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Destroying El Dorado

The Canadian Mining Industry's Complicity in Abuse

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Project on International Peace & Security (PIPS)
Brief 15.1

Destroying El Dorado:

The Canadian Mining Industry's Complicity in Abuse

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The extractive practices of Canadian mining firms make them the worst human rights and environmental offenders in the global mining industry. These firms have been implicated in bribery and directing violence toward political and environmental activists in both Latin America and Africa. The record of abuse by Canadian mining firms undermines Western efforts to challenge China's Belt and Road initiative. In the absence of oversight from the Canadian government, Canadian mining firms will continue extractive mining practices seeded in human rights violations, strengthening China's ambitions to dominate the world's "green minerals" industry.

Introduction

The media largely focuses on the human rights violations of Chinese mining firms. However, Canadian mining firms are the worst human rights and environmental offenders in the global mining industry. These firms have been implicated in bribery and directing violence toward political and environmental activists in both Latin America and Africa. This record of abuse detrimentally affects Western attempts to challenge the Belt & Road Initiative as China is looking to become a more dominant player in the "green minerals" industry.

The mining industry has a long tradition in Canada, with Canada being referred to as a "mining power."[1] The mining sector plays a fundamental role in the Canadian government's efforts to secure policy cooperation with foreign states.[2] With most Canadian mining investment abroad being in Africa and Latin America, Canadian mining companies have left several negative impacts. According to the Inter-American Commission on Human Rights, Canadian companies were involved in more than 100 human rights and environmental disputes throughout Latin America.[3] Within Africa, Canadian mining has led to various instances of corruption, violence, and in some cases slavery.[4] The abuses of Canadian mining firms in host countries include corruption, environmental damage, and violence.

Quantitative Evidence

To empirically test this question, I combined and utilized the following datasets: Geocoded Afrobarometer Surveys, the Armed Conflict Locations Events Database, SNL Metals and Mining, and mineral price data from the IMF Primary Commodities tables. Each dataset is geocoded and contains information about mining locations, locations of bribes, and instances of violence. Based on the structure of the paper "This Mine is Mine: How Mineral Prices Fuel Conflict in Africa," published in the American Economic Review. I estimate the probability of abuse in Canadian mining localities.

In the paper "This Mine is Mine: How Mineral Prices Fuel Conflict in Africa," the authors find that on the local level, mining has a positive impact on conflict. Foreign firms without colonial ties exacerbate conflict to a degree much higher than foreign firms with colonial ties. Here, I attempt to explore this relationship further only examining foreign mining companies that don't have colonial ties such as China and Canada.[i] I exclude various types of conflict unlike the authors of the original paper. Instead of looking at conflict in the aggregate, I only look at instances of violence that are related to civilians and non-combatants. This includes protest, riots, and violence against civilians.[ii]

Data

Mines Data - To each cell year I merge mining data from the SNL Metals and Mining Dataset hosted by S&P Global. The dataset contains information on the location of mines across the globe since 1980, whether a mine is active, how much is produced, and the main commodity produced. The dataset includes additional information on mine characteristics such as mine ownership and the type of mine.[iii]

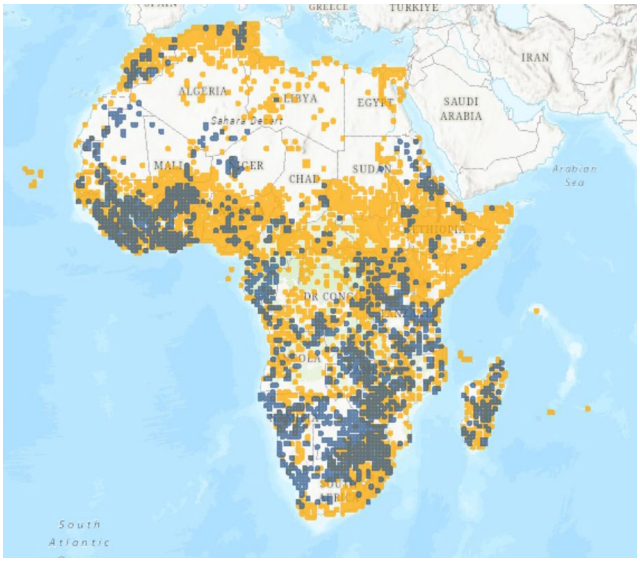
Conflict Data - I use the Armed Conflict Locations Event Database. ACLED collects information on the actors, dates, and locations of reported political violence and protest events around the globe. These events are sourced from local news articles, NGOs, humanitarian

[i] Canada and China are selected for this analysis because they are the largest human rights violators in the mining industry among foreign mining companies without colonial ties. According to the Environmental Justice Atlas, Canadian mining firms had 187 instances of conflict and Chinese mining firms had 70 instances of recorded conflict in nations across the globe.

[ii] This dataset is structured as a full grid of Africa divided into subnational units of 0.5 x 0.5 degrees. Which is approximately 55 x 55 kilometers at the equator. Thus, I examine how mineral resources affect the probability of conflict in a given cell within a given year. The final dataset pulls from 12 critical minerals and consist of the entirety of the African continent.

[iii] For each cell I define a dummy variable which equals 1 if there's a mine within a cell during the period. In the analysis I focus on the cells producing one or more of the 12 minerals I have price data for. The cells main mineral is defined as the most commonly occurred mineral mined by all of the mines within a cell. The SNL Metals and Mining dataset does not contain information on small-scale artisanal mines or mines that are illegally operated. Given that my unit of observation is an area where mining takes place, the dummy variable of the presence of a mine is simply a proxy for the extraction area of a given mineral rather than the location. I also create a dummy variable with the which equals 1 if there's a Canadian/Chinese/etc. mine within a cell and this variable is the main parameter of interest.

organizations, or research publications. ACLED data contains information about the type of event, their outcome, and the characteristics of the actors on both sides of the conflicts. From this dataset I only examine instances of conflict that are labeled as protest, riots, or violence against civilians. On the map below, the orange represents instances of violence while the blue represents various mines.[iv]

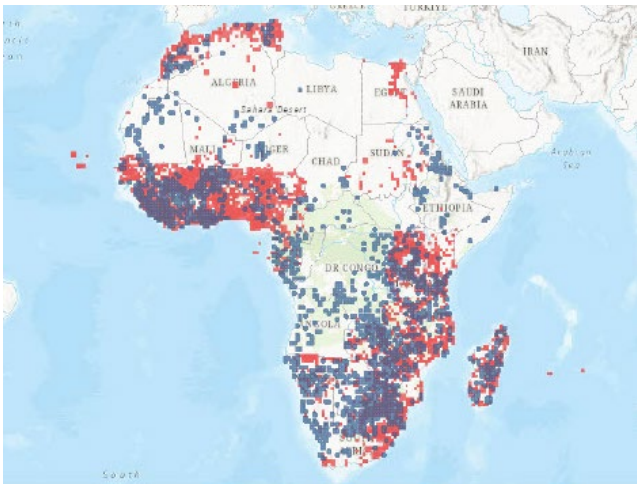


Bribe Data - I use geocoded Afrobarometer data, the analysis draws on five Afrobarometer waves (2-6) conducted in 36 countries. Afrobarometer is a pan-African, non-partisan survey research network that conducts public attitude surveys on democracy, governance, the economy, and society. There are various issues with the Afrobarometer data that are not necessarily present in the armed conflict locations events database. For example, Francophone countries are underrepresented in the Afrobarometer, which also include countries with significant mining activity. On the map below, the red represents areas in which people have experienced paying bribes and the blue represents various mines.[v]

Price Data - To measure the impact of mining areas on violence I exploit exogeneity in mineral prices. From the IMF Primary Commodities tables I accessed the price data of 12 key minerals. Those minerals being: aluminum, coal, copper, gold, iron, lead, nickel, phosphates, platinum, silver, tin, and zinc. Based on the plot below we can see that a large amount of mineral prices had large spikes around the 2008-2010 time period. As time goes on it can be seen that mineral prices are generally increasing to points today that are higher than during that earlier 2010-2012

[iv] I aggregate the data to a 0.5 x 0.5-degree cell. I construct a dummy variable which equals 1 if at least one conflict occurred within a cell in a given year, which is my main dependent variable. Due to how datasets such as ACLED are constructed there's no way in which this dataset can be fully exhaustive or immune to bias. I address this by aggregating the data to the cell level and including varying levels of fixed effects.

[v] Measuring corruption is difficult and no available measure is without its problems. To help alleviate this issue I focus on one question that was consistent within each of these Afrobarometer rounds, "have often, if ever, did you have to pay a bribe?" Each observation is geocoded and aggregated to the cell year level. I construct a dummy variable which equals 1 if at least one person experienced paying a bribe within a cell that year. Again, I attempt to address bias by aggregating the data to the cell level and including varying levels of fixed effects.



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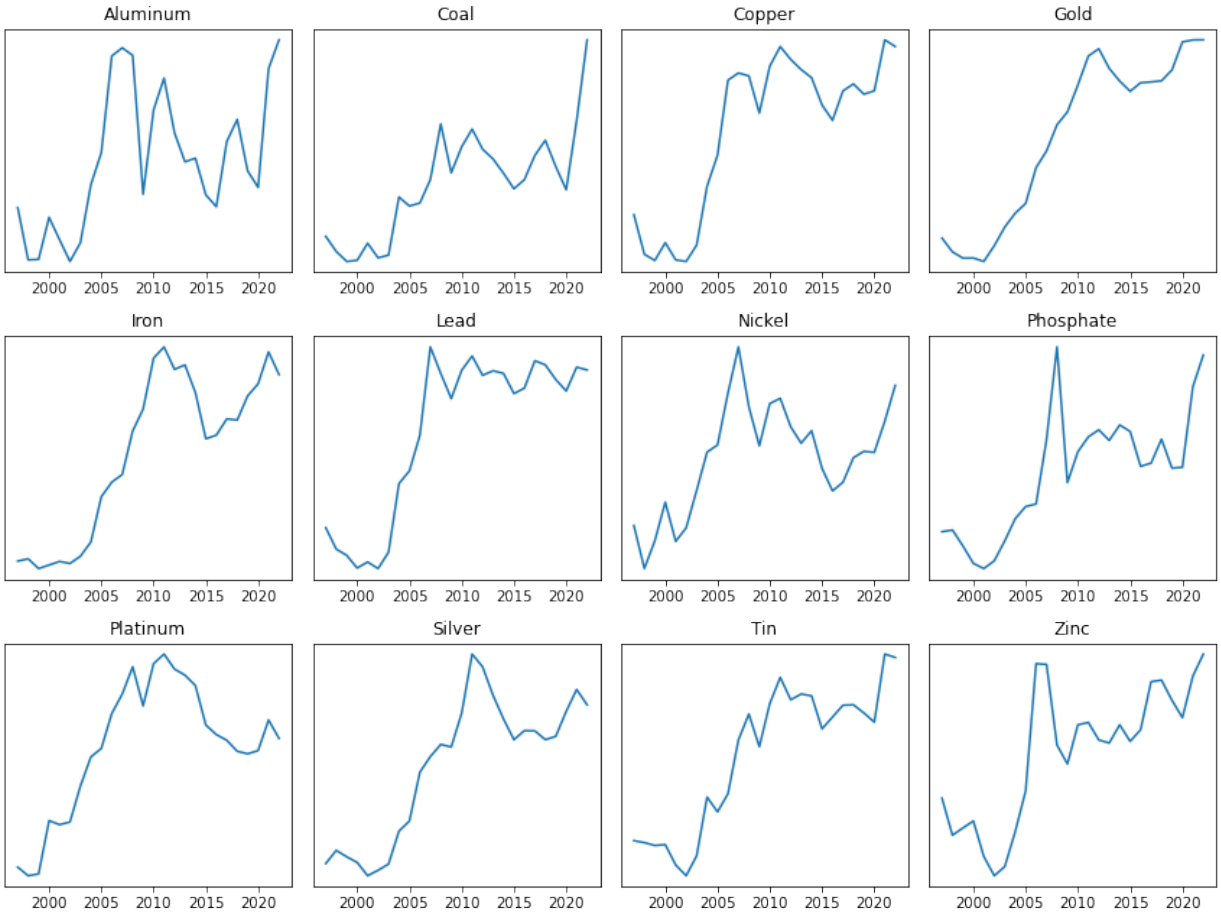

period, demonstrating that the demand for renewable energies and products such as electric vehicles, which depend on these materials, are on the rise.

The Model

To investigate the relationship between mining and conflict I rely on the exogenous variation from the primary commodity produced by the mine. The model is estimated through the following equation:

$$ACLED_{ic} = \alpha_{ic} + \beta_1 mine \cdot \ln(Price)_{ic} + \epsilon_{ic}$$[vi]

To examine the relationship between mining and administrative bribery I run a similar model:

$$\text{BRIBE}_{ic} = \alpha_{ic} + \beta_1 \text{mine} \cdot \ln(Price)_{ic} + \epsilon_{ic}$$[vii]

Results

The models are run using maximum likelihood estimation. The Models 2 & 4 contain country and time fixed effects to control for various country level factors. Model 5 contains cell fixed effects. These fixed effects control for time invariant factors that affect mining and violence at a local level. These factors could include property right enforcement, strength of governmental institutions, and inherent political and ethnic cleavages. The standard errors are clustered at the country level and cells with more mines are given more weight in the estimation.
Below I have table 1, which shows the probability of bribes in mining areas given the prices of various minerals over time.

From table 1 above it can be seen that Canadian mining areas experience higher probabilities of bribes when mineral prices rise in comparison to Chinese mining areas and mining areas overall. This relationship holds true for cells containing only active mines as well. From the above estimates we can see that the values for the Canadian mining areas are more precisely estimated than the ones for Chinese mining areas given the smaller standard errors. Looking into the table further it can be seen that Chinese mining areas lose their statistical significance when county and time fixed effects are included in the model. A large takeaway from this could be that Chinese mining companies are more willing to work in conflict prone countries.[viii]

[vi] The variable α_{ic} represents a given 0.5x0.5 cell (55 x 55 kilometers at the equation) in a given year. The variable $mine$ is a dummy variable taking the value of 0 or 1 given the presence of a mine within a given cell. In other model specifications the variable $mine$ is replaced with the variable $Canada$ or $China$ which are both constructed in the same way. $\ln(Price)_{ic}$ represents the logarithm of the world price of the primary commodity produced by a majority of the mines within a cell in a given year. My main dependent variable, $ACLED_{ic}$ is a dummy variable which equals 1 if at least one conflict occurred within a cell in a given year. I mainly focus on the β_1 coefficient. This parameter represents the interaction term between the price and the dummy for mining activity.

[vii] In this case the main dependent variable, $BRIBE_{ic}$, is a dummy variable which equals 1 if at least a single case of bribery has occurred within a specific cell in a given year. As mentioned previously, the potential bias from reverse causation is a concern. To address this problem, I include a conditional allowing us to only examine cells that had an active mine over the entire period of 1997-2023.

[viii] The exception to this trend is Model 5. Model 5 uses a logistic model that employs conditional fixed effects. In order for this model to run, there has to be sufficient variation within groups. The group in this case is the cell. This is relevant because if there are certain cells that experience some sort of bribe for every time period, they're removed from the model calculations. Which lead to a lower observation count. A

Table 1: Logistic Regression Results - Corruption

PARAMETERS	(1) Model 1	(2) Model 2	(3) Model 3	(4) Model 4	(5) Model 5
$\ln(Price) \times Mines$	.083***	.069***	.059***	.035***	.766***
	(.024)	(.016)	(.016)	(.007)	(.382)
$\ln(Price) \times Canada$	.103***	.091***	.051**	.025**	.744
	(.027)	(.020)	(.019)	(.011)	(.580)
$\ln(Price) \times China$	.090*	.060	.063**	.024	2.64**
	(.046)	(.044)	(.029)	(.017)	(.914)
$\ln(Price) \times Active\ Mines$	.113***	.089***	.066***	.037***	1.24**
	(.026)	(.016)	(.021)	(.007)	(.529)
$\ln(Price) \times Active\ Canada$	.122***	.103***	.057**	.022*	1.36*
	(.030)	(.029)	(.024)	(.011)	(.698)
$\ln(Price) \times Active\ China$	.107*	.062	.073**	.021	3.31***
	(.048)	(.046)	(.035)	(.018)	(1.12)
Observations	6,808	5,095	6,808	6,617	587
Country FE	NO	YES	NO	YES	NO
Time FE	NO	YES	NO	YES	YES
Grid FE	NO	NO	NO	NO	YES

Robust standard errors in parentheses
*** p<0.01, ** p<0.05, * p<0.1

Below I have table 2, which shows the probability of conflict in mining areas given the prices of various minerals over time.

Table 2: Logistic Regression Results - Violence

PARAMETERS	(1) Model 1	(2) Model 2	(3) Model 3	(4) Model 4	(5) Model 5
$\ln(Price) \times Mines$	.076**	.066***	.019	.035	.044
	(.031)	(.026)	(.015)	(.022)	(.102)
$\ln(Price) \times Canada$	.095***	.097***	.014	.032	.341**
	(.032)	(.029)	(.016)	(.020)	(.138)
$\ln(Price) \times China$	.124**	.103**	.028*	.041**	.321**
	(.049)	(.043)	(.016)	(.016)	(.159)
$\ln(Price) \times Active\ Mines$	.071*	.072*	.024	.047**	.178
	(.041)	(.039)	(.018)	(.019)	(.144)
$\ln(Price) \times Active\ Canada$	.081*	.091*	.014	.039**	.495**
	(.044)	(.049)	(.018)	(.018)	(.183)
$\ln(Price) \times Active\ China$	.104*	.064	.028*	.047***	.349*
	(.059)	(.050)	(.017)	(.015)	(.193)
Observations	75,374	67,392	61,750	61,750	20,254
Country FE	NO	YES	NO	YES	NO
Time FE	NO	YES	NO	YES	YES
Grid FE	NO	NO	NO	NO	YES

Robust standard errors in parentheses
*** p<0.01, ** p<0.05, * p<0.1

From table 2 above it can be seen from the various models that while Chinese mining areas generally have larger coefficients the estimates for Canadian mining areas are more precisely estimated as shown from the smaller standard errors and show a larger degree of statistical significance. This relationship holds true for cells with active mining facilities in them as well.

majority of Canadian mining areas experience some sort of bribe in every single year contained in the panel. The values are omitted, and more weight is placed on Chinese mining areas which exhibit much more variation in their bribery counts.

With the inclusion of country and year based fixed effects the coefficients for Canadian mining areas rise while the coefficients for Chinese mining areas fall suggesting that Chinese firms are willing to operate in more conflict prone countries. In Model 5, after controlling for local characteristics Canadian mining areas not only have a higher probability of violence and conflict when prices rise but that they're also more precisely estimated that Chinese mining areas.[ix]

Qualitative Evidence

It's important to remember that these data points correspond with the lived experience of many individuals impacted by corruption and violence. I now provide context on the situations explicitly related to the various impacts of Canadian mining firms.

Corruption

Corruption can be reframed as the use of public office for private gain by outside groups. In the context of multinational corporations, this can be divided into two major categories: administrative corruption and state capture. Administrative corruption involves bribe payments to circumvent existing laws and regulations while state capture refers to the process in which corporations affect policy decisions to their own benefit.[5] Regarding Canadian mining firms, I'll be investigating instances of administrative corruption.

- In the Chubut province of Argentina, Canadian mining company Pan-American Silver had a legal investigation opened as a member of the Chubut parliament was filmed demanding a bribe of "a hundred thousand" from a foreign national in order to get their mine permitted.[6]

- In Mexico, Blackfire Exploration—another Canadian firm—was documented depositing money into the personal bank account of the mayor of Chicmuselo. According to deposit slips submitted in a 2018 court affidavit, monthly payments of 10,000 pesos were noted as rewards or tips.[7]

- In Mauritania, Kinross Gold had acquired two mining companies that had weak anti-corruption controls. After failing to implement and maintain the controls, the company awarded a lucrative logistics contract to a company preferred by Mauritanian government

[ix] In this case Model 5 does not suffer from the same issues that arose in the previous corruption estimates. This dataset is much larger, contains much more variation between and within groups, and cover a more extensive period of time. This richer variation is captured in the observation count. In order to estimate Model 5 in this case the dataset was only reduced by around seventy-five percent of its original size. In comparison to the corruption dataset in which the model was reduced by approximately ninety percent of its original size.

officials, worked with corrupt consultants, and failed to address whether their payments were being used for their stated purpose.[8]

Corruption is prevalent in areas that have strong mining industries. There are various academic studies attempting to analyze how natural resources affect political institutions. According to an academic study in the *American Journal of Political Science*, the authors found that the presence of mining within an area increases the instances of bribe payments, and that these results hold when tested using alternative models. The study also finds that mines located in less corrupt areas progressively become more corrupt after mines open.[9]

There are various examples linking Canadian mining firms to illicit activities directing outcomes in their favor. From my preferred maximum likelihood estimation model, Canadian mining areas demonstrate a 9.5 percent higher probability of bribes when mineral prices rise.[10] In other models, Canadian mining areas have comparable probabilities to Chinese mining areas but have a much stronger statistical significance.

Environmental Degradation

Canadian technical assistance has been heavily criticized for often reducing the strength of environmental and labor regulations. Miners and community members are exposed to water, soil, and air contaminated with heavy metals and airborne dust. Exposure to heavy metals and air pollution, directly or through food and water consumption is linked to cancer and adverse neurological, respiratory, dermatological, and gastrointestinal symptoms and illnesses.[11]

- In Chile, at the Pascua Lama project owned by Barrick Gold, harm to various glaciers has been reported. In April 2013, operations were suspended after a court order by the Chilean Supreme Court. on the basis of evidence of underground water contamination in the Toro 1, Toro 2, and Esperanza glaciers.[12]

- In Honduras' San Martín and Entre Mares projects, both owned by Goldcorp, have had complaints of pollution of the Agua Tibia and Guajiniquil streams as a result of serious acidic infiltration in 2008. In June 2009, a new inspection was made by mine experts from the University of Newcastle, and evidence of a serious pollution event.[13]

- In Panama, the Minera Petaquilla S.A. consortium felled 54.2 hectares of old growth, secondary, and gallery forest and approximately eight additional hectares of vegetation in order to construct an access road, heliports, camps, and a processing plant. The consortium also extracted non-metal minerals, which caused erosion and sedimentation in water sources.[14]

Canadian mining firms are responsible for more than a quarter of documented instances of environmental damage in the mineral processing/extractive sectors worldwide, according to data from the Environmental Justice Atlas. In Latin America, that figure rises to a third.[15]

While Canadian authorities seemingly accept reducing environmental regulations abroad, they are not supportive of it at home. The investor-state dispute Clayton/Bilcon v. Canada, the Canadian government rejected to grant a license for the investor's project to operate a quarry and marine terminal after a negative environmental assessment. The tribunal sided with the claimant and attempted to award damages. Before the tribunal could decide on the issue of damages, an application for the set aside of its award was filed with the Federal Court of Canada. The court noted,

> The majority's Award raises significant policy concerns. These include its effect on the ability of NAFTA Parties to regulate environmental matters within their jurisdiction, the ability of NAFTA tribunals to properly assess whether foreign investors have been treated fairly under domestic environmental assessment processes, and the potential 'chill' in the environmental assessment process that could result from the majority's decision.[16]

While Canadian authorities and mining companies in Canada are willing to hold themselves to high environmental standards, this is not the case for Canadian mining companies abroad.

Violence Against Civilians

Due to severe environmental impacts, a lack of community participation, extra-local alliances, and distrust toward the state. The presence of extractive companies tends to increase levels of local resistance. In response to this we see increasing instances of violence. Canadian mining firms have been linked to instances of intimidation, violence, and in some cases murder against environmental activist.

- In Tanzania, a group of more than 20 Tanzanians and their family filed a lawsuit against Barrick Gold Corp., alleging that their family members were beaten, shot at, or killed by police at one of the company mines within Tanzania.[17]

- In the Dominican Republic, according to reports detailing the Pueblo Viejo Mine owned jointly by Barrick Gold Corp Goldcorp. From 2010-2013, at least fifty people were injured, at least six arrested, and three killed protesting against alleged water contamination from the mine.[18]

State retribution for leaders of these protest movements is swift and often deadly.

- In Guatemala, Adolfo Ich—a Maya Q'eqchi' teacher and community leader who opposed the Fenix mine outside the town of El Estor—was shot and killed by the security chief of Fenix mine owned by Toronto-based Hudbay Minerals.[19]

- In 2009, Mariano Abarca was shot dead after organizing a protest against Canadian mining company Blackfire Exploration Limited. In 2008, three men who worked for Blackfire came to his home, beat him and his son, and held his wife at gunpoint. The company gained extreme lobbying support from the Canadian embassy in Mexico, even as violence erupted in protest.[20]

According to an academic study published in the American Economic Review, the presence of an active mine is positively correlated with the presence of violence and conflict. Increasing mineral prices leads to not only more riots and protests, but also more instances of violence against civilians. Mines owned by foreign firms without colonial ties—which are mainly made up of firms from Canada, the United States, Australia, and China—experience a quantitatively large and statistically significant effect on boosting the conflict potential when mineral prices rise. The results of this paper contradict the claim that natural resources can reduce conflict by generating higher local incomes. The study further estimates that rising mineral prices might explain up to one-fourth of the average levels of violence throughout Africa.[21]

From my preferred empirical model, Canadian mining areas demonstrate a forty percent higher probability of violence. In other models, Canadian mining areas have comparable probabilities to Chinese mining areas but exhibit a much higher statistical significance.

The Role of the Canadian Government

The Canadian government aggressively supports its mining industry abroad. *The Economist* states, "few governments have aligned their interests so closely to those of their country's energy and mining firms as Canada's Conservative administration," and this claim still holds true for Canada's current government.[22] Due to Canada's place as a global center for mining capital and its promotion of corporate social responsibility. Canada is uniquely placed to advise developing countries on how to shape domestic policy. While advanced nations across the globe provide technical assistance helping developing countries regulate various economic sectors. Canada is the only nation that has directly rewritten the mining codes of a foreign nation. There have been various negative consequences regarding Canadian technical assistance.

- In 1997, the Canadian International Development Agency (CIDA) helped rewrite aspects of Colombia's mining codes. The mining code was criticized as it relaxed labor and environmental protections within Colombia.[23]

- In 2009, Canada failed to denounce a governmental coup in Honduras. Instead, the Canadian authorities immediately lobbied for new mining codes. CIDA sponsored a technical project to finalize the mining law which passed in 2013. The new law allows for new mining projects in what is now the most violent country in Latin America and is a major setback compared to what Hondurans had been proposing, which were reforms to ban open-pit mining and the use of certain toxins in mineral processing.[24]

- From 1998-2011, CIDA financed the Peru-Canada Mineral Resources Reform Project (PERCAN), a $17.7 million collaboration with the Peruvian Ministry of Energy and Mines. CIDA's efforts, primarily directed at partnerships with mining companies and corporate self-regulation, led the North-South Institute and Lima-based Cooperacción to conclude that CIDA's approaches in Peru "are in no way innovative and tend to repeat schemes that have not been successful."[25]

Due to Canada's status as a global mining hub, its courts play an outsize role in shaping the key principles regarding mining disputes. The ICSID Tribunal relies on the Standards and Guidelines for Valuation of Mineral Properties of the Canadian Institute of Mining, Metallurgy and Petroleum to reach their conclusions.[26] When various Latin American nations attempt to hold Canadian mining firms accountable for violating environmental regulations, the firms respond with international arbitration. Canadian investors regularly seek protection of their rights abroad, taking countries to court.[27]

- In Crystallex v. Venezuela, the company claimed that the Venezuelan government violated various treaties due to the termination of a mine operation contract after the Venezuelan government refused to issue an environmental permit.[28]

- In the dispute GCM (formerly Gran Colombia) v. Colombia, Aris Mining claimed that the government's failure to address civil strikes, illegal artisanal miners, and a guerilla group detrimentally affected their production.[29]

- In Lupaka v. Peru, the company claimed due to the lack of action by the Peruvian Government, there was an alleged illegal blockade and invasion of the claimant's "Invicta Gold Development Project" by the local community, resulting in the loss of the mining project.[30]

Case Study: Colombia

Canada has a strong presence in Colombia's mining sector. As of 2019, 23 Canadian mining companies held assets in Colombia, totaling 1.38 billion Canadian dollars. Canadian companies hold 42 mining titles for copper, silver, and gold.[31] A portion of this presence can be attributed to the Canadian government altering Colombian mining codes in 1997.

In 2014, Canadian junior mining firm Cosigo Resources attempted to bribe an indigenous community in the Amazon to try to convince them to lift mining restrictions that had been implemented in the Yaigoje-Apaporis National Park.[32]

Local communities living near the mines suffer from headaches, nasal and respiratory discomfort, dry cough, burning eyes, and blurred vision as a result of open-pit mining. From 2012 to 2018, around 44,000 cases of malaria were reported among Colombian miners.[33] In Antioquia, Colombia, a joint mining venture by South African company Anglo Gold Ashanti and Canadian company B2 Gold Corp has shown evidence of air pollution, biodiversity loss, crop damage, surface water pollution, and increasing levels of soil contamination.[34] In the municipality of Suárez, an area with a large Afro-Colombian and indigenous population, the Canadian mining company Cosigo Resources have been pressuring the local community groups in order to mine within their territories. In the areas the company has managed to access we see deforestation, loss of vegetation cover, and groundwater pollution and depletion.[35]

The indigenous Wayúu leader Yazmín Romero Espiayú, whose advocacy focused on environmental damage caused by mining in the Ranchería River, received multiple high-level threats.[36] César García, a leader of opposition to the Colosa mining project owned by AngloGold Ashanti, was shot and murdered. The Colombian government refused to recover his body.[37] Father Reinel Restrepo Idárraga, a priest who headed a civic committee against the Marmato project of Gran Colombia Gold Corp was murdered on August 29, 2011. A few days before his death, Father Restrepo had indicated that his fight to prevent the mining mega-project in his parish could cost him his life.[38]

In 2013 the Colombian Comptroller stated that 80% of all human rights violations in Colombia took place within mining municipalities.[39] Instances of bribery, corruption, and the killing of activists within Colombia cannot be viewed in isolation from the model of extractive mining. Environmental and public health issues inspire and incentivize protest. 78 percent of the crimes against trade unionists, 89 percent of the crimes against indigenous people, and 90 percent of the crimes against Afro-Colombians are committed in mining and oil areas.[40] Since these protests hamper economic output, development, and profit, these multinational corporations use their influence to get the local domestic government to respond—often through the use of force and

criminalization. These factors culminate into making Colombia the most dangerous country in the world for environmental activists.

Implications for the United States

Due to the abuses of Canadian mining firms, the United States is losing on three fronts: the first is access to strategic metals, the second bilateral development, and the third is competition with China's Belt & Road Initiative.

Access to Strategic Metals

Due to the environment constructed by Canadian companies in the mining industry, we see companies acting as envoys of the state. To the degree that commercial companies are important for state-to-state affairs, some of the consequences of this are reduced labor and environmental regulations, companies taking advantage of international arbitration to make money, and, in some cases, countries outright banning metal mining as a whole. As the industry advances forward, more mining corporations are based in emerging economies further blocking the United States' access.[41]

- Brazil has a sizable investment in Angolan diamond mines.
- Russia focuses on uranium mining in Namibia.
- India has substantial coal investments in Mozambique and oil operations in Sudan and West Africa. [42]

As other nations look at different avenues to fund the development of their natural resources the expansion of South African and Chinese investment in the mineral sector can be observed. The South African government is positioning itself to take advantage of the growing demand for platinum group metals alongside being a major coal producer.[43] Chinese firms supply 58 billion dollars to the mining industry, representing a third of Chinese FDI in international mining from 2005-2017.[44] Firms from these nations have also gone out of their way to buy up various Canadian mining operations.

- South African mining firm Gold Fields just recently purchased the Canadian-based Yamana Gold Mining company for 6.7 billion dollars.[45]
- China recently purchased the Canadian-owned company Neo-Lithium.[46]

Bilateral Development

The negative consequences of Canadian mining firms harm the United States' bilateral development projects. The Canadian mining industry has its largest presence in Latin America and is detrimentally affecting the health of local indigenous communities. This puts the Action Plan on Health and Resilience in the Americas at risk. The plan is meant to "help our partners prevent, prepare for, and respond to future pandemic threats and other public health emergencies".[47] Not only are mining communities' hotbeds for diseases like malaria or tuberculosis, but communities are also exposed to environmental toxins. In Colombia, the activities of Canada's Pacific Coal Resources Ltd. contributed to water scarcity and respiratory disease in community members. The Canadian-owned Marlin Mine in Guatemala has been linked to water scarcity, forced dispossession, and heavy metal poisoning in nearby Mayan communities.[48]

The Prosper Africa Plan is also at risk. The policy aims to "support and facilitate mobilizing private capital to fuel economic growth, job creation, and greater U.S. participation in Africa's future."[49] This plan is implemented partly by the Global Alliance for Trade Facilitation, a joint project between the United States, Canada, and Germany to further facilitate trade between developing and least developed countries.[50] Canada is looking to expand its mineral sector in Africa as both the mineral and fossil fuel industries have the largest export potential in Africa.[51] This joint project would mean that the United States is supporting the expansion of projects that lead to violence, corruptions, and environmental degradation. In this way, the success of the United States' development projects are in jeopardy due to the offenses of Canadian mining firms.

U.S. Competition with the BRI

Since the practices of Canadian mining firms are detrimental to the development of resource-rich, low-income countries, these firms also contribute to the acceleration of China's dominance of the mining industry. Developing states are often fragile and by nature of that fragility, more susceptible to Chinese financing and control. China has become a leader of financial assistance for Latin America, with financial assistance exceeding the World Bank, the Inter-American Development Bank, and the CAF-Development Bank of Latin America combined.[52] These Chinese loans and financial assistance have mainly focused on energy, mining, and infrastructure projects.

Argentina is one of the largest receivers of Chinese financing in Latin America. Joining China's Belt and Road Initiative in 2022, Argentina sought to deepen economic relations with China and attract more Chinese-related investment.[53] China's efforts in Argentina are part of a wider

strategy by the Chinese government to become dominant in global high-tech manufacturing.[54] Argentina joined the Belt and Road Initiative with the aim to garner investment specifically in its lithium mining industry, only a few years having their own Canadian mining corruption scandal at the Navidad Project owned by Pan-American Silver.

There have been many instances of Chinese mining firms engaging in human rights abuses within their host countries. Corruption, the ill-treatment of workers, and the degradation of environmental standards are not unique to Western firms.[55] For example, an academic comparative study looking at mining firms in Peru found that the Chinese mining firm Shougang Hierro Peru has established a poor labor and environmental record. U.S. firms had on average, higher annual fines for environmental violations, labor, and employ more contracted labor which "has played a pivotal role in the poor quality of mining employment."[56] The Chinese government has shown that it is willing to denounce and act against their firms that are engaging in exploitative and illegal behavior abroad, which is unlike what we have seen with Western mining firms and their respective governments.[57]

Conclusion

Regardless of whether the Canadian government is aware or not, the Canadian mining industry exacerbates issues in emerging economies. The United States needs to be aware and prepared for increasing levels of anti-U.S./Western sentiments in Latin American and Africa. Both El Salvador[58] and Costa Rica[59] have both implemented a national ban on mining, and countries in Africa, such as Tanzania, invite Chinese investment.[60] Canada has a responsibility to reign in its mining firms abroad. With growing levels of resource nationalism, countries will look towards investment avenues that allow them to take advantage of their own mineral resources. The Harper administration pushed corporate social responsibility as a solution, yet the role created to investigate mining companies abroad remained vacant.[61] The Trudeau administration later established an advisory panel, but due to an erosion of trust all 14 members resigned.[62]

The Canadian mining industry is a key player when it comes to competing with Chinese investment in the "Green Minerals" industry. If the United States wants to compete with Chinese investment, then the U.S. needs to help address the instances of violence and corruption attributed to Canadian firms. As we enter a world even more reliant on critical minerals, the ecological debt we owe Latin America will only rise. For Canada, that means urgently addressing its own culpability in centuries of social, political, economic, and environmental upheaval.

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