugo 2003, Martínez Laso 2001, pp.276-277, Osorio 2004, Solano 2003). Up to now, the dimensions of the Panama Canal can allow the transit of ships with a maximum width that can hold 13 rows of containers, or a total of between 4,000 and 4,500 TEU’s, which have to squeeze through the canal locks as shown in Figure 3-8.

The number of Panamax vessels that use the Panama Canal represents near 40% of all oceangoing transits (Drewry 2005, p.1). At the end of 2000, the Post Panamax fleet worldwide

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comprised some 130 vessels. By January 2006, the number increased to 391, representing
between 25 and 30 percent of the total world container capacity (Hart et al 2005, MacDonald
2004, Torlay 2006). Moreover, there are also an increasing number of orders of bigger ships
than the Post Panamax from several of the main clients of the Panama Canal like CMA, CGM,

Despite the fact that the tendency to build bigger ships seems to be unstoppable, there are
claims that this trend could produce ambiguous benefits. On one hand, a greater length would
lead to a loss of hull stiffness because of the bending movements produced by the waves and
cargo, and the steels and welding technologies available currently. This has imposed a technical
length limit of 350 meters for 9,200 TEU ships. For that reason, the logic leads to building
shorter and broader ships. The broader ships have the advantage of greater stiffness and
stability.10

On the other hand, besides the economy of scale, bigger ships will offer several additional
benefits in comparison to the smaller ones. For example, in an article published at the Lloyd’s
Register in October 2003, it was argued that bigger ships bring the possibility of introducing
technical systems which are not viable for smaller vessels, like the installation of additional and
more sophisticated equipment to improve fuel economy and reduce emissions. Bigger ships also
will require a reduced amount of ballast water for stability, and therefore, will likely reduce the
possibilities of global transfer of maritime organisms, which is perceived as a major risk for the
liner trades.11


US East Coast Retailer Mega Centers and West Coast Ports Bottle Necks

It is quite explicit that, according to the references of the international stakeholders, the Panama Canal is considered as just one element, among others, in the chain of distribution at the service of global trade. The implicit dominant perspective prioritizes the provision of services to their local markets without additional references to the additional implications that their demand to expand the Panama Canal could have in other contexts also affected by the existence of the Panama Canal. The series of events promoting the expansion of the Panama Canal also are coherent with the insights formulated by David Harvey (2001) based on the location theory of Marx. According to Harvey, the process of the growth of capitalism has its own contradictions when the same structures\(^\text{12}\) created to overcome spatial barriers and to ‘annihilate space with time’, ultimately become a barrier to further accumulation. In this sense –he says- “the geographical landscape, which fixed and immobile capital comprises, is both a crowning glory of past capital development, and a prison which inhibits the further progress of accumulation…” (Harvey 2001).

The capitalist logic of persistent accumulation is generally confronted with the fixity of certain institutional, social, infrastructural, and geographic spaces whenever they are seen as obstacles to the expansion or development of markets, or ill fitted for the increasing flux of commodities and/or capital. Therefore, when the fixity of the spaces of accumulation represents a limitation of that process of accumulation; those spaces are considered a barrier to be overcome or must be repositioned to a level of total or partial irrelevance (Pred & Watts 1992). In this regard, Harvey concludes that the evolution of capitalist forms tends to a continuing struggle in which the physical landscapes that were built to satisfy its needs in a specific time, have to be

\(^{12}\) These spatial structures are described by Harvey as “fixed and immovable form of transport facilities, plant and other means of production and consumption which cannot be moved without being destroyed”.

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destroyed, usually after some years, in order to open more space for the process of accumulation.

As the evidence demonstrates, it is a reality that the Panama Canal, a project built to ease the traffic between the oceans according to the needs of its clients at a specific time, presents, one hundred years later, some restrictions to this traffic, because of the physical criteria that were established when it was created. The alternatives considered for the expansion of the Panama Canal expose, as well, what Harvey describes as a process of negotiation between preserving the value of past capital investments in the built environment and the destruction of these investments, at a subsequent time, in order to create more space for accumulation (Harvey 2001). This is one of the reasons why it is unthinkable to destroy the present canal—an impressive infrastructure with a huge and diverse historical symbolism and still a profitable asset— in order to replace it with a new one. For this reason, it is considered more appropriate to build a new set of locks, parallel to the existing ones.13

The main argument for legitimacy of the international agents interested in the expansion of the Panama Canal is their need to carry out their marketing commitments of reducing the time in the distribution of increasing amounts of commodities for consumers and producers located between the East Coast of the United States and Asia. Another reason is the interest of authorities in several cities of the East Coast of the US to foster the economic expansion of that area, a fact that is promoted through the construction of mammoth distribution retail centers that are receiving higher volumes of products shipped from Asia14 (Lugo 2003, p.7). The shipping companies that serve these centers are using bigger ships than the ones traditionally designed

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13 This also includes the fact that it will be economically counterproductive—national and internationally— to close the Canal for several years in order to build a new one.

according to the specification of length and width of the Panama Canal. Additionally, there is an urgency in the delivery of products through the waterway as an alternative to the delays and bottlenecks that are affecting negatively the shipments to the ports in the West Coast of the United States (ACP 2005a, p.7, ACP 2005b, p.9).

The trends at the beginning of the 21st century show that Asian economic expansion in general, and, particularly, the overwhelming growth of the Chinese economy, have increased the volume of trade between the Asian rim and the rest of the world (UNCTAD 2004c). As a result, the main international maritime companies, taking advantage of the economy of scales, are building or using bigger ships that can carry more cargo per voyage. Some of these ships –the so called Post-Panamax- are, as we have said, too big to pass through the Panama Canal.15

At it was said before, four percent of maritime world trade moves through the Panama Canal (Hitotsuyanagi 2001, p.91, Ohtake 2001a, p.33). But this proportion can be misleading when noticing that this percentage includes nearly 23% of the transport between Asia and the east coast of the United States. The Panama Canal is on the pathway of several routes that connect, as well, both coasts of the US, the east coast of the United States and the west coast of South America; the west coast of the United States and the east coast of Canada and Europe; the west coast of South America and Europe; and finally, the east and west coasts of South America (Bocanegra 2000, Drewry 2005).

Specific local and regional policies promoting development on the East Coast of the USA are impacting the shipping industry by promoting the management and distribution of larger stocks of commodities. For example, the port of Savannah, Georgia, keeps reinforcing its objective of promoting economic development in the region through the establishing of huge

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15 The Post Panamax ships are more than 100 feet wide, which is wider than the lock chambers of the Panama Canal that are 110 feet wide and 1000 feet long.
retail distribution centers. Names like Best Buy, Michael’s, Pier 1 Imports, Target, Home Depot, Dollar Tree, IKEA, Lowe’s, and Hugo Boss are among the companies that have established their distribution centers in areas ranging between 200,000 and 2,000,000 square feet, just a few minutes from the port of Savannah. The timely provision of shipments to these huge centers has become a crucial factor in the expansion of the economy of Georgia and the rest of the ports of the East Coast of the US -i.e. Halifax in Canada, Baltimore, and Hampton Road (Virginia)-. Additionally, the managers of the ports of the East and Gulf coasts of the United States that receive a significant amount of cargo through the Panama Canal are already prepared to manage Post Panamax containerships. Other ports like Charleston (South Carolina), Miami, New York, and New Jersey- have been remodeling their installations in order to receive Post Panamax ships, independently of the possibility that the Panama Canal be widened (ACP 2003, p.3, Lugo 2003).

In this context, port officers of the East Coast of the USA have voiced explicitly their interest in the expansion of the Panama Canal at different opportunities. Some explicit statements made at the Conference of Port Operators held in Panama between the 2\textsuperscript{nd} and 4\textsuperscript{th} of December of 2003 are illustrative. In that opportunity, Rick Larabee, Director of the Port Authority of New York and New Jersey said:

\ldots Demands for imports will keep growing and the best way to move this shipping, the cheapest, fastest, and more reliable way is by water. For us, on the East Coast, where 70 percent of the US population is concentrated, it is important that the Panama Canal expands its capacity because all of us know that ships will keep growing and the largest part of these new ships can not pass through the Panama Canal (ACP 2003, p.3)\textsuperscript{17}.

In the same event, Joseph Dorto, General Manager of Virginia International Terminals said:

\textsuperscript{16} This information can be seen in detail at the Georgia Ports webpage: http://www.gaports.com/index2.html

\textsuperscript{17} Translation by the author.
In Virginia we have cranes that accommodate up to 26 containers on the deck of a ship and canals 54 feet depth. We have, as well, enough area to expand, but this will not be useful if the Panama Canal is not widened (Prensa 2003).

He also declared:

. . . nowadays, the canal is doing an excellent job with the ships that transit through it. There is an improvement in the speed of the ships that are in transit, as well as the quality of the service. However, the challenge we will have to face will be the management of bigger ships. We, on the East Coast of the United States, are getting prepared for that, and that is something that must be happening here (in the Panama Canal) (ACP 2003, p.3)\textsuperscript{18}.

Tom Armstrong, Director of Strategic Development and Information of the Georgia Port Authority made additional claims saying that:

. . . Seventy percent of our shipping in Savannah is handled through agents, and we all know that this shipping comes through the Panama Canal. A small percentage comes through the Suez Canal, and probably it will continue this way. We hope that the greatest part of the shipping coming to the East Coast of the United States comes through the Panama Canal and a new Panama Canal (ACP 2003, p.3).\textsuperscript{19}

The number of Panamax vessels that use the Panama Canal represents near 40% of all oceangoing transits (Drewry 2005, p.1). At the end of 2000, the Post Panamax fleet worldwide comprised some 130 vessels. By January 2006, the number increased to 391, representing between 25 and 30 percent of the total world container capacity (Hart et al 2005, MacDonald 2004, Torlay 2006). Moreover, there are also an increasing number of orders of bigger ships than the Post Panamax from several of the main clients of the Panama Canal like CMA, CGM, Evergreen, A.P. Moller, MSC, and Hapag Lloyd. (Colindres 2005, Jiménez 2005).

Despite the fact that the tendency to build bigger ships seems to be unstoppable, there are claims that this trend could produce ambiguous benefits. On one hand, a greater length would lead to a loss of hull stiffness because of the bending movements produced by the waves and cargo, and the steels and welding technologies available currently. This has imposed a technical

\textsuperscript{18} Translation by the author.

\textsuperscript{19} Translation by the author.
length limit of 350 meters for 9,200 TEU ships. For that reason, the logic leads to building shorter and broader ships. The broader ships have the advantage of greater stiffness and stability.  

On the other hand, besides the economy of scale, bigger ships will offer several additional benefits in comparison to the smaller ones. For example, in an article published at the Lloyd’s Register in October 2003, it was argued that bigger ships bring the possibility of introducing technical systems which are not viable for smaller vessels, like the installation of additional and more sophisticated equipment to improve fuel economy and reduce emissions. Bigger ships also will require a reduced amount of ballast water for stability, and therefore, will likely reduce the possibilities of global transfer of maritime organisms, which is perceived as a major risk for the liner trades.

According to William O’Neill, General Secretary of the International Marine Organization (Muñoz 2001a), it is very necessary to amplify the Panama Canal. He argued that by 2005, 40% of the world trade would take other routes because it will be carried on Post Panamax ships.

In an article published in the Panamanian newspaper La Prensa on September 10, 2005, it was reported that the Japanese company Nippon Yusen and the American Wal-Mart Stores are among the companies that are urging Panama to widen the Panama Canal. The main reason for this encouragement is their need to overcome the bottlenecks in the ports of the West Coast of the United States.

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22 By 2007, this statement seemed to be unproved considering the fact that the transits trough the Panama Canal kept increasing.
More explicit demands to begin the expansion of the Panama Canal as soon as possible have being voiced by other important business representatives in the US. For example, Robin Lanier, Director of the Waterfront Coalition, a Washington based trade group that represents retailers like Wal-Mart on shipping issues, declared that,

\[\ldots\] without an expansion of the Panama Canal, the increasing congestions at ports on the West Coast will slow growth of trade and add to cost, so as US economic prosperity depends on upgrading the canal. Immediate expansion should be a high priority (Watson & Black 2005).

In 2004, more than 115 incoming ships had to be diverted to other Pacific harbors because congestion at the ports of Los Angeles and Long Beach, California, which manage about 40 percent of containerized U.S. imports (Watson & Black 2005). In fact, even though new port installations are built or remodeled on the West Coast in order to host the new megaships, there are still some limitations that affect the smooth managing of shipping. The infrastructure of land transport and services existing in that area are not designed for the efficient transportation of the increasing massive amount of containers that are discharged in the mega ports.

According to a report prepared by the consulting firm Accenture (Delattre 2005), by 2005 practically all the mega-ships entering the West Coast’s mayor ports were carrying up to double the amount of containers than in 2001 (10,000 containers vs. 5,000). In a report of the US Department of State, this increase in port loading became more astounding since June, 2004 when an unexpected surge of import cargoes saturated the ports of the West Coast of the US. For example, cargo volumes at the ports of Los Angeles and Long Beach, the two biggest container ports of the US, increased in 17.5% by June and 24% in July (US Department of State 2004). This increase, which kept steady ever since, has been facing the constraints of port congestion in such a way that a ship calling at Los Angeles-Long Beach may wait up to four shifts before being served. Besides, containers have to wait between two or three days once they
leave the ship, because the railroads are under-equipped and understaffed. Another relevant factor is the higher fuel prices that discourage truckers to haul containers. They complained that the fuel they burn idling and waiting for containers that are unloaded from ships is so high that such a waiting is not profitable for them (Delattre 2005).

The previous factors are complemented by the problem of the availability of land. As Christopher Koch, president of the World Shipping Council, declared before the House Transportation and Infrastructure Committee, “most of the major US commercial ports are located in highly developed, urban areas, and as a result face real constraints on how much land is available for use as marine terminals” (Koch 2001). Therefore, inland road and vehicles capacities became obstacles to the smooth flow of the increased movement of shipped products (Coulter 2002, Talley 2000, UNCTAD 2004d, US Department of State 2004). This has been reinforcing the redefinition of the routes of shipments of companies that traditionally used the ports of the US West Coast. This is the case of Toys “R” Us, which altered its supply-chain network to ship through the Panama Canal to avoid the congested ports in Southern California. That company reported that, in 2004, an average delay time at these ports was seven days, while the delay at the Panama Canal was, at most, one day (Hickey 2005).

Considering the panorama of more and bigger ships moving through the Panama Canal because of constraints at ports in the US West Coast, the ACP argues that this flow will generate more income from tolls, something that has been observed in recent years, when containerships have had the biggest and fastest growth in transit and in tons transported through the Canal. Besides the need of private users, it is undeniable that several countries have expressed their interest in the expansion of the waterway for other reasons. In fact, Panamanian newspapers have been publicizing that government officials and businessmen from places like England, France,
Brazil, China, Belgium, South Africa, Japan, Mexico, Chile, Philippines, among others, have expressed their interest in the expansion of the waterway, not only based on their condition as users, but also because of the contracts related to the project that would be granted (Aparicio 2004, Arcia 2005, Buendia 2005, EFE 2004, Guerra 2005, Jordán 2004, Martínez 2004, Miranda 2005a, Miranda 2005b, Moreno 2004, Sánchez 2005, Solano 2004).

**Trends of Transit through the Panama Canal in Perspective**

The level of power that the international instances exercise upon the Panama Canal, through port services and shipping companies, is based mainly on the high dependence of the waterway on the income it receives from them. Sixty five percent of the traffic through the canal comes from and goes to the United States, and about nineteen per cent belongs to Japan (ACP 2003, p.3, Drewry 2005, p.1, Hitotsuyanagi 2001, p.92). With eighty four percent of the transit coming and going between these two countries, the Panama Canal is practically faced with an oligopsony—a market relationship with few but very powerful and influential clients- that could impose specific conditions for the waterway mostly in favor of the interests of the clients.

This reality was acknowledged by officers of the Panama Canal even before it was transferred to Panama. For example, in 1999, Rodolfo Sabonge who, at that time was the Director of Corporate Planning and Marketing of the Panama Canal Commission, said that “the United States is more important for the canal than the canal is for the United States” (USDA 1999). His statement was supported by a study conducted by economists from Texas A&M University and the United States Department of Agriculture (USDA), which estimated that US exports of corn and soybeans would decrease only 2 percent if the Panama Canal were closed. In this eventuality, or in case of a significant toll increase, US exports to Asia would likely be reoriented through Pacific Northwest ports, or around the South African Cape of Good Hope. This study considered as well that, in the long term, agricultural shipments from U.S. Gulf ports
would serve European and North African markets more economically, while Pacific Northwest ports would serve Asian markets better. Additionally, the study concluded that a change in the canal would affect mostly some South American countries, like Chile, Ecuador, Peru and Venezuela. These countries move more than forty percent of their exports, by weight, through the canal. In the case of Chile, eighty five percent of its maritime trade with the US, and thirty five percent of all its commerce transit through the Panama Canal (Arcia 2005).

Besides the great dependence of the canal on its main clients, there is the fact that a relatively small percentage –that is 4 percent of total world maritime traffic- uses the Panama Canal (Hitotsuyanagi 2001, p.113). However, this percentage of traffic produces the largest source of revenue for the Panamanian government (Latin Finance 2005).

According to its financial statements, the ACP has received since the turnover of the waterway, in December 31, 1999, to the fiscal year of 2005, between $574 and $847 million in annual revenues from tolls, providing the Panamanian government with more than one billion dollars in direct and indirect payments.24

According to the previous accounts, the magnitude of the global dynamics that demand the expansion of the Panama Canal is more than evident. Historically, the relatively small dimension of the Panamanian economy, highly dependent on the activities of the waterway, seems to be ineludibly forced to follow the dictum of global political and trade dynamics. These dynamics have been either supported or challenged by local actors. In this last regard, some of these challenges during the construction of the canal, came from specific local sectors –like the residents of Limon or the people of Kuna Yala presented in the previous chapter- that, despite their relative lack of power, presented their claim against the unfair conditions of their relocation,

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or just plainly refused to cooperate with global demands that were against their local cultural and religious principles. However, as new technological factors, like containerization, become an additional key element in the more recent panorama of international trade, new forces were added to the apparent demand to expand the Panama Canal. In the following pages, I will take a closer look of the contemporary local dynamics that follow the historical ambivalence of reinforcing or questioning the expansion of the Panama Canal.

Figure 3-1. Containership

Figure 3-2. Bulk Carrier

Figure 3-3. Tanker
Figure 3-4. Ferry

Figure 3-5. Cruise ship

Figure 3-6. Trends in total transits and TEU’s through the Panama Canal. Source: Panama Canal Authority.
Figure 3-7. Panama Canal share of container market from Asia to US East Coast.

Figure 3-8. Panamax container ship at Miraflores Locks.
Figure 3-9. Main ports of the United States and North America.
CHAPTER 4
PANAMA CANAL: GLOBAL TRADE AND PANAMA’S NATIONAL DESTINY

As has been presented in the previous chapters, the Panama Canal can be considered one strand in the wide network that during the last one hundred years has been supporting the expansion of global trade. When new factors –like containerships- became a crucial for the acceleration of this expansion, new demands were imposed for an upgrade of related infrastructures like the Panama Canal. For this reason, the project of expansion of the waterway embodies an interesting showcase of the activation of a variety of global and local stakeholders that are engaged in interactions that can be complementary or conflicting depending on the type of interests affected by the global networks of production and distribution of commodities. In this and the following chapters, I will explore and analyze some stakeholders located in Panama and their sociopolitical relations and interactions.

At the national level, the stakeholders involved are those that not only are related to the world maritime system, like the ACP, but also other government agencies, several groups of peasants, NGO’s, civilian and religious organizations with less international relevance. They have taken different positions regarding the expansion of the Panama Canal: some in support of the project –like the ACP and government institutions-, some questioning the creation of lakes that would be needed for the expanded waterway –like peasant groups, civilian and religious organizations- and some others who are challenging the very idea of expanding the waterway. However, it is possible to find a variety of perspectives within some of these groups. In fact, not all people related to the Panama Canal Authority are in agreement with the manner in which the project of expansion has been conceived and promoted. Similarly, not all peasants living in the Panama Canal watershed are opposed to the expansion of the waterway and the building of lakes on their lands. Besides the complex configuration and performance of specific local
stakeholders, I will address, as well, the role of the media as a key element in which the confronting stakeholders expressed their claims or where these stakeholders were presented by their antagonists.

**The Panama Canal Authority**

The Panama Canal Authority (ACP) is an autonomous Panamanian agency that, according to Law #19 of June 11\textsuperscript{th} of 1997:

Shall have the exclusive charge of operation, administration, management, preservation, maintenance, improvement, and modernization of the Canal, as well as its activities and related services, so that the Canal may operate in a safe, uninterrupted, efficient, and profitable manner (Benjamín 2001).\textsuperscript{1}

The Constitution of Panama, besides acknowledging these attributes, granted the ACP administrative and financial autonomy, and made it responsible for the administration, conservation, maintenance and use of the water resources of the Panama Canal watershed. This watershed consists of the waters of the lakes that feed the canal as well as their tributary streams.\textsuperscript{2}

Law 19 also created the Advisory Board, a consultative body with the responsibility of providing guidance and recommendations to the Board of Directors and the Canal administration. By 2007, this advisory board was composed by an international membership with experience and knowledge in international transportation, trade, business, banking, telecommunications, military logistics, construction and development, as well as from academia. This body meets twice a year, holding one meeting in Panama and another in other part of the world. The following brief summary of the members of the Advisory Board, taken from the

\footnote{1 For more information about the organizational mission, history and operative and technical aspects of the ACP see: \url{http://www.pancanal.com/eng/general/acp-overview.html}, last accessed, July 20, 2007.}

\footnote{2 Constitution of Panama, Title XIV.}
ACP’s webpage,\(^3\) can give us an idea of the configuration of this body, which at the time this study is written, includes the following personalities:

- William O’Neil (President), Secretary General Emeritus of the International Maritime Organization (IMO). He was elected first chairman of the board in 1999 and re-elected in 2002.
- Philip Embiricos, Director of Embiricos Shipbrokers.
- Admiral William J. "Bud" Flanagan, US Navy (Ret), former Commander In Chief of U.S. Atlantic Fleet, Western Atlantic NATO's Commander-In-Chief, and President of Skarven Enterprises Inc.
- Dr. Ernst Frankel, Emeritus Professor of Ocean Systems and Professor of Management at Massachusetts Institute of Technology.
- Dr. Aaron Gellman, Professor of Management and Strategy at the Northwestern University Transportation Center.
- Flemming R. Jacobs, former President & Chief Executive Officer of Neptune Orient Lines Ltd. Group.
- Captain Wei Jiafu, Group President and CEO of China Ocean Shipping Company (COSCO).
- Salvador Jurado, President of Building Components Group.
- Gerhard Kurz, former President and Chief Executive Officer of Seabulk International, Inc.
- Andrónico Luksic Craig, Vice President of Banco de Chile.
- Albert H. Nahmad, Chairman of the Board, President and CEO of Watsco, Inc.
- Joe R. Reeder, partner of Greenberg Traurig LLP (attorneys at law).
- Mikio Sasaki, Chairman of the Board of Mitsubishi Corporation.
- Stephan Schmidheiny, President of AVINA Foundation and ANOVA AG, Holdings.
- Tommy Thomsen, partner of A.P. Møller Group
- C. C. Tung, Chairman & Chief Executive Officer of Orient Overseas (International) Limited (OOIL).

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Due the nature of its membership, the Advisory Board is an influential factor in the
decision-making process of the ACP. In fact, when considering some statements of the
Advisory Board, it became more evident that the definition of the expansion of the canal was
made mainly according to the interests represented in this body. This can be concluded from the
following paragraphs extracted from a final report of the Advisory Board after a meeting held in
London on June 20, 2000 about the expansion of the Panama Canal. In this document we have
found these statements:

In the consideration of the expansion, it isn’t just one single thing that we have to look at. It is
necessary to examine the whole economics of the activity; keeping in mind that this is all about
moving a pound of product from one place to another place as cheaply and effectively and
efficiently as possible. And as long as the transportation system and each of its components meets
its obligations and is efficient then that is the route, or the way the goods are going to be moved. And
if anyone starts to become noncompetitive, then the chance of it being dropped out of the chain is
very high.

The discussion about what happens if nothing is done about the Canal either in its current
operation or to expand it without going to the major construction works, and in the major
construction works, focusing mostly on the major expansion requirements. What would happen
if nothing is done? The shipping industry has a history of adapting to conditions that they are
presented with, but I think that the message is that the Canal has a place in international shipping
and a role to play and is of some benefit to Panama (economically) but it is necessary to do
additional work to justify the six billion odd requirement for the major expansion project and to
make sure that the economics of the transportation system are properly put together so that it
remains competitive. And also to take into account the side benefits which would occur to Panama.\textsuperscript{4}

In the same meeting, the main conclusion of the advisory board was straightforward: the
Panama Canal must expand or it will become irrelevant for its clients, as could be understood
from the following paragraph of the same report, which says:

Another point that I have just been reminded on, with regard to the expansion program, is that
if nothing is done, if we don’t do anything at all, then the Canal would lose business because
people would, with the increase of the size of ships that are coming about, would find some other
way of moving, and that in the end it would be a matter of the Canal

\textsuperscript{4} See page 5 of the minutes of the Advisory Board of the ACP at:
stagnating and business would find some other way around the situation. So, it really is a matter of either looking at the expansion in a serious vein, selecting the best or what could be considered the best or optimum way of doing that and we did not get into any details on the one lock, two lock system or the technical issues. Those are matters that can be dealt with either later or separately. We were trying to get at some of the justification for doing or not doing something rather than the details on the individual components. But if nothing is done, then it would be a stagnation situation and it would be leading to a reduction in business. I got the words “Expand or die,” so I don’t know if that reflects what was said or not. But I think that it does put it in a pretty sharp focus. These were basically the comments of the Advisory Board.

These statements could be illustrative of the way the international advisors framed the terms of discussion of the expansion of the canal that later developed in Panama. In fact, in less than two years after this meeting, the ACP began to use the argument of the obsolescence of the canal in order to obtain the public support for the project of expansion of the waterway.

Another structure of decision within the ACP is its Board of Directors. This is the main decision body of the ACP and is formed by a group of 13 Panamanian males, mostly lawyers, engineers and professionals with training in business administration or economics. These members are nominated by the president of Panama, and confirmed by the National Assembly. The Board of Directors also fosters the corporate mission of the agency, which includes the “building of relationships with Canal customers, understanding and anticipating their needs, adding value to their business, and offering outstanding quality service.”

The entrepreneurial rationality that rules the plans of the ACP and the relevance it gives to present itself as the source of opportunities to the service activities are expressed in the way the project was also marketed to the international clients. In the Panama Maritime VIII World Conference and Exhibition, held in Panama City on February 6 and 7, 2007, the ACP presented an example of the variety of service that will be benefited from the expansion of the canal. These activities named as the Panama Canal Cluster, are presented in the shape of a complex network

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of highly specific businesses (Figure 4-1). The activities in blue represent those which are
directly linked to the transit activities through the canal. Those in light brown are the activities
derived from these ones, are and indirectly stimulated by the canal. The activities in red are more
specific descriptions of generic activities.

About 9,100 employees work for the ACP with monthly salaries ranging from a minimum
of $986.11 to a maximum of $9,166.67. They are the best paid public employees of Panama, a
country where the minimum salary is $285.00, including a lastest increase made by the
Panamanian government in February, 2006. The ACP’s hiring and training policies, based on a
quite strict process of selection, has served to recruit and train top quality Panamanian
professionals from several disciplines. Having a vertical organizational structure inherited from
the US managed Panama Canal Commission, with a leadership of people with experience in the
private sector, and because the high quality of the Panamanian professionals hired, the ACP has
developed a style of organizational culture and performance that is far beyond the performance
of any other public or private agency in Panama in terms of planning, internal organization,
efficiency, social benefits for its employees, incomes, and projection to the Panamanian public
opinion.

Part of the vertical organization and style of management of the Panama Canal
Commission and later of the Panama Canal Authority was inherited from another structure
controlled exclusively during almost all the 20th century by the government of the United States:
the Panama Canal Company. This institution was characterized by its ethnocentric orientation,
according to the description of Karl Perlmutter, regarding authority, decision making,

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7 La Prensa, February 24, 2006.
identification, perpetuation, and evaluation and control. According to Perlmutter, an ethnocentric company sees domestic techniques and personnel as superior to foreigner ones and as the most effective in international markets (Perlmutter 2000, p.75). This pattern was observed in the Panama Canal Company in aspects such as policies regarding salaries, housing differentiation between American and non American employees, racial discrimination, and the use of English as official language that were implemented in the Panama Canal Zone during the US administration (Lindsay-Poland 2003, Martínez Laso 2000, p.86, Mastellari Navarro 2003, p.74, McCullough 1977, p.559). This situation transcended the institutional area and impacted the political sphere producing several incidents between the United States and Panama during almost all the 20th century. The most memorable were the riots of January 9th, 1964, and the invasion of Panama of December 20th, 1989, when 21 and about 5,000 Panamanians, respectively, were killed. In the case of the invasion of 1989, there has been a persistent critique of the manipulation of the number of Panamanian casualties, which created the uncertainty about the real numbers of victims (Rivera & Martínez 1998, p.11, Soler-Torrijos 1993, pp.208-209, Wheaton 1992, p.26).

Since December 31, 1999, when Panama received the Canal, the Panama Canal Authority implemented an administrative process of identification, and arguably assimilation of the waterway, within the Panamanian context. This was a necessary and important challenge for a sophisticated institution, created by an industrialized country, which was handed out to a non industrialized country with its own set of economic problems, bureaucratic culture and political volubility. This integration implied the transition of the ACP’s from its status as a foreign institution alien to the Panamanian context and created to respond to US interests, to become a
Panamanian public organization strongly focused on making its main asset—the Panama Canal—into a profitable component of Panama’s economy.

The ACP is characterized, as well, by its businesslike style of management with labor standards and motivational practices aimed at guaranteeing a high level of commitment among its employees. Activities such as updating seminars and courses, social activities, merit acknowledgements, special medical services and other benefits have been part of its managerial practices, which have gone beyond the benefits offered by any other Panamanian public agency to their personnel. The ACP was one of the first public Panamanian institutions to launch its own web page with information about its role, mission, finances, projects, etc.8

In order to identify with the Panamanian context, the ACP has been promoting among the population a public outlook of national pride that presented the waterway as an authentic Panamanian asset that is excellently managed by first class Panamanians professionals. This outlook of national pride has been displayed, as we will see in the following pages, through a series of campaigns of public relations that include weekly TV programs, biweekly newspapers supplements, commercial spots, hosting visits to the waterway for many groups of people from different professional and cultural backgrounds, and sponsoring public cultural and folkloric activities all around the country. In almost all of these initiatives, the media has had an important role that deserves special consideration.

The Media and the Publicity of the ACP

The mass media is the public arena in which the ACP has been promoting its institutional image among the Panamanian population. It is known that the media is not an aseptic space of public display but, through the organizational and professional arrangement of news-making,

plays an important role in the construction, framing and connotations given to issues and stakeholders involved in the discussions (Anders 2000). Frames are “the principles of selection, emphasis, and presentation composed of tacit little theories about what exists, what happens, and what matters” (Miller & Riechert 2000, p.46) The setting of these frames could be the background of social processes of ideological interpretations derived from the positions that stakeholders that try to promote as the official policy.

In the case of a megaproject like the expansion of the Panama Canal, the media became the instrument that transmitted a series of meanings that are coherent with the rationality described by Gustavo Lins Ribeiro and summarized in Chapter 1. For this purpose, the logic of grandiosity, references to national history and nationalism, the promotion of the image of an egalitarian society are linked or subordinated to the redemptory image of the megaproject.9

In Panama, the ACP has been using discourses and images in order to frame the interpretations about the role of the Panama Canal that was promoted among the Panamanian public. Nowadays, there is a strong presence of the ACP in the Panamanian mass media through TV and radio programs. One of these programs, called “El Canal al Dia”, has a weekly broadcasting time in at least the three main TV channels of Panama. These were informative half hour-long programs about the functioning and other activities of the Panama Canal. Technical descriptions, social activities, and a wide array of events related to the waterway are part of the script presented to the public. A common aspect of these programs is their emphasis in the capacity of the Panamanians to manage the waterway professionally, the promises of the waterway to bring future progress and development to the country, and the identification of the

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interests of the country with the interest of the waterway. Additionally, the ACP was using its own webpage as a tool to inform about its plans and activities.

From time to time some slogans were used as resources for framing a public perception of the Panama Canal. One example was the campaign with the motto “Los Beneficios del Canal se Sienten en Todo el País” (The Benefits of the Canal are Felt All Around the Country). Huge billboards as well as whole pages in newspapers were presented with the images of students, professionals, businessmen, and peasants proclaiming their satisfaction with the Panama Canal. A general overview to certain elements evident in some advertisements of the ACP published in some Panamanian newspapers, as well as in the ACP’s public documents, could give us an idea of the sort of framing that became common when promoting the image of the Panama Canal.

Figure 4-2, published in La Prensa newspaper, on October 12th, 2003, presents, through words and images, what I perceive as a discourse framed by the idea of a promising future, as well as the idea that the Panama Canal is providing benefits for all the Panamanians. In the specific case of this advertisement, half of the page of the announcement is covered by the image of a female high school student that is positioned beside the picture of a group of high school teachers. The uniform of the girl shows the logo of the Escuela de Artes y Oficios (Arts and Crafts High School), a technical institution that trains students in areas such as mechanics, electronics, electricity, and so on. The logo specifies that this girl is studying mechanics. Beside the girl, there is a quotation that says that “(we) professors and students, did not were acquainted with the Panama Canal… we would feel encouraged to be the replacement of those people that, with pride, are working at the canal.” Inserted within this quotation there is a paragraph in boldface that says: “The ACP takes to the canal 30,000 students and high school teachers of History and Geography. Students from the different provinces (of Panama) and the indigenous
areas come to the canal as the same time that the canal goes to all the regions (of Panama)”. At
the bottom of the picture there is the logo “the Benefits of the canal are felt all around the
country”, a fixed text that was used in all the campaigns of the ACP at that time.

The main subject of the advertisement is the young student, who seems to represent the
target population of the promotion. The preeminence of the picture of the student presents how
the ACP was framing the idea of being a place that will provide future opportunities for those
people who were not integrated into its work force at that moment. This goes hand in hand with
the initiative -also advertised in the announcement- of contacting high school professors though
whom the ACP builds an additional connection with young people. The positive aspect of the
visits that are also publicized on the page was that the ACP has broken an historical taboo –the
banning for Panamanians from visiting the Canal Zone and the Panama Canal Administration
Building, promoting among the population the feeling that the canal is theirs. Considering the
fact that this advertisement was issued in 2003, it is possible that the publicity was intended to
appeal, in advance, to a population of teenagers that will become adult and able to vote by the
time of the referendum of 2006 that decided the expansion of the Panama Canal.

When I went to Panama for fieldwork, in 2003, I could see a billboard just at the entrance
of Colon City, my hometown, located at the Atlantic entrance of the canal. The billboard, with
the aforementioned motto about the benefits of the canal that are felt all around the country,
seemed to me to be an ironic statement just few blocks before the imposing panorama of
dilapidated houses and unemployed people living in that city, a reality that did not seem to be
related to any benefit from the canal.

After that experience, and during one of my interviews with one officer of the ACP, I
asked her about this publicity that, according to what I have seen in Colon City, was far from
reality. She admitted that this was a lack of perspective of their Public Relations Team, which seemed not to be in touch with the reality of the common people that did not perceive the benefits that those advertisements said. For that reason, that motto was withdrawn from the subsequent advertisements.\footnote{Margarita Mora, Personal Interview. August 2003.}

Another advertisement that I saw in the newspaper was focused on presenting the Panama Canal as the source of the Panamanian self pride (Figure 4-3). The reference for this image was framed around four words that refer to the Panama Canal with positive connotations.

Observed, in more detail, each picture of that advertisement is used to illustrate different words written in blue or red characters over a white background, the same colors of the Panamanian flag. On top of the page, there is a picture of one set of locks of the Panama Canal, and, at the bottom, there is fragment of the globe almost covered by part of the map of Panama. The announcement is centered on four words that describe how exceptional Panama is thanks to the existence of the waterway and what are the feelings that the canal seems to generate among Panamanians, or more specifically among the men presented in the pictures. For instance, according to the shipping agent of the first picture, the Panama Canal is a source of Orgullo (Pride), “(because) the canal makes us different, unique.”

The second picture presents a businessman who is quoted by saying that the Panama Canal creates Oportunidades (Opportunities) “(because) the ACP gives us the chance to demonstrate our capacity as Panamanians.” The third word is Progreso (Progress) because “the canal in Panamanian hands has allowed us to produce more wealth that stays in our country”, as it seems to be said by the two businessmen present in the third picture. The fourth one is he
word Confianza (Trust), because, according to the picture of the student that is quoted, “we are showing to the world that we, Panamanians, can do things well.”

Four out of five males presented in the four pictures are identified with the business sector: one shipping agent, and three businessmen. The remaining one is a picture of a student. The first three pictures represent sectors that traditionally have been benefiting from the activities of the Panama Canal. In general, the intention of this advertisement seems to be the reinforcement of a national vision of the canal that for generations has been promoted by the Panamanian business sector. In fact, the main message seems to be that the canal is what adds value to Panama and the Panamanians.

The message of the advertisement presented in Figure 4-3 probably goes hand and hand with another image used by the ACP that, instead of promoting an attitude of self-confidence and maturity among the public, promoted a childish and almost helpless image of the Panamanian people that needs the guidance and support of the Panama Canal, which is depicted in semi messianic terms. This can be observed in the front page of the 2002 yearbook of the ACP that was delivered as a supplement of the most important Panamanian newspapers in order to reach as much people as possible (Figure 4-4).

This front page presented a picture of a child, which covers almost half the space of the page, a distribution of space similar to the first one of the two advertisements previously presented. The child was playing with a paper ship at the border of a river, the sea or a lake. Beside the image of the child, there is a very simple statement that seems to be presented as the first part of his thoughts. That statement is divided in three parts, each one underlining three
different small rounded pictures. The statement begins with what it was the beginning of a
definition: El Canal es: (the canal is:).\textsuperscript{11}

Each one of the parts that complete the statement is written under inserted pictures that
reinforce the explicit message that is given. So, when reading the next part of the definition that
says “nuestro guía” (our guide), the expression is presented below the image of the eyes of a
children looking up to someone or something that is in a higher position. The next phrase
“nuestro apoyo” (our support) is below the picture of the hands of a baby or a child that is held
by adult hand. The last part of the statement that says “nuestra voz” (our voice), is below the
picture of the mouth of a child or a baby. It seems that the combination of statements and
pictures intended to present another frame for the Panamanian perception about the canal. In this
way, the Panama Canal –or more specifically, the ACP- seems to be presented with an image of
superiority to the rest of the Panamanian society. According to this perception, Panamanians are
not mature enough to know where to go, not strong enough to walk by themselves, or not
articulate enough to speak for themselves. Therefore, the Panama Canal is the one who will
assume these actions of guide, support and voice.

Despite the fact that I have not read any reaction about the implications of this set of
images presented in the aforementioned picture –maybe because I did my fieldwork one year
after this image was issued- I have no doubt that the image can gives us a clue of what I
considered has been the attitude of the ACP when deciding and acting on behalf of and in
advance of any consultation with the rest of the Panamanian society. It is interesting to perceive
how, through this front page, the ACP was presenting itself as the guide, support and voice of the

\textsuperscript{11} In Panama, when the word canal is used with the capital C, means the Panama Canal.
Panamanian society as early as 2002 when the waterway had only been for three years under the Panamanian control.

Besides the discourses promoted in the media, some expressions from directives of the ACP seemed to assume that other sectors of the country share its businesslike rationality. This can be interpreted from a well intended declaration made by the Panama Canal Authority Administrator, Alberto Alemán Zubieta, on August 30, 2001, when he proposed the creation of legislation to guarantee the rights of peasants who live in the canal watershed. According to Alemán Zubieta “the same juridical security that private enterprises require, should be provided to the peasantry so that they may feel confident in the investments they make in their lands”.12 This statement, made by a successful businessman, seems to imply that peasants coincide with him in the perception of land as an asset for investment.

Contrasting with the positive self promotion of the ACP that was common in its official advertisement, this institution and its then already rumored plans of expansion of the Panama Canal also have been the object of some critical allusions in the media. Some of these opinions were presented in the form of articles written by independent citizens, in electronic pages, TV adds and even in the form of cartoons displayed in the opinion page of some newspapers.

I took as examples, some of the cartoons that exposed a certain level of concern about the secrecy, lack of transparency, fear of corruption and even arrogance of the leadership of the ACP. Despite the fact that the cartoons expressed the perspective of their respective authors, they captured in a humorous way some topics of public concern in Panama. Some of these are more focused on criticizing the way the idea of the expansion of the Panama Canal was introduced by

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the Panamanian government, and other comments were more focused on the attitude of the ACP, or its representatives, when presenting and promoting the expansion of the waterway.

The first cartoon I selected was published in La Prensa newspaper in January, 2005. By that time and during several weeks following, there were widespread rumors that the newly installed government of Martin Torrijos was going to implement a specific agenda that would include a tax reform, a reform in the Social Security System and the expansion of the Panama Canal. However, the Panamanian authorities practically dismissed any inquiry about these topics, promoting a widespread perception that a secret plan to impose these issues was going to be implemented in a way that will elude public discussion.

In the cartoon presented in Figure 4-5, we see how the author addresses the apparent silent context surrounding the three main topics that created public concern in Panama at the beginning of that year. Similarly to the view of signs that demand silence when a vehicle is approaching a hospital, the author presents a Panamanian citizen driving his car on a street flanked by signs demanding silence for the forthcoming controversial topics. This was a metaphor of the implicit demand of the Panamanian authorities of not talking or inquiries about issues such as the tax reforms, the reform of the social security system, and the expansion of the Panama Canal. The Panamanian, represented by the driver, looks perplexed while looking at the signs that seem to announce that he is approaching a series of topics that are already decided upon.

The second cartoon was published in the newspaper Critica on May 21, 2005 four months after the previous one (Figure 4-6). Here the president of Panama, Martin Torrijos appears throwing bombs at a little man who symbolizes the Panamanian people. These bombs represent the most explosive issues that were expected to be addressed by the Torrijos administration at that time: the reform of the Social Security system, income tax reforms, and the Panama Canal.
The bomb in the air going in direction of the man represents the reforms of the security system that increased the age of retirement, as well as the number of monthly deductions taken from workers’ salaries, in order to increase the retirement funds for the Social Security, two measures that were not well received in Panama and generated a widespread social protests. One of the remaining bombs waiting to be thrown is the Canal, an allusion to the forthcoming referendum about the expansion of the waterway that was supposed to be announced shortly.

The cartoon suggests a passive attitude of the Panamanians who are portrayed as mere observers of the bombs thrown at him by the President who is joyfully announcing that other decisions previously taken will be coming next. The metaphor of the bombs implies that these topics are explosive issues that will have a negative effect where they are thrown at, in this case the Panamanian people.

If the previous cartoons suggested the image of a passive Panamanian citizen, I have seen that later on, some of the cartoons began to reflect the observed growing resistance that the population has been showing to the imposition of the previously mentioned not very popular measures. Depending on the editorial line of the newspaper that published the cartoon, this reaction was perceived as a self inflicted harm caused by the government and the political elite thanks to their authoritarian style of management, or by the opponents of the project, like some Panamanian unions who organized to express their discontent with the way the project was presented, as can be seen in the next cartoons.

In a cartoon published in La Prensa on June 1st 2005 (Figure 4-7), President Torrijos looks quite concerned driving a steam roller that was so heavy that it produced a crack in the ground that will prevent him from continuing a probably smooth ride to the expected referendum about the expansion of the Canal. The roller –in Spanish aplanadora- symbolizes the legislative
majority of the government party that controls the Legislative Assembly of Panama that uses its dominance to approve laws regardless of opposition. This way of approving conflictive laws by the power of the majority is also called “la aplanadora”, like the one driven by Torrijos. In other words, the president was leading the National Assembly to approve laws according to his will. This overpowering procedure ignited additional resentment from different groups in Panama: students, teachers, unions, physicians and so on who demanded to be consulted, as is supposed to happen in a democratic system. So, the cartoonist suggest that because the president used the heavy weight of his legislative “aplanadora” to approve the conflictive reform of Social Security system, he was at risk of breaking the national support needed for reaching his goal of getting public approval of the expansion of the Panama Canal.

**Influence of the ACP on other Panamanian Agencies**

Besides the use of publicity, I have observed some other ways in which the ACP has been exercising influence on other Panamanian agencies. In fact, during my fieldwork in Panama, in 2003, I visited quite often the installations of the Ascanio Arosemena Center, the building that houses the library of the ACP. The entrance of the building is preceded by an award winning architectural design consisting of a series of columns that surround a small internal pond. These columns -21 in total- represent the number of Panamanians –most of them high school students- who were killed by US soldiers during the riots of January 9, 1964, the main violent conflict between the US and Panama, prior to the invasion of December 20, 1989. The building was named in honor of Ascanio Arosemena, the first student who was killed during those riots. With the construction of the memorial and the naming of the building, the ACP made a permanent symbolic appropriation of a conflictive part of the US-Panama relationship that preceded the transition of the Panama Canal to Panamanian control.
This architectural symbol and the image that was publicized in the media gave me a partial perception about the ACP that I complemented and contrasted with other perspectives I observed during my interviews and exchanges with people working in the different institutions that I visited during my fieldwork. These impressions came from the innuendoes, suggestions, and indirect responses coming from people that seemed concerned about saying something that could cause them problems. For example, on my first visit to the Tommy Guardia Geographic Institute, where all the official maps of the Republic of Panama are issued, I asked for a copy of the map of the area of the expanded watershed. The attendant asked me immediately if that was the area where the lakes were going to be built. That surprised me because the ACP was arguing that there was no plan to build lakes in the region. Whatever the case, the attendant told me that they have run out of those specific maps. She could not explain to me why this office did not have more copies of those maps despite the fact that there was no known outstanding demand for them, according to her perception. However, she said that the institute did not have plans to print additional copies. She recommended me to go to the ACP to get the copy I needed.

I had a similar experience of a public agency ceding its responsibility to the ACP when I visited the National Environmental Authority (ANAM) in order to learn about its own assessments of the environmental impact of the expansion of the Panama Canal. I was told that, because the area to be considered was under the jurisdiction of the Panama Canal Authority, they have not done any environmental assessments there. They recommended me to go to the Panama Canal Authority to get the environmental information I needed. Even though the officers of ANAM claimed that they did not have any information about the project of building lakes in the expanded watershed, there was a huge map of the Panama Canal watershed on display at ANAM’s library that showed the lakes that were supposed to be built.
An analogous experience to being referred to the ACP was repeated when I went to the office of Mining Resources of the Ministry of Commerce and Industry to collect data regarding the existence of mineral deposits in the area of the watershed. When asking about that, one of the geologists working there commented that he was quite annoyed with what he called the “already-made” decision of the ACP to build lakes in the area. Later on, I talked to other officers of the same institution who offered to give me the information I needed in a couple of days. But one of them told me informally that, few days earlier, officers of the ACP had asked the department not to deliver any information regarding mining resources in the area of the watershed. After I returned two days later, I was told to present an official letter to the sub-director of the department asking for the information I needed, a formality that I fulfilled almost immediately. When I returned for the response one week later, the sub-director of the department told me that her department could not give me that information, and that I had to ask for it to the ACP.

Other perceptions about the ACP come from my interviews with people working there. Despite their differences in opinions on particular issues about their job at the ACP, they shared an acknowledgement of the professionalism in the management of the institution. I had the opportunity to interview officers from the Unit of Institutional Intelligence, from the Environmental Division, and from what was called the Social Team of the ACP. Unfortunately, because my mobility between rural and urban settings, and the discretion and level of privacy that ACP displayed to outsiders, it was impossible for me to make a direct and long term study of the internal dynamics of the ACP through interactions with more of its employees. I also had to complement my impressions with information provided informally by friends and acquaintances who work at the ACP.
Visiting the offices of the ACP was an interesting comparative experience, precisely because of the contrast that I could perceive with other public offices in Panama. The order, discipline, and neatness at the interior and exterior of the buildings are reminders of the strong imprint left by the US organizational culture that controlled these installations up to December, 1999. In the offices that I visited, the abundance of resources like general supplies, and up to date informational technology was evident. For an outsider, it seems that the work environment here and the facilities available were far beyond anything imaginable in any other public offices in Panama City.

Through my conversations, I could notice that the different perspectives of each one of my informants in the ACP was compartmentalized or almost restricted to their own area of expertise without any relevant references to a more complex perspective of analysis. My perception in this regard coincides with the observations of Zygmund Bauman on the effects of the hierarchical and functional divisions of labor. According to Bauman, “all division of labor creates a distance between most of the contributors to the final outcome of collective activity, and the outcome itself” (Bauman 1989, pp. 98-99). In the case of the ACP, I observed that, for example, the representative of the Unit of Institutional Intelligence, an economist, emphasized that it was self evident that that the Panama Canal is very beneficial for the country. When I asked him about the main difference between the US and Panamanian administration of the canal, he said:

... the Panamanian administration of the Panama Canal, in contrast to the former US administration, manages the waterway not as a public entity but as a business and, accordingly, produces profit for the country. Therefore, profitability is a mayor concern for Panama, and this explains why, presently, all the activities of the Panama Canal are performed in order to produce higher amount of income for the Panamanian government.13

13 Onesimo Sánchez. Personal Interview. Translation by the author.
From this point of view, he argued that Panama must expand the Panama Canal in order to take advantage of the position of the waterway in the global economy. He also sustained that the canal will be relevant as long as time and space prevail as important features for international business. However, when these variables can be fulfilled through other options, the relevance of the Panama Canal will be at risk.

However, he admitted that in case the canal is not expanded, this will not mean the collapse of the waterway and its utility for several international routes. He said, for example that:

. . . expanding the canal will ensure a longer useful life for the waterway, but, in the worst case scenario, if the canal is not expanded, it will continue to be an important provider of services for certain routes. However, this last option would be a waste of resources because the Canal would not be exploiting all its potentialities.

When talking with Jaime Herrera, an officer from the Division of Environmental Management, he said that,

. . . the main difference between the US and the Panamanian administrations of the Panama Canal was that the US was only interested in the traffic of ships but not in conservation issues, but the Panamanian administration was focused on conservation of water resources and the traffic of ships. 14

However, he was quite critical about certain aspects of the current management of the waterway. For example, he said:

The ACP’s advisory group is formed by some of the richest men in the world. They share with the CEO of the Panama Canal their main concerns and projection on the use of ships for their products. The ACP is in danger of being managed like some other Panamanian entities that give economic values to everything, giving priority to the profit criteria over any other considerations.

Jaime mentioned, for example, two cases ruled by this principle: Cemento Panama –a cement manufacturing plant- and the biggest pig raising farm in Panama (property of Ricardo

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14 Jaime Herrera. Fictional name. Personal Interview.
Martinelli, former minister of the Canal and presidential candidate for the elections of 2003).

Jaime said that,

. . . because the lack of government concern on environmental issues, and the high regard on particular economic interests, these plants are still located in the area of the Panama Canal watershed under the jurisdiction of the ACP despite the high level of pollution they produce in their surroundings.

It was not until the year 2001 that the cement production plant ended its polluting practices that were denounced on different opportunities (Antinori 2001). In the case of the pig farm, it keeps pouring tons of droppings into the nearby streams that discharge their water into Gatun Lake.

Jaime was aware of the complexity of the new jurisdictional regime that has given the ACP a higher level of authority than any other local and older political institutions. He also acknowledged that

. . . some procedural ways of the ACP could justify the criticism about the tendency of the agency to act as another country within Panama; for example, the lack of consultation with the residents of the area when the expansion of the watershed was decided.  

Even for him, as a member of the environmental division of the ACP, this decision was quite surprising because it came not because of a study made by that division but as a decision coming down from the Board of Directors.

Another person who gave her opinion about the ACP was Margarita Mora, a member of the social team that the ACP organized in July 2001. She told me that the creation of that team was in response to the reaction of the peasants who complained about the expansion of the Panama Canal watershed. With the purpose of dealing with this issue, the ACP recruited social scientists and technicians with a variety of expertise in projects and studies in the old watershed

15 Jaime Herrera. Personal Interview.

of the canal, in international institutions, NGO’s and public offices. Because of the type of job this unit had to perform, its team had to be in contact with the people living in the watershed. She also said that, “the first challenge the ACP had to face was mistrust among peasants because they were afraid that their land would be flooded after the surprising expansion of the watershed”.

She acknowledged, as well, that . . . the ACP lacked the experience to deal with local communities, so one of the interests of the social team is to promote, within the culture of the ACP, the concern about the reality of local people in the process of decision-making. The idea is to help the institution to realize that the concern about the conservation of the environment is not opposed to the collaboration with the people living in the area.17

Margarita commented that part of their strategy of contacting the residents of the watershed included the organization of “work tables” –meeting sessions with peasants-, the provision of certain services to the communities, the promotion of land titling and the issuing of a popular bimonthly newspaper called “El Cocuyo”, which serves not only to inform the peasants about the activities of the ACP but also will present information about the customs, traditions and history of the different communities (Rodríguez 2004).

One additional comment about the institution, but coming from an international outsider who was involved in projects with ACP, gave another perspective. Marcos Torres18 was an officer of an international development agency, which some years ago, provided funds for a joint study with the ACP about the social conditions in the area of the expanded watershed. While criticizing the attitude of the ACP and recommending it should be open to a more participatory approach to the residents of the area, he also described the organizational culture of the

18 Fictional name. Personal Interview, September, 2005.
institution as “monarchical”. He said that he could observe among the employees of the ACP “a sort of fear of the hierarchy, a sort of military style of functioning” where they could not question the decision taken in higher levels.

Marcos considered that, even though the salaries paid by the ACP were good in terms of the Panamanian standards, an attitude of self-criticism among the employees was limited because of the fear of losing their jobs and, consequently, the handsome salaries they were earning at ACP. He also criticized the authoritarian style of the people of the Social Team when dealing with the residents of the area of the watershed.

Water Resources and the Expanded Panama Canal Watershed

As we have presented before, several references alluded to the authoritarian attitude that the ACP was displaying in its actions. The most outstanding display of this attitude was observed in 1999 with the definition of the expansion of the Panama Canal watershed, a key element of the expansion of the Panama Canal and the base of the conflict with rural communities that will be presented in the following pages.

The issue of the expansion of the Panama Canal had been considered as early as 1928, just 14 years after its inauguration. At that time, military and strategic needs were the main arguments that justified the need of expanding the waterway (Benjamín 2001). The US government spent nearly $70 million in some excavation works that began in 1939, but were stopped in 1942 because of the Second World War (Latin Finance 2005). That initiative was followed by subsequent canal administrations that organized further studies and designs for a wider canal. Several routes and options were considered, among them the construction of a sea level canal and a third set of locks (Lindsay-Poland 2003, Petrosky 1997, p.169). This last option, which was favored by the ACP, would imply, besides its economic and engineering
implications, the consumption of colossal volumes of water, a key factor that made possible the successful functioning of the Panama Canal for almost one century.

In fact, the Panama Canal could be considered as a double water stairway, where ships go up and down in the process of transit between the Atlantic and Pacific oceans (Figure 4-8). The highest path of this water stairway, and its main reservoir of water, is Gatun Lake, located 85 feet above sea level. The system of locks between Gatun Lake and the Atlantic and Pacific Oceans makes possible the moving of the ships from one ocean to the other all the way along the canal, lifting the ships to the lake and lowering them to sea level. Currently, one ship moving through the canal requires the use of 52 million gallons of fresh water; a quantity equivalent to the daily consumption of 700,000 Panamanians, almost a quarter of the population of the country. With a daily average of 36 ships passing through, the Panama Canal uses around 1.8 billion gallons of fresh water everyday (Niesten & Reid 2001). The water used to make this possible is poured into the locks by gravity. The net capacity of the lakes that feed the canal, Gatún and Madden – another reservoir- are 203 and 162 billion gallons, respectively.

As in the rest of the world, the watershed that feeds the Panama Canal also suffers the effects of El Niño Southern Oscillation cycle (ENSO), known popularly as the El Niño phenomenon. In a study about the effects of El Niño supported by the United Nations Environment Programme’s Water Unit19, a series of conclusions was presented regarding its effects on the Panama Canal watershed. The study concluded that in Panama there is a trend in the reduction in precipitation below the normal long-term average values as a result from El Niño. This has caused a decrease in the lake’s water levels, and, consequently, has been jeopardizing the normal operation of the Panama Canal. This became more evident during the

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last two strong El Niño seasons in 1982-3 and 1997-98 when these lakes reached the lowest level in their history.

As a global phenomenon producing climatic alterations in different parts of the world, El Niño affects, as well, the yield of grains and other agricultural products, which are some of the most important commodities transported through the canal. Increase or reduction in grain production and trade during that cyclical phenomenon has a direct effect on the economic performance of the Panama Canal because the tolls it collects depend on the weight of the vessel (Marucci 2002).

Because the extreme water shortage in 1997 and 1998, the administration of the Panama Canal was forced to impose a set of restrictions for the draft -the depth a ship is immersed in the water- of transiting vessels. Normally, the maximum allowable draft in the canal is 39.5 feet, but, at that point, the Panama Canal Commission implemented a policy of increasing restrictions according to the persistence of the reduction of the recharge capacity of the watershed, and by April, 1998, the maximum restriction value reached 35.5 feet. With each 6 inches draft restriction, 1,000 metric tons of cargo in a Panamax ship were displaced (Eriksen 1998). Due to this situation, some users of the waterway had to reduce their cargo or opt for other routes during El Niño years. Regarding the first option, 28 of the 2612 transits that occurred between March 12 and May 20, 1998, that is 11% of the transits, had to reduce their drafts to be able to navigate the waterway. The ships that were affected were mainly heavily loaded vessels like tankers, and containerships. The second option was taken by other customers of the waterway moving between Asia and the East Coast of the Americas, which opted for alternative routes such as the North American coast-to-coast railroad and the Suez Canal.
With the panorama of water shortage observed in 1998, and considering the anticipated demand for fresh water to meet the needs of the growing metropolitan population and for the enlarged Panama Canal, the ACP has been looking for ways to ensure future water supply. For this purpose, several alternatives were considered, among them the deepening of the Gatun Lake, the creation of new reservoirs in other rivers located in the watershed of the canal, and the construction of special chambers for reusing water.

Despite official comments of the ACP denying any definite decision about which alternative was selected for the supply of water for the expanded canal, some actions taken since 1999 suggested that one alternative was going to be implemented in advance: the creation of artificial lakes. This presumption was supported by the decision of ACP to expand the borders of the Panama Canal watershed.

According to Article 2, Chapter 1 of Law 19, approved on June 11, 1997, the canal watershed is “the geographic area whose surface and underground waters flow toward the Canal or are emptied into it, as well as into its reservoirs and lakes”. Up until August 31, 1999, the watershed covered an area of 339,649 hectares. On that day, in a quick and unexpected move on the last session of its five-year term, the Panamanian Legislative Assembly approved Law 44 that added 213,112 hectares to the Panama Canal watershed, making it a total of 5527.61 Km2, or 7% of the Panamanian territory (Figure 4-9) (CEASPA 2002, p.5, Hughes 2002, p.iii).

The additional area included the watersheds of the Rivers Indio, Caño Sucio, and Coclé del Norte. The paradoxical part of the measure was that, despite the technical definition of watershed adopted by ACP according to Law 19, the water sources in the newly added areas do not dump a single drop of water into the canal (Figure 4-10). The watershed was extended to an

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area that included water sources that were in no way connected to the canal. Besides, some maps of the expanded watershed were issued depicting three prospective lakes (Figure 4-11).

These actions produced a strong reaction against Law 44 and the subsequent criticism of the project of expansion of the Panama Canal. In fact, these maps were published in the web page of the ACP. However, they were retrieved from that page after the peasants resident in the expanded watershed began complaining that this display was proof that the flooding of their lands was already decided. As far as I could see, the procedure to define legally the area of the watershed justified the mistrust of the peasants who claimed that a plan to flood their lands was afoot. To test the accuracy of the claims made by the peasants, I looked for information about the background of Law 44 and the reasons given to expand the watershed to an area not connected to the Panama Canal.

My references were the records of the hearings of the sessions of the National Assembly held on August 16, 17, and 18, 1999, in which the justifications for the expansion of the watershed were discussed. According to the Panamanian legislative system, any new law that is going to be approved has to be discussed in three previous hearings. Copies of the hearings usually are held in the library of the Legislative Assembly of Panama for public access.

During my search of the transcripts of these hearings, I found some difficulties. The first one was that the library of the National Assembly did not have a copy of the first of the three hearings I wanted -the one that, according to one informant, mentioned explicitly the idea of creating new lakes-. However, I could get copies of the second and third hearings, in which there were allusions to some issues mentioned in the first hearing but did not reveal any explicit mention of the creation of lakes in the watershed.
When inquiring about the missing transcript, I was told to go to the office of the Committee of Panama Canal Affairs of the National Assembly to get the copy I wanted. Several visits to the office of that committee made explicit that getting the copy I needed was not going to be an easy job. For instance, it was difficult to make contact with the person that was responsible for the records of the hearings, and when I found her, she asked me to come back one week later. When I returned, the person in charge told me that the transcripts of the hearings I was looking for were missing. I could not help thinking how bizarre this response was since all the hearings of the Legislative Assembly are typed by computer, and recorded by radio and TV.

Surprisingly, some months later, when I was back to the United States, I was able to get the missing copy precisely by searching the web page of the National Assembly. I printed a copy of the document not only because of my interest in obtaining that information but as a preventive measure in case it disappears again from that web page after being revealed. I remember that this had happened with the maps of the lakes that originally were issued by the ACP on its web page but has been withdrawn after the claims by the peasants.

When I read the transcript I had downloaded, I found explicit statements that confirmed that plans were afoot to build dams to feed more water into the new locks proposed for the canal.

In those hearings, when proposing the new boundaries of the Panama Canal Watershed, the Administrator of the Panama Canal Authority, Alberto Aleman Zubieta said:

> The content of this project (of expanding the watershed) is to guarantee to the Panama Canal Authority and to the Panama Canal enough water for the future of the Canal, its future expansions, as well as the water required for us who live within the sector of the watershed, or near the watershed because the development of all this area is demanding and is going to demand more water, and this water right now is coming from the Panama Canal Watershed (1999).  

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21 Hearings of the National Assembly of Panama, August 6, 1999. Translation made by the author.
The project expands the Panama Canal watershed by two hundred thirteen thousand hectares added to the present watershed. This area, that presently includes the Madden and Gatun Lakes, and the upper streams of the Indio River, will be increased with the sector of Coclé del Norte, Caño Sucio, and Río Indio. This will produce an artificial lake, sorry three artificial lakes, which will have ten times more storage capacity than the present Panama Canal Watershed. For this reason, it is important, after the research that we have done, that this new source of water, which is a vital resource required for the functioning and operations of the Canal, we are giving these guarantees to the Panama Canal (1999, p. 21).

. . . Once these lakes are created, as their sub-product, we could generate electric power; so this energy will be produced as it is produced from the lakes Madden and Gatun, thus when we will be pouring the water from the upper lakes –I mean Coclé del Norte Lake, Caño Sucio Lake, and Río Indio Lake- into the Gatun lake, then we will produce electric power. . . .

In the same hearing, and responding to one question about the projections of the ACP for the construction of the new lakes, Mr. Alemán-Zunieta said

We are projecting that these lakes will take approximately ten years to built, considering development, planning . . . in general the project will take about ten years. How much will be the cost? We do not have that item yet, because what we are watching is the volume of water that is produced, and we have not gotten into the stage of final design, that we hope to have ready by next year (1999, p.28).

At the end of the first hearing of the National Assembly, the legislator Cristobalina Jaime asked how the project is going to affect Boca de la Encantada, a community located at one of the margins of the Indio River. Mr. Alemán-Zubieta responded

. . . This is in the sector of Indio River. A lake will be made in the sector of Indio River. There will be a sector in this sector (sic) that would be flooded. At this moment, this is a sector that is extremely deforested and where the main activity is cattle rising. Some areas of that sector will be affected when we build that lake, and we would have to make a relocation of those people that only will be affected within the area of the new lake (1999, p.33).

It is estimated that the entire project, including all the development of the program, would be in about ten years because we have to begin, firstly, with the socio-economic program. This is the first thing that is done in this kind of projects, as well with the environmental impact. These are the most important items in such a project, and with the engineering works, of project development, and then begin the construction works, end with the structures, and then to finalize with the filling of the lakes (33).
In fact, one of the maps included in a report of the Panama Canal Authority (ACP: n.d.), specifies the location of three new artificial lakes as was shown in Figure 4-11. These lakes would be created by damming the Indio, Caño Sucio, and Coclé del Norte rivers as was confirmed by the former Ombudsman, Italo Antinori, in a special report he presented about the Panama Canal Watershed, issued on January of 2001 (Antinori 2001, p.21). The possible area flooded with the three lakes be would be about 80,000 hectares (CIACAL 2002, p.4).

The extensive explanations that Mr. Alemán-Zubieta made about the lakes to be built in the expanded watershed contrasted with the concision of the Law 44 approved on August 31, 1999, which consisted of only two articles; the first one that explained the objective of the law and made a reference to an Annex A, attached to the law,22 and the second one that stated that the law will be official as soon it is promulgated. Besides being approved in a hurry by the legislators in the last weeks of their term, the law was validated by the President Ernesto Perez Balladares on the last day of his term as a president (CIACAL 2002, p.6).

On May 16, 2001, Crítica, a Panamanian newspaper, presented some declarations of the administrator of the ACP, in which he mentioned that they had not neglected any aspect of the expansion proposal such as the issuing of property titles and granting compensation fees for the campesinos to be resettled. However, he denied that the lands of the campesinos would be flooded (ACAN-EFE 2001). In January 2004, the biweekly supplement of the ACP, El Faro, published an interview with Francisco Miguez, coordinator of the team responsible of the Master Plan. In this interview, Mr. Miguez mentioned that, at that moment, the ACP has not made any decision regarding any kind of dam or water reservoir (ACP 2004). Obviously, this statement contradicts what had been said by the manager of the ACP during the hearings previous to the

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22 This Annex had a description of the geographical references of the limits of the new watershed.
definition of the Law 44 and with some presentations made by the ACP to selected publics. In fact, and according to preliminaries designs made public in 2005, there was a plan to build a dam that would be 1150 meters-long and 85 meters-high in Rio Indio. According to this, the maximum level of water in this reservoir would be 80 meters and the resulting flooded area would be 47km² from where water would be transferred to the Gatun Lake through an eight-kilometer long transfer tunnel.23

Whatever the case, the actions of the Panama Canal Authority for ensuring in advance the supply of water for the expanded canal implied that the decision of expanding the waterway was made in advance. This was in conflict with the constitutional principle that established that any decision regarding the construction of a new canal or of a third set of locks would require the approval of the Panamanian people after a national referendum.

Additional to the approval of Law 44, the Panama Canal Authority has been supporting a series of studies in order to measure the environmental, social and economic impacts of the expansion of the Panama Canal (ACP 2004). For several years, the content of those studies was kept secret, a fact that has been criticized by several important members of the Panamanian society like agents of the Catholic Church, members of the Panamanian Society of Engineers, a former chief engineer of the Panama Canal Authority, a former deputy manager of the Panama Canal, and a former ombudsman. For example, in 2001, Hector Endara, at that time Coordinator of the Social Pastoral (Caritas) of the Catholic Church of Panama, claimed that there was a lack of sincerity and proper information from the Panama Canal Authority regarding the Panama Canal expansion project, and especially regarding the construction of the dams. Endara

23 Final Report presented by the ACP to the Panamanian College of Civil Engineers. November 2004.
mentions that since November 14, 2000, Caritas Panama has asked formally for more details about the project, but has not received any official response (Sagel 2001).

Fernando Manfredo, a former deputy administrator of the Panama Canal Commission, the US-Panamanian agency that ruled the Canal before the Panamanian administration, expressed his concern about the attitude of the ACP. He was suspicious of the fact that this agency had begun to do social and environmental studies of the campesinos of the areas before having proper information on the profitability of the expansion project. According to him, these kinds of actions showed that the decision about the project already has been made (Manfredo 2000a, p.17). Additionally, in his report about the Panama Canal Watershed, former ombudsman, Italo Antinori, mentioned the declarations made by the former President of Panama, Mrs. Mireya Moscoso, in a meeting with the campesinos of the affected area held on November 7, 2000. On that occasion, Mrs. Mososo said that, should the project of flooding the area be approved, “the inhabitants of the region should not be worried because the Panamanian government will solve the problem of resettlement” (Antinori 2001, p.36). In general, the variety of actions of the ACP evidences the ambiguity of its image that goes between its high level of professionalism and efficiency and certain level of an authoritarian style similar to the attitude displayed during the years of US management.

**The Inter-Institutional Committee for the Watershed**

The Inter-institutional Commission for the Watershed – known for its acronym CICH for Comite Interinstitucional para la Cuenca Hidrografica del Canal - is a strategic agency created by the ACP in order to coordinate the labor of different institutions with responsibilities and interests in the Panama Canal Watershed, to establish the means to ensure that the capacity of the Panama Canal Watershed will not be overburdened, and to promote an orderly and sustainable development of the human settlements in this area (Benjamín 2001, p.7). The base of legitimacy
of CICH is sustained over its legal foundation and the coordination void that its objective will fill.

According to its statement of purposes, one of the functions of CICH is to supervise and evaluate the projects, programs, and policies needed for the adequate management of the Panama Canal Watershed and to solve any incongruence or duplication of labor among the different institutions working there. In order to fulfill its role, CICH received the assignment to act as a fundraiser nationally and internationally. The goal of CICH is to promote awareness among the residents of the Panama Canal watershed of the importance to protect and preserve the natural resources of the area, specially the water resources.²⁴

The agencies that are coordinated by CICH are the Panama Canal Authority, the Ministry of Housing, the Ministry of Agriculture, the Ministry of Justice and Government, the National Environmental Authority, the Authority for the Inter-oceanic Region, and two NGO’s: Fundación Natura and Cáritas Arquidiocesana –the last is a religious NGO managed by a Catholic priest resident in Panama City. These two NGOs were included in CICH after competing for a post opened in order to have on the committee a representation of other agencies outside the government structure. This post is filled every three years.

I interviewed the general secretary of CICH, Mr. Oscar Vallarino, a very organized and articulate man with an impressive professional background, and with previous experience as head of the most important Panamanian environmental foundation. During the interview, we talked about the role of CICH, his role as general secretary of the institution, the process of decision making inside the agency, and his opinion about the groups that are opposed to the building of dams. Mr. Vallarino gave me an extensive explanation of the role of the CICH and

the kind of studies that they were doing, which were specially focused on the western side of the watershed. Additionally he gave me a brochure with general information about CICH, the same information that can be found in its webpage. According to this document, the main objective of CICH is to coordinate efforts, initiatives and resources for the conservation and integral development of the Panama Canal Hydrographic Watershed. This objective was established according to Agreement # 16 of June 17th 1999, which is based on article 6 of the Organic Law of the Panama Canal Authority.

Mr. Vallarino was quite passionate when he referred to the different studies that have been done in the Panama Canal Watershed. He told me:

I consider the expansion of the watershed positive because it provided the opportunity to study an area of the country that was quite unknown in terms of population, natural resources, etc. Moreover, it gave the Panama Canal Authority the responsibility to protect and preserve the resources of the area that could be in danger because the agricultural practices that are spreading in the area. ²⁵

Despite the amount of information that he told me was collected about the communities, he was quite reserved in giving me specific details about the studies he mentioned. He alluded that he could not give any information from the communities without the permission of the informants and because the process of data collection was not complete. Regarding the construction of dams, he said that it was possible that this part of the project will not be implemented. Besides, he said, this is an aspect that was not included in the law that established the limits of the watershed.

Mr. Vallarino criticized the campesinos that are opposed to the expansion of the canal because they do not want to dialogue with the ACP. He became quite emotional when saying

²⁵ Oscar Vallarino, personal interview, October 2003.
that the point of view of the campesinos was due to ideological differences that question globalization. He said,

... that group of resistance was financed by the Catholic Church the same way as the Zapatistas in Chiapas. We, at CICH do not want a Chiapas in Panama. However, that resistance group is losing influence in the area because their arguments are getting weaker. Anyway, any kind of project that could be done in the area is going to be built in no less than 10 or 15 years.26

He additionally claimed that

... members of the CCCE tried to mobilize Ngobe Indians from other areas of Panama to the region of the watershed with the purpose of presenting them as authentic indigenous settlements. In case this argument is accepted by the government, it would create a complex legal problem because the international laws regarding the special condition for the treatment of indigenous people.

Mr. Vallarino said that CICH got important funding to support research and infrastructural projects in several communities. He mentioned the 25 million dollars granted by ACP and USAID, and that the Panamanian government is negotiating an additional funding of $10 million through the Inter-American Development Bank.

Regarding the socio-economic conditions in the area, Mr. Vallarino also said that he was impressed by the poverty of the people living in the watershed, noting that a lot of those people did not have a permanent source of income. He implicitly admitted, however, that, in facing such situations, the efforts to coordinate the different institutions cooperating in CICH take a lot of time. In fact, he said: “I could achieve in one year what the commission has done in two years even without going to the communities, because I know what the people need.” 27

It is evident that the challenges facing the ACP and the Inter-Institutional Commission for the Panama Canal Watershed (CICH) are impressive. Internal migration has affected the preservation of the original watershed since the opening of the Trans-isthmian highway in 1947.

26 Oscar Vallarino, personal interview. Translation made by the author.

27 Oscar Vallarino, personal interview.
In 1960, the area was populated by 37,000 people; by 1998, there were more than 150,000 inhabitants (Heckadon-Moreno 1999, Sanjur 2000). Besides, institutional limitations are disappointing. It is a tradition in Panama that the official environmental agencies lack the political power to enforce coherent programs that could control or organize the trends of migration, industrialization and resulting pollution and deforestation of not only the old watershed of the Canal but also of the rest of the country.

Despite the fact that CICH is coordinating a committee where the ACP is a member among others, CICH depends on the ACP. Its location is in one of the buildings within the administrative complex of the ACP and an important part of its funding comes from the ACP. As an institution dependent on the ACP, CICH does not have the power to influence the outcome of the conflict. It is just an instrument of the ACP in the process of reaching out to the peoples and communities living in the watershed without any practical mediation power. We will discuss those peoples and communities in the next chapter.

**The Third Set of Locks**

The expansion of the watershed is part of a wider project that consists of the building a third set of locks, which will run parallel to the present locks of the Panama Canal. According to the preliminary design, these locks will be 1400 feet long, 200 feet wide and 50 feet of draft and will require the excavation of about 50 million cubic meters of land that will be extracted from the widening of the Atlantic and Pacific entrances of the canal, the widening of the Culebra Cut and the deepening of the Gatun Lake (ACP 2006, Ehrenman 2003, ENR 2003b) (Figure 4-12).28

In 2002, the ACP assigned the design of the new set of locks to the U.S. Army Corps of Engineers and the consortium Tractebel Development Engineering, Coynet-Bellier, Technum

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N.V. and Compagnie Nationale du Rhone composed of French and Belgium firms. These designs were granted in two contracts valued at a total of $3.5 million. The $1.6 million contract that was assigned to the French-Belgium consortium was for the design of the locks on the Pacific side. The U.S. Army Corps of Engineers was the responsible party for the design of the locks on the Atlantic side, at a cost of $1.9 million.

On March 24, 2006, the president of Panama, Martín Torrijos made the official announcement of the ACP’s Master Plan that validated the proposal to build a third set of locks for the Panama Canal. With this announcement, he put an end to several months of speculations about the content of the official proposal that the ACP has been preparing.

During the days previous to the national announcement, President Torrijos, held private meetings with several former presidents of Panama, with the members of the Conference of Catholic Bishops of Panama, with the leaders of the main political parties, as well as with student leaders. In those meetings, President Torrijos explained the importance of the project, the urgency to respond to the challenges of world commerce, and the benefits the expansion of the Panama Canal will bring to foster the development of Panama. Besides the presidential announcement, it was evident that, during the months that preceded the disclosure of the Master Plan, the ACP has launched an aggressive campaign of public relations in different parts of Panama aimed at university professors and students, rural communities, professional associations, etc.

According to the Panamanian Constitution, any official proposal to expand the canal has to be approved in different stages. First, the proposal has to be approved by the Board of Directors of the ACP, and then this board will submit the proposal to the Presidential Cabinet. After this approval, the proposal has to be submitted to the National Assembly to receive the approval or
refusal from the Panamanian legislators. After being approved by the legislators, the proposal has to be submitted to a national referendum at least ninety days later. This last event will define the implementation of the proposal. When the project to expand the Panama Canal was made public the ACP began an extensive publicity campaign in order to promote it. By April 26th, 2006, in less than three days after the public delivery of the Master Plan for the expansion of the canal, some newspapers commented that 70% of the population had decided to vote in favor of the expansion despite not having enough information about it (Jordán 2006). Two days later, however, one cartoon (Figure 4-13) published in La Prensa Newspaper satirized this claim. In that cartoon, the journalist is asking a man the following questions: “Do you know the studies about the project? Do you know what the expansion consists of? Do you know the cost? Do you know how many employments will be created?” To each one of these questions, the man responds: “No”. However, when finally was asked about how he will vote at the referendum he said: “Yes”. When asked why he would vote like this, he said: “To compensate so much no”. As can be seen, the cartoon was satirizing peoples’ ignorance of the main issues related to the canal and the lack of a solid rational foundation for the positive vote on the referendum.

Other cartoons were addressing the paradoxical situation of the lack of money for basic and important social needs, versus the abundance of resources available for the expansion of the Panama Canal. Within this context, there was a growing concern of the government that the referendum would become an opportunity for the people to express through their vote, their dissatisfaction with the poor public services. This is clearly presented in the cartoon shown in Figure 4-14, which exposes the concern expressed by the Panamanian political authorities who insisted to the population that their vote for the expansion of the canal cannot be used as a vote to punish the government. Parallel to this call, the cartoon presents that there were claims about the
lack of basic equipment like beds, ultrasound systems, and medicines in the crumbling building of the Social Security hospital at the same time that, from the headquarters of the ACP, come announcements that there is more than $500 million saved for the project.

In a certain way, the cartoon shows the different frames that were contextualizing the discourses of different groups of interests that argued about the priorities for Panama’s development: the economic-political elite that wanted to distance the discussion about the expansion of the canal from the evaluation of their public performance, the public claims for better basic social services, and the plans of the ACP to guarantee the resources for its projects despite the fact that that money could be used to serve other important and urgent social needs.

Another issue that ignited strong criticism of the ACP was the fact that, when the different studies of the expansion of the Panama Canal were made public in order to be studied and discussed by the Panamanian people, the documents were written in English. When the manager of the ACP was asked about this, he recommended that any person interested in understanding these documents should hire a translator. This comment, widely criticized as arrogant, was the object of satirical reactions in several newspapers as could be seen in Figure 4-15.

In this cartoon, the CEO of the Panama Canal Authority is presented as a crowned king seated on his throne -the ACP- an allusion to the perceived autocratic management of the institution. In this position, Mr. Zubieta is depicted as an arrogant authority proclaiming that whoever wants to read the report of the Master Plan should get a translator. The second scene of that cartoon shows one Panamanian asking another one how to say no in English, a double allusion to the refusal of the Panamanian citizens to accept the statement of Mr. Zubieta and as a reference to the possible negative response that the Panamanian people would give to the project in the forthcoming referendum. The same arrogant attitude of Mr. Zubieta was depicted two days
later in the cartoon presented in Figure 4-16, published in the Panama America, a newspaper with an editorial focus supportive of the expansion of the canal.

Here a Panamanian is complaining to Mr. Zubieta that the studies of the expansion of the canal are in English. Mr. Zubieta responds in English to that claim that the man should get a translator. Mr. Zubieta seems to be walking away without even stopping to talk about the issue with the Panamanian. This could be an allusion to the hurried attitude of the ACP which, in order to maintain the accelerated pace of the implementation of the expansion project, did not take enough time to present the studies in Spanish. Under the presence of these obvious critiques, the ACP tried to present another perspective of the project through an aggressive campaign that emphasized the future benefits of the canal to the country, as we will see in the next pages.

Figure 4-1. Cluster of activities directly and indirectly linked to the Panama Canal. Source ACP.
Figure 4-2. Advertisement of the ACP aimed to high school students. Source: Diario La Prensa.
Figure 4-3. Advertisement of the ACP. Source: Diario La Prensa.
Figure 4-4. Front page of the ACP 2002 Yearbook. Source: ACP.

Figure 4-5. Cartoon in Diario La Prensa: January 8th, 2005. Source: Diario La Prensa
Figure 4-6. Cartoon. Critica Newspaper: May 21st, 2005. Source: Diario Critica.

Figure 4-7. Cartoon in Diario La Prensa: June 1st, 2005. Source: Diario La Prensa.
Figure 4-8. Crossection of the Panama Canal. Source: ACP.

Figure 4-9. Area of the watershed of the Panama Canal in comparison with the area of Panama. Source: ACP.
Figure 4-10. Old and New Watersheds of the Panama Canal. Source: Panama Canal Authority.
Figure 4-11. Map of the lakes planned to be built in the expanded Panama Canal watershed. Source: ACP.
Figure 4-12. Dimensions of the Panama Canal Locks. Source: Mark Brooks.
Figure 4-13. Ironic cartoon about the publicized surveys that mention the majority of the population is going to vote in favor of the expansion of the canal despite not having any information about it. La Prensa, April 28th, 2006. Source: Diario La Prensa.

Figure 4-14. Ironic cartoon about the lack of money for medical services in Panama when it was reported that the ACP has set apart more than 500 million as reserve for the expansion of the Panama Canal. La Prensa, April 28th, 2006. Source: Diario La Prensa.
Figure 4-15. Ironic cartoon about the language used for the ACP’s Master Plan. La Prensa, May 2nd, 2006. Source: Diario La Prensa.

Figure 4-16. Cartoon Panama America. May 4th, 2006. Source: Diario La Prensa.
CHAPTER 5
LOCAL COMMUNITIES AND ORGANIZATIONS: GENERAL CHARACTERISTICS.

One crucial aspect of global processes is their impact on the actual reality and lifestyles of concrete people. This fact is more than evident in the case of the expansion of the Panama Canal when we follow the chain of actors that are involved in the discussion. In the previous chapters, we have seen the articulation of the different stakeholders located at the global level and how they have been influencing the actions of the ACP. We also have seen how the ACP has been doing its part by influencing the local Panamanian context. However, there are other social spaces, different from the institutional framework, that have had a relevant role challenging and even supporting what seemed to be an inexorable plan designed at the global level in order to expand the Panama Canal. This is the case of communities and community organizations resident in the “new” watershed of the canal, the one that was included in Law 44. Other active groups of peasants were residents of what was called as the “old” watershed, that is, the area where the sources of water that feed the canal currently are located. As happened with the stakeholders at the national and international levels, the levels of power, legitimacy and urgency within these groups are not uniform, and the way they have expressed their opinions has been diverse.

From the perspective of political ecology, as soon as the Panama Canal Authority decided to expand the Panama Canal watershed overlooking the existence of several communities in that area, it triggered a series of protest and claims from the residents of some of these communities. The area in dispute is a region that covers part of the provinces of Colon, Coclé, and Panama. Within that area, I centered my attention more specifically in the community of Limon de Chagres located at the margins of the Indio River, about four hours upstream from the community of Rio Indio, in the Atlantic Coast of the province of Colon. The account of the
reality of that community and the peasant movement that was born there is a contrasting portrait of what has been presented at the global level. My level of approach to this reality becomes more explicit considering that my account about it is more personal and direct.

**Limon de Chagres**

This is a modest community in the province of Colon, located near the margins of the Indio River, and about four hours upstream from the Rio Indio Village in the Atlantic Coast. I decided to present Limon de Chagres as a representative case of a community that could be affected by the creation of new lakes for the expanded canal for several reasons. First, this is a settlement located just beside one of the sites selected for the building of one massive dam that will hold one of the lakes that was originally proposed by the ACP, the Rio Indio Dam. Second, this is also one of the first places where people reported some exploratory visits from officers of the ACP, previously to the definition of the new limits of the watershed. Third, this is the place where the first community meeting was held in order to discuss the concern of the residents about the possibility of the flooding of their lands. Fourth, Limon de Chagres is also an interesting place where, despite being directly affected by the project, people coexist in favor and against the creation of the new lakes according to the plans of the ACP, reflecting some of the dynamics of confrontation of opinions that could be observed at national level. With almost 250 residents, this community also presents some of the tendencies that are becoming quite common in the rural areas of Panama, such as the tension between subsistence agriculture, and deforestation, preservation of community life, and growing migration of young people to the cities.

To reach Limon de Chagres, firstly, I had to take a two-hour bus ride from Panama to Colon City. From Colon, I had to ride another bus for another two hours to the town of Rio Indio. This journey was not only uncomfortable, but, at moments, could be dangerous because some parts of the road are extremely muddy during the rainy season, and some bridges are not
safe enough for regular traffic. In about 20 or 25 minutes after leaving Colon, the bus reached the Gatun Locks. Sometimes the bus had to stop there from 20 minutes to one hour— or even more— if one or several ships were passing through the waterway. The drawbridge used for the traffic of busses and cars is just wide enough to allow the transit of only one vehicle at a time. Here we see another visual contrast between Panama and the Panama Canal (Figures 5-1 and 5-2). Hence, at the same time that the canal is a permanent water bridge for the movement of international cargo, the Panamanian residents of the Atlantic side are just served by an intermittent connection that is available for the transit of people only when there are not ships passing through the Gatun Locks.

As soon as the bus passed across the drawbridge at the Gatun Locks, it had to continue along an asphalt road. The ride along this road generally was done at slow speed because of the amount and size of the pot holes in it that contrasted with the almost smooth road that we passed before Gatun Locks. Because the bad conditions of the road, it took almost forty five minutes to cover less than 10 miles to reach a new segment in better condition that will lead to the community of Chagres from where the paved road becomes a dirt road that during the rainy season is a dangerous and challenging muddy path.

In total, after a two hour ride since leaving Colon City, the bus reached the town of Rio Indio. This is a village located facing the Caribbean Sea and it is the point of connection for people coming from different communities upstream. Every Monday, Wednesday, and Friday there are boats that make the ride upstream to the communities along the course of the Indio River. On those days, there is a lot of movement in the mouth of the river because people coming from or going to Colon or other villages, come to the town of Rio Indio for market or to take a boat upstream. Limón de Chagres and Uracillo are the last two communities of the itinerary. It took about four to four and a half hours, respectively, to reach them from the mouth
of the river. The boats used to move upstream between 11:00 a.m. and 12:30 p.m., arriving at Limón de Chagres between 3:00 and 4:30 p.m. The cost of a ride in a boat between Rio Indio and this village was, in 2003, $2.50, and $3.00 to Uracillo. These boats can take between 12 to 20 people with their respective luggage. Sometimes these boats are used to transport wood, construction material, and even cows that are going to be sold in the town of Rio Indio or in Colon City.

The people living in the area upstream of Rio Indio come from different ethnic and cultural backgrounds with differences in economic, agricultural and social practices. There are two main groups. The first one is composed of descendants of immigrants that came from the regions of Penonomé, Capira and Arraiján. They are generally mestizo with a close physical resemblance to their indigenous ancestors in terms of their medium height, and darker skin. They are more oriented toward subsistence agriculture for domestic consumption, and the technique of slash and burn that is quite common in rural regions. The other group is formed by immigrants that arrived during the mid eighties, coming from the Peninsula of Azuero. They are referred to as “Santeños” or “Interioranos”, that is, those coming from the province of Los Santos or the interior of the country. They have a stronger physical resemblance to their Spanish ancestors. They tend to be slimmer, taller and with lighter skin tone than the mestizo type. Their common economic practice is raising cattle.

The Santeños have been known in Panama among other things, as colonizers of remote areas of Panama and responsible for extensive deforestation produced by their ranching. In fact, the Peninsula of Azuero is now one of the most deforested regions of Panama, a fact that was attributed to the types of activities practiced by their habitants ( Heckadon-Moreno 1983).
However, certain groups of the Panamanian economic and political elite are Santeños or of Santeño ancestry.

The practice of ranching among the Santeños, wherever they go, has reinforced their stereotype as enemies of nature as one of my informant told me. Lalo Martínez¹, resident of Limón de Chagres, made a summary of what he thought were some of the characteristic of the Santeños. He said

They are immigrants that do not respect the riversides and do not take care of the sources of water. They do not love the land, but see it as an article for trade. They destroy the forests. In fact, the Bank of Agricultural Development (BDA) has been financing these colonizers. The Santeños criticize the original residents saying that we are lazy. They say that the land that is not worked does not have any economic value, but this is a psychological strategy to force us to sell our lands. They do not know that the ecology cannot be valued economically. They seem to have a lot of money to make an impression on the rest of us, the natives, but they are using money from the BDA.

Lalo did not hide his suspicion about the impact of the presence of the Santeños in the area. In fact, he saw that they were natural allies of the ACP when he added that

. . . The Santeños achieve positions of control or become leaders in the places they migrate to, for example, in the Catholic Committees of our communities, or as Representatives of the counties. They are treacherous. They are the people that support the ACP and, because of their ranching activities, they are financed by the government. The people of the ACP visit them quite often. They have made inroads in Limón de Chagres, el Papayo, el Nancito, Los Uveros and other communities. Sometimes, when the natives cannot pay a loan, they offer to pay it and then take control of the property. That happened in the community of Las Cruces where the Salvador Allende settlement could not pay its debt with the BDA and the property was given to one immigrant. There are very few of those immigrants who support the organization of peasants against the dams, but those few say that this is a just cause.

Besides Lalo’s comments, I could observe a paradoxical reality of the impact of the Santeños. They have introduced extensive ranching activities that have caused a widespread deforestation in the area (Figures 5-3 and 5-4). This fact goes parallel with the fact that the

Santeños living in the area were quite skillful in business, active in community organizations, and create important social bonds with the other residents. Santeños generally come to the area with a certain level of capital that gives them a more advantageous start than the other residents of Limon de Chagres. As a result of their ranching activities, they tend to position themselves as the most affluent persons of the community and become the most sought out candidates for being selected as godparents of the children of people with fewer economic resources. This kind of religious bond with the Santeños and their natural disposition to cooperate in community organizations, has led to the fact that quite frequently Santeños were elected for public positions in communities where they were just relatively recent immigrants.

Limón de Chagres is located in the province of Colon but is near other villages that are in the jurisdiction of the provinces of Panama and Coclé. This village is flanked on one side by Cerro Las Marias, a hill almost 600 feet high, the Indio River, and on another side by a plain that connects the community with the area of Los Uveros, which is under the jurisdiction of the district of La Chorrera in the Province of Panama. There is an 18 foot-high cement staircase that was built at the point where the canoes disembark (Figure 5-5). At the top of the stair there is sort of small shelter that was built to protect people during the rainy reason.

Sometimes, in those rainy seasons, when the rain is extremely heavy, the level of the river has reached up to the top of the stairs. From this point, there is a dirt pathway that leads to the community. It took about a 20 minutes walk to reach the community from the place where we disembarked.

By 2003, there were about 50 houses in Limón de Chagres, the majority of them owned by members of about 10 families. The houses are distributed quite irregularly in the area of the community; some are about 20 or 30 minutes walking distance from what is considered the
center of the village. In this center there are the main buildings for community use: the Catholic
chapel with its wooden dining room and guest house, the elementary school, the health center,
and the community hall. The chapel, the elementary school and the health center are the most
solid buildings, made of cement and zinc roofing.

The school consists of 4 classrooms that, in 2003, were staffed by only one teacher. There
was also one young woman who had some high school education in a religious school in Colon
City, who sometimes helped as a substitute teacher. However, as she did not complete her formal
education, she did not qualify to be officially appointed as a teacher. There are also two lay
leaders of the Catholic Church who led the religious services every Sunday due to the almost
permanent absence of a priest. In fact, the only priest serving this and the surrounding
communities comes to Limon de Chagres, only three or four times per year. Even though the
Catholic leaders in this village claimed that the majority of the population is Roman Catholic, the
participation in Sunday services is quite modest in proportion to the number of people living
there (about 250). These services gather between 15 and 45 persons. As is usual in other villages,
people are more motivated to participate in religious services that are related to other secular
celebrations, for example, the feast of the Cristo de Esquipulas, the patron saint of the
community.

Limón de Chagres was also by 2003 the place of residence of the county representative, the
highest political officer of the sector. He was elected for that position in 1999 and was the
principal political and economic liaison between the national government and the communities
under his jurisdiction that included Limon de Chagres and more than 20 other communities of
the area. Being a Santeño himself, the county representative was probably the richest man in
town, owner of more than 40 cows, a 4X4 four-wheel drive car, a modified pick up, a big house,
and a small grocery store. His personal wealth was one important factor that probably made possible his election as a representative. His economic position made possible as well the development of a series of social relations based on compadrazgo –the sort of semi familiar links between the parents and godparents of baptized children-

The representative also used to lend some money to other people and transported them in his pick up during the dry season when it was possible to use the only dirt road that connected Limon de Chagres with the district of Chorrera in the province of Panama, and with Cuipo, a community facing Gatun Lake in the province of Colon. These sorts of favors reinforced his social relations with people from different communities that in election times became political capital that he cashed on in order to get the political post, despite the fact that, as a Santeño, he was a relatively recent migrant to the area.

Curiously, and because the representative generally was in Panama City on official business, I could only see him only once during my several visits to the community. On that occasion, during the dry season, he unintentionally gave me a ride it the back of his vehicle when I was trying to get from Limon de Chagres to Colon City via Cuipo. He did not talk to me despite the fact that he was told that I was a priest. I assumed that it was so because he knew that the Catholic Church was critical about the actions of the ACP in the community. In fact, some of my informants complained that the representative did not do enough for the benefit of the county, and that he was in favor of the construction of the dam near the village. For this specific reason, he has had some arguments with the missionary priest in charge of the area who was speaking openly against the dam.

In Limón de Chagres there was also a neighborhood of about thirteen houses of families who joined an Evangelical church, and decided to live together as a separate community. They
did not usually mingle with the rest of the community in social events. However, some of my informants told me that the pastor of that community was working for the ACP.

Despite the fact that almost all the males of the community work in their personal lots, there were two families—other than the representative’s—that, besides keeping their crops, acted as the local providers of products brought from the city. They sold a variety of items that included batteries, canned sardines or tuna, soap, cooking oil, pasta, rice, sugar, salt, beers, and the omnipresent Coca Cola. These products were brought by boat from the town of Rio Indio where they were bought in a big store run by Chinese immigrants. The rest of the people working in agriculture generally produced what was needed for the subsistence of their families.

Because the lack of an external market, sufficient capital, and the bad conditions of the roads that connect Limon de Chagres with Colon and Panama, almost all the residents were compelled to produce just for their level of subsistence. However, some people were able to produce a certain quantity of plantain, corn, beans, and yucca to sell in Rio Indio village. After the immense amount of money that is involved in the maritime industry—as I mentioned in Chapter 3—any comparison with the means of subsistence of the people here is more than out of proportion. According to one of my informants, by 2003, the prices they got for their products in Rio Indio village were quite modest in comparison to the effort that peasants exert to produce and transport them. For example, the general price of one hundred plantains was $5.00, and for one bunch of green plantains $2.00 was paid. They also were paid $10.00 for one hundred pounds of corn or beans. A sack of yucca root was sold at $3.00, one pineapple $0.50, a bunch of big bananas could receive $1.50 and a bunch of small ones, $0.75.

The Indio River is the main artery that all year around connects Limón de Chagres and other communities with the rest of the province of Colon. The residents of this community and
nearby villages depend on the regular service of canoes provided by one fellow from Limon de Chagres and two others from Boca de Uracillo who could afford to build a big canoe propelled by an outboard motor. Usually, they start their trip in Boca de Uracillo by 5:30 a.m., generally on Mondays, Wednesdays, and Fridays. Mondays and Fridays are the days when they usually transport students of the communities to and from the High School in the town of Rio Indio.

The common diet in Limón de Chagres, as common in other rural communities of Panama, consists of food rich in carbohydrates like rice, beans, corn, and yucca root. The favorite drink is coffee. They seldom eat meat. For those peasants not involved in ranching, it was common to have two or three cows as an economic reserve for emergencies, especially when they have to take a sick relative to Panama City. In those cases, they sell the cow and use the cash to pay the bills. They can get between five to seven hundred dollars for a five year old cow. However, sometimes, they make exceptions in the consumption of beef. For example, meat is eaten during a community feast or a special meeting where more than thirty people are gathered. On those occasions, they generally sacrifice a pig or a cow, or prepare a chicken soup where every part of it is used. This is also the favorite dish offered to a special visitor like, for example, myself. In fact, since I could not separate my role of researcher from my role as a priest, I was offered the best food, that is, not just rice, yucca, or plantain, but also a piece of chicken or some canned sardines, or a fried egg.

Even though fish can be caught in the river, they are not an important part of the peasants’ diet. Paradoxically, people prefer to eat canned sardines or tuna fish that are brought from the city, may be because they have not developed permanent fishing activities in the area. Because they were not accustomed to eating vegetables, some projects that during the eighties were promoted by the Catholic Church, failed in their attempt to introduce the consumption of lettuce,
radish, chayote squash, and tomato. Despite their resistance to introduce new products into their diet, it is undeniable the variety of options they have of other elements for medicinal and other purposes. In fact, after talking with different informants in Limon de Chagres, I collected a list of 55 medicinal plants that they can identify around the area. They use them as natural remedies for quite a variety of illnesses or symptoms likes headaches, fever, sore throats, bleedings, cold, evil eye, female pains, stomach problems, parasites, conjunctivitis and to ease the process of delivering babies. Additionally, I collected a list of 64 types of trees and 27 types of flowers.

During my visit, I noticed that in some of the surrounding communities like Santa Rosa and Boca de Uracillo, a Catholic NGO (Archdiocesan Caritas) was promoting new projects, in order to introduce a more efficient production of a variety of products that could enrich the diet of the people of some of these communities. This initiative called, “granjas autosostenibles” or self-sustainable farms, were intended to train peasants in new agricultural techniques in order to produce greater quantity and variety of products in a reduced area. This is one of the few independent initiatives that reached the communities of the areas, providing them of a service that barely was provided by the central government.

The people I interviewed in Limón de Chagres seemed to be resentful about the lack of attention they have received from the Panamanian authorities in terms of better social services. They complained, for example, that the health center was just an empty building with no equipment or medicine that could make it really useful. For this reason, when a medical emergency happens, the normal procedure was to take an express boat ride downstream to the Rio Indio village, and from there, take a twenty five minute bus ride to a bigger health center located in the village of Salud. In those emergencies, they pay about $20.00 for the boat trip. In extreme cases, they are sent from Salud to the main hospital in Colon City, with the risk that, on
the way, they could get stuck at the Gatun Locks in the case that one or several ships are passing by at the moment, as has happened before.\(^2\) Despite this resentment, I noticed that the people I talked to in Limón de Chagres have developed a sense of pride due to the concrete projects they have achieved by their own effort without government support. This has given them the authority to challenge official intervention when they felt that it threatened their local independence. One outstanding example was given by a couple who told me how the community rejected the intention of the Ministry of Health to impose a tax on the water service of the community. In Limón de Chagres the water system was built in the late eighties thanks to the effort of Fr. Celestino, a Claretian priest who, during more than 20 years, was the pastor of more than 50 communities located in the western coast of Colon. My informants told me that

The Panamanian government did not give any contribution to make the project possible. Fr. Celestino got donations from Spain to subsidize the acquisition of PVC pipes. The community organized work brigades to install the pipes and connected them to a spring located almost half a mile from the center of the town. Men were working carrying the pipes and women were preparing the food for them. Never -before and after- were all of us working together with such enthusiasm. After the connection of the pipes reached the center of Limon de Chagres, the rest of the residents installed their own private connection in order to have, at least, one tap water service at home. Since then, the community agreed to charge each house a twenty five cents monthly maintenance fee. This money is used to give a tip to the person responsible of cleaning the place where the water is collected and to repair the pipes when they are broken.

By the year 2000, some officers of the Ministry of Health required us to add chlorine to the water, and to collect a higher fee to pay for the water service. The Ministry of Health also wanted us to pay $1.00 for the water service. We, the community, protested because the Ministry of Health has neither put any money to provide us of water services nor has it provided any maintenance for it. The officer told us that we had to do it because this was the rule of the Ministry. Then a spokesperson from the community said that here, in Limón de Chagres, the community is the authority, and, for that reason, it can have its own laws, so the $0.25 fee will stay like that. The officer of the Ministry of Health said that asking for such a fee was ridiculous; but we told him that that could be the opinion of someone who receives a monthly salary, but not for someone who does not have a stable income.

\(^2\) I heard the account of a woman of the community of Achiote, who witnessed how a little girl that was taken in an ambulance to Colon City, died while the vehicle had to wait as a ship was going to pass through the Gatun Locks.
At this moment the health service is provided by an NGO that received a concession from the Ministry of Health. They visit us every two months. However, they have just been treating children younger than 5 years old and they just treat the elders when something serious happens. People here complain that this is the opposite of what they offered originally: attention for everybody and monthly visits. The only promise they kept was that the medicines are free.  

From Limón de Chagres came some of the main leaders of the Coordinadora Campesina Contra los Embalses. One of them is Olegario, also one of the lay leaders of the local Catholic community. He and Ramiro were the two men who lead the prayer services every Sunday. Olegario lives alone there. His wife moved to Colon City to live with their children, especially to take care of the younger ones that are studying at the high school. In fact, almost all his children—all grown up—moved to Colon City several years ago. Only one of his daughters has a house in Limón de Chagres, but works as a health assistant in another community located almost two hours of walking distance.

Olegario, a 72 years old man, is a descendant of one of the first families that came to Limón de Chagres. He decided to join the Coordinadora Campesina Contra los Embalses when he learned about the plans to build a dam just near Limon de Chagres. He joined efforts with Gabriel López, another leader who lives in another neighborhood located on a hill almost forty five minutes walking distance form the center of Limón de Chagres. This neighborhood was formed by the houses of several of Gabriel’s sons who, when married, kept living on the same property.

Olegario and Gabriel devoted several weekends visiting some of the neighboring villages in order to explain to other people about the struggle of the CCCE. They invited me to join them on some of those visits, so I could see how they shared with other peasants their concern about the dam project. The communities I visited with them were located downstream on the Indio

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3 Cristina and Jose Sanchez. Personal Interview. Translation made by the author.
River, specifically in communities like Bajo Bonito, Escobalito, Sevilla, El Guabo and Los Uveros, which were supposed to be outside the area to be flooded. Olegario and Gabriel used to walk barefoot between three to five hours from Limon de Chagres to these communities, some of them located in the surroundings of the Gatun Lake.

Surprisingly, and despite the fact that they were less than 20 miles from the Gatun Locks, some of these communities did not have either drinking water, electricity, or a road that could connect them to other main communities like Cuipo or Escobal. The usual ways to move between these communities and other villages were by walking, riding horses, or by boat downstream the Indio River and walk from four to seven miles inland. In three of our joint visits, I could notice that the people were aware of the motives of the CCCE, and a common opinion among the participants of those meetings was that they feared that their communities would be affected by the migration of people coming from the places that were going to be flooded. They were concerned that the land will not be able to sustain more people. So, in order to prevent that migration, they consider it crucial to support the members of the CCCE.

In one meeting in the community of Bajo Bonito, Olegario and Gabriel were joined by Luis Martinez, from the Juan Pablo II Cooperative, the peasants’ organization that was more active in the area during the 80’s. Luis was a very articulate and informed man who commented easily about national politics and world news. He was very decisive in encouraging the people of Bajo Bonito to unite against the intentions of the ACP. He could articulate a series of historical and contemporary arguments in order to make his point, saying, for example that

I came from Ciri de los Sotos, a place of people affected by the building of the Gatun Lake. According to the elders, the opposition to the building of the lake was weakened because the lack of unity among the people. We have to consider that the Panama Canal has not given any benefit to the nearby communities. No water supply, no electricity, health

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services, schools, etc. Even now, after these years of receiving the benefits of the canal, more than all the money perceived during the years of American management, the communities have not seen the benefits of the canal.

Regarding the propaganda of the ACP and its promises of employments and other future benefits, he was quite skeptical when he said:

> It is false that people from these communities will be hired in the project because the kind of workers they will need will be beyond what the rural people could do. The ACP is taking advantage of the peasants because people are not united. We are not against development, but against the abuse and injustice of the government. For this reason we are against Law 44. They said that this law cannot be changed, but we should be convinced that the only law that is fixed is God’s law, not men’s law.

He also addressed some other issues regarding the agricultural and forestry policies that are promoted by the government in some nearby communities and related them to economic globalization.

> The government is promoting certain practices that are not applicable to the conditions of the area, how do they dare to encourage us to raise cattle if we have just a few animals? Why do they think it is possible to reforest with teak? In Los Cedros, there is a project of reforestation with teak and now the ground is dead. You can pass by that plantation and cannot hear any bird singing. Even the insects do not want to be there. People call them dead forests. Why does the ACP spend so much money in publicity and not in repairing the roads that connect to our communities? We are facing a monster behind a curtain of fog. One tentacle is the ACP and this is part of the strategy of globalization.

Despite the strong commitment of Olegario and Gabriel, other informants told me that other people from these communities had mixed feelings about the CCCE. They said that,

> . . . some people say that the CCCE is just a waste of time, (because) their power could not match the ACP’s. Other people say that the ACP is part of the government and, as such, they will do whatever they want. Some other people complain that the lay leaders are only using the celebrations of the word to talk about the dams and not about the Word of God.  

This sort of statement puts in evidence how some people feel powerless when comparing their resources and possibilities with the usual procedures of the government and the financial resources of the ACP. I could observe this attitude all around the different villages I visited, and

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5 Rubén and Jacinta Pérez. Personal communication.
that was the reason the people of the CCCE decided to visit the communities of the area in order to encourage other peasants to feel empowered through unity.

**Coordinadora Campesina Contra Los Embalses (CCCE)**

This organization represents the most vocal group of stakeholders that came on the Panamanian scene since 1999 after the impromptu decision of the National Assembly to expand the Panama Canal watershed through the approval of the law 44, and after the visits of officers of the ACP into the area of the expanded watershed. The **Coordinadora Campesina Contra Los Embalses (CCCE)** was founded in San Cristobal de Rio Indio, in the district of Penonomé, province of Coclé, Republic of Panama. Its original name was Committee Against the Flood. The purpose of its efforts was to resist the intention of the Panama Canal Authority to control their lands, and to demand the nullification of Law 44, which established the new Panama Canal watershed.

The Coordinadora Campesina Contra los Embalses (CCCE) is organized through a structure of information and discussion that covers four sectors: Rio Indio, Lago-Rio Indio, Donoso, and La Pintada-Coclesito. Each sector is composed of at least 12 communities from the provinces of Coclé, Colón, and Panamá that are in the new watershed. It is estimated that this area has a population of 100,000 people (CEASPA 2002, p.27).

The legitimacy of the CCCE rests on its condition as the official representative of a group of the historical residents of the area, and the fact that they were rightly angered by not being consulted in advance either about the decision of assigning their lands under the jurisdiction of the ACP, or about the plans of flooding their lands to build dams in the area. Their level of power is limited in economic terms because of their condition as peasants living mainly from subsistence agriculture with a very restricted connection to the national markets. They are also living in a marginal area of Panama, quite isolated from the main social and political centers of
influence, and outside the scope of mainstream public opinion. Following a similar tendency of other groups threatened by Development-Induced Replacement, this group has projected its actions in diverse settings of the rural and urban contexts.

The area of the expanded watershed overlaps the boundaries between three Panamanian provinces (Panama, Colon and Cocle) and other minor political jurisdictions, creating a complex situation in their relationship with the authorities of those levels that, up to now, have been yielding their authority to the ACP. Due the restricted economic conditions and the geographic isolation of the peasants living in this area, they hardly could afford the transportation and other expenses to travel from their communities to the city in order to make public their claims. They also have limited access to the mass media, in comparison with the ACP that has signed publicity contracts with the main Panamanian newspapers, radio and TV stations.

Despite the limited power of the CCCE, they took advantage of the political opportunities created with the advent of the so called “democratic society” after the ousting of the regime of Manuel Noriega in 1989. Additionally, another political opportunity was already in waiting in terms of the evolution of the Catholic pastoral approach that since the late 1960’s gave a special attention to the social issues. This was the reason why the CCCC earned the support of other more powerful institutions, especially the Catholic Church through the offices of Pastoral Social-Caritas and the Team of Claretian Missionaries in the province of Colon. The urgency of the peasants’ claims have had to do with the fear of being imminently displaced from their lands after observing the intense activities of the ACP’s officers in the area, such as visits of research teams, helicopters flights, and the building of special hydrological installations near the rivers Indio, Caño Sucio and Coclé del Norte.
Regarding the visit of the officers of the ACP with their communities, some of my informants said that there was first a problem of misunderstanding of concepts between them and the agents of the ACP when talking about dams. My informants said that the officers of the ACP told them that they were studying the area for a dam project that was going to be built there. For the peasants’ traditional understanding, a dam was considered a minor reservoir for the purpose of irrigation. They were used to building such provisional dams for agricultural purposes, so they assumed this was the type of dams the officers of the ACP were talking about. Later, they understood that the dams the technicians were referring to were going to hold the waters of the Indio River and others in order to have water for the Panama Canal.

During some of those exploratory visits of the people of the ACP to the area of Limon de Chagres, some residents complained about the destruction of several of their crops, which were cleared during fieldworks organized by the ACP in order to take topographical measurements. Angered by this, some peasants wanted to investigate what was going on. Not long after, some members of the Asociación Juan Pablo II –another activist organization of peasants founded by members of the Catholic Church in the 80’s- looked for the support of the group of Catholic missionaries that work on the west coast of the province of Colon in order to find out what was behind the studies made by the officers of ACP. When the peasants analyzed the information that the missionaries got in Panama City, they understood that the dams were intended to contain big lakes, not small water irrigation systems for domestic purposes.

Pancho Pérez was one of the lay leaders of the Christian Base Community of Limón de Chagres in the province of Colón. He recalls perfectly how the news came to Limón de Chagres:

I was the first one in my community to listen into the radio about the plans of the ACP to come over here to take measurements for a new project that will dam the rivers Indio, Caño Sucio and Coelé del Norte. When I commented on this to other people of the community, nobody believed me. It was not until the visit of one of the priests that my
comments were confirmed. The priest told them that he would present more detailed information about the creation of artificial lakes by the next regional meeting of the Catholic lay leaders of the region. He said that, in case of having more information, the leaders will share it with their respective communities.

Not many months later, in that meeting, held in the community of Santa Rosa, Fr. Jorge presented a public document, signed by Mr. Agustín Arias that announced the studies to be done in the area. Since then, a meeting was called among the people of the communities of Las Cruces, Arenosa, Los Cedros, Uracillo, Nancito, Los Uveros, La Nueva Unión. People came to learn about the issue. More than 100 people came. In fact, about 150 people participated in the meeting. The ecclesial base community was the first one to take the decision to begin action with the rest of the evangelizing team from other communities of the sector. This happened on November 6, 1999. This was the first committee that was formed.  

On December 9 and 10, 1999, more than one thousand peasants from Limon de Chagres and others coming from different communities of the districts of Chagres, Donoso, Capira, La Pintada, Penome, and Colon met in the community of San Cristobal, in the county of Rio Indio, and formed what was originally called “La Gran Asamblea Campesina Contra la Inundación” (The Great Peasant Assembly against the Flood). As a result of this meeting, they made their first public statement about the issue of the expansion of the watershed (CIACAL 2002). They demanded:

- The derogation of Law 44.
- The immediate suspension of the preliminary studies of the dams that have been done in the area.
- That any communication with the peasants of the region should be done through the leadership of the Great Peasant Assembly against the Flood.

After this assembly, the peasants organized several meetings with officers of the ACP in order to present their claims, but got no significant response. Responding to the request of some local leaders, the Panamanian government asked for the mediation of the United Nation Development Program (UNDP) for a dialogue between the peasants and the ACP. The UNDP

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accepted the request and started to make contacts with the peasants and other people involved in the case. They visited some communities and held meetings with the missionary teams of the area affected. They contacted, as well, the representatives of the ACP. However, after some consultations, the office of the UNDP was informed that the Board of Directors of the ACP has decided to change the procedure and timing of the discussion about the expansion of the Panama Canal and, instead, they preferred to continue with individual informative sessions in different sectors of the watershed. For that reason, the officers of the UNDP decided to suspend their attempts to facilitate the dialogue among the ACP and the peasants. This situation was communicated to the members of the Peasants Assembly in a letter written on October 11, 2000, by the representative of the UNDP in Panama (CIACAL 2002).

As it was difficult for them to come to an agreement with the ACP, and because they found a lack of clarity in its arguments, the peasants decided not to continue their talks until the derogation of the Law 44 was done. The peasants were suspicious of the intentions of the ACP because its officers kept insisting that “this (issue of creating new lakes) is not a definite issue” contrasting with their continuous visits to the communities.

The peasants argued that the activities of the ACP were not part of a study, but the steps of a specific plan to implement a decision that has been made (CEASPA 2002, pp. 28-30). For them, a convincing evidence was observed in the dynamics that they observed in the community, as one of the leaders of the CCCE told me:

. . . After we had our first meeting with the people from the ACP, where they told us that they did not have any plan to build lakes here, we saw that things were not the way they told us. We have found that they (the ACP) measured some areas without consulting the community . . . they cut some tracks in the fields without consulting the owners of those areas. That generated a conflict that persists up to now. Some people here are in favor (of the ACP) because the ACP pays them some money. We also had some problems with our first directive because the first president, did not work enough . . . well . . . he did not work because he did not come to any of the meetings, so I had to tell to the rest of the directive
board that it has to be reorganized because the president was not working. So then, it was decided that the vice-president became the president and “comadre” Digna was elected as the secretary because the first secretary resigned and left to the city.

I think that the most difficult thing we have had was that some people in this community are in favor of the ACP or that some people are receiving money in order to act against us. Another problem is that some people are cooperating with the ACP by informing them whether we have meetings, when we held those meetings or if we talk about things in favor of the community or the county, because this is not only the problem of one community, it is the problem of all the county and even the district. So the hardest thing that we had was that there are people from our communities that work for them, carry their equipment, and take them to different places. And they (the ACP) has gone into several areas without consulting the owners. In some places, they come and got introduced by one person of the community who was acting as if he were the representative of the whole community. Here in Limon de Chagres there are three guys that are doing this, saying that they represent the community and that is not true.

The CCCE and the Catholic Lay Leadership

As it was mentioned in our brief reference on social movement in Chapter 1, one element that made possible their mobilization is the existence of mobilizing structures, who are the “collective vehicles, informal as well as formal, through which people mobilize and engage in collective action” (Morris 2004). In this regard, the preexistence of a formal structure in the form of the Catholic lay leadership was crucial. It was noted that some of the peasants who were leading the reaction against the ACP were formally trained as pastoral agents of the Catholic Church, and served in other local organizations in their communities that gave them the background experience, training, and awareness of their capacity of agency that they displayed during the conflict. In the dioceses of Colon, the people living in the area of the watershed have been ministered to by the Claretian missionaries; a religious group formed by Catholic priests, seminarians and lay people. The presence of the Claretians in the area, dating from more than 40 years, has been characterized by a strong formation of lay leaders and catechists in aspects that

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8 Cf. Chapter 1, pp 43-46.
linked social justice and Christian commitment in line with the Liberation Theology that got a stronghold in Latin American Catholicism from the late 60’s to mid 90’s. As we will comment later, this theological approach was the consequence of the consideration of the social sciences as a new tool for the analysis of the Christian experience of faith in view of the prevailing panorama of poverty and injustice in an geographic area mainly considered Catholic. In this regard, Liberation Theology differed from other traditional theological approaches, which privileged philosophy as the auxiliary tool par excellence. This use of new analytical tools gave Liberation Theology its characteristic emphasis on issues such as poverty and social justice and provided a new dimension to the religious language by linking easily the vocabulary about God with the social issues of common life, something that became evident when listening to the people’s comments about their problems with the ACP as we will see in the next pages.

In 1982 and 1983, the Catholic pastor of the area organized the first seminars of Justice and Peace that included the study human rights, and social organization, including references to the social teaching of the Catholic Church. From those seminars, an organization was formed: the John Paul II Cooperative. Its intention was to defend the rights of the peasants against the Petaquilla Mining Project that intended to exploit important reserves of copper, gold and silver in a nearby area. The peasants denounced and protested the fact that this project would force their relocation, and destroy the environment. However, after achieving the provisional cessation of the activities of the Petaquilla Mining Project, the John Paul II Cooperative lost its main reason

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9 Social teaching is the term used to describe the legacy of papal encyclicals, and other official documents issued by the Catholic Church that interpret and analyze social issues from the Catholic perspective, as a way to apply the Gospels into the social realm. This official body of documents on ecclesiastical social analysis was started by Pope Leo XII in 1891 with his encyclical *Rerum Novarum* on Capital and Labor. Other representative documents are the encyclicals *Pacem in Terris* (1963) by Pope John XXIII which addressed the issue of establishing universal peace in truth, justice charity and liberty; *Populorum Progressio* (1967) by Paul VI about social development; the documents *Gaudium et Spes* and *Lumen Gentium* of the Second Vatican Council, the documents of the Conference of Latin American Bishops in Medellin (1968) and Puebla (1979), and the encyclicals *Laborem Exercens* (1981) *Sollicitudo Rei Socialis* (1987) and *Centesimus Annus* (1991) by John Paul II.
to exist and focused more on sustaining marketing channels for its members, diminishing their social protagonist role in the region. Almost twenty years later, in the context of the discussion of the expansion of the Panama Canal watershed, this role has been assumed by the Coordinadora Campesina Contra los Embalses (CCCE).

For its organizational structure, the CCCE followed the method of organization and consultation of lay leaders implemented by the Catholic missionaries working in the area. This method was built around different levels of leadership at the local and regional levels. This could not be surprising considering the fact that some leaders of the CCCE were also Catholic lay leaders in their communities and due to the fact that the first steps for the formation of that peasant’s organization originated in the base ecclesial communities, as Pancho Perez\(^{10}\) told me:

\[\ldots\] In the first meeting that we had with people coming from Las Cruces, Los Cedros, Arenosa, Uracillo, Nacito, Uversos, La Nueva Union and other communities, we elected a committee that will organize people from those places in order to motivate the movement. The Ecclesial Base Community of Limon de Chagres took the decision to host that meeting with the cooperation of the evangelization teams of the rest of those communities.\(^{11}\)

The training of the leadership of the Base Ecclesial Communities was organized in sessions of religious formation that the missionaries organized at different levels. For example, when the missionaries were visiting a community, they celebrated masses and community meetings in which they not only prayed but also discussed local problems like education, water supply, health, catholic formation, etc. In those community meetings, people were encouraged to elect one or two representatives to participate in other regional meetings and training sessions with representatives from other neighboring communities within a specific sector. In those


\(^{11}\) The evangelization teams consisted of Catholic lay people who were responsible of the religious formation and animation of the community. They were catechists, local preachers, and other members of the Catholic community.
sector meetings, new representatives were elected to participate at regional level assemblies where representatives of different sectors are gathered. This process was complemented in the opposite direction as well. For example, the training given at the regional level would be reproduced in the meetings of the representatives of the sectors, who would be responsible for sharing the content of their training in their respective communities.

The discussion and updating of information in the CCCE regarding the Panama Canal watershed has been made through a similar three-step process. First, community meetings were held in order to discuss local problems and concerns, and to elect local representatives to the sector meetings of the CCCE. Generally, the elected ones were natural community leaders, those with facility to speak in public or who have been involved in previous community activities or projects where they earned the respect and trust of their fellows. This was the reason why it was not exceptional that some of the lay Catholic leaders, or those who were involved in previous community activities were elected.

Generally, the community representatives were people, mainly men, who just had an elementary school level of education. One interesting and exceptional case was one representative, Francisco Hernandez, of the community of Boca de Uracillo who was elected between 2002 and 2005. He was the son of a retired teacher of the community. Besides, he was elected because he was a very articulated and self confident man who was in his third year of a BA in Sociology at the University of Panama where he was also active in a student organization. As what could be considered an organic intellectual, Francisco Hernandez, became a voice that could articulate his life experience as a peasant in terms that could be easily presented in the context of the urban media and the academic circles of the University of Panama. During two years, he became the main voice of the CCCE in public presentations and TV interviews.
However, and despite his personal charisma, after certain personal differences with other members of the CCCE, and probably because the excessive centrality that his own persona was having as the face of the movement to the detriment of a more communitarian image, another person was elected to replace him as the representative of the community and of the sector.

Something else to consider is the fact that the participation in the elections of its leadership and other decision-making activities was reserved for only those affiliated to the CCCE. Other people, even allies or friends of the movement, were not allowed to participate during those deliberations. I was told that this restriction was decided on in order to prevent any influence of outsiders in a process that the peasants considered was their own. They used to invite other people when they considered it was convenient for their decision-making, like, for example, when they needed some additional information related to the expansion of the Panama Canal and its watershed that an external informant can provide.

In the second stage of the process, the representatives of different communities held sector meetings where they shared information and reports from their respective localities. Once or twice a year, they elected among themselves a representative of the sector to the central committee of the CCCE. In those sector meetings, the representatives exchanged community reports about, for example, the visits of ACP’s officers to the area, or how the communities were reacting to the campaigns of the ACP or the actions of the CCCE. Finally, there were the higher and third level meetings of the CCCE, generally held monthly every second Tuesday. In these meetings, representatives of the different sectors present their positions, concerns and inquiries according to the needs and worries of their respective communities and sectors. Generally, these meetings were held in Panama City in the offices of Pastoral Social-Caritas because it was easier for the peasants from Colón, Coelé, and Panama to get transportation for a meeting in Panama
City than in any of the communities in their respective communities. At this level, the sector representatives made agreements to be consulted and coordinated at the sector and community levels and made some public statements, press conferences, and visits to TV and radio stations in Panama City. According to this scheme, the Coordinadora Campesina Contra los Embalses was originally organized around a structure of information and discussion that originally covered four sectors: Rio Indio, Lago-Rio Indio, Donoso, and La Pintada-Coclesito. Each sector was composed of at least 12 communities from the provinces of Cocle, Colon and Panama. It was estimated that the population of that area was 100,000 people (CEASPA 2002).

**Social Projection and Internal Dynamics of the CCCE**

The main leaders of the CCCE, who were the representatives elected for each sector, keep their roles as official spokespersons of the peasants, and have had special responsibilities as links with the government agents and the mass media. They have held several meetings with high representatives of the Panamanian government, and have organized press conferences, prayer vigils in local churches, visits to radio and TV stations, and have issued several resolutions commenting their critical position about the strategy of the Panama Canal Authority.\(^\text{12}\)

As I said before, the leadership of the CCCE was formed mainly by men. However, there were some women who also have had an active role in the organization, but not without difficulties. One representative of the CCCE told me that the leadership was aware that the movement should also count on and give voice to women in order to prevent the organization from reproducing the absolute control and visibility of males as was common in the majority of movements in Panama. According to this, one of the most outstanding cases was the election of

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\(^{12}\) In March 13, 2000, for example, Mr. Francisco Hernández, President of the Central Committee of the Rio Indio Sector and Mr. Saturnino Rodríguez, President of the Committee Against the Flood, gave an interview in one local TV channel: Fe TV, Channel 5.
Digna Martinez as the secretary of the CCCE committee in Limon de Chagres. She is a 34 year-old woman, living with her husband and two children, Zayda (14) and Joaquin (11) in the surroundings of Limón de Chagres.

At first, Digna seems to be a very shy person because of her soft voice and unimposing outlook. She is neither tall, nor robust. However, she was very eloquent and very ironic when commenting several issues of daily life, the life in Limon de Chagres and the problems with the ACP. Her first hand personal experience with the ACP validated her as an authorized spokesperson regarding the intrusive means used by that agency in order to get into the lives of peasants. Her personal experience was as well the base of a positive reaction from her fellows when she was proposed to be elected as one of the representatives of the community to the sector and national meetings of the CCCE.

She recalls one visit that some members of the ACP made to her lot in quite a spectacular fashion by landing a helicopter right in the middle of her yard. She was terrified when she saw that noisy aircraft coming so close to her house. The visitors told Digna that they wanted to buy the place to build a storeroom and a dorm for the workers that will work on the construction of a huge pipe that was going to pass just under her backyard. That pipe was intended to bring water from the Rio Indio to Gatun Lake when the dam is finished. She acknowledged that she felt annoyed when seeing those officers entering her property without her permission. She felt as well that she had to do something to prevent her house and land being taken over by the ACP.\(^{13}\)

During an interview, she commented to me with an ironic humor about the way the ACP was addressing the public opinion in the rest of the country about the benefits that the canal was

\(^{13}\) Digna Martinez. Personal Interview. October 20\(^{th}\), 2003.
providing, according to what was said in some publicity spots of the ACP broadcasted in radio stations. She said, for example:

They (the ACP) always spread to the world very sad and intimate (sic) lies about what they are doing for the benefit of Panama and for the peasants . . . and for all of us who live here. That is false. We know very well that, if it were for that canal, all of us peasants would be dead . . . starving . . . since the building of the canal . . . because none of us have received anything from that canal. For that reason, we say to them: don’t be liars. They lie to Panama the same way they lie to the peasants and the rest of the world. Because if they were good hearted, they would be interested in having a dialogue with the peasants. Why, when they have their meetings in London or somewhere else only the ACP (agents) travels? They meet with the huge shipping companies . . . they have had about three meetings abroad, but they have never invited the people who are going to be affected. They have meetings in Panama, but the peasants have not been invited. In this way, they show that they do not want to have a dialogue.

When we went to FeTV –the TV channel of the Catholic Church- to present to the viewers what we were discussing . . . and the reality about our lives, the ACP did not go. They suspended the dialogue. When the program of the United Nations for Development tried to mediate in a dialogue between the ACP and the peasants and some other organizations, they just stepped back. So, they don’t want to dialogue. The sort of dialogue they want is one in which we accept without discussion that the lakes will be built . . . They have never said: “let’s meet to see your point of view “, so we could see also their point of view about the canal, and according to our point of view, we can ask them about what will happen with our lives. This kind of dialogue has never happened. They only dialogue with their own people, with the great shipping companies and just come over here to collect signatures in support to what they have decided. . . .

When I asked her why she considers that the people of the ACP were lying, she said

Well, I think this because they became interested in the rural communities only since Law 44 was approved. But before that, since the beginning of the canal (sic), they never thought on the peasants. Now, when they want our lands in exchange for . . . let’s say for nothing, because they have not said anything about how things will be for the peasants after the lakes are made . . . it is now that they come to the peasants . . . They (the ACP) look for us as if we were little lambs, organizing peasants that they pay some peanuts in order to organize meetings of two or three people in order to get support for the project. And everything (they say) is on favor of the ACP, not the peasants’ because they want to go against the defense of the peasant’s rights. The main peasant right is to have our land . . . live in peace . . . in our land. But when they (the ACP) come, is like they have seen that our wealth, which is the land, as something that they want to take from us –and that is something that our Father God has left for us, the peasants.

The ACP has a lot of money . . . and they are spending that money . . . but that investment from the canal should be for all the Panamanians. I feel that there should not have been poor people in Panama. But we have poor . . . why? Because the great economies that
come to the canal, are owned by a few people. Not all the Panamanians are living from that canal. The Panamanians know that there is a canal here but we do not know what benefits are coming from that canal. Nothing reaches our communities. However, they say: “the canal of all the Panamanians” or talk about “the modernization of the canal.”

Digna’s presence has been the most visible feminine side of the CCCE outside her community. However, she is aware of the level of machismo that still is present in the organization. She, for example, recalls how several women could not participate more actively there because the attitude of their demanding husbands at home. Additionally, in 2003, after she felt that she has gained a wide visibility in different communities of her county due to her participation in the CCCE, Digna decided to run as an independent candidate for the political post of representative of the county.

This was a bold move for a woman in that area and, revealed some of the contradictions within the CCCE. In fact, despite, her strong activism and commitment with the CCCE, Digna received cold support from the directive of the CCCE and its members who, contradictorily, decided to cast their vote in favor of political candidates more linked to the traditional parties, tied to the Panamanian elite that promoted the expansion of the Panama Canal. Nevertheless, she did not relinquish her commitment to the cause of the CCCE.

Despite contradictions like this, there is no doubt that the CCCE was a pioneer in Panama when challenging several important elements. Firstly, they question the nature of an almost sacred Panamanian icon, the Panama Canal, in terms of criticizing its real social impact as the main point of articulation of the service structure of the Panamanian economy and, therefore, underlining the limited or non existent benefits that the general population has perceived from the Canal’s activities. In fact, when in a TV interview, Francisco Hernandez, one of the leaders of the CCCE was asked about the possibility that the communities would sacrifice themselves for the good of the country, he questioned back:
I ask the TV viewers: When and how they (the common citizens) have perceived the benefits of the Canal? When somebody responds to this question or when a great number of working common people say ‘I perceived the benefits of the Panama Canal’, then we could talk about the sacrifices that we, the campesinos, could make (CEASPA 2002, p.34).14

An example of the precarious conditions of the communities near the Panama Canal was presented by one of the peasants during the same interview. That was the case of the community of Cuipo, located at the edge of Gatun Lake. There is no adequate access to that community during the winter season despite the fact that the Gatun locks are a few kilometers distant, and the road that connects this community with the rest of the country is in terrible condition. Moreover, the peasants interviewed mentioned that there were nearby communities without electricity, and health centers without medicine. Their point was that there was an extreme contrast between the technological sophistication of the Panama Canal and the precarious conditions of its neighboring communities. So, they were skeptical about the promises of future benefits and development that the Canal expansion is supposed to bring to other more remote communities (CEASPA 2002, p.33).

Previously to this declaration, Francisco Hernandez expressed that, up to that time, the campesinos were taught that the Canal is for the benefit of the country but, in fact, they see that, with the expansion of the watershed, and the possible creation of the three lakes and the social and ecological costs, it is the country that is at the service of the Canal. Its products and benefits are at the service of a wealthy minority in all the governments that have been in charge (CEASPA 2002).

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14 On March 13, 2000, Francisco Hernandez, then President of the Central Committee of the Rio Indio Sector and Saturnino Rodriguez, President of the Committee against the Flood, gave their first TV interview in FE TV, a local channel that was owned by the Catholic Church.
A second challenge made by the peasants was to the rationality of the concept of development that is promoted with the Panama Canal expansion project in the context of a global market economy. They question the fact that the logic and discourses of development implied with this megaproject elides the risks and negative effects that it could have. They argue that, at the end, the kind of development that this project could bring will negatively affect the poor people. They also question the fact this type of development excludes the participation of the people who were supposed to be beneficiaries of those improvements. They supported their point by counterposing the publicized discourse of the ACP with the historical facts of their experience with the present Panama Canal, which has not produced any meaningful benefits for theirs and other communities, while the Panamanian economic elite has become more affluent. This was stated clearly by Manolo Juarez, one of the leaders of the CCCE, when I interviewed him in Limon de Chagres. Among several things, he said, for example, that:

. . . If we take a quick look at what the ACP is saying it would seem that, according to their advertisements, the canal would improve the bad conditions in the rural areas. But we have seen that they say one thing and do another. Therefore, that development does not reach the region. Around here we have not seen any improvement thanks to the ACP… never! And if we go to the central provinces of Panama and ask the same, that is, if they have receive their share (of the benefits of the canal), they also will say no. The canal came to Panamanian hands in order to reduce a little bit the poverty that we have in our country. I remember when they (the government) promoted among the Panamanians the vote in order to receive the canal, saying that the first millions that it would produce would be used to build roads from the cities to the countryside . . . roads everywhere in the country. That never happened . . . But that was the nice advertisement they made when they wanted the approval of the treaty that was giving the canal back to Panama. So, a lot of us said, ok we want that the canal be ours because we are going to improve. But nothing happened.

Now they say that if we oppose to the modernization of the canal, the canal will become obsolete. But if we -the ones who live around here, and those who live very close to Gatun Lake and those who live in the central provinces- add things up (we can say that) the canal has always been obsolete since its construction because we have not received anything from that canal. Here we have the road from Escobal to the Gatun Dam, look what a

disaster it is! Where is the improvement that the ACP has been showing? And now, they want to make us, the peasants living here, believe that they are going to do beautiful things for us . . . to make everything modern for us! If that were true, they have shown their proof already.

We were learning, in this struggle, that Law 44 was taking from us our rights over our lands . . . we learned that the ACP had a plan. It seems that they have studied very well the strategy they were going to implement in different sectors of this area, and in different ways: they paid consultants from the IDB in order to prepare the first studies in the area. In this way, the catch was that these consultants came to talk with the local authorities in order to present the project, but only the beautiful side of it. However, everything that was bad was not presented. The negative part is something they were not going to let being known. . . . the beautiful things they said about the project were the development of the communities, the development of the country, the modernization of the canal, so the authorities will have the opportunity to offer jobs for everybody, and people will have electric and water supply, roads, and housing. Things like these- they said- was development. Those were the beautiful things the ACP presented to our local authorities and it seems that these authorities, little by little, believed all these things. It seems that part of the strategy of the ACP was this: to dominate and convince our authorities because they (the authorities) dominate us. For example, a community judge and a county representative exercise their power on their county. So, several people assume that if the representative has said something, we have to follow him because he is the authority. However, at the same time, we do not analyze if that is good or bad because we, the peasants, say so. This seems to be the strategy of the ACP in order to dominate us.

But we, the CCCE, say no . . . it is not like this. We have to see, at first, the laws, whom they benefit or not. Sooner, we found that the one who were to receive the blow, the burden that will come here will be the peasants. We are the ones who are going to lose.

Third, the members of the CCCE also questioned the logic of prioritizing the use of natural resources for the transportation of certain commodities over the preservation of those resources in order to satisfy more basic human needs, especially in a time when certain environmental world tendencies lead toward a more careful resource management. For example, one of them said:

. . . In the future, water resources are going to be more valuable even than oil. So, according to this, drinking water coming from the Panama Canal, and needed for human life should not be wasted, but saved (CEASPA 2002).

In the same logic, Manolo Juarez made a harsh criticism about the double standard of the National Environmental Authority (ANAM) when dealing with the issue of the Panama Canal
watershed. In fact, he addressed how this authority was stronger enforcing the regulations on conservation when dealing with the peasants than when dealing with the ACP. At the same time, he points out how any apparent concern on the environment is eclipsed when money is involved.

Regarding the expansion of the watershed, he said

Well, now that we have this problem with the ACP, ANAM is silent. They do not say anything at all about this. But they talk when we are the one who are going to do something at the riverside, like cutting a tree. Then ANAM comes and tell us: ‘You must pay ten dollars for cutting a tree’. We have to pay that amount. They say that they take care of the natural resources, but it is very clear that they do not take care of anything, because, if I say: how much does it cost? They say, ten dollars. So, if I give them ten dollars, they allow me to cut. Therefore, they are not taking care of anything but the dollars.

ANAM just acts against us, the peasants, but we would like to see if it is acting in this problem against the ACP. We want to see a paper from ANAM to the ACP saying: ‘Look, if you create these lakes here, a lot of fruit and wood trees will die. Some are used by the peasants and others are not. There is a lot of medicinal plants’. We want to see if ANAM has told this to the ACP, that they cannot destroy nature. But they are quiet. But we hear that ANAM always grants concessions. We always hear that.

Fourth, the CCCE is challenging both, the way that laws are made and reinforced, and the authority of the technocratic and political elite that control the main decisions at national level without considering the consequences of the people that can be affected. Manolo Juárez said clearly:

Law 44 was studied in our communities thanks to an open letter that Mons. Ariz sent to the communities. We could see that, according to the government, we were not considered in the law for humanitarian reasons, we were not included in the law for economic reasons, we were not included in the law for whatever reason . . . So, we were not considered in the law for any reason at all. There was not a reason to include in the law the issue considered by those groups that protect . . . hmm or the laws that protect what is called fauna and the renewable natural resources These things were very far from them. Nothing like this appears in the law. There is not a single article that mentions the fate of the great number of people that was or is living in the watershed.

Fifth, they were resisting seeing land as a commodity that is for exchange or as an investment that has to be preserved. In fact, the struggle made by the CCCE was something linked to the vital nature of their relationship with land, where they do not want the interference
of capitalist interests. As Francisco Hernández declared during an interview on a Panamanian TV program, when asked about how much they will ask for indemnification in case they have to move:

We are not asking for indemnification. We are people that have been living on these lands for more than four generations. That means more than one hundred years working the land. We raise cattle; we practice agriculture and produce coffee. For us, these lands represent life itself. If they take our land, if we are expelled from our land, we will lose everything; not only the improvements we have made throughout these years but also our culture, our lives, and the spiritual support. When I talk to the elders, they say ‘I die if I am taken to another place’. That is the way it is because we have made our living in this place, we are adapted and have made progress where we are (CEASPA 2002).

Some public officers have taken into consideration the claim of the CCCE. For example, in a special report, the former Panamanian Ombudsman, Italo Antinori, the main claims of the campesinos can be summarized as follows:

The Panama Canal is a national patrimony. However, its management, economic incomes and laws are, handled and approved without the knowledge of the Panamanian people. The problem of the expansion of the Canal is not a problem only for the campesinos that live in the affected area. It would also affect the rest of the country through direct and indirect social and ecological impacts (Antinori 2001, pp.22-23).

Responding to the reaction of the campesinos, the ACP hired and trained several families of the region, in order to make them advocates of the project, so they could persuade other campesinos to accept the project (Brathwaite 2001). This strategy has made some inroads in the structure of the CCCE. In fact, some members of the first directive of the Rio Indio Sector, shifted their allegiances from the CCCE to the ACP. This promoted division within the community of Limón de Chagres and as well as other communities. This division triggered the concern of the Catholic missionaries that perceived how relationships within families and between neighbors were severed.
Besides this, my informants told me that the ACP offered more employment, building of roads and hospitals, and advertised sustainable development as the consequences of the new projects. The ACP also distributed brochures that showed maps of the new watershed and promoted its benefits for the communities. They also organized what they called Mesas de Trabajo (Work Tables), which consisted of meetings held with local residents in order to present to them the plans that that ACP has for the region.

Other activities of the ACP included the posting of signs in certain locations of the area and frequent flights of helicopters over the zone. In the urban areas, the Panama Canal Authority did extensive and intensive promotion of their plans at different levels, and contacted people in several fields (academic, professional, religious, rural communities and government agencies) in order to convince them to be promoters of the project.

Because of their active opposition to the way the ACP was entering into their lives, the campesinos were the object of suspicion and public discredit by the mass media and have suffered hostility, monitoring, and interrogations by police officers of the Panamanian government. Since the year 2000, the members of the CCCE from the sector of Coclé del Norte denounced this publicly (Caritas 2000, pp.12-13). For example, in April, 2001 some Panamanian newspapers published that a group of Zapatista guerrillas were present in the area of the new watershed of the Canal (Caritas 2001, pp.1-2, Rodriguez 2001). The intention of the media was to link the reactions of the campesinos with the struggle of the Mexican leftist group and distract the public attention from the main claim about the possibility of being relocated. As I mentioned in the previous chapter, some people, for example Oscar Vallarino, director of CICH commented, that the Catholic Church was responsible for bringing foreign agitators into the rural communities of the watershed.
La Gran Asamblea Contra La Inundación/Frente Campesino Contra los Embalses

The Gran Asamblea Contra la Inundacion is the original group that gave origin to the CCCE, and later after an internal division, gave origin to the second group of peasants that were reacting against the construction of the lakes, which took the name of Frente Campesino Contra los Embalses. According to its leader, Saturnino Rodriguez, this organization was formed on March 10th, 2001. By April 10th of that year, they got the legal recognition. He said that this group considered this action to be a key step in order to get international support to avoid what has happened to the CCCE that, because it did not have that legal recognition, it only could receive help from a third party through Pastoral Social-Caritas.

Saturnino is a very articulate and politically savvy man who is also interested in music and folkloric activities. He said that he knew personally General Omar Torrijos, the military strongman who ruled Panama from 1968 to 1980, and father of Martin Torrijos, the president of Panama at the time this research was written. He was accused by the CCCE of leading a parallel group that was negotiating with the ACP. Saturnino admitted that the Gran Asamblea had a common beginning with the CCCE but also has its differences. In fact, he was the representative of one of the sectors of the CCCE and, as such, he signed in November, 2003, a letter of complaint against Caritas Arquidiocesana, the religious NGO managed by a Panamanian Monsignor that was part of the Inter-Institutional Commission for the Watershed, affiliated to the ACP. However, just few months later, by February 2004, he was denounced by the CCCE as the founder of another group called Frente Campesino Contra los Embalses (FCCE). Regarding his differences with the CCCE he said:

. . . At the beginning, the Gran Asamblea was similar to the CCCE, in terms of not being open to the dialogue as long as the Law 44 is not annulled. However, at this moment, I do

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not want that law to be eliminated because there is no any other law that can protect us. If the law is cancelled at this moment, a lot of people who are interested in these lands will take control of them. We proposed to the National Assembly that a parallel law or a new one be made in order to acknowledge the participation of the peasants. However, we did not receive any response. A commission was appointed but nothing happened.

We did not separate from the CCCE. They were the ones who expelled us because we were challenging the advisors appointed by the leadership. These advisors took some initiatives behind the back of the peasants. Additionally, we were open to the dialogue, but the CCCE considered that to dialogue with the ACP means to be submissive to it.

Regarding the flooding of the area, he was quite clear on his position saying that,

Land was here at the beginning of everything, before human beings came into existence, so that human beings could be sustained and inhabit there. We do not agree with the flooding of our lands because no government has bought this land from God. We do not accept that a few mischievous people will take control of these lands. We know fairly well that, from the beginning, the interest of the rich people in allegiance with the government, tries to take these lands to put them under control of the shipping companies. We also want to create more awareness in the communities in order to take care of our land and water. However, even if the lakes are not made, we do not want to stay like this. We need to move forward and look for better living conditions. In one moment, the Panama Canal was the unifying point for all of us Panamanians, but we cannot allow that, because of the greed of a few guys, the canal will become an issue that creates division among us. We want to follow the strategy of Torrijos. He first got the unity of the Panamanian people, later he got international support, and, at the end, he negotiated with the gringos. We want to follow this example and tell the truth.

Despite the coherent discourse of Saturnino, the FCCE was not as visible and active in their activities in the city as the CCCE. However, in the community of Coclecito, located in the expanded watershed of the canal in the province of Coclé, they organized meetings and cultural events or demonstrations. I found very few references in the newspapers about this group. I could not help but feel quite startled when, despite the fact all the rumors about the issue were denied by the government, Saturnino insisted that Zapatistas guerillas were coming to the area, brought by the Catholic Church. He also said that they kept insisting that people take advantage of the land titling program promoted by the ACP, something that also was opposed by the CCCE. He said that as the ACP got the money to finance the land titling, all the peasants should take advantage of this opportunity because, if they do not do it, other people will claim their
lands and the peasants will be left with nothing. In fact, as part of the activities of the ACP in the area of the new watershed included the promotion of an accelerated process of land titling, some residents of the area considered that this program was intended to provide the legal base for a future indemnification program in case the lands were going to be used for lakes.

The FCCE was criticized by the CCCE and Pastoral Social-Cáritas. These organizations claim that the FCCE was indirectly manipulated by the ACP through a series of other agencies. In fact, one supporter of the FCCE was the NGO Programa Rural de Acción Social y Desarrollo (PRASDE), in English, Rural Program of Social Action and Development. This NGO was partially financed by the NATURA foundation, an important Panamanian environmental private organization, which is also one member of the Inter-institutional Committee for the Watershed (CICH), the agency created by the ACP in order to coordinate the work of different institutions in the area of the expanded watershed.17

Residents of the Old Watershed

In 2004, I had the opportunity to attend a meeting in Boquerón Abajo, a community located in the area of the old watershed of the Canal, in the province of Colon. On that opportunity, residents of the area of the traditional watershed received the visit of some officers from the Panama Canal Authority and CICH, as well as representatives of the National Council of Organized Workers (CONATO), the National Environmental Authority, and the Ministry of Agricultural Development. The objective of the meeting was for the residents of the old watershed to express their concern about the conflicts they were having with some authorities regarding their economic activities in the area. Their main complaint was that, despite the fact that they knew that the water that is collected for the Panama Canal, comes from this “Old

17 C.F http://www.nodo50.org/caminoalternativo/boletin/46-4.htm
Watershed”, the people living there were not receiving the same kind of attention and support that the authorities were giving to the people of the New Watershed. One of the main spokespersons, Mr. Bermudez, leader of the Asociación de Pequeños y Medianos Empresarios de Panama (APEMEP) was quite straightforward summarizing this concern. He said:

... people hear that the ACP is titling lands in the Western Region of the Panama Canal watershed but not in the original watershed. Why there, and not here? It is also said that the Panama Canal produces a lot of money and that the benefits of the Panama Canal are felt all around the country. However, it is unjustifiable that we, who are living on the shores of the Panama Canal, are having the same living conditions as the communities located in the mountains of Veraguas. The plans of the watershed must consider the contribution of the people of the local communities. Even though people of these communities do not want to practice subsistence agriculture, they do not have any alternative. That is the reason why we demand that coordinated alternatives should be designed.

Bermúdez questioned again the reason why the ACP has not made as many efforts in land titling and other studies in the old watershed as have been made in the western watershed despite the fact that the old watershed –not the new one- is the place that supplies the water that is currently used by the Panama Canal. He said emphatically: “The Panama Canal can subsist only if that is the wish of the people living in its surroundings”.

Some other people present in the meeting expressed their strong concern about the regulations of the ACP in the area of the old watershed that restricted certain agricultural practices that would be essential for the survival of the residents. These regulations were made in order to preserve the ecological integrity of the old watershed. However, their implementation collided with the survival needs of the people living there, as the representative of the county said: “It is a crime to cut a tree or pollute the water, but it is a worse crime to let a child die”.

Despite the claims of the people living in the old watershed, the ACP has been implementing

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18 Some of the poorest communities of Panama can be found in the province of Veraguas.

several projects in order to preserve the water resources there and organize people for the protection of the environment.

**The Catholic Church**

The role of the Catholic Church in the conflict has been quite variable, depending on the hierarchical level of the agents involved and on their predominant social network of reference. The position of these agents ranged from those who supported the claims of the CCCE, to those who were more supportive of the project promoted by the ACP. The level of power of the hierarchy of the Catholic Church relies on its status as a moral authority and the fact that they are the religious representatives of more than eighty percent of the Panamanian population, which is largely Catholic. As one of the most respected institutions of Panama, the Catholic Church has played an important role not only in attention to the pastoral needs in the urban and rural areas of Panama; it also has participation in the discussion of important issues at national levels, such as, in the late eighties during the dictatorship of Gen. Manuel A. Noriega when the bishops were some of the most outspoken critics of that former strongman.

The legitimacy of the Catholic Church was based on its presence in the area of the watershed for more than forty years, providing spiritual and even material support to the residents of isolated areas that rarely were served by the national or regional governments. The missionaries that were working in the area had a deep knowledge of the living conditions in the area and have contributed to the reinforcement of the relationship between communities through pastoral meetings and assemblies of community lay leadership. The urgency of their claims was based on the need to reduce the increased divisions within and among communities, due to the interventions in the area of the officers of the ACP.

Regarding the expansion of the watershed, one public intervention made in December, 1999 by the former bishop of Colon, Monsignor Carlos Maria Ariz, was considered the first
document that challenged the traditional relationship between Panamanian society and its environment (Castro 2003b, pp.40-41). This document was a letter that Mons. Ariz wrote to Mrs. Mireya Moscoso, at that moment president of Panama. In this letter the bishop questions the Law 44, denouncing the following:

The Law set the base for the expropriation of the lands of the people living in the newly expanded watershed without considering their rights.

This law considers the creation of new reservoirs and dams without the required studies of environmental impact.

Morally, it is impossible for Christians to accept the risk of destroying the lifestyles and traditions of the people living in the area of the watershed for the sake of the Panama Canal.

Ethically it is unacceptable that the peasants be displaced from their lands when the government proclaims that the lands of the watershed should be at the service of the poor.

There was no consultation with the residents of the expanded watershed on Law 44. This law was not an issue of public discussion in the mass media, and has been approved with little debate by the Legislative Assembly.

Besides granting the ACP additionally more than two thousand square kilometers, this law does not consider other alternatives that could satisfy the needs of the Panama Canal. This could lead to suspicion that the real interest of the ACP was to produce electrical energy than to provide additional water to the canal.

Historically, the Panama Canal has ignored and treated badly the people living in its surroundings at the Atlantic Coast of the Isthmus. Considering this, the past experiences are disappointing enough to be not pesimistic about the promises of future benefits (Castro 2003b).

Besides the role of the bishops, other representatives of the church included the Team of Claretian Missionaries in Colon, Pastoral Social-Cáritas, and Archdiocesan Cáritas. The team of Claretian Missionaries is a group of religious and lay people that were responsible for the pastoral attention to the people living in some areas that were included in the expanded watershed of the Panama Canal. As was mentioned before, the pastoral praxis of these

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20 Translation made by the author.
missionaries was influenced by the Liberation Theology, a theological approach that became popular in important sectors of the Catholic Church in Latin America between the late 60’s and the early 90’s, which put a special emphasis in the application of the message of the gospel in the social arena (Oliveros 1990). This focus was enriched, as well, with the integration of the social sciences as part of its analytical tools that traditionally depended more on philosophy.

Authors like Gustavo Gutierrez, Leonardo Boff, Jon Sobrino, Segundo Galilea, and Ignacio Ellacuría were among the most representative theologians who helped to deepen the analysis made by the Latin American bishops, who, in a conference held in Medellin, Colombia in 1968, tried to adapt to Latin America, the new ecclesiastical guidelines promoted from the Second Vatican Council (Peterson et al 2001). The most important aspect of this theology, according to its proponents, is the analysis of the reality from to the perspective of the poor people, those deprived of the economic and social means. In this sense, besides biblical and religious formation, the missionaries offered instruction in political participation, human rights, land use, community organization, etc.

The Claretian Missionaries were very concerned about the problems of social justice in Panama, and especially in the region of the watershed. They were the official representatives of the Catholic Church with more frequent and historical contact with the peasants of the Panama Canal watershed. Their main concern about the conflict was the increasing division within and among the communities in factions that supported and opposed the project promoted by the ACP. These divisions were also affecting the dynamic of the Catholic communities in the area.

Pastoral Social-Cáritas was another group of the Catholic Church involved in this discussion. They are a group of lay people committed to supporting the claims for justice made by people from different parts of Panama according to the principles of the Social Teaching of
the Catholic Church. This group of people was the main link of the members of the CCCE with urban Panama as long as it supported them in getting housing or food when they went to the cities to present their position on the expansion of the Panama Canal. It also offered its offices for the monthly high level meetings of the representatives of the CCCE and for holding their press conferences.

Even though that Pastoral Social-Cáritas was the official agency of the Conference of Catholic Bishops to support social issues, there was another religious agency known as Cáritas Arquidiocesana that was leaded by Monsignor Laureano Crestar Durán, a Panamanian priest who, for more than twenty years, has been receiving the support of important economic sectors of Panama in order to promote his projects of social assistance in different communities. Regarding the expansion of the watershed, Cáritas Arquidiocesana assumed a position contrary to Pastoral Social-Cáritas. In fact, as the latter demanded the derogation of Law 44, the former became part of the Inter-Institutional Commission for the Watershed (CICH), a commission that resulted from the establishment of that controversial law (Muñoz 2001b).

Monsignor Durán also criticized openly the CCCE for its position against the expansion of the watershed. This was denounced by the directive of the CCCE in a letter sent to Mons. Dimas Cedeño, archbishop of Panama, complaining that Monsignor Durán was using a radio program in order to insult the members of the CCCE, saying that the members of the CCCE are not Christians and do not have any relationship with the Catholic Church.21

During my fieldwork, I also participated in several meetings of the Inter-diocesan Committee in Support of the Communities Affected by the Law 44 (CIACAL). This committee was formed by the bishops of the dioceses of Colón, Coclé, and the archbishop of Panama,

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several priests, and representatives of other religious groups and institutions that were serving the people living in the watershed. In some of these meetings, the bishops could host some high ranking present and former government officers, like the former president of Panama, Jorge Illueca, a prominent critic of the expansion of the canal, Jacobo Salas, a former president of the National Assembly of Panama, and Fernando Manfredo a former deputy manager of the Panama Canal. Thanks to the discussions with these and other political figures, and based on the accounts taken from the priests and missionaries working with the peasants, and their direct contact with the leadership of the CCCE, the bishops took a stronger position against the expansion of the Panama Canal watershed, producing a reaction from the Panamanian government.

On January 6, 2001, the Conference of Bishops of Panama issued a pastoral letter, addressed to the Panamanian people. This letter titled: *La Justicia Social en Panamá*, analyzed some social problems of the country. Here they also addressed the topic about the Panama Canal. In the paragraph 95 of that document the bishops said,

> . . . It is necessary to guarantee that the modernization of the waterway does not go against the poor people. In the name of modernization, we can no accept under any circumstances that either the basic human rights be abused, or that the quality of and respect to life be harmed.

In paragraph 96 of the same document the bishop also said,

> As a Church, we (the bishops), feel that our duty is to be with the peasants from the provinces of Colon, Panama and Cocle in their struggles . . . We reaffirm the fact that the criterion and fundamental value for any development project must be the human being. Therefore, we recommend a new and honest dialogue between the respective authorities and the affected peasants, and we ask that a national debate should begin in order to find the best alternatives for the modernization of the canal (CIACAL 2002, p.102).

When the critical position of the Catholic hierarchy increased, the Panamanian government reacted with the expulsion of Francisco Aperador, a Spanish lay worker, in May 2004, after a year of work in support of the CCCE. Francisco was a member of Caritas-Madrid who was sent to Panama, by a request of the Panamanian bishops, to support the team of Pastoral Social-
Caritas. Since his arrival in Panama, he collected information about the ACP and the plans of expansion of the watershed. That information was shared with the CCCE. Part of his contribution was included in the most comprehensive critical document that, by 2002, was issued about the expansion of the Panama Canal watershed. This document, titled “Una Voz Orientadora Sobre el Problema de los Embalses”, was the most in depth statement of the Inter-diocesan Committee in Support of the Communities Affected by the Law 44 (CIACAL 2002).

This document, written from the perspective of the construction of the new lakes in the expanded watershed, presented a wide range of information and analysis regarding the interests involved in and the social impacts of the construction of such lakes. They also presented information from former high profile officers of the ACP who were very critical of the project. Among others, one privileged informant contacted by Aperador was Thomas Drohan, a Panamanian engineer who, by 1997, was Chief Engineer and Director of Engineering of the ACP. When Mr. Drohan was working as an engineer in the Project Department of the ACP, he studied the options that were considered in order to increase the amount of water for the Panama Canal. In this position, he opposed the expansion of the Panama Canal watershed and the project to create three lakes. He expressed his opposition in a letter that he wrote to the manager of the Panama Canal, Alberto Alemán Zubieta, in August 2000. In that letter, he said:

. . . You know that I do not agree with your interest in promoting the project of the Western Watershed according to Law 44 of August 31, 1999. There is no need to displace poor Panamanian people at a high human, social, economic and ecologic cost. By investing $400 million in the current watershed, we can get enough water for the third set of locks. The alternative of the (expanded) Western Watershed requires $1200 million in order to get the same result. Eight hundred millions can be saved and used in other programs of social investments badly needed by our nation (CIACAL 2002, p.16).

Shortly after sending this letter, Mr. Drohan was forced to end his service at the ACP.

As Pastoral Social-Caritas kept publishing more critical comments about the project and because this was the only institution that publicly was challenging the arguments of the ACP,
and because Aperador was publicly supporting the peasants, he was forced to leave the country under the accusations that he was engaged in activities that were threatening national security, and not appropriate to the role of a missionary. Despite the pleas of the Panamanian bishops to the Panamanian government, Aperador was not granted a new permit to stay in Panama.

In 2006, there was a noticeable change in the policies of the Catholic hierarchy that came after Carlos María Ariz, bishop of Colón, retired according to the ecclesiastical law that establishes that a bishop should resign when reaching 75 years old. Because of his social stand, he was considered the most progressive bishop of Panama. He was also the link of the Conference of Bishop of Panama with the Office of Pastoral Social-Caritas. Mons. Ariz was replaced by Mons. Carlos Varela, who assumed a different attitude toward the staff of Pastoral Social Caritas. He began a process of restructuring that office and demanded that any information or article that was published by Pastoral Social-Caritas be reviewed by him. This attitude proved that an internal conflict was in progress within Pastoral Social-Caritas.

The final stage of the conflict in Pastoral Social-Caritas came with the firing of its director Hector Endara in August 2006 by Mons. Varela. Endara claimed that his firing, after more than 20 years of work, was a consequence of the pressures that the Panamanian government was putting on the Panamanian Bishops in order to eliminate any critical platform that questioned the expansion of the watershed and the expansion of the Panama Canal prior to the referendum of October of that year. A similar situation also was claimed by Maribel Cuervo, an outspoken Panamanian journalist, who was famous for her acerbic comments about Panamanian politicians in her articles, radio and TV programs. As soon as the discussion about the expansion of the Canal became more widespread, and her critiques became more frequent, her services as

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permanent columnist of the newspaper La Prensa were cancelled, as well as her contract with FeTV, a TV channel that was owned by the Catholic Church. This episode was the result of the clash of interest that also was present within the structure of that TV channel. In fact, because FeTV was more oriented toward educational and cultural programs, it lacked the massive public appeal of the other commercial TV channels, as well as lacking substantial sponsorships for its programs. For that reason, the financial situation of FeTV became quite limited, which demanded the additional support of private benefactors. Some of them became members of its board of directors. However, some members of that board were also supporters of the project of expansion of the Panama Canal and, according to the claim of Maribel Cuervo, were the ones who, indirectly, forced her withdrawal from FeTV.

This change of attitude of the Catholic Church took place after the official end of my fieldwork in Panama; therefore, I could not collect first hand information about the internal dynamics that produced these changes. In any case, this change of direction, forced the CCCE to end its relationship with Pastoral Social-Cáritas. By April 2007, when reading online news from Panama, I got the information that Mons. Varela and the new director of Pastoral Social-Cáritas, fired the whole team that was working with Héctor Endara, the previous director. Some of those people were working in Pastoral Social- Cáritas for more than 10 and even 20 years. The lack of an explicit public pronouncement of the rest of the Conference of Bishops about the events in Pastoral Social-Cáritas, did not help to clarify if the changes in that agency were the result of a division between the bishops or the implementation of a new policy regarding the involvement of Pastoral Social-Cáritas in social issues.

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The Illueca-Manfredo Group

This group was formed by five prestigious Panamanian professionals and politicians: Jorge Illueca, former president of Panama, and former president of a UN General Assembly, Fernando Manfredo, former minister of Planning and former deputy director of the Panama Canal Commission, George Richa, Jorge Maduley, and Anibal Illueca, an economist. Among all the independent groups that spoke against the expansion of the Panama Canal, this was the most visible and authoritative considering their political background of Illueca and the knowledge that Mafredo has on the internal issues of the canal. Both of them published numerous articles in the local newspapers expressing their concern about the way that the project of the expansion of the Panama Canal has been managed and promoted. They held several press conferences and published two special supplements in the national newspapers in which they challenged the arguments of the ACP and their rush in promoting the expansion of the canal without an adequate and deep public discussion and evaluation. This was also the only group that proposed an alternative use of the monies that were going to be invested in the expansion of the waterway (Illueca et al 2006b, pp.25-26). According to the report presented by this group, the money that was estimated to be used for the expansion of the waterway can be used, for example, to solve direct social needs in Panama. According to their estimations, this money would be enough to provide, over ten years, the following goals among others:

- Construction of 1000 elementary schools and 200 high schools, and financing the salaries of 6,000 new teachers for elementary school and 7,000 high school instructors.
- Construction of 80 rural water systems per year.
- Provide loans of $5,000 to 5,000 small businessmen per year.
- Hire 500 new judges and local attorneys in order to solve the old problem of delays of legal processes in the Panamanian judicial system.
• Build 10 health services centers per year, and hire 500 new physicians and 1000 nurses.

Despite the interesting and attractive elements included in this proposal, the media apparatus controlled by the Panamanian government and the ACP practically ignored the critique and proposals made by the Illueca-Manfredo group.

**The Campaign in Favor of the Expansion of the Canal**

In the same fashion as the ACP’s publicity campaigns designed for public relations that we saw in previous chapters, the advertisements of the expansion of the Panama Canal were heavily based on straightforward expressions that framed the project with terms like progress, development, and future, as well as with images of young people and children. During the months before the referendum, additional messages were used, especially through TV advertisements that presented idyllic images of an ideal Panama, its forests, ports, and countryside with happy people celebrating the fact that the canal was bringing prosperity to the country and will bring more with its expansion.24 Several newspapers headlines announced that more than two hundred thousand jobs would be created by the expansion of the waterway.

During the campaign of the referendum, thousands of banners and hundreds of billboards were displayed all around the country encouraging people to vote “yes”, as I could see during the first week of October 2006, when I made a brief visit to Panama City in order to cooperate in the preparation of a documentary about the expansion of the Panama Canal. The campaign in favor of the expansion had the massive support of the business sector, as well as the main political parties of Panama. Construction companies, insurance services, realtors, etc, were common sponsors of the promotion.

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As we can see in some pictures that I took at random during a drive around Panama City (Figures 5-7 to 5-10), the promotion of the positive vote in the referendum generally was evoking emotional references and images of children. Additionally, the resource of using the word “SI” (Yes) as the inevitable message of the publicity was expressed in a mandatory tone – even subliminal-, rather than in a persuasive style.

In a banner that was displayed in several places of Panama City (Figure 5-8) there was the following message: “Tú decides “sí” quieres un futuro mejor para tus hijos. Por Panamá, Sí al Canal” (You decide if you want a better future for your children. For Panama, Yes to the Canal), the message used an ambiguous strategy of suggesting that the decision depended on the voter, at the same time that the advertisement mandated a specific response. In fact, in Spanish, the conditional conjunction si (if) is written without an accent and the affirmative “sí” (yes) with an accent. However, in this banner whenever the word “Sí” appears with or without accent, it is emphasized with a color different from the rest of the text, and with bigger characters as a way to insist on the implicit message of asking for a positive vote. The resource to use the word “Sí” in different sizes, and in an incredible number of announcements, was the most evident message of the campaign. Additionally, the basic message that was transmitted was to establish a direct relationship between the positive vote for the expansion of the canal with the achievement of development, progress, or a promising future where the children will be better off.

Other slogans used by the ACP like, for example, “El Canal es Mío y Yo lo Amplío” intertwined the idea that the Panamanian citizens were the owners of the Panama Canal and, as such, they have decided its widening, when in fact, the very message was expressing the decision taken by the ACP. In order to promote this specific slogan, the ACP hired Panamanian composers and singers that put a very rhythmic music to this message that was constantly played
in radio stations. There were other advertisements that used familiar expressions like, for example, “El Tamaño Sí Importa” (Size does matter). This message, posted in the front and on the sides of vehicles moving around the country, as well as on posts, fliers and web-pages (Figure 5-11).

**The Media and the Resistance Movement against the Expansion of the Canal**

When analyzing the role of the local groups that challenged the expansion of the Panama Canal, it will be useful to consider the way the media was used to present some of these groups. Because of their capacity to synthesize some aspects of this critique, I will use again some cartoons and news articles published in some Panamanian newspapers as well as in other alternative sources.

For example, on June 12th, 2005 two Panamanian newspapers presented cartoons alluding to the expansion of the Canal. In both cartoons, this issue was related to the movement of labor unions that was demonstrating against the imposition of the new social security law that increased the amount of fees to be paid and the age of retirement of any Panamanian worker. The leading group in these demonstrations was SUNTRACS (Sindicato Unido de Trabajadores de la Construcción y Similares), the biggest Panamanian union of construction workers.

Due to the intense and almost violent reaction of SUNTRACS against these measures, and after almost two weeks of demonstrations and strikes, the government and the workers began negotiations in order to find a better solution to the new crisis. Besides the negotiations, the workers complained that the upcoming proposal to expand the Panama Canal was a project for the benefit of the economic and political elites and that the tax and social security reform were steps that the Panamanian government had to accomplish in order to qualify for the international credits needed for the project. As a strategic move, the leaders of SUNTRACS started to voice
and promote their intention to cast a negative vote in the upcoming referendum about the expansion of the Canal. At the same time, they coincided with the CCCE about the authoritarian and secretive style of management of the ACP and, therefore, assumed a more critical and active role in trying to reveal what was considered the hidden agenda of the ACP. With that intention in mind, SUNTRACS began an intensive research about the expansion of the Panama Canal and published their findings in a webpage they developed.  

Going back to the cartoons, it should be noticed that each one has a different approach to the attitude of the workers. The one shown in Figure 5-12, published in El Panamá- América, a newspaper with an editorial line totally supportive of the ACP, presents a worker thinking that he is going to vote “no” in the next referendum for the expansion of the canal. According to the cartoonist, this thinking is equivalent to shooting one’s own foot with a rifle that represents the jobs that are supposed to be created with the expansion of the canal, implying that an opposition of the workers to the expansion would be a decision against themselves.

Another cartoon (Figure 5-13) also depicts the dialogue between the Panamanian government and the workers as a card game. In this game, the cards of President Torrijos represent his proposal of the referendum for the expansion of the Panama Canal. The other player, wearing a t-shirt with patches representing the memory of the imposed tax and social security reforms, has two aces and a third winning card with a “NO”, that startle President Torrijos, because it seems that the negative of the people could frustrate his intention of promoting the approval of the expansion of the Canal. But also it presents how the threat of a negative vote in the referendum could be used by the workers as a tool to negotiate with the government for better conditions in the reforms that were in process. At the time when the

unions began to have a more active role challenging the Panamanian government, they also started supporting the claims of the peasants of the CCCE regarding the expansion of the watershed and the Panama Canal.

One crucial aspect of the media is their capacity to frame the news and issues they cover. According to Anders Hansen, framing in media coverage hinges two dimensions: on one side, the selection/accessing of sources and claim makers, and, on the other side, the presentation and evaluation of arguments and actors (Hansen 2000, pp.55-56). In a certain way, the media became a filter that selected the characteristics of certain issues or actors that will be presented to the public opinion. The ideological background of their editors could influence in a positive or negative way which certain social actors are described. From this perspective, it was interesting to observe how the media depicted the activities of the members of the CCCE. In a certain way, the reports presented the peasants from a less sympathetic perspective than the ACP. If, on one side, the ACP was presented as a gentle guide or point of reference for the Panamanian society, on the other side, the peasants were presented as a disrupting group of people that could threaten social peace and be an obstacle to development. For example, as far as I could see, the terms of the headlines and pictures presented the actions of the CCCE in belligerent terms, not necessarily according to the orderly behavior of the actual demonstrations. Terms such as “rebellion”, “demand”, “protest” or “threat” are among the most commonly used by the media when discussing the activities of the peasants (Figures 5-14 and 5-15). That was the thematic framing that was used when the presence alleged presence of Zapatistas guerrillas in the area of the watershed was mentioned in the Panamanian media (Rodriguez 2001).

It is also necessary to appreciate that, when the peasants had the opportunity to voice their concern directly about the expansion of the watershed and the Panama Canal, their main message
was of skepticism about the sincerity of the actions of the ACP (Figures 5-16 and 5-18).
Additionally, and contrary to the impression given by the media, the different public activities organized in the cities by the peasants were confrontational but non violent. This was one basic principle they agreed upon in their regional and local meetings. In this regard, there is no record of an specific charge of violent activities against the CCCE in Panama City on the several occasions when the peasants demonstrated at the ACP Administration Building or at the National Assembly of Panama (Figures 5-16 and 5-17). Because their activities in the cities, the members of the CCCE with the support of Pastoral Social Caritas, gained exposure in the media –like the ACP- by appearing in several TV and radio stations, as well as newspapers. Additionally, the peasants had the opportunity to present their claims through the official bulletin, special brochures and the webpage of Pastoral Social Cáritas.

The illustration presented in Figure 5-18 was on the front page of a document published by Pastoral Social Caritas about the decision making process regarding the expansion of the Panama Canal. This is an image composed of a peasant symbolically crucified between one of the locks of the Panama Canal. The original image of the crucifixion was taken during one of the several marches that were organized by the CCC in Panama City. The religious analogy is more than evident.

This document is one of a series published that, under the sponsorship of Pastoral Social-Caritas, criticized the ACP. It was focused on claiming that the decisions regarding the Panama Canal should be taken in consultation with the Panamanian people and not by the ACP alone, a message that was in opposition to what was insinuated at the front page of the 2002 ACP yearbook, which claimed that the canal is the guide, support and voice of the Panamanian people.
As we have seen in the previous pages, the panorama of the variety of stakeholders involved in the discussion about the expansion of the Panama Canal and its watershed, gives us an idea of the complex sequence of events and actions that were triggered at the local level, by international forces in articulation with local elites when promoting an specific megaproject oriented to satisfy the needs of the global market. It can be seen that the main local actors did not represent monolithic and uniformed entities, but complex and sometimes contradictory dynamic forces that evolve according to changing contexts and interests. Neither a common social class, nor religious affiliation, nor a place of residence could prevent the existence of internal conflict ad intra each stakeholder at the same time that they created sophisticated arguments in support of their respective positions.

Figure 5-1. Cruise ship passing through the Gatun Locks. The road that is obstructed by the ship is the only one that connects both sides of the Panama Canal in the Atlantic side.
Figure 5-2. Drawbridge across the Gatun Locks. Gatun, Colón.

Figure 5-3. Deforestation at the margins of the Indio River due to ranching.
Figure 5-4. Deforestation in the surroundings of Limon de Chagres from Cerro Las Marías.

Figure 5-5. Pluvial terminal in Limón de Chagres.
Figure 5-6. View of the Center of Limón de Chagres from Cerro Las Marias.

Figure 5-7. Publicity for the referendum in Panama City, October 2006
Figure 5-8. Publicity billboard for the referendum Panama City, October 2006

Figure 5-9. Publicity Billboard in Panama City: October, 2006
Figure 5-10. Publicity during the referendum

Figure 5-11. Advertisement in favor of the expansion of the Panama Canal.
Figure 5-12. Ironic cartoon against the workers threatening to work against the expansion of the Panama Canal. El Panama-America: June 12th, 2005.

Figure 5-13. Cartoon alluding to the threat of a negative vote at the referendum. La Prensa: June 12th, 2005
Figure 5-14. Headline of the Panama America, regarding the first reaction of the peasants after the approval of Law 44.

Figure 5-15. Collage of newspaper headlines and articles about the protests of the peasants in Panama City in 2003.
Figure 5-16. Demonstration of the CCCE at the Administration Building of the ACP. November 2002.

Figure 5-17. Demonstration of the CCCE at the ACP Administration Building.
Figure 5-18. Flier distributed by the CCCE depicting a peasant’s hat floating on the water as a symbol of the consequence of the possible flooding of their lands by the ACP.
Figure 5-19. Front page of the Document about the Democratization of the Decisions regarding the Panama Canal. Pastoral Social-Caritas. Panama, 2002.
CHAPTER 6
CONCLUSION

The role that Panama has played for almost five centuries as an area of transit for the benefit of extra-regional commercial and military powers is the result of its geographic and ecological endowments, which also made possible that this country were selected for the construction of a series of transport megaprojects since the middle of the 19th century. Within Panama, the political and economic elites produced and promoted a series of discourses, which heralded that the construction of such megaprojects will bring prosperity and development to this country. However, these megaprojects tended to benefit primarily to international agents and the Panamanian elite and set the base for the structural economic inequality that for generation has characterized the Panamanian society. For this reason, these megaprojects became ambivalent national signals of hope and disappointment. This reality has been reached its climax during almost all the 20th century when the Panama Canal was built and controlled by the United States, its main beneficiary.

As soon as Panama achieved the control of the waterway at the beginning of the 21st century, the administration of the Panama Canal, known as the Panama Canal Authority (ACP), developed an entrepreneurial culture that oriented to function of the waterway as a profit driven business. This orientation has affected the relationship of the Panama Canal with its clients and its Panamanian context. However, the reality of the oligopsonistic relationship of the Panama Canal with its clients, as well as the economic dependence of Panama on the waterway and its related activities, has put the waterway and the whole country in a permanent vulnerable condition. For this reason, according to the ACP and the economic groups that are benefiting from the canal, its profitability seems to be at risk in the long term in case the waterway does not adapt itself to the new trends in maritime shipping and containerization.
The ideological negotiation of the international maritime trends, their demands on the Panama Canal, and the reality of local communities in Panama were promoted and reinforced by the ACP through the promotion of the discourse of national development. I consider that this negotiation was based on an implicit logic that I summarize as follows: what is good for the international maritime trade is good for the Panama Canal, and what is good for the Panama Canal is good for Panama. The evidence presented in the previous chapters indicates as well that the study of discourses and actions deployed by the different stakeholders in the promotion and critique of the expansion of the Panama Canal and its watershed is a complex issue with a wide variety of implications and consequences.

The economic and political agents that framed the project of expansion of the Panama Canal in terms of development are not exempt from ethical implications. In this regard, the informative factor is critical. Concrete actions of the ACP such as the public submission of insufficient, irrelevant, or partially true information to the affected people; and the use of power based on economics, politics or knowledge advantages in order to diminish the validity or impact of alternative or critical opinions are also similar to attitudes criticized in projects in other parts of the world (CIACAL 2002, Hobart 1993, Scott 1998). The use of the mass media, political influences, economic resources, etc. seemed to be oriented to present a partial and biased reality that denied or neglected its complexity and contradictions in the implementation of the expansion of the Panama Canal. Moreover, this framing of the reality kept linking the prospective of national development to the activities of the Panama Canal without addressing the need to develop a more diversified economy. In this regard, the social responsibility of the Panamanian government and the ACP in promoting a project that reinforces the already high economic dependence of the country on the transit activities has to be addressed.
When analyzing the ethical validation of the coherence of discourse and practices in the promotion and implementation of megaprojects, the project of expansion of the Panama Canal presents several issues worthy of concern. The first one is the way in which the definition of the expansion of the new watershed of the Panama Canal was made and discussed openly in the National Assembly, as was presented in chapter 3. Despite the fact that the minutes of the discussion preceding the approval of Law 44 proved that the reason for such a law was the creation of new lakes, the officers of the ACP tended to deny any allegations made by the peasants about this issue. I was present in several conferences and events where the representatives of the ACP disqualified the claims of the peasants regarding the lakes as false and without foundation. I also was present in several public forums where the representatives of the ACP refused to participate if the member of the CCCE were present.

Another example was found in the minutes of the ACP’s Board of Directors that alluded to the definition of the terms of the discussion about the expansion of the Panama Canal. In these minutes we have found specific suggestions for the framing of a discourse regarding the expansion of the waterway in terms that could be appealing to the public. The fact that the ACP set up secret financial reserves for the expansion of the canal without official authorization and several years previous to the approval of this project in the referendum held in 2006 was criticized as well. Additionally, the insistence on the implementation of the project despite the lack of an environmental or final financial assessment, are other ethically questionable issues (Illueca et al 2006a).1

1 Independent groups like the Frente Nacional por la Defensa de la Soberania (FRENADESO) and the independent Panamanian electronic analysis journal Haciendo Camino, have been collecting and publicizing the minutes of the ACP in order to make public the inconsistencies between the private decisions of the board of directors of the ACP and what was said in public. For a more detailed knowledge of the content of the minutes, see: http://www.nodo50.org/caminoalternativo/canal/116.htm, last accessed, July 29, 2007.
A crucial element that engulfs all the previous considerations is the fact that, up to the moment this analysis was written, Panama lacks of a national development plan that ensures the adequate use and distribution of the incomes produced by the waterway in economic and social activities that could reinforce new alternatives of social and economic development without compromising the preservation and protection of additional ecological resources.

The control of critical information was also part of the reality I experienced in 2006 when collaborating in the preparation of a documentary about the expansion of the canal. I was part of an interdisciplinary team formed by a journalist, a human geographer, and a film maker who were collaborating in producing a documentary about the expansion of the canal that was intended to present different opinions about the project from peasants, engineers, politicians, officers of the ACP, and economists. The original idea was that the documentary would be broadcast on national television before the national referendum of October 22, 2006. The intention of the producer was to contribute to the delivery of more information about the project in order to help people to consider their vote at the referendum. Unfortunately, the different TV stations that originally offered to transmit the documentary, told the producer that they would not present it because it included information that was too critical of the project. One TV channel finally acceded to broadcast the documentary under the condition that it be presented several months after the referendum, probably before July 2007.

The presence of a movement like the Coordinadora Campesina Contra los Embalses (CCCE) marked an important episode in the history of Panama as long as the actions of this movement questioned the hegemonic discourse on national development centered in the Panama Canal. This criticism, resulting from the threat that the expansion of the canal imposed on peasant lands, and their awareness of their rights as citizens, was the base of wider reactions
from other social agents against the rationality of development centered on the canal. The CCCE claims were framed as an issue of social justice and not as the result of an explicit ecological concern. The political opportunities that were opened in Panama thanks to the dismantling of the military regime that controlled the country for almost twenty years set the base for a more active social reaction of movements like the CCCE. Additionally, with the support of important sectors of the Catholic Church, this movement got an important ally that contributed to the national exposure of their claims.

As the case of the anti-Dam Movement in Southern Brazil (Rothman & Oliver 2002), the CCCE triggered a process that began as a mere local mobilization against the proposed flooding of their land that later, with time and extended communication among neighboring communities, and as with the opening of new political spaces of civic actions they, developed alliances with other agents that supported their cause in the national scenario. As it was common in other experiences, especially in Latin America, the Catholic Church became an important supporting actor that provided, in certain cases, the structure of mobilization that made possible the consolidation of these movements (Edelman 1999, pp. 115-116, Gjording 1991, pp.223-246).

Like the case of the Gnobe of the mountains of Chiriquí, Panama, and the movement of the Quichua, Achuar, and Shiwiar Indians of the Ecuadorian Amazon (Sawyer 2004), the peasants of the mountains of Colón, Coclé and Panama join the list of rural and indigenous residents that dared to challenge the demands of global capitalism.

However, the CCCE diverged from the so called new social movements in terms of their lack of direct contact and networking with other international or global agents. Its dependence on the support of the Catholic Church became its main strength but also its main weakness as long as the policy of this church in Panama regarding social movements changed of perspectives...
and priorities. However, the undeniable support of the religious establishment was a pivotal element that increased the possibility of articulation of the local movement at a national level.

As other groups began to have more visibility in the media, the presence of the CCCE became less noticeable, maybe because their claims were more focused on their specific needs. At the same time, this group was almost neutralized after the declaration made by President Torrijos on April 24, 2006, who, interested in reducing the possible focus of social tensions that this group represented and that could affect the outcome of the referendum, announced that the final proposal of the expansion of the Panama Canal excluded the possibility of building new lakes and that he will submit to the National Assembly a draft of a new law that will derogate Law 44 (Abad 2006).

In fact, on June 21, 2006, the National Assembly approved Law 20 that derogated the Law 44 of 1999, the one that expanded the Panama Canal watershed to the areas where the members of the CCCE were residing. With this action, the objective of the CCCE was achieved in the short term. It has to be noticed that, even though the annulment of Law 44 supposedly removed the cause of resistance of the peasants, it could be argued that this was a temporary move to reduce opposition to the project of expansion of the Panama Canal previous to the referendum of 2006. Ongoing dynamics have to be observed in perspective in order to evaluate future developments. In fact, as I have seen in Limon de Chagres, there is a growing tendency among the new generations of residents to move to the cities, simultaneously with the growing immigration of the Santeños ranchers. The problem of deforestation in the area is far from being solved. Despite Law 44 was annulled, the concessions granted by the National Authority of Public Services to build dams in the area are still legal. These factors and the acknowledgement made by high officers of the ACP and the Inter-institutional Commission for the watershed that
any dam project will be built in the area in no less than ten or fifteen years, leave open the possibility that the issue that created the discussion we have presented here, will revive. However, the events presented in the near context demonstrated the level of relevance of the claims made by the peasants, and how their concern became an issue that had to be considered as a threat to the successful implementation of the government and ACP agendas.

The mass media played a decisive role in the confrontation of agents with different levels of power and rationalities that were exposed in the national debate about the expansion of the Panama Canal. The use of discourses and images as well as the implementation of a series of activities that tried to persuade the Panamanian public of the validity and legitimacy of the claims of each stakeholder was a creative and varied showcase of the means of how they articulate their stand and exposition in the public arena.

Even though the enormous difference of power, influences, international references and technical and economic resources foretold the inevitable imposition of the total agenda of the ACP on the rest of the country, the resistance actions of the CCCE influenced the definition of a new alternative for the expansion of the waterway that excluded the control and flooding of areas under the control of the protesting peasants, at least at the short term. A decisive factor in this process was the articulation of a wide array of agents that joined voices with the peasants and the consequent reposition of strategies, discourses and actions of the different stakeholders.

Even though the result of the national referendum held in October 22, 2006 confirmed my contention that the ACP had defined in advance the decision to expand the canal, it also confirmed the reality of the impact of apparently powerless social movements in transforming institutional and national policies using rudimentary and less sophisticated resources. Despite

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2 Cf. Chapter 2, pages 159-160.
the fact of the high percentage of votes favorable to the expansion of the waterway, more than sixty percent of the total voters did not participate in the referendum. This puts a question mark on the persuasive power of the mass media at the service of the promoters of the project, and confirms the implicit and troublesome ambivalence in Panama on the topic of the expansion of the waterway and the promises of benefits to the whole society. In any case, the articulation of local forces under the premises of social justice could put a provisional challenge to the expansionary consequences of global capitalism despite the fact of the overwhelming Panamanian historical, economical and ideological dependence on the Panama Canal.

The Panamanian case presented here also puts in evidence the limitations that still are present in so called democratic societies when the decision making processes are monopolized by a specific sort of rationality, mainly economic, and where elements of political and economic establishment are reluctant to dialogue with other rationalities.
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BIOGRAPHICAL SKETCH

Martin Renzo Rosales was born in Colon City, Republic of Panama. He received a BA in economics from the University of Panama in 1989, and an MBA from the Universidad Centroamerica Jose Simeon Cañas in San Salvador, El Salvador, in 1994. He studied theology at the same university. He has experience working with young community leaders in El Salvador, Nicaragua and Honduras, and has worked as instructor for high school students in El Salvador and inmates in several jails of Puerto Rico. After being ordained a priest of the Society of Jesus in 1998, he has worked with peasants and Garifuna communities in the department of Colon, Honduras. He did doctoral studies in anthropology at the University of Florida.