



Panama's mining dilemma: balancing economic growth with environmental and social costs - First Quantum Minerals case

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ABSTRACT

Title: Panama's mining dilemma: balancing economic growth with environmental and social costs: First Quantum Minerals case.

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Keywords: Sustainable development; Human Rights; Activism; Social Trust; Social Justice; Perceived Justice; Mining Industry; Open-pit mining.

This thesis investigates the impacts of large-scale mining, particularly the FQM case, on Panama's pursuit of sustainable development. It examines how open-pit mining practices have affected the environment, human rights, and the well-being and social trust of the Panamanian population.

This dissertation analyzes the consequences of mining, including deforestation, water pollution and ecosystem disruption since this mining was the biggest one in the Central American region and it was located exactly in part of the Mesoamerican Biological Corridor. It explores the social impacts, focusing on concerns over social justice, community displacement, and the erosion of social trust. The role of activism in raising awareness and advocating for perceived justice will be examined by analyzing data from specific reports, media documents, and interviews with key stakeholders to explore deeply allegations, community reactions, and the impact on social trust and its negative consequences.

Through this case study, students have an opportunity to explore and discuss the concept of Social Justice and Perceived Trust. The main outcome of the study confirms that there were legal failures, lack of citizen inclusion.

SUMÁRIO

Título: O dilema da mineração no Panamá: equilibrar o crescimento económico com os custos ambientais e sociais: o First Quantum Minerals caso.

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Palavras-chave: Desenvolvimento sustentável; Direitos Humanos; Ativismo; Confiança Social; Justiça Social; Justiça Percebida; Industria de mineração; Mineração a céu aberto.

Esta dissertação investiga os impactos da mineração em larga escala, particularmente o caso da FQM, na busca do Panamá pelo desenvolvimento sustentável. Examina como as práticas de mineração a céu aberto afetaram o meio ambiente, os direitos humanos e o bem-estar e confiança social da população panamenha.

Este trabalho analisa as consequências da mineração, incluindo desflorestamento, poluição da água e perturbação do ecossistema, uma vez que esta mineração foi a maior da região da América Central e estava localizada exatamente em parte do Corredor Biológico Mesoamericano. Explora os impactos sociais, com foco nas preocupações com a justiça social, deslocamento da comunidade e erosão da confiança social. O papel do ativismo na sensibilização e defesa da justiça percebida será examinado através da análise de dados de relatórios específicos, documentos da mídia e entrevistas com partes interessadas chave para explorar profundamente as alegações, reações da comunidade e o impacto na confiança social e suas consequências negativas.

Através deste estudo de caso, os alunos têm a oportunidade de explorar e discutir o conceito de Justiça Social e Confiança Percebida. O principal resultado do estudo confirma que houve falhas legais e falta de inclusão do cidadão.

ACKNOWLEDGEMENTS

Developing this thesis on such sensitive topic involves me not only as a Panamanian citizen but as a global citizen who is more aware of what justice really entails. I am extremely proud to share this case that could be considered a great example for other countries of how social unity and perseverance achieve justice. Despite Panama is known worldwide for the Panama Canal we have much more to offer as for example our nature and countless sources of sustainable tourism and development.

My exploration of social trust and perceived justice within the context of the Panamanian mining industry, specifically through the lens of the FQM case, marks a significant culmination of my academic journey. This research has been a thought-provoking and enriching experience to affirm my values and desire for a world without injustice.

I am particularly grateful to the entire CLSBE community for fostering an environment of academic exploration and intellectual growth. I am especially indebted to my thesis supervisor, Professor Sérgio Moreira, for his insightful guidance and patience.

I could not finish without highlighting my respect and total admiration to the thousands of Panamanians who came out to protest and to the victims of the violence that this scandal caused in Panama. No matter the distance I will always thank them for having fought for the future of our nation. I would like to express my gratitude to all the people who contributed to this research work, especially to Jesús, Ángel and José, for sharing their knowledge and experiences with me. Their valuable contributions helped me to better understand the research topic and to formulate more solid conclusions.

Finally, my heartfelt gratitude goes to my family, friends, and all beloved ones back home for being a constant support and encouragement throughout this important journey, this was not only a sacrifice and challenge for me, but to all of us. To my friends made here in Lisbon (they know who they are), I am thankful for their company which have made my time in Portugal the most meaningful one.

A special message to that young woman who crossed the ocean to follow her dreams:

Jaqui, I am very proud of how you grew up, keep shining, better things are waiting for you.

TABLE OF CONTENTS

- ABSTRACT2**
- SUMÁRIO3**
- ACKNOWLEDGEMENTS.....4**
- TABLE OF CONTENTS.....5**
- LIST OF ABBREVIATIONS.....7**
- LIST OF TABLES8**
- LIST OF FIGURES8**
- 1. INTRODUCTION.....9**
 - 1.1. *Academic and Managerial Relevance9*
 - 1.2. *Problem Statement and Research Questions.....9*
 - 1.3. *Dissertation Structure10*
- 2. LITERATURE REVIEW.....11**
 - Relevant concepts.....11***
 - 2.1 *Corporate Social Responsibility (CSR).....11*
 - 2.2 *Social trust and perceived justice12*
 - 2.3 *Ethics and constitutional governance14*
 - 2.4 *Citizen inclusion and participation.....16*
 - 2.5. *Ethical Theories17*
 - Application in the mining industry19***
 - 2.6. *Mining historical background and types.....19*
 - 2.7. *Mining industry globally.....20*
 - 2.8. *Mining industry in Latin America: consequences and reactions.....25*
- 3. CASE STUDY: HOW THE LACK OF SOCIAL TRUST ENDS PANAMA’S MINING INDUSTRY28**
 - 3.1. *FQMs’ CSR strategy28*
 - 3.2. *Panama’s mining beginning and historical background.....29*
 - 3.3. *Chronological development of the events30*
 - 3.4. *Reaction of the population33*
 - 3.4.1. *Economic impact.....34*
 - 3.4.2. *Mining moratorium and mine closure.....35*
 - 3.4.3. *Environmental disaster alert, uncertainty, and risks35*
 - 3.4.4. *Perceptions and main findings36*

4.	TEACHING NOTES	38
4.1.	<i>Case Synopsis.....</i>	38
4.2.	<i>Learning Objectives</i>	39
4.3.	<i>Suggested Teaching Material.....</i>	40
4.4.	<i>Suggested Discussion Method and Questions</i>	41
5.	CONCLUSIONS	46
5.2.	<i>Mining activity in Panama: FQM case</i>	46
5.3.	<i>Limitations and Future Research.....</i>	48
	REFERENCE LIST	49
	APPENDIX	53
	<i>Appendix 1 Methodology.....</i>	53
	<i>Appendix 2 Illustrations</i>	65

LIST OF ABBREVIATIONS

Corporate Social Responsibility	CSR
First Quantum Minerals	FQM
Environmental, Social and Governance	ESG
Free, Prior, and Informed Consent	FPIC
World Wildlife Fund	WWF
Supreme Court of Justice	CSJ

LIST OF TABLES

Table 1. Role of governance in the mining industry: balancing interests.....	15
Table 2. Ethical theories related to the mining industry.	18
Table 3. Examples of mining activity cases in African countries.....	24
Table 4. Suggested discussion description.....	41
Table 5. Structure of the teaching notes.....	42
Table 6. Overview of interviewed Panamanians.....	53
Table 7. Interview to Jesús Sevillano.....	57
Table 8. Interview to Angel Luis Garay.....	60
Table 9. Interview to José Isaac González.	64

LIST OF FIGURES

Figure 1. Key principles for ethical mining.	15
Figure 2. PITA mechanisms.....	16
Figure 3. Types of mining techniques.....	19
Figure 4. Mining situation in Panama.	65
Figure 5. Collage – aerial view of the FQM’s mining project in Panama.	65
Figure 6. Collage – Panamanian population protesting mining.	66

1. INTRODUCTION

1.1. Academic and Managerial Relevance

“We need open and transparent dialogue between communities, businesses, and the government to build trust and find sustainable solutions.”

Yarelis Franco, Panamanian indigenous leader.

Over the past two decades, the concept of social trust in the context of infrastructure projects has been explored from the perspectives of economics, psychology, anthropology, philosophy, and history (Verducci, 2010). Currently, there is also an interest in understanding how cooperation is fundamentally a matter of trust. While it is true that governments play an essential role as the main generators of social trust for their people, citizens increasingly demand greater participation in decision-making. In Latin American nations, due to various factors, there has been a decline in the level of trust that citizens place in their governments, be it due to system failures, corruption, lack of representation, and regulations (Cáceres, 2020).

This dissertation provides an analysis of some ethical theories that apply to the mining industry according to their positive and negative impacts not only in the society and communities, but also in nature to really understand the balance of this. In addition, it also contains information on concepts related to government ethics and the role of citizen participation.

1.2. Problem Statement and Research Questions

This dissertation analyzes the FQM closure case in Panama, focusing on the government's actions and the resulting public discontent. Specifically, it examines how a lack of citizen participation in decision-making processes can erode social trust and perceptions of justice. This case study serves to bridge the gap between existing research on these concepts and the lived experiences of the Panamanian population. Robert D. Putnam's "The Erosion of Social Capital in Collective Action" (2000) delves into the critical relationship between citizen participation and social trust. His study explored how opportunities for citizens to engage in decision-making processes, such as community meetings, volunteering in local organizations, or involvement in civic groups, contribute to building social capital.

In order to prepare the case study this research focuses on the Panamanian mining industry, particularly FQM's performance and recent events. By analyzing these factors, the study aims to determine if public distrust caused the population's reaction and how this will affect Panama's future relationship with the mining sector.

Hence, this dissertation combines primary research on different opinions shared on local and international media sources, existing articles, and comments made by social leaders and activists. Accordingly, this present research aims to answer the following questions:

- How has large-scale mining in Panama, specifically focusing on the FQM case, impacted the environment, and well-being of the Panamanian population?
- What was the contribution of the government of Panama to manage the FQM case?
- What was the influence of government actions on the communities responses?
- Is it possible to restore legitimacy and reputation after misconduct?

1.3. Dissertation Structure

This dissertation is structured into five chapters. The first chapter is the present introduction. In the following chapter, the Literature Review, it is presented a formal review of the exiting scientific literature and concepts regarding CSR, Social Trust and Perceived Justice, Ethics and Constitutional Governance, citizen inclusion and participation, finally relevant applicable concepts in the mining industry and a summary of mining cases already happened globally and in other Latin American countries highlighting how their specific locations and communities where affected. The third chapter refers to the FQM case in Panama and main details of the facts. Chapter four -Teaching Notes- includes instructions and suggested teaching method to a potential case discussion. To finish, the last chapter shows the main conclusion of this dissertation, limitations, and points to be considered for future research. Interviews and dialogues carried out with activists, and respective methodology applied, can be found in the Appendix.

2. LITERATURE REVIEW

For better understanding this section will be divided into two parts. The first one will consist in the proper detailed explanation of relevant concepts and the second one about the application of the mining industry where a general overview will be provided.

Relevant concepts

2.1 Corporate Social Responsibility (CSR)

According to the EU Commission, Corporate Social responsibility is “the responsibility of enterprises for their impacts on society”. Respect for applicable legislation, and for collective agreements between social partners, is a prerequisite for meeting that responsibility. To fully meet their corporate social responsibility, enterprises should have in place a process to integrate social, environmental, ethical, human rights and consumer concerns into their business operations and core strategy in close collaboration with their stakeholders, with the aim of identifying, preventing and mitigating their possible adverse impacts and maximising the creation of shared value for their owners/shareholders and for their other stakeholders and society at large (Commision, 2011).

Focusing on the mining sector, ideally, a good CSR policy should prioritize environmental responsibility, community engagement, fair labor practices and transparency and accountability. It is not a secret that this sector faces a significant challenge in crafting a strong CSR strategy. However, the mining industry's CSR efforts are often perceived with skepticism (Slack, 2012). Critics argue that many companies engage in "greenwashing" - creating a facade of environmental and social responsibility without making substantive changes. This perception exists for a few reasons. Firstly, the focus often seems to be on public image rather than addressing core issues. Secondly, critics argue that the benefits of mining often flow disproportionately to corporations, while local communities face environmental burdens and limited economic gains. Finally, a lack of transparency around decision-making processes and limited access to information about environmental and social impact assessments fuel distrust (Bowen, 2014).

2.2 Social trust and perceived justice

Social Trust

Social trust refers to the degree to which individuals in a society believe that others will act in a reliable, honest, and cooperative manner, based on commonly shared norms and values. It involves the expectation that others will not exploit vulnerabilities or engage in behavior that is harmful to the common good (Bradach and Eccles, 1989; Imed Chkir, 2023).

Americas Society carried out a study to analyze the mining conditions in Latin America sharing the following statement: “In recent years, mining conflicts have increased, affecting and deteriorating social perception and increasing rejection of this activity due to the significant damage it generates” (QUARTERLY). Some supportive arguments are:

- ***Broken Promises and Unmet Expectations:*** when mining companies fail to deliver on promises of economic benefits or environmental protection, it breeds distrust within communities. This can happen if promised jobs don't materialize, or if environmental regulations are not followed, leading to pollution and health problems.
- ***Lack of Transparency and Communication:*** a lack of open communication between mining companies and residents can be a major trust buster. Communities often feel left in the dark about decision-making processes, fueling suspicion and resentment.
- ***Unequal Distribution of Benefits:*** if the profits from mining primarily benefit large corporations while leaving local communities with minimal gains or shouldering the environmental burden, it creates a sense of exploitation and breaks down trust.
- ***Environmental Damage and Risk:*** mining can have a significant impact on the environment, including air and water pollution, deforestation, and land degradation. This can lead to health problems, loss of livelihoods, and a general feeling that the industry prioritizes profits over the well-being of the community.
- ***Corruption and Broken Regulations:*** if there's a perception that mining companies are influencing decision-makers or environmental regulations aren't being enforced fairly, it destroys trust in institutions and the industry.

Perceived justice

People are more willing to accept decisions when they feel that those decisions are made through decision-making procedures they view as fair. Studies of procedural justice judgements further suggest that people evaluate fairness primarily through criteria that can be provided to all the parties to a conflict: whether there are opportunities to participate; whether the authorities are neutral; the degree to which people trust the motives of the authorities; and whether people are treated with dignity and respect during the process. These findings are optimistic and suggest that authorities have considerable ability to bridge differences and interests and values through the use of fair decision-making procedures (Tyler, 2000).

Social justice is defined through the principles of human dignity, common good, solidarity, subsidiarity, universal destiny of things and goods and human labor value, and its purpose is to lead men to create certain conditions that are necessary for his own fulfillment and also of all the others. (Fontana, 2008). John Rawls, in his influential book *A Theory of Justice*, argues for a society built on both liberty and equality (Prep, 2024). Inspired by David Hume, Rawls proposes "justice as fairness." This means everyone deserves fair treatment, including:

- Equal basic liberties like freedom of speech and religion.
- Fair equality of opportunity so everyone with similar talents has a shot at success.
- The greatest benefit for the least advantaged; Society should help those who are most behind.

Rawls believed this approach would lead to a just and well-functioning society. It's important to note that Rawls' theory primarily focuses on distributive justice, which deals with the fair allocation of resources in a society. According to the Justice in Mining Network there are other important types of justice, however, as they stated on the Global Action Plan, there's a lot of debate about how the mining industry stacks up against different aspects of justice (Secretariat, s.f.) More explanation below:

- ***Distributive Justice:*** Critics argue that mining profits often enrich corporations while leaving local communities with environmental damage and few long-term benefits.

Frequently arguments for a fairer distribution of wealth generated by mining are questionable.

- ***Procedural Justice:*** This ensures fairness in processes and procedures, for example, having a fair legal system. Many communities impacted by mining projects are left out of decision-making processes. Additionally, concerns exist around the fairness and enforcement of environmental regulations in the mining industry.
- ***Retributive Justice:*** This focuses on punishment for wrongdoing, aiming to maintain societal well-being. Holding mining companies accountable for environmental damage and safety violations is a key concern. Critics argue that current systems are inadequate in punishing wrongdoing and deterring future harm.
- ***Restorative Justice:*** This seeks to repair the harm caused by a crime and restore relationships between the victim, offender, and community. The idea of repairing environmental damage and rebuilding relationships with communities affected by mining is gaining traction. This could involve land reclamation efforts, community development projects, and fostering better communication between mining companies and local populations.

John Rawls' theory of "justice as fairness" emphasizes equal basic liberties, fair opportunity, and supporting the least advantaged. The mining industry's practices are often measured against these principles, highlighting the ongoing debate about how to achieve a just balance between resource extraction and social well-being.

2.3 Ethics and constitutional governance

Government ethics applies to the processes, behavior, and policy of governments and the public officials who serve in elected or appointed positions. The role of government and its officials is to serve the public interest with ethical awareness and ethical actions. When governments serve the public interest and avoid engaging in behavior that promotes any private interests, they are acting for the common good. (Pelissero, 2021). Additionally, government ethics refers to the principles and values that guide the behavior and decision-making of government officials in their roles as public servants (Pruteanu, 2020). It involves the application of ethical principles in providing community services and maintaining the integrity of the government institution (Latif, 2022).

Government ethics is important for ensuring good governance, which is characterized by transparency, accountability, and the responsible use of power. It is also crucial for preventing actions that may negatively impact the community and the reputation of the government. One indication of failure to develop a vibrant ethics infrastructure in institutions is the presence of corruption (James S. Bowman, 2021).

The role of governance in the mining industry is crucial for ensuring ethical practices, upholding constitutional rights, and protecting people. Governance should act both as an intermediary and protector (Table 1).

<i>Intermediary</i>	<i>Protection</i>
Governance acts as a neutral party, balancing the interests of mining companies, local communities, and the environment. They should establish fair regulations and ensure all voices are heard during decision-making processes.	Governance prioritizes the rights and well-being of people over short-term economic gains. They have a duty to uphold constitutional rights, like those concerning a healthy environment and freedom from exploitation.

Table 1. Role of governance in the mining industry: balancing interests.

Effective mining governance is the cornerstone of a responsible and sustainable industry (Bice, 2016). To achieve this, a multi-pronged approach is necessary, addressing transparency, community rights, environmental protection, equitable benefit sharing, and long-term sustainability (Figure 1).

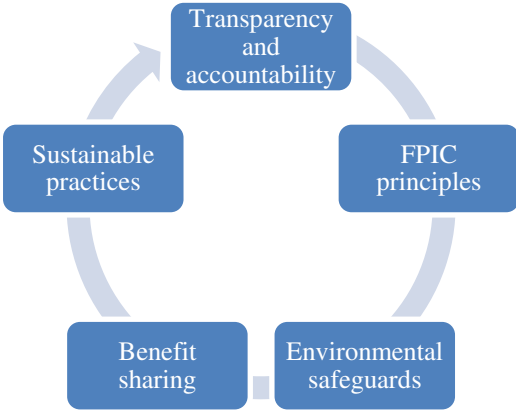


Figure 1. Key principles for ethical mining.

- **Transparency and Accountability:** Open communication and clear regulations are essential. Governance should ensure mining companies adhere to environmental and social impact assessments, making information readily available to the public. Additionally, robust enforcement mechanisms with clear consequences for violations are crucial.
- **FPIC principles:** Indigenous communities and local populations directly affected by mining projects should have the right to participate in decisions and give their consent before projects proceed.
- **Environmental Safeguards:** Strong environmental regulations and enforcement are paramount. Governance should require responsible mining practices that minimize environmental damage and promote land reclamation efforts.
- **Benefit Sharing:** Fair distribution of mining revenue is crucial. Governance should ensure local communities see tangible benefits from mining projects, such as infrastructure development, education opportunities, and healthcare improvements.
- **Sustainable Practices:** Governance should encourage and incentivize sustainable mining practices that minimize waste, conserve resources, and consider the long-term well-being of the environment and communities.

2.4 Citizen inclusion and participation

People feel more fairly treated if they are allowed to participate in the resolution of their problems or conflicts by presenting their suggestions about what should be done. Such opportunities are referred to as process control or voice (Tyler, 2000). Failures in governance lead to the exclusion of large portions of society from public services and to waste, fraud, and corruption. Interventions promoting citizen engagement in public service management involve participation, inclusion, transparency, and accountability, known by PITA mechanisms (Waddington, 2019), (Figure 2):

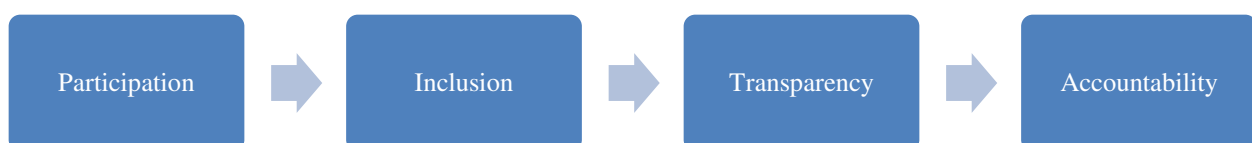


Figure 2. PITA mechanisms.

- **Participation:** The intervention promotes or formalizes continuous citizen input in the design and implementation of public services, processes, or policies. Participation interventions create specific opportunities or processes for citizens to provide meaningful input into public policy or strategy design and planning.
- **Inclusion:** The intervention includes strategies to promote the opportunities and capacities of marginalized and vulnerable groups such as women, ethnic minorities or lesbian, gay bisexual, transgender, and intersex (LGBTI) people to engage with the management of public institutions and service providers.
- **Transparency:** The intervention involves the disclosure and/or dissemination of information about rights of public service users, to promote participation, and/or performance of public service providers, to promote accountability.
- **Accountability:** The intervention encompasses monitoring and soft/social accountability mechanisms to encourage or actively hold individuals, public service providers and institutions responsible for executing their powers and mandates according to a certain standard. Accountability interventions create opportunities or processes for constituents to monitor the government and public service providers.

The repercussions of failures of governance – the processes and manners in which people implement policies and programs – are well documented: exclusions of large portions of society from public services is correlated with violent conflict, while fraud and corruption lead not only to wasted investments but to negative impacts on people's quality of life. Interventions aiming to strengthen governance operate across three domains: between the state and citizens; between the state and service providers; and between citizens and service providers (Waddington, 2019).

People are primarily interested in sharing the discussion over the issues involved in their problem or conflict, not in controlling decisions about how to handle it. In fact, people often look to societal authorities to make decisions about which legal or managerial principles ought to govern the resolution of their dispute. In other words, they expect societal authorities to make final decisions about how to act based upon what they have said (Tyler, 2000).

2.5. Ethical Theories

The situation raises questions about how best to balance economic development with the

well-being of people and the environment. Industrial mining is characterized by its large-scale environmental and socio-economic impact. The desire to mitigate these impacts has given rise to theoretical and political debate around the exploitation of natural resources (Domínguez & Gómez, 2021). Some ethical theories that can be applied to this sector are summarized below (Table 2).

THEORY	CREATOR	DESCRIPTION
UTILITARIANISM	Developed by Jeremy Bentham and John Stuart Mill	This theory focuses on maximizing overall happiness or well-being. In this case, a utilitarian might weigh the economic benefits of mining jobs and resource extraction against the harm to local communities and the environment. They would choose the option that creates the greatest good for the greatest number of people. However, critics argue utilitarianism can disregard the rights and well-being of minorities, like indigenous communities.
DEONTOLOGY	Formulated by Immanuel Kant	This theory emphasizes following moral duties and respecting fundamental rights. From this perspective, the rights of indigenous people to their land and way of life should be respected, even if it hinders economic development. However, deontology might struggle to address the needs of broader society that might benefit from the resources.
SOCIAL CONTRACT THEORY	Associated with thinkers like Thomas Hobbes and John Locke	This theory suggests that moral principles come from a hypothetical agreement on rules that benefit everyone in society. In this context, the question becomes: what rules would rational people agree to regarding resource extraction? These rules might involve fair compensation for communities, environmental regulations, and protections for indigenous rights.

Table 2. Ethical theories related to the mining industry.

Application in the mining industry

2.6. Mining historical background and types

Mining is one of the oldest human activities, dating back to prehistoric times. The earliest forms of mining were simple surface mining operations. Miners would use picks, shovels, and other hand tools to extract materials from the ground. As technology improved, miners began to develop new techniques for extracting materials from deeper underground deposits (Mero, 2024). The Industrial Revolution led to a significant increase in demand for metals and minerals. This spurred the development of new mining technologies, such as steam-powered drilling rigs and explosives. These new technologies made it possible to extract materials from greater depths and in larger quantities. Today, mining is a global industry that employs millions of people. Modern mining operations use a variety of techniques, including surface mining, underground mining, and solution mining. These techniques allow us to extract a wide variety of materials, from metals and minerals to coal and oil (Figure 3).

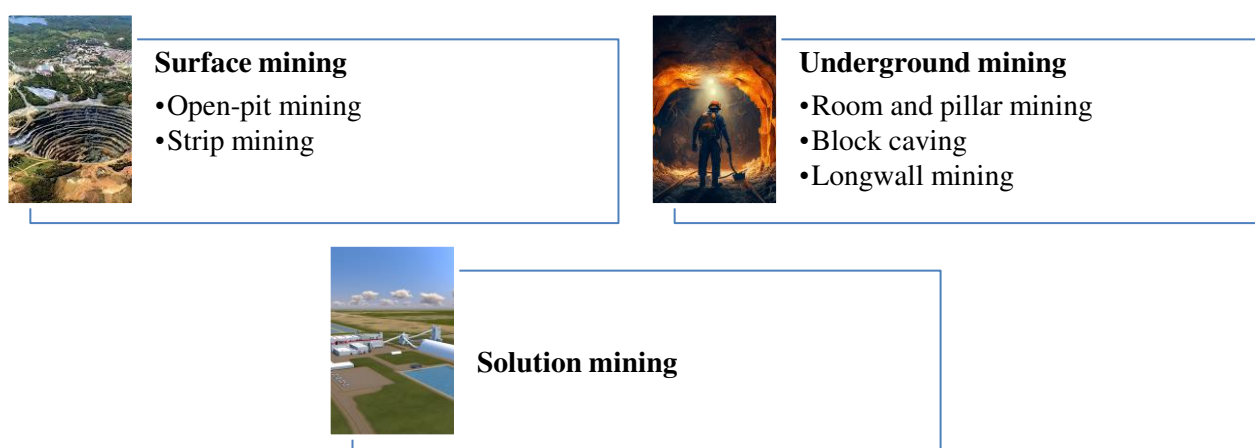


Figure 3. Types of mining techniques.

- **Surface mining** is the process of extracting materials from the ground's surface. This can be further divided into two subtypes:
 - **Open-pit mining:** involves creating a large, open pit in the ground to extract minerals or rock. This is the most common type of surface mining and is used for materials that are relatively close to the surface, such as coal, sand, gravel,

and limestone.

- **Strip mining:** involves removing long, narrow strips of land to extract minerals that are located in layers close to the surface. This type of mining is commonly used for extracting coal.
- **Underground mining** is typically done through tunnels and shafts. Underground mining is more expensive than surface mining, but it can also be less disruptive to the environment. This technique is commonly used to extract gold, copper, lead, zinc, nickel. Some examples are room and pillar mining, block caving mining and longwall mining.
- **Solution mining** is a process that involves dissolving minerals out of rock formations using a liquid solution. This process is typically used to extract minerals such as uranium and copper that are soluble in water.

2.7. Mining industry globally

CRS and development have had a rocky history in the mining industry. At the international level, since the 1992 United Nations Conference on Environment and Development in Rio, the mining industry has moved to reorient itself through a series of global initiatives which elaborate ways mining can and does contribute to sustainable development (Frederiksen, 2018).

Since the exploration, extraction, and processing associated with mined materials can negatively impact human rights and the environment on which people depend, the Initiative for Responsible Mining Assurance (IRMA) envisions a world where the mining industry respects the human rights and aspirations of affected communities; provides safe, healthy, and supportive workplaces; minimizes harm to the environment; and leaves positive legacies. The IRMA DRAFT Standard for Responsible Mining and Minerals Processing 2.0 (DRAFT Standard 2.0) provides an internationally recognized shared definition of what constitutes best practices in social and environmental responsibility for mineral exploration, extraction, and processing. The Standard serves as the basis for a comprehensive system that is intended to create transparency into mining's impacts, and to improve practices across supply chains through independent verification, involving all the stakeholders. From the mining companies, purchasers, communities, labor unions, employees, governments, to the investors (Assurance, 2023).

Strategically important for the competitiveness of the industrial sector and essential for populations' wellbeing and economic development, mineral resources are at the basis of modern societies. Many of the Sustainable Development Goals (SDGs), set by the United Nations for 2030, could not be reached without the contribution of minerals and metals, which are fueling the manufacturing sector and creating jobs and value added along the supply chains of material goods. At the same time, the production of mineral raw materials can generate negative environmental and social impacts, constraining the achievement of other sustainable development goals (e.g., climate action, good health, clean water; Sala, 2018).

The "Extracted Forests: Unearthing the Dark Side of Mining" report, made by WWF, sheds light on the devastating impact of mining on the world's forests. While mining is already recognized as a major driver of deforestation, the report exposes a far more alarming truth. When we consider the hidden costs – the construction of roads and settlements for miners, the surge of agriculture around these new communities, the inevitable water and soil contamination, and the explosion of illegal logging that often accompanies mining – the true impact becomes staggering. The report reveals that mining contributes to deforestation in a staggering third of the world's forests. (Moritz Kramer, 2023).

For instance, a whopping 85% of the environmental damage caused by mining to obtain resources for the European Union occurs outside of Europe's borders. The report further highlights that some regions bear the brunt of this destruction and over a third of all deforestation caused by mining in the last two decades has occurred in just the last five years. This trend is expected to continue unless significant changes are made. But the report also sheds light on the social costs of bad mining practices. Indigenous communities, who have stewarded these lands for generations, often see their ancestral territories destroyed by mining expansion and ore processing. The report exposes the human rights violations that can accompany irresponsible mining. (Moritz Kramer, 2023).

By bringing these issues to light, the WWF report hopes to arm governments and companies with the knowledge they need to tackle this crisis. The message is clear: the metals we rely on come at a steep environmental and social cost. "We need these metals," says Tobias Kind-Rieper, a WWF expert on mining, "but the way we extract them is ravaging ecosystems.

Governments and companies must act now to increase transparency in mineral supply chains, Panama's mining dilemma: balancing economic growth with environmental and social costs - First Quantum Minerals Case

reduce our reliance on virgin resources, and find ways to reuse existing materials." (Moritz Kramer, 2023).

More than 60% of people who live in poverty are living in countries that have valuable and abundant natural resources like oil, gas, and minerals. But in a tragic contradiction, most of these citizens rarely share this wealth. Mining can provide jobs, investment in community development projects and increased economic activity, but mining processes can also harm the surrounding environment by destroying land and biodiversity, creating toxic chemicals, and causing water and air pollution (Australia, s.f.).

It is difficult to estimate the number of mines worldwide, but the International Labor Organization estimates that 1.5 million people are employed in mining in developed countries, and 2.2 million in developing countries. According to the World Bank, mining is carried out in 100 countries and is a major part of the economy in 50 of these. (FROST, 2015).

To tackle the serious consequences for health and environment problems, a new ISO team is at work to develop international standards for mine reclamation management. Its aims include helping to minimize the potential long-term damage from mining activities, enhancing the quality of life of people who live near mines, and providing a framework for better relationships between the mining industry and local residents. The first standard is targeted for publication in 2018. Nine countries are participating in the work: Australia, Canada, Chile, China, France, Germany, Iran, South Korea and South Africa. The team is led by a South Korean, professor Sun Joon Kim, of the Department of Natural Resources and Geoenvironmental Engineering at Hanyang University in Seoul. His work prior to the ISO initiative focused on mining hazards such as soil and water contamination caused by abandoned mines, and technological remedies. (FROST, 2015).

Following, some facts to establish a comprehensive understanding of the global footprint of mining operations:

Cases in Africa

Africa is home to the largest mineral industry in the world, with the continent holding the largest and second-largest reserves of bauxite, cobalt, diamonds, phosphate rocks, platinum-

group metals, vermiculite, and zirconium. In Zambia, the ‘big four’ mines (Barrick Lumwana, FQM Kansanshi, Mopani and KCM) dominate the mining industry. Zambia is Africa’s second-largest producer of copper, after the Democratic Republic of Congo. FQM is reported to be in close conversation with the Zambian government to preserve its partnership, a relationship that the government sees as critical to withstand the economic impact of Covid-19. Copper remains crucial to the economy of Zambia and accounts for 85% of all the country’s exports. (Strachan, 2021). To give more examples of mining practices in the African continent the following table is presented (Table 3).

COUNTRY	DESCRIPTION
NIGERIA	Oil spills are a major problem in the Niger Delta, caused by pipeline leaks and negligence by oil companies. These spills devastate ecosystems, pollute water sources, and disrupt livelihoods in fishing communities. Major oil companies operating in the region include Shell, ExxonMobil, and Chevron.
TANZANIA	Artisanal gold mining in areas like Mwadui has been linked to deforestation, land degradation, and use of mercury, threatening human health and wildlife.
IVORY COAST	Illegal gold mining or "galamsey" is a concern in Ivory Coast. This activity can cause deforestation, pollute water sources with mercury, and endanger wildlife habitats in protected areas.
SIERRA LEONE	Child labor is an unfortunate reality in some diamond mining operations in Sierra Leone. This exposes children to dangerous working conditions and health risks.
SOUTH AFRICA	Acid mine drainage from abandoned gold mines. This is an issue with various companies over a long period contributing to the problem. Holding specific companies accountable is difficult, but some point to Anglo American South Africa (AngloGold Ashanti) as a major historical player.
GHANA	Galamsey (illegal gold mining) by primarily artisanal miners, though some reports suggest involvement of foreign actors bringing in heavy machinery and exacerbating the environmental damage.
DEMOCRATIC REPUBLIC OF	Illegal coltan mining by artisanal miners. This is a complex situation with numerous unregulated artisanal mining groups. While not a

THE CONGO

single company, the global demand for coltan from tech giants like Apple, Samsung, and Sony fuels the black-market activity.

Table 3. Examples of mining activity cases in African countries.

Cases in Asia

The report “Out of Control: Mining, Regulatory Failure and Human Rights in India”, by Human Rights Watch, accuses the Government of India of deficiency in the design and application of fundamental policies in mining practices. Human Rights Watch documented allegations that irresponsible mining operations had harmed the health, water, environment, and livelihoods of hundreds of communities in India. “Mining operations often cause immense destruction when the government fails to exercise adequate oversight,” said Meenakshi Ganguly, South Asia director at Human Rights Watch. (Watch, 2012).

Human Rights Watch found that the Government of India has not ensured that the country's 2,600 licensed mining operations adopt the fundamental environmental and human rights protections under Indian law. These issues are linked and have led to a series of high-level corruption allegations in the mining industry that have rocked India in recent years. The Human Rights Watch report is based in part on interviews with more than 80 people in the states of Goa and Karnataka, as well as in New Delhi, including residents of affected communities, activists, and mining company and government officials. Indian law, like that of many other countries, somewhat confusingly incorporates fundamental human rights protections into regulatory frameworks aimed primarily at mitigating the environmental impacts of mining operations. (Watch, 2012). Other Asian countries facing controversies mining activity related are Myanmar and Philippines. Both countries are dealing with environmental damage, human rights abuses in jade mining and water pollution from nickel mining (Piper).

Developed nations

While not as common, bad mining practices can also occur in developed countries (Salud, 2023):

- Lax regulations: Leading to inadequate safety measures and environmental controls.
- Mountaintop removal coal mining: A particularly destructive practice in the US

Appalachians.

- Long-term consequences: Abandoned mines in Europe and North America can leave behind environmental issues like acid mine drainage.

However, we present specific cases to understand how the legislation of the following countries has managed to innovate so that mines within their territories reduce negative impacts (Salud, 2023):

- **Sweden:** Sweden is known for its open pit mining of iron and other minerals. The country has implemented advanced technologies to reduce environmental impact, such as water recirculation systems and landscape restoration techniques. Additionally, Sweden has made significant efforts to engage local communities and ensure long-term sustainability.
- **Canada:** Canada is also a major producer of open pit metallic minerals. The country has established rigorous environmental regulations and works closely with local communities to ensure that environmental impacts are minimized and economic benefits are provided to surrounding regions.
- **Australia:** Australia is one of the world's leading mineral producers, and much of its production comes from open pit mines. The country has implemented strict environmental regulations to minimize the negative impacts of mining, such as restoring the landscape after mine closures and using advanced technologies to reduce pollution.
- **Finland:** Finland is a major producer of minerals such as nickel and copper, and much of the mining is done in the open pit. The country has applied advanced technologies and sustainable practices to minimize environmental impacts. Furthermore, the Finnish mining industry works closely with local communities and respects rigorous environmental regulations.

2.8. Mining industry in Latin America: consequences and reactions

Canada's mining industry is a global giant, and much of its investment goes south to Latin America. Since the 1990s, Canadian companies have grabbed a bigger and bigger slice of the mining pie there, reaching 35% by 2004. (Webber, 2008).

Latin America is a world leader in the production of silver, copper, rhenium, nitrates, lithium, iodine and other metals and minerals. South America alone has one of the largest mineral reserves on the planet: 65% of the world's lithium reserves, 42% of silver and 38% of copper. Mining activity represents 8.7% of Latin American GDP and according to the World Bank, 30% of global investment in mining is in a Latin American country (Vilnitzky, 2013).

Latin America and the Caribbean boast a quarter of the world's forests and a whopping 40% of its biodiversity. It's also a treasure trove of minerals, holding nearly a third of global copper, bauxite, and silver reserves. Oil, natural gas, and uranium are also plentiful. But mining isn't all sunshine and rainbows. It often forces people, especially indigenous communities, off their land and damages the environment. As mining booms in the developing world, particularly Latin America, Canadian mining corporations, some of the biggest players, are frequently at the center of controversy.

Following, a summary of examples in Latin American countries:

- **Guatemala:** In Guatemala's remote highlands, Mayan Q'eqchi' indigenous communities are locked in a struggle with Canadian corporation Skye Resources. They fear the company's mine will disrupt their way of life and harm the environment.
- **Ecuador:** Ecuadorian activists are fiercely opposing the Junín mining project led by Canadian company Ascendant Copper. They worry about environmental damage and the potential loss of land and resources.
- **Mexico:** The community of Cerro de San Pedro in Mexico is battling Canadian gold mining company Metallica Resources Inc. They're concerned about the mine's impact on their water sources and livelihoods.
- **Bolivia:** A dark chapter unfolded in Bolivia in 1996. The activities of Canadian mining corporation Da Capo Resources (later Vista Gold Corporation) are linked to the "Christmas Massacre" in the Amayapampa and Capasirca mines. Military repression of protests backed by the corporation resulted in the deaths of ten civilians, including two teenagers. This tragedy sparked a wider uprising in Bolivia, with indigenous communities and miners joining forces against the dispossession of their land and resources.
- **Peru:** Peru has become a hotspot for resistance against Canadian mining companies. With over 60 Canadian mining firms operating there, conflicts erupt frequently. Local communities, including miners, peasants, and environmental activists, fight against

land loss, water contamination, unfair labor practices, and the destruction of agricultural land. A prime example is Tambogrande in Piura, where widespread opposition has stalled the expansion plans of Canadian company Manhattan Minerals Corp.

3. CASE STUDY: HOW THE LACK OF SOCIAL TRUST ENDS PANAMA'S MINING INDUSTRY

We recognize our obligation to extract resources responsibly. Our strategy on sustainability and social responsibility is an intrinsic part of everything we do.

Kevin McArthur, FQM committee member (Environment, Health Safety & CSR Committee).

FQM is a Canadian mining and metals company that operates worldwide. It was founded in 1996 by Philip Pascall. Since its inception, the company has grown into a significant player in the mining industry, with operations and projects across several countries, including Zambia, Australia, Turkey, Finland, Spain, Mauritania, among others. In the Latin American region, it has investments in Argentina, Peru and not long ago in Panama. These operations encompass both open-pit and underground mining activities, extracting copper, nickel, gold, and other minerals.

FQM ensures that it is aware that its activities directly affect people and their communities, therefore they have the responsibility that those people and their surroundings can benefit through opportunities in each location such as employment, business development, education, training, and long-term investments such as infrastructure and connectivity. At the same time, they recognize that their actions consume resources and impact the environment. That is why, through their Environment, Health Safety & CSR committee, they claim to work under the ESG performance criteria.

But in recent years, scandals have emerged that surround and question their transparency, environmental footprint, and real social commitment. FQM has been accused of damaging biodiversity, acts of corruption, attacks on human rights and native people, thus calling into question whether it is true that they fulfill their CSR or if it is just an image that they want to sell.

3.1. FQMs' CSR strategy

FQM's CSR policy is based on ISO 14001 standards and according to its website is conducted in an accountable, transparent, and integral manner (First Quantum Minerals , s.f.).

The workers' health and safety are a top priority. The risk management programs work to achieve an objective of zero fatalities and the reduction of risk. FQM ensures all workers are also treated with respect for human rights and dignity. The main objective of their activities in the field of socio-economic development is to improve the quality of life of employees as well as whole communities.

The activities generally include improvement in health care by health facilities and service providers, partnerships with NGOs and governments in fighting HIV/AIDS and malaria on which FQM spends \$5 million annually. Other elements are improvements in local infrastructure like roads, housing, water and electricity supply and sanitation. Support for education and job creation also constitutes an important matter of concern as well as supporting the access of local businesses to development opportunities. Moreover, the company is involved in house building due to the resettlement of two indigenous communities as well as rural electrification in the Cobre Panama region.

The environmental CSR strategy includes maintaining compliance with the host country laws, assessing social risk and conducting a mitigation strategy, auditing of environmental management processes, effective exploitation of natural resources, taking care of biodiversity and strict management of air and water pollution. (Herbert Wirth, 2016).

3.2. Panama's mining beginning and historical background

Panama has a strong mineral endowment of gold and copper, resulting in a rich mining heritage (REDWOOD, 2021). The mining history in Panama began in the pre-Columbian period with the extraction of gold. Later, Panama was the first country on the American continent to be exploited by the Europeans during the Spanish colonial period from 1501 to 1821. Multiple expeditions led to the discovery of Espiritu Santo de Cana, the most important gold mine in the Americas up to that date.

The period of alliance with Great Colombia was characterized by the mining of gold, and manganese mining. During the republican period, there were discoveries of copper porphyries and systematic regional geochemical exploration programs from 1956 to 1982, carried out mainly by the United Nations and the Panamanian government, as well as by private companies. This resulted in the discovery of the giant copper porphyry deposits at *Cerro Colorado* (1957) and *Petaquilla* (1968). This was followed by the exploration and development of modern gold

and copper mines by national and foreign companies (EFE, 2018).

Gold mines were developed at *El Romance* (1990-1998), *Santa Rosa* (1995-1999 with a planned restart in 2020) and *Molejón* (2009-2014), and the *Cobre Panamá* copper deposit began production in 2019. Currently, the country's exploration level is still immature and there is a high potential for the discovery of new deposits. It is important to mention that the mining sector managed to represent 2.5% of Panama's GDP, positioning itself as a major source of investment for the country (EFE, 2018).

3.3. Chronological development of the events

- **Contract 27-A: exploration phase**

The starting point of this controversial story began in 1991 with *Contract 27-A* when President Guillermo Endara accepted that exploration work, which according to reports complied with the parameters established by the Mineral Resources Code of Panama, which grants an exploration contract for 4 years, of which later automatically if the concessionaire of those exploration rights requests the right of extraction and exploitation, the Ministry of Commerce and Industries grants them. (Balladares, 2023).

- **Contract Law No. 9: extraction phase**

It was in 1995, under the administration of President Ernesto Perez, that the rights to "explore, extract, exploit minerals (gold, copper and other minerals)" were granted to the mining company. This decision was approved by the National Assembly as *Contract Law No. 9* on February 26, 1997. (Assembly, 1997).

It is important to mention that during the approval of the exploration contract the mining company operated under the name Geo-Recursos Internacional S.A. which later changed to Minera Petaquilla (this name was the one used during the extraction approval). During this phase, it was the lawyer Juan Ramón Sevillano Callejas, who in 1998, presented the appeal of unconstitutionality of the Mining Contract to the CSJ (Panamá, 2023).

- **Call for environmental impact studies.**

After these events, due to multiple complaints of irregularities, the National Environmental Authority ordered the carrying out of environmental impact studies, but despite the complaints of the residents surrounding the mine, these studies were approved during the presidency of Panama's mining dilemma: balancing economic growth with environmental and social costs - First Quantum Minerals Case

Mireya Moscoso (1999-2004) and the company was able to continue operations without any sanctions.

Under the protection of that contract Law No. 9 of 1997 and the approved environmental studies, in 2005, during the administration of President Martín Torrijos (2004-2009), the construction of the mining infrastructure began. Now known worldwide as the largest open-pit mine in Central America, with the devastation of 5 thousand hectares of forested areas in Cerro Petaquilla in the bowels of the Mesoamerican Biological Corridor, a strip of forests that crosses Central America and is key for threatened wildlife and near local communities and indigenous settlements. Environmentalists say this mine has fragmented the route of critical endangered species such as jaguars and harpy eagles, known as Panama's national bird.

In September 2008, Minera Petaquilla S.A. changed its name to Minera Panamá S.A. At the beginning of 2009, the CIAM PANAMA¹ filed an appeal of unconstitutionality against the 1997 contract law to the CSJ of Panama. Despite the existence of this pending resource and the one done by the lawyer Juan R. Sevillano back in 1998, FQM acquired Minera Panamá S.A. in 2013, during the presidency of Ricardo Martinelli (2009-2014).

- **1st unconstitutional announcement by the Supreme Court**

In 2017, the CSJ of Panama declared the lawsuit, done by the lawyer Juan R. Sevillano, unconstitutional, but the ruling took 4 years to be published in the Official Gazette of the Nation. Meanwhile, in the government of Juan Carlos Varela (2014 - 2019), in December 2016 Minera Panamá operations were renewed for an additional 20 years, that is, until 2037, this was approved by the Comptroller's Office of the Nation and by the Assembly of Deputies. As of June 2019, under the presidency of Laurentino Cortizo (2019 - 2024), the mine continues to operate and export copper.

- **New negotiations**

Finally, after the publication of the CSJ's unconstitutionality ruling in 2021, the government began new negotiations between the Ministry of Commerce and Industries and Minera Panamá S.A. For these negotiations the state invested thousands of dollars in legal fees. Here the government ensures that it made its best efforts to ensure better profits and benefits for the country. But there were many doubts about this because despite the large profits, the

¹ CIAM PANAMA stands for "*Centro de Incidencia Ambiental de Panama*" - Environmental Advocacy Center of Panama.

mine continued to pay less taxes per operation, took over more land, built its own export port, made use of the hydrographic basins destined for the operation of the Panama Canal, among others more worrying facts.

- **Law No. 406: beginning of the social explosion.**

Finally, on September 28, 2023, the Trade and Economic Affairs Commission of the National Assembly recommended several amendments, duly returned to the National Assembly for approval. Here, the National Assembly began its debate and multiple environmental and community organizations denounced to the deputies that the contract harmed national sovereignty. Among the main arguments here is one of the most critical: this contract allowed the multinational to request a ban on overflights over the mine. Additionally, it was warned that the lands of peasants and surrounding residents could be expropriated to expand the concession.

However, it was approved by 47 of 71 deputies as *Law No. 406 of October 20, 2023*, sanctioned by President Cortizo and published in the Official Gazette in a matter of hours that same day. (Guillén, 2023). Thanks to massive protests and the crucial role of digital communication networks, peaceful and artistic demonstrations organized by youth groups, students, labor unions, teachers, health professionals, religious leaders, among many other actors, the government was first able to approve a mining moratorium in Panama. In short, new contracts for resource extraction were not going to be granted and the companies that had started exploration would have to stop operations.

Nevertheless, although it was a great step, it was not the victory that the Panamanians were looking for. There was a lot of uncertainty, fear, and divided opinions. Part of the population asked to repeal the contract but leaving Panama vulnerable to future lawsuits and million-dollar losses, while the other half asked that the CSJ do its job and declare the contract unconstitutional so that the law protects the country. The time factor was what paralyzed the population the most because they wanted a quick response.

Again, the same lawyer, Juan R. Sevillano, went to the CSJ and filed his lawsuit where it was accused that this contract violated more than 25 articles of the Panamanian constitution and law. The following stands out:

- ✚ proportionality between the profits of a company and what the State receives.
- ✚ failure to comply with a public tender.
- ✚ the obligation to protect the environment, life, and human beings.

Among other attempts by Panamanian lawyers, it stands out that they even sent the facts to the Canadian Stock Exchange and the Canadian Embassy in Panama but never received answers. Also, for years ANCON² carried out its work with volunteers and environmental lawyers so that justice was done, by saying this the fact that around another 10 lawsuits were issued to the CSJ.

3.4. Reaction of the population

Panama quickly suffered the largest protests since the 1980s against the military dictatorship. Thousands of Panamanians of all ages and social backgrounds gathered in different parts of the country to protest the government's decision. The road blockades and protests that progressively increased semi-paralyzed the country, generating million-dollar losses in tourism, commerce and, above all, in agriculture and livestock.

Seeking to appease the unrest, Cortizo and Parliament tried to back down, but their erratic decisions, which included a proposed referendum that immediately was denied by the Electoral Tribunal, only deepened the crisis. President Cortizo spoke on national television, after several days without making statements, to defend the contract. “The approved contract law achieves for Panama, among other benefits, safeguarding the 9,387 direct jobs at the mine, with an annual payroll of 357 million dollars,” he said. In addition, he promised that after signing the contract with the mining company, he would adjust the pensions of retirees who earn less than \$350 a month, and he warned the protesters that he would “enforce the Constitution” and clear the streets. The popular response was massive, and the protest continued.

The protesters organized themselves in such a way that many strategic locations were closed, including land fields, main avenue, logistic areas, ports, Panamanian waters, and financial centers. The blockages caused the supply chain to collapse, and FQM's shares fell 50% in less than a week. It was also achieved that the country was under the international magnifying glass and that hundreds of organizations shared the reality that was experienced in the country. Panamanians expressed their disagreement with the poor capacity for environmental oversight of the mine's activity because currently the Ministry of the Environment only audits the reports sent by the mining company. Also, several health experts announced how the water was polluted and the number of kidney diseases around the population

² ANCON stands for “*Asociación Nacional para la Conservación de la Naturaleza*”- National Association for Nature Conservation.

was increasing due to water pollution.

Until 2021, the project accumulated 209 complaints for environmental non-compliance, with penalties exceeding 11 million dollars. Most of the failures have to do with impacts on biodiversity and management of water sources (the mine uses 18,000 liters of water per second from the Caribbean Sea and three rivers in the area, an extraction for which, according to the Ministry of the Environment, did not pay taxes). Another source of conflict in this story is that according to complaints made by specialists, Panama receives little compared to what the mine generates and the multiple benefits and access they have to Panamanian resources.

Among the events, abuse of power and repression by public forces also occurred. Unfortunately, facts such as the use of expired tear gas, as an indiscriminate weapon, to control the crowds. Among the most regrettable events are the death of two teachers and the loss of the young man's sight, a freelance photographer who was participating peacefully in the protests, his name is Aubrey Baxter (Monsalve, 2023). The movements that became viral and powerful on social networks stand out for: '*Panamá vale más sin minería*' (Panama is worth more without mining) and '*El oro de Panamá es verde*' (Panama's gold is green). These movements were created by the Panamanian youth association, '*Panamá, sal de las redes*' (Panama, get out of the networks) (Themes, s.f.), group formed by more than 25 young people and volunteers who organized different rallies to oppose mining in Panama. These movements were quickly supported by the population and their slogans were shouted and used on banners during the protests.

3.4.1. Economic impact

The government has defended the contract, arguing that it will involve minimum annual contributions from the mining company to the State of 375 million dollars, ten times more than the amount of the initial agreement, and that it generates thousands of direct and indirect jobs. That is to say, the closure of operations would have a great impact on the economy of the Caribbean country, especially at a time when the Panama Canal had to reduce ship transit due to the drought. On the other hand, the global financial services firm J.P. Morgan assured that termination of the contract with FQM will mean a climate of lower investment confidence in the country.

The Central American country is the fourteenth largest producer of copper worldwide and

has gained relevance through the promotion of electrical energy as an alternative to fossil fuels. Due to its high conductivity, copper has become a key component in this energy transition, which is why it is estimated that demand will rise 20% by 2035. Automotive companies such as Tesla, as well as renewable energy and electricity companies, already have with Panamanian copper, indicating that if the Cobre Panamá mine were stopped, global mining production would be seriously affected.

Panama will possibly face lawsuits from different mining companies with a presence in Panama, whether in the exploration or extraction phase, due to the moratorium and total cessation of any type of mining activity. As is the case of the Korean company *Korea Mine Rehabilitations* and *Minera Resources Corp. (Komir)*, a company that will seek a dispute settlement agreement with Panama for almost one trillion won (\$747 million). The action seeks to protect its investment in the mine under the Free Trade Agreement between Panama and South Korea (Coriat, 2024).

3.4.2. Mining moratorium and mine closure

"Mining activity, and that project in particular, is totally disproportionate in a small country (74,000 km²), tropical, with very high biodiversity and dependence on ecosystems, vulnerable to climate change and with 52 hydrographic basins," said Lilian Guevara, director from CIAM.

Panama joins, in Central America, Costa Rica and El Salvador in this policy. The moratorium will allow it to stop the processing of 103 mining concessions and reject the extensions of 15 in force, according to the NGO Environmental Advocacy Center (CIAM).

3.4.3. Environmental disaster alert, uncertainty, and risks

The mine no longer exploits, exports, or markets the minerals that were extracted for years. However, the company assures that the abrupt closure of the project represents an environmental disaster. "We are not operating. Everything is stopped, but we cannot leave here until this is environmentally safe," says Minera Panamá's Biodiversity Superintendent, Panamanian Blanca Araúz.

The mining company is now under a "care and maintenance" plan with minimal staff, after receiving a notification on December 6, 2023, from the Ministry of Commerce and Industries of Panama that urges it to "end extraction, processing, benefit, transportation, export and

marketing.” The Government has held meetings to develop a mine closure plan, but so far there have been no official communications from the Executive or FQM about this plan. An unplanned closure would mean serious environmental problems such as water pollution, the collapse of infrastructure and the degradation of the area due to the geography and rainy climate of the country, the mining company has warned.

The mining company has also warned that the land blockade on an entrance road to the mine and another maritime blockade in the international port of Punta Rincón, located in the Panamanian Caribbean through which the company received fuel, are preventing the delivery of necessary equipment and supplies. to maintain the “environmental stability of the site.”

“They have blocked us both by sea and by land. We need fuel and food for the personnel who are in this phase. There are few of us left to take care of and maintain the greatest possible stability so that no environmental problem occurs,” Blanca Araúz declares again.

The disorderly closure of Cobre Panamá, an investment of 10 billion dollars, would also have economic consequences, mainly for its workers, according to the mine, which has already begun to process the dismissal of 4,000 workers. Closing that project in a safe and orderly manner, according to international standards, would take between 10 to 15 years at a cost of millions, says Cobre Panama's Environment Manager, Peruvian Alejandro Chambi. Now, the dispute between the mining company and the Panamanian State seems to have moved to the international stage, where they will face arbitration for a multimillion-dollar lawsuit after the termination of the contract. (León, 2023).

3.4.4. Perceptions and main findings

The methodology used was choosing the interviewees according to their relevance to the events that occurred between the unconstitutional demand and the strong protests that occurred in Panama. The interviews carried out helped to illustrate the case and provide, through their testimonies and perspectives, a greater understanding of the facts (Appendix 1).

Many of their ideas coincided with the future challenges that Panama faces, the lack of trust that exists in public institutions and authorities, the great exaggerated abuse of the armed forces, the violation of human rights, abuse of power and corruption. Among the most notable facts are:

- Great citizen participation and unity in the protests.

- The number of young people participating was notable.
- The crucial role that social networks play in maintaining communication.
- Social movements and activists were of great influence for the organization and provision of accurate information.
- There is great fear about the political course that Panama will face in its next elections.
- Great social discontent is due to the lack of transparency.

4. TEACHING NOTES

4.1. Case Synopsis

In recent years, Canada has positioned itself as a leader in the mining industry. However, many of its companies operate and extract mineral resources from Latin American and Caribbean countries. In the case of Panama, the mining industry is relatively young. Due to a lack of regulations and laws, it has been negatively affected by the unethical practices of the Canadian company FQM and its Cobre Panamá project.

The Panamanian people expressed their disagreement with the mining activity in the country through severe protests, but among all the reasons it is necessary to know the main cause why there is strong opposition and social discontent, precisely for the good of the future of the country in its socio-economic development aligned with desires for sustainable development.

Currently, by law it has already been declared that mining activity must be suspended and leave the country through a mining moratorium. But there is still great uncertainty on the part of the citizens in the face of international pressure, the political position of the current and future rulers, and the population directly or indirectly affected by mining in Panama. Efforts are currently being made to assess both the negative and positive impacts of the mining industry in Panama. Some are considering whether the country should further develop the industry to generate additional revenue.

The large-scale protests throughout the country demonstrated the Panamanian people's disapproval of the Cobre Panamá project. However, it is difficult to determine the exact number of citizens who are for or against the project. The current government planned to hold a public consultation in December, but this proposal was not implemented due to political disputes and power struggles within the country.

Environmental groups, lawyers, sociologists, scientists, and psychologists have also tried to assess the impacts of the project in other areas. More recently, to fight against multiple lawsuits by different mining companies that the country justice is facing due to regulatory changes.

4.2. Learning Objectives

With this learning case study, the intricate dynamics of the mining industry will be delved, spotlighting the case study of FQM's operations in Panama to illuminate the pervasive negative effects associated with such ventures. Through an in-depth exploration, participants will gain a comprehensive understanding of the environmental degradation, social dislocation, and economic inequality often wrought by extractive activities.

Participants will analyze the potential of CSR initiatives to ameliorate adverse impacts, foster sustainable practices, and engender positive relationships between government, mining companies and affected communities. Furthermore, the critical role of social trust in corporate-community relations will be scrutinized. Through the lens of the Panama case study, participants will discern how breaches in social trust can precipitate profound socio-economic and environmental repercussions and alternative to mitigate conflict.

This case extends to the principles of social justice by analyzing the disproportionate impacts of mining activities on marginalized communities, minorities and indigenous peoples, learners will confront the ethical dilemmas surrounding resource allocation, land rights, and environmental justice.

Moreover, the notion of citizen participation in decision-making processes, elucidating its pivotal role in fostering inclusive governance, promoting transparency, and empowering affected stakeholders. Ethical governance emerges as a focal point of our inquiry, through a critical analysis of regulatory enforcement mechanisms and industry compliance, learners will assess the efficacy of governance structures in safeguarding against corporate malfeasance and promoting responsible business conduct.

The target audience of the case study are mainly students of the Master of Science in Business, Management or any other study field derived from it, where are lectured the course of Business Ethics and Social Responsibility, in which must be discussed the concept of CSR, Social Trust and Social Justice. After carefully reading and analyzing the case study, students must be able to achieve the following general objectives:

- Understand the negative environmental and social impacts associated with the mining industry, focusing on the case study of FQM's activities in Panama.

- Explore the concept of CSR within the context of the mining industry, analyzing its potential role in mitigating adverse effects and fostering sustainable practices.
- Examine the importance of social trust in corporate-community relations, particularly in resource extraction projects, and how breaches in trust can lead to significant socio-economic and environmental consequences.
- Evaluate the significance of citizen participation in decision-making processes, highlighting its role in promoting transparency, accountability, and inclusivity in governance.

4.3. Suggested Teaching Material

In order to prepare students to the analysis of the case study, it is strongly recommended reading the following papers on the concept of CSR:

- Carroll, A. B. (1983). Corporate social responsibility: Will industry respond to cutbacks in social program funding. *Vital Speeches of the day*, 49(19), 604-608.
- Carroll, A. B. (1991). The pyramid of corporate social responsibility: Toward the moral management of organizational stakeholders. *Business Horizons*, 34(4), 39-48.
- Carroll, A. B. (1999). Corporate social responsibility: Evolution of a definitional construct. *Business & Society*, 38(3), 268-295.

Also, to truly understand the concepts of social trust and social justice is it important to read from the following books:

A Theory of Justice: original edition by John Rawls (1971):

- Chapter: The principles of justice (pp. 54–117).
- Chapter: The good of justice (pp. 513–588).

The Principles of Social Justice by David Miller (1999):

- Chapter: The Scope of Social Justice (pp. 1–20).
- Chapter: Equality and Justice (pp. 230–244).

However, other papers can be suggested to the students in order to enhance in class discussion, and have a bright idea about the mining industry such as:

- Max-Emanuel Hatzold, Social Conflict, Economic Development and Extractive Industry: Evidence from South America, *Community Development Journal*, Volume

48, Issue 3, July 2013, Pages 501–505.

- Pavlinova N.V. Central America mining industry under «the press» of the World economic crisis // RUDN Journal of Engineering Research. - 2010. - N. 1. - P. 36-44.
- Todd Gordon & Jeffery R Webber (2008) Imperialism and Resistance: Canadian mining companies in Latin America, Third World Quarterly, 29:1, 63-87

4.4. Suggested Discussion Method and Questions

The present FQM case study, and respective suggested questions, is estimated to generate a discussion of at least 60 minutes, being suitable for a class with 20 to 40 students. The learning methodology will be divided into discussion and final assignment (Table 4).

Discussion	Part I: Case study overview
	Part II: Discussion
	Part III: Wrap-up
Assignment	Part I: SWOT analysis and main learning
	Part II: role of citizen participation

Table 4. Suggested discussion description.

a. Discussion

Students must be prepared for the in-class discussion by reading the case study and suggested teaching material for better understanding of the concepts of social trust, social justice, ethical theories and authors, and ethical governance.

The time allocated to the case study discussion may be devised in the following way:

- **Part I | Case Study introduction and overview (30 minutes):** The professor must start the discussion with a brief introduction of the case, assessing, at the same time, the class’s understanding on it through short questions about the main topics of the case.
- **Part II | Discussion and answers to the suggested questions (60 minutes):** Lead the case study discussion by asking the suggested questions. Students will have the opportunity to debate, share arguments and build the rationale behind the case.

- **Part III | Wrap-up and Reflection (30 minutes):** Summarize the key points discussed and their connection to the Panama's mining dilemma. Lastly, end by encouraging students to reflect on the ethical complexities of resource extraction and potential solutions for achieving sustainable development. Students willing to share their opinions will have the opportunity to do it in this section.

The suggested teaching questions and respective key answer ideas or hints to lead the case discussion are represented below. First, the discussion structure is explained as following (Table 5).

Themes	Specific objectives	Description
<i>Engagement</i>	Understand the importance of community engagement and public participation. Link the importance of CSR strategies to engagement practices	Identify the practices, plans, actions and methodologies implemented by the company to establish a community engagement. Analyze what was the impact of engagement practices on the project-community relation.
<i>Lack of trust</i>	Appraise the role of transparency in fostering social trust in local communities and proper guidelines from the public and private sector.	Examine how transparent decision-making by local authorities influences social trust. Explain which actions can improve trust project-community relations and endorse proper engagement practices.
<i>Contestation</i>	Indicate the importance of the compliance of the different social justices (distributive, procedural, retributive and restorative).	Look over what actions and initiatives could have been done differently to avoid misunderstandings and conflicts. Reflect which mediation mechanisms could have been useful according to each social justice for future similar cases.

Table 5. Structure of the teaching notes.

1. Engagement: social impact and public participation (20 minutes):

Key answer points and/or hints:

Mining projects can bring jobs, infrastructure development, and increased government revenue. However, they can also lead to environmental damage (pollution, deforestation), displacement of local communities, and potential health problems.

Lack of transparency or broken promises from mining companies and government can breed resentment and distrust. Communities might feel left in the dark about decision-making processes or misled about the true impact of mining. A way to avoid this is by implementing an open communication and including local voices in decision-making to build trust. Communities can provide valuable insights on potential social and environmental impacts, and their participation can ensure projects address their needs.

Some actions companies can implement to foster community engagement could include a plan with timelines and communication methods. It would be necessary to start communication from the exploration stage, utilize town hall meetings and community forum and be clear and honest about project details, potential impacts, and benefits. Building partnerships and shared value could also be added, including community development programs such as education, healthcare, etc. Reporting on progress would be key for building trust, addressing concerns, and ensuring sustainable development for the communities.

2. Lack of trust: ethical considerations and governance (20 minutes):

Key answer points and/or hints:

Ethical Intermediary - Role of Government:

The government should establish clear regulations and enforce them fairly to ensure responsible mining practices. They should also act as a mediator, facilitating communication between mining companies and communities. The government as an ethical intermediary should always prioritize the balance of economic benefits with social and environmental well-being by strong regulations and policies, ensuring that transparency and accountability would be required to disclose relevant information to the public. Finally, protecting community rights and interests

and promoting sustainable mine closure and reclamation to minimize long-term environmental and social impacts.

Ethical Governance for Responsible Mining:

Strong environmental regulations, transparent decision-making processes, and independent monitoring mechanisms are crucial for ethical governance in mining. Additionally, holding companies accountable for violations is essential. Respect the population's opinion and respect their rights. Avoid misbehavior and suspicious corruption habits.

3. Contestation: role of social justice (20 minutes):

Key answer points and/or hints:

The mining industry has a significant impact on communities and the environment. Ensuring compliance with various social justice principles is crucial for responsible mining practices. Here's how each concept contributes:

- **Distributive Justice:** This principle focuses on the fair distribution of benefits and burdens associated with mining.
 - Ensures communities impacted by mining receive a fair share of the profits through benefit-sharing agreements.
 - Supports investment in community development projects.
 - Creates a sense of ownership and reduces resentment towards mining companies.
- **Procedural Justice:** This principle emphasizes fairness in decision-making processes.
 - Guarantees communities have a say in mining projects through consultations and FPIC processes.
 - Ensures transparency in environmental and social impact assessments.
 - Provides accessible grievance mechanisms for communities to voice concerns and seek solutions.
- **Retributive Justice:** This principle focuses on holding wrongdoers accountable for violations.
 - Enforces environmental regulations to deter companies from harmful practices.

- Imposes appropriate penalties for violations, including fines or license revocation.
- **Restorative Justice:** This principle aims to repair harm caused by wrongdoing and rebuild relationships.
 - Encourages companies to take responsibility for environmental damage through proper reclamation efforts.
 - Supports programs to address social impacts like community displacement or health issues caused by mining.
 - Fosters dialogue and reconciliation between mining companies and impacted communities.

By ensuring compliance with all these social justice principles, the mining industry can move towards a more responsible and sustainable future. This creates a win-win situation for companies, communities, and the environment.

b. Assignment

After the discussion, students should make a report summary individually with final conclusions and send it according to the professor's established deadline. It should include in the first part a SWOT analysis about the FQM case in Panama and learnings.

In the second part, students should highlight the role of citizen participation by mentioning which aspects (positives and negatives) were relevant to describe social media impact (raising awareness vs. misinformation and manipulation) and protests and social movements (mobilization and advocacy vs. disruption and violence). For this part, students can find more helpful details in appendix 1 and visual images in appendix 2.

5. CONCLUSIONS

5.1. Overview

From the beginning, the main objective of the present dissertation was to provide, through the case that occurred in Panama with the Canadian company FQM, the consequences that social distrust, lack of social justice, lack of transparency and the ethical role can generate. of the government as an intermediary and the impact of engagement practices on the project-community relation. What happened in the small Caribbean country serves to catapult and highlight bad practices, and in turn how it can affect the population of a country in the short, medium, and long term. With this research students will be able to explore the balance between economic growth promised by mining and the potential social and environmental costs it can incur when laws are disrespected, and public participation fails.

The initial narrative surrounding FQMs' project painted a picture of economic prosperity for Panama. Promises of job creation, infrastructure development, and increased government revenue were enticing. Yet, for many Panamanians, this narrative soon turned sour. As the project unfolded, concerns regarding environmental damage (pollution and deforestation) and potential health risks grew, besides the unconstitutional lawsuit made since many years ago. Many communities felt a sense of betrayal. A lack of transparency and broken promises from FQM, coupled with the potential displacement of local populations, eroded social trust, as well as the bad management handled by authorities. This dissatisfaction culminated in protests, highlighting the deep discontent amongst the Panamanian people. This FQM case serves as a stark reminder of the importance of ethical governance in the mining sector and how we can relate the theory of social justice. Strong environmental regulations, enforced with transparency and accountability, are crucial. Additionally, fostering open communication and citizen participation in decision-making processes is essential to rebuild trust and believe in CSR's strategies.

5.2. Mining activity in Panama: FQM case

Firstly, by addressing the first research question, this study allows us to conclude that the mining activity of the company FQM has significantly impacted the socio-economic well-being

of the Panamanian population, affected the country's biodiversity and generated social discontent, which materialized in weeks of protests. While FQM is not solely responsible, the lack of transparency and poor management by both previous and current Panamanian government have also contributed to the current situation. The chronological analysis of events evidences a misuse of power, which has exacerbated the problem.

The mining industry in Panama has been shrouded in controversy since its inception. This is due to various factors, including the country's rich biodiversity and green areas, the presence of indigenous communities, the critical importance of water conservation and proper use for the Panama Canal, and particularly, the country's geographical size compared to major mining nations like Chile or Australia. While Panama boasts significant mineral wealth that could be tapped for global trade and demand, the current case demonstrates how a lack of truthfulness and transparency from authorities has led to the cessation of the mining industry in the country. FQM, a prominent mining company operating in Panama, maintains that they are "proud of their contribution to the country" and that their mine represents the largest private investment in Panamanian history (televisión, 2023). However, there is compelling evidence of the environmental and social damage caused by their activities.

Moreover, the actions of the Panamanian government have been a major factor in generating deep social distrust. Sadly, the population has lost faith in their leaders and fears the decisions they might make in the future, not just regarding mining, but in any domain. This situation creates an urgent need to pursue social justice, with a primary focus on restorative and distributive justice. The Panamanian government urgently needs to take steps to regain social trust. This involves strengthening democratic institutions, combating corruption, increasing transparency in public administration, and promoting citizen participation in decision-making.

Finally, based on the literature reviewed the mining industry globally and in the Latin region needs to establish better standards and regulations. While this study cannot predict the future of Panama in terms of justice and social trust, it is possible to state that restoring both will take years. Unfortunately, the current population and future generations will live with terrible consequences, starting with the loss of future investments, environmental damage, increased unemployment, and the missed opportunity to position itself on a large scale as a mining country. If the situation had been handled more appropriately from the start, with better regulations and greater respect for legislation, Panama could probably have followed a mining model like countries like Finland, adapting it to the realities and conditions of the Panamanian

country.

5.3. Limitations and Future Research

Despite the limitations, this investigation provides valuable information about the FQM case and the protests it generated in Panama. More research is needed to better understand the impacts of mining in the country and develop strategies to mitigate its negative effects on the perceived social trust.

Among its main limitations is the sample size since it was based on a limited number of interviews, which may limit the veracity of the findings. Additionally, it should be emphasized that a convenience sampling was carried out, which means that the people interviewed could not be totally representative. The interviews conducted were with individuals who shared a critical perspective on the industry. Future research could provide a more balanced view by analyzing the potential economic benefits of mining alongside the environmental and social costs. Additionally, interviewing stakeholders who support mining, such as mining companies, government officials, and local communities that benefit from mining projects, could offer valuable insights. Exploring best practices along different cases or projects in sustainable mining could also illuminate potential solutions for the outstanding phenomena of mitigating the negative impacts on social trust as a consequence of the mining activity.

For the development of this case, already existing material was used as well as a compilation of testimonies that were given in Spanish, which were later translated, so due to regionalisms or local jargons they may lose or confuse the intention of what they sought to communicate.

Moreover, the lack of current research on the results and effects of mining specifically in Panama, both nationally and locally. Furthermore, this research focused only on the case of FQM, while there are other mining projects in Panama, although on a smaller scale. More reports and statistics are needed to truly measure economic and environmental damage, since currently only estimates exist and therefore calculating the damage to social trust and the perception of lack of participation is difficult to really analyze, except for comments and information shared in various media.

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APPENDIX

Appendix 1 | Methodology

Interviews conducted with young people who participated, led and were part of the protests and movements against mining in Panama were used to illustrate with their testimonies and narratives what they experienced in terms of distrust. An interview was also conducted with the son of the lawyer responsible for presenting the unconstitutional claim to learn first-hand about the facts.

First, the selected young people were contacted to organize the meetings which were held online. These interviews were conducted in Spanish and translated into English to achieve greater understanding for readers. The profiles of each interviewee are shared below (Table 4):

<i>INTERVIEW</i>	<i>NAME</i>	<i>DESCRIPTION</i>
<i>INTERVIEW 1</i>	<i>Jesús Sevillano</i>	<ol style="list-style-type: none"> <i>Computer Engineer</i> <i>Son of the lawyer Juan R. Sevillano</i>
<i>INTERVIEW 2</i>	<i>Angel Luis Garay</i>	<ol style="list-style-type: none"> <i>Law student</i>
<i>INTERVIEW 3</i>	<i>José Isaac González</i>	<ol style="list-style-type: none"> <i>Political science and law student</i> <i>Founder of ‘Panama, sal de las redes’ movement.</i>

Table 6. Overview of interviewed Panamanians.

Each of the interviewees were asked questions focused on describing their opinions, points of view and to highlight their knowledge on specific topics: legal, social movements, and the environment. These interviews had an estimated duration of between 1 to 2 hours each. The responses were summarized to show the most relevant fragments. The questions asked allowed the conversation to continue more like a pleasant dialogue. This is for the purpose of providing greater details of the information previously found to develop the case study.

Consequently, the testimonies of these young people demonstrate and share all the social

discontent of a country and how their social trust was affected by all the effects generated by mining and the bad practices of private companies with those of the public sector. Following, the interviews made and respective responses (Table 5, 6 and 7):

Interview 1: Jesús Sevillano

<i>QUESTIONS</i>	<i>ANSWERS</i>
<p>Question 1:</p> <p>How was and is your position on mining in Panama, especially on the FQM case?</p>	<p>My dad is an environmental lawyer who has always educated me to do the right thing and take care of the environment. At the beginning I had many doubts because we did not really know at what level our country was already contaminated, in addition to the fact that everything was handled in a non-transparent manner, the injustice bothered me a lot, such as: selling the hectares at such a low price and the little income that was to have Panama. I felt a lot of fear and anger because of how the government treated the population as ignorant, because of the corruption, and since next year we have presidential elections, it generates a lot of distrust for who we should vote for. I still disagree, Panama is not a mining country. I hope that the affected areas are reforested or used in a better way.</p>
<p>Question 2:</p> <p>From your point of view, what was your father's role in achieving the unconstitutionality of the mining contract? How would you describe the process?</p>	<p>The first lawsuit was made in 1997 and was finalized in 2017. That is, 20 years later. From 2017 to 2023. During all that time FQM was working legally. With all the scandals that occurred between October and November 2023 and because the Panamanian people this time got involved and took to the streets to ask for justice, my father had much more support to file another lawsuit again. My father had the support of</p>

ANCON³ from the beginning and worked hand in hand with other lawyers. The real problem was misinformation and lack of transparency on the part of the government and FQM. For my family it was a difficult process, but we never stopped supporting my dad. When he won the lawsuit, my dad did not receive the recognition he deserved, although well, all these years his fight has been for vocation, not for fame, prestige, or money. My dad and the family didn't expect to win, especially because he didn't win the first time. It is curious that my father filed the same complaint that he did in 1997. The lawsuit stated that the contract violated Panamanian regulations and our constitution, since the government cannot contract a company without first holding a public tender. While FQM never went through that process, it is as if they were simply given the concession as a matter of favors or because there was allegedly interest, money involved and corruption. My dad even sued the president back then Juan Carlos Varela in 2016 for renewing the contract for 20 more years with FQM while it was already known that it was unconstitutional, but sadly nothing happened.

Question 3:

How would you classify the role of social networks and the masterful reach they had during the protests as a fundamental pillar?

I don't blame people for not supporting my dad in 1997 because today we do have different methods to stay informed and communicated. What's more, I feel that digital social networks were more influential than traditional media such as TV or radio, because of course, there is also money

³ ANCON stands for “*Asociación Nacional para la conservación de la naturaleza*”- National Association for Nature Conservation.

moving and the big owners also had interests with the mine. The Internet even helped make what was happening in our country reach international scope. Many people abroad joined our fight, in addition to allowing Panamanians abroad to also express their disagreement on Twitter or Instagram, blogs, etc. It was time for the world to know what was happening here and support us, we are a small country and very few people imagined what we were experiencing.

Question 4:

Do you think there was a difference between the way young people protested compared to older adults?

Many young people were very brave. I feel that throughout history this is the first time that our generation had to defend our country. Patriotism was evident. Our parents and grandparents fought during the time of the dictatorship and to defend our country in the Panama Canal. I also highlighted the role of indigenous people, and of groups such as teachers who demonstrated throughout the country their role. Although I would compare this period of protests to what we experienced in the pandemic, basically all the businesses were closed, many of us were teleworking, there is a shortage in the supermarkets, the street was also vandalized by extremist groups.

Question 5:

What do you think would be the greatest lesson of this event for Panamanians and what would be the future challenges to face?

The people now have more oversight, civic awareness, and a desire to participate more actively. We won't let them play with us again. What happened greatly changed the political perception of the country, we are facing it right now with the uncertainty and distrust we have towards the presidential candidates and other popularly elected positions. We also managed to understand that we have to take care of our

environment and our resources, seek sustainable development, Panama is a country of services and logistics, we should promote that and work on innovation to generate other sources of income. I am afraid of unemployment, I hope that the government develops a plan that manages to cover all the necessary points, and, above all, the most important thing is to reforest and try to minimize the terrible impacts that mining has left in our country. I am very afraid of the social unrest that could break out again if the next president is a pro-mine or simply continues to cover up acts of corruption.

Question 6:

What do you think about the different mining projects that have lost their investment with the decision to activate a mining moratorium? consequences and challenges that the population will face.

I know that this is a big economic problem for the country. But the good thing is that Panama is the most likely to win in international arbitrations because basically we have all the winning cards. The mining contract was declared unconstitutional due to violation of the constitution; therefore, the group of lawyers must work based on that to defend us. This may take years and a lot of money to resolve but it would be a piece of cake. The international court would have to act in favor of Panama. The active ones and those that are in the exploration phase would even have to have sanctions against the damages that Panama has suffered. After this, we also have to work to update our codes. There is also a social problem to attack, currently there is a lot of political division and lack of social tolerance, all because of the lack of trust we feel towards political figures who acted in the worst way and betrayed the country.

Table 7. Interview to Jesús Sevillano.

Interview 2: Angel Luis Garay

<i>QUESTIONS</i>	<i>ANSWERS</i>
Question 1: How was and is your position on mining in Panama, especially on the FQM case?	I see this case as a reflection of how corruption, regardless of whether it comes from private or public companies, can create noise, and use power as camouflage for a good investment as one that really affected us as a country. How money can buy positions and create citizen fragmentation. From the beginning the entire negotiation was handled incorrectly. The current government had the opportunity to fix things without having to fall into the chaos of protests and social unrest, but they missed the opportunity.
Question 2: What do you think of those people who joined the protests but without being properly informed about what was really happening?	Due to lack of transparency, many people are not aware of the reasons why this contract was harmful. Thanks to social networks, little by little people became informed, however there was a lot of distrust towards traditional media. The power of social networks allowed us to share information on real issues, of course, there were also fake news or campaigns that generated fear and chaos, since they shared the negative sides such as unemployment if the mine stopped operating.
Question 3: As a young Panamanian, do you think confidence will be recovered?	I do believe that trust can be regained. But unfortunately, there is a lot of disenchantment towards the system because of inequality, we are very far from democracy and there is a great opportunity gap. Young people want change, but we do not trust traditional politics, which is what has caused this crisis. Future rulers have a challenge to regain trust, they need a plan that is effective, we also need new characters and types of leadership. My fear is also that Panama will

experience the reality that other Latin countries are unfortunately facing.

Question 4:

How can FQM's CSR strategy be balanced between its good actions but the bad consequences that affect minorities?

Using Tesla as an example, which uses mostly copper from Panama, which creates electric cars that benefit the environment because they do not generate carbon emissions.

A good action should not be justified if it was achieved with a bad action. There is the principle of no harm, which is basically about not doing good if you are going to cause harm. For me FQM falls into greenwashing. Here we are talking about human life, with the idea of progress we cannot affect and harm the environment. There was also an imbalance between the amount of copper they extracted in comparison to the profits that Panama received, also from other benefits, here we do not have any type of advantage because Tesla uses our copper, I mean that we pay the same and not even We have not even managed to make an electric automotive transition. There are also other benefits such as environmental and social, the communities near the mining project are becoming increasingly poorer and poorer with a million-dollar project just a stone's throw away. We cannot justify or allow companies like this to abuse and decide to wash their hands, they should be responsible for the damage they cause.

Question 5:

Did you participate in the protests? how did it go? Could you describe what you saw, felt, etc.

I couldn't participate as much in the protests, at that time I was a public servant, and I was very afraid. It's not supposed to be a reason for dismissal, but we still know what happened. But the enormous desire to help and contribute was enormous, that's why I finally decided and joined the protests. I had to be completely covered so that they couldn't identify me. After that, I went to several calmer marches organized in my community by the local development boards. I tried to invite several friends

because it was necessary for more and more people to join. But yes, I was very afraid, I didn't want to lose my job. I know that many public servants were also afraid because in the ministry where I worked, they fired several colleagues. I remember that once the director even summoned all of us employees to basically give us a talk to try to convince us that the mining contract was good and correct, they wanted to persuade us to be in favor. I was very bothered by the silence of my university, as well as that of the National Bar Association, but of course, that shows the great conflict of interest regarding investment issues. Another example was the contemporary art museum where part of its board of directors were also associated with the mine's law firm, which generated outrage since this museum promotes environmental rights, so it simply did not make sense, a greenwashing total. I am very happy to see so many young people in the protests and that there was a lot of diversity, from different religious groups, social groups, ethnic groups, etc. I feel that the police presence was exaggerated with the aim of intimidating and threatening the population. I remember the sad fact that the police were using expired tear gas canisters, this is an indiscriminate weapon, it is a weapon of war, there was no need to use this violent weapon and violate human rights.

Table 8. Interview to Angel Luis Garay.

Interview 3: José Isaac González

<i>QUESTIONS</i>	<i>ANSWERS</i>
Question 1: How was and is your position on mining in Panama, especially on the FQM case?	From the Sal de las Redes ⁴ group and the Panama without mining movement we identify it as a dangerous entity, since we found out about the scandals we got to work just as we have done with other environmental issues to protect our protected areas. FQM were operating illegally, at an environmental level the damage was gigantic. For years we have been acting against this activity. In June of last year, we began to create spaces for public debate so that more citizens would join the cause. I remain in the same position I had two years ago; the concession areas and the entire negotiation were not carried out properly and I continue to maintain my position that FQM is a dangerous entity. I also blame the acts of corruption that come from this company as well as the Panamanian government. There is evidence that this mining project did not go through any public bidding, which proves that there were direct negotiations with government figures for it to be carried out.
Question 2: What do you think of those people who joined the protests but without being properly informed about what was really happening?	Now Panama suffers from a crisis of mistrust towards public entities. The National Assembly leads as the entity we trust the least. We also do not have trust in the traditional media because they did not provide the necessary coverage. The alternative media took on the task of communicating openly and of educating the population correctly; they also

⁴ *Sal de las Redes* means get out of the networks, it is a Panamanian movement to encourage the population to be active and embrace their civic role and participation. This movement was created by José Isaac González among other young Panamanians professionals to share information and organize civic activities.

served to unite Panamanians. Our page became the first reference to stay informed.

Question 3:

As a young Panamanian, do you think confidence will be recovered?

When you lose trust, you will never get it back. To give an example, we have the National Assembly, we vote, and we give the confidence to the deputies to legislate, make decisions, represent us and defend our interests, but with this case of FQM we saw that they let us down. The deputies made the mistake of putting their personal interests before the common good. I simply cannot trust, perhaps little by little we can trust specific people who, if they demonstrate that they have values and ethics, in the system we can find good and bad people in public administration. The low level of trust will have its repercussions in the upcoming elections.

Question 4:

How can FQM's CSR strategy be balanced between its good actions but the bad consequences that affect minorities?

Using Tesla as an example, which uses mostly copper from Panama, which creates electric cars that benefit the environment because they do not generate carbon emissions.

Panama needs to consider what type of economy it wants to have. It was recently discovered that the Donoso area also has rare earths and that Chinese companies were interested in them. These lands are used to create technological devices. Of course, there is an economic interest here and they had the intention of appropriating this territory. Panama, despite being a small country, could contribute a lot to global technological development, but sadly due to poor management these opportunities are distorted. Internationally, we may be perceived as an unstable country to make large investments, but due to bad government practices.

I know that many people fear for the country's economy, but we must remember that we are not a mining country like Chile, we are a country of services, of logistics, a leading country in ship transit, we have a large agribusiness, we must take

care of this and promote the activities that identify us and innovate in them, not bet on unsustainable economic development.

Question 5:

Did you participate in the protests? how did it go? Could you describe what you saw, felt, etc.

For me it was something complex, personally those days for me were the worst of my life, I stopped having feelings and I was in automatic mode. I can say that 70% of the protesters were experiencing something similar, many of us worked or studied during the day, and later we went to the calls and protest meeting points. It was very exhausting; the physical and emotional part was on the floor. It is not easy to deal with your daily activities and routines and then walk for hours, scream, get soaked in the rain, run, etc. Mentally it was also draining, listening to bad comments every day is hard, in addition to the fact that the government's statements made us feel more disappointed and angrier, but I think that was the motivation to continue protesting together to achieve our goal.

In the protests there was also division because certain groups asked for other things, of course it is normal, we did not all see the same thing. Also receiving so much criticism was intense, even several friends and family members criticized me or judged whether I was doing it wrong or right. The traditional media also judged me, I was a victim of pressure from government figures and intimidation by businessmen. When the unconstitutional ruling was approved, there was joy. There were many days when dealing with media pressure almost defeated me. For me those days were like a roller coaster.

For the Sal de las Redes movement it was a

challenge, we had a lot of pressure, but we were faithful to our position, and we had to make many radical decisions to take care of our image but maintain our position, it is very valuable to me that this platform is considered legitimate, and the people trust our facts.

On the other hand, there was a great police repression, brutal is the word to describe how the armed forces acted.

Question 6:

Now that you mention the fact of police repression, what exactly did you see or were you a direct victim?

On several occasions when Sal de las Redes led the protests, we had to be in front and give directions to where to march. When the riot police arrived, we were the first to receive tear gas. Near the National Assembly I was victim of a police officer spraying me with pepper spray directly into my eyes. I know of other colleagues who were repressed in a worse way, even people who were detained by the police even though we are supposed to have the right to protest and demonstrate peacefully. Honestly, I do not expect these police officers or the country's security system to improve or receive the necessary punishments, I simply do not trust them or the public institutions. However, I have collaborated to present complaints to the International Court of Justice. I remember the tragedy of the young man Aubrey Baxter that lost his eye, and the national police simply washed their hands of it.

Table 9. Interview to José Isaac González.

Appendix 2 | Illustrations

By using these images, a better understanding of the magnitude of the mining industry in Panama can be assessed. Images can be used as a visual representation, in this opportunity the first illustration is a map of the requests and mining contracts along the Panamanian territory (Figure 3) taking 2,333,829 hectares, representing approximately 44% of the Panamanian territory, the second one represents images of the FQM mining project in Panama (Figure 4) and the last one in a collage with different images where it is possible to observe slogans used by the population during the protests (Figure 5).



Figure 4. Mining situation in Panama.



Figure 5. Collage – aerial view of the FQM’s mining project in Panama.



Figure 6. Collage – Panamanian population protesting mining.