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## ROMANIAN GLOCALIZATION. CASE STUDY ON THE ROSIA MONTANA GOLD CORPORATION MINING PROJECT

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**Abstract:** *At the end of the communist era, which was characterised as a closed social experiment, Romania found itself in the middle of a globalization process. Its industrial capacities have been considerably reduced through a poor and spendthrift management. There was a mass exodus of the labour force abroad and the educational background for the remaining part was no longer in agreement with the labour market. On these grounds, the vectors of globalization, in the form of foreign investments, entered Romania effortlessly. There even were local communities where the arrival of foreign investors was expected like a second coming of Christ. This is the context in which a Canadian company set forth the mining project Rosia Montana Gold Corporation. The implementation of the project should have started in 2005. Nevertheless, the project has not been effectively launched yet. This situation is based on what we call Romanian glocalization, namely a specific confrontation between global and local on Romanian land.*

**Keywords:** *glocalization, psycho-social impact, position groups, population fears, traditional and modern mining.*

### Introduction

The Romanian communist system was a quasi-closed one, as it is the case inside all communist regimes. Until the fall of the communist regime, in 1989, the connections to the globalization process had been limited to their commercial dimension. Everything was exported, including the basic food of the Romanian people; and import had a highly selective character. After 1989, in a more or less scheduled manner, a massive campaign

meant to connect Romania to the globalization processes started. However, paradoxically, this process brought with it a significant amount of damage to the economy, including in the area of mineral resources exploitation. Essentially, within only 10 years, the most of the mines in Romania were closed. The reason was unprofitability. Moreover, after another 10 years, mining was almost forgotten or occasionally brought to public attention through the controversies surrounding possible foreign investments in the field. The Rosia Montana Gold Corporation (RMGC) mining project was and still is among the topics of long and heated controversy. This project is promoted by Rosia Montana Gold Corporation, a joint venture between the Romanian state company Minvest S.A. Deva (19,3%), Gabriel Resources Limited from Canada (80%) and minority shareholders (0,7%). (Pascaru, 2007: 40). The project should have been implemented starting with the year 2000. The exploitation itself was scheduled to begin in 2005 and – based on the existent mineral reserves – it was meant to go on for a period of 17 years. Yet it has not started to this day. At one point, the delay in the implementation of the project led to the intervention of Romanian president, Traian Basescu. He blamed this delay on the politicians' cowardice: „If this project has been buried from 1997 until now, you have to know that one of the serious causes for this is the cowardice of politicians who wanted to spare themselves the headache. If the project would have been launched in 1997, the increase of the gold price would have found us in the middle of an exploitation process.” (*Mediafax*, 29 august 2011).

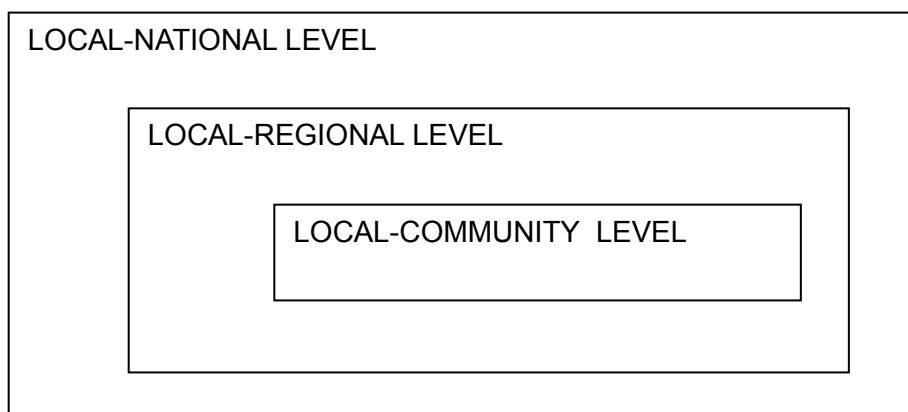
To us, the RMGC project is an example of a vector of globalization that penetrated the open society that characterized Romanian after the fall of the communist regime.

Natale Ammaturo noted that, in the last decades, a large quantity of studies and research related to globalization were published and that it is difficult to organize the enormous amounts of literature dedicated to this topic. This literature passes on from McLuhan's *global village* to discussions related to the *globalization of the village* (Ammaturo, 2004: 5). While economists successfully defined globalization as open economy, Van Der Bly believed that, „sociologists might switch the debate and consider the idea of globalization as the idea of 'an open society', and discuss which empirical parameters indicate the level of 'openness' of a society.” (Van Der Bly, 2005: 884).

The relationship between global society and local societies is extremely complex. Regarding this subject Schuerkens wrote: „For several decades, we have found the creations of new local social forms as an answer to the process of globalization... Thus glocalization permits the opening up of a new theoretical understanding of social transformation and change.” (Schuerkens, 2003: 207).

When global and local overlap, there are three levels we can identify. These represent the levels of glocalization as well: 1) local-national level, 2) local-regional level and 3) local-community level (see Fig. 1).

Fig. 1. Levels of glocalization



## 2. Rosia Montana and the RMGC project

Rosia Montana is located in the north-eastern part of the Metaliferi Mountains, near the towns Abrud and Câmpeni, in Romania. Its population counted approximately 5000 inhabitants at one point. The main activity (and the main source of income) was mining until 2006 when the mine of Rosia Montana was closed. The RMGC project can have a series of *economical benefits*: 1) the profit of the RMGC and that of the Romanian state; 2) the substantial growth in the local budget through taxes; 3) stable incomes for the local residents who are not employees of the RMGC but who can develop related businesses.

Criticism of the project targets a series of aspects such as: 1) the use of cyanide in the

gold recovery process; 2) the size of the project; 3) the destruction of the landscape caused by a surface exploitation; 4) the resettlement of approximately 2000 people; 5) the damage brought upon the old archaeological sites.

### **3. Romanian Glocalization. Researchs at Rosia Montana**

#### **3.1. The vector of globalization and the position groups**

Our first research on Rosia Montana was carried out in Corna and Bunta, two villages that would be taken off the map by the works in the project. Here the impact of the RMGC project, as a vector of globalization, was felt through the immergence of position groups at a small community level. The position groups in the village Corna, for instance, were built around a more or less explicit *agreement* or *disagreement* towards the RMGC project and its effects. Consequently the following factors have been considered: 1) agreement/disagreement to the idea of building a starter dam on the site of the Corna village; 2) the assessment of the projects' influence upon the area. Position groups were characterized according to the community matrix indices: 1) inter-knowledge index, 2) communication index, 3) mutual action index. These indices have values between 0 (total lack of knowledge, communication and action) and 1 (maximum amount of knowledge, communication and action). (Pascaru, 2003).

In 2003, in the village of Corna alone, 9,4% of the respondents stated that they *agree, without regret, to the RMGC project's initiative to build in the Corna village a starter dam*; 28,1% stated that they *agree, but feel sorry about it* and 29,7% *do not agree*. For the ones who agreed without regret the community matrix index was over the average (0,50), especially due to a high inter-knowledge index (0,82) and a high communication index (0,57). The ones who stated they did not agree also had a higher community matrix index due to a high mutual action index (0,19).

When asked "Do you think the project will have a positive influence upon this region?" 31,3% of the respondents answered YES and 48,8% answered NO. The community matrix index for those who answered YES was above the average (0,46), especially due to the inter-knowledge index (0,79), while the index value for the inhabitants who answered NO

was very close to the community average (0,73 – inter-knowledge index, 0,43 – communication index, 0,13 – mutual action index, 0,43 – matrix index).

In a provisional overview, we estimated that the following groups adopted a favourable position towards the RMGC project: 1) those who stated they agreed and had no regrets about the disappearance of the village and whose community matrix index was above average, especially due to their involvement in mutual actions; they represent a group whose resources could be harnessed to support the communitarian development for the project; 2) those who believed the RMGC project would have a positive influence upon the area, with a community matrix index above average largely due to the high value of the inter-knowledge index. The groups who adopted a more or less clear position towards rejecting the RMGC project were: 1) those who did not agree to the disappearance of the village, with an index value above average; 2) those who believed that the RMGC project will not have a positive influence in the area; the index value of the community matrix and its dimensions equalled the community average for this group, which can be qualified as a “mass group”. The practical meaning of these classifications, as we have acknowledged at the time this research was made, could be that, in the case of a collective debate and decision, due to their position within the community, the groups who appeared to support the RMGC project would prevail upon the groups that rejected it. (Pascaru, 2007: 79-82).

### **3.2. Local alternatives to globalization**

In 2011 we have coordinated a series of research in Rosia Montana and Abrud (a neighbouring town). The results of the research showed that the number of people who had heard about modern mining was approximately equal to the number of people who had not. Still, little over half of the interviewees (54,4%) gave affirmative answers. The majority of those who stated that they had heard about modern mining answered that it was different than traditional mining. The equivalence between the two types of mining could have been the result of the representations regarding the impact and/or the technology used in the process. 3,2% more interviewees from Abrud than those of Rosia Montana believed that there are differences between modern and traditional mining.

(Rachieru et al., 2011: 10-11). Most answers to the question about advantages and disadvantages of traditional mining vs. modern mining contained references to the number of jobs created because of mining in the past, but also to the contribution of traditional mining to an increase of the GDP. In contrast, modern mining was only represented as a job source, where the *bosses make money* and where higher qualifications and responsibilities are required. In traditional mining, low work efficiency was considered a disadvantage for the economy but an advantage for the environment. However, according to the inhabitants, modern mining would have economical advantages offered by the new technologies; but this would draw higher risks of pollution. From a social point of view, advantages in the past were present in the comfort brought by a safe pension and high wages. Modern mining did not seem to promise anything like this. (Rachieru et al., 2011: 11-12). Overall, as an indirect reaction to globalization, supporting the advantages of traditional mining is in fact a manifestation of glocalization. The globalization, located in Rosia Montana, generates nostalgia.

## Conclusions

The natural question at the end of this study is: What is the specific character of *localising* a powerful vector of globalization such as the Rosia Montana Gold Corporation project? By answering this question we will also draw the lines for the profile of Romanian glocalization. At a local-national level, we have seen that the cowardice of the politicians, as the Romanian president called it, can also be taken into account when defining Romanian glocalization. At a local-regional level, we have a paradox of rejecting globalization, even more so when its impact is less dramatic. To it, we can add the fast structuring of the position groups into organizations (associations pro and against the RMGC project) with their intense activity to delay the start of the exploitation process throughout the years. At present, there are data indicating the fact that a pro-project decision or a permanent rejection of the project would be more beneficial than an endlessly prolonged uncertainty, including for the inhabitants of Rosia Montana. In terms of

local identity preservation - a question brought forth by the position groups, but also by interventions outside the community - the RMGC project was constantly adjusted, firstly in order to preserve the historical centre of Rosia Montana, and then to value and preserve the rich archaeological patrimony. In terms of environmental protection, initially the RMGC planned rehabilitation projects at the end of the exploitation. These plans were changed for projects meant to save Rosia Montana from the pollution left behind by the traditional mining.

We will conclude this study with a hypothesis suggested by the case study on RMGC: the depth of glocalization is greater as we move from a macro (local-national) to a micro level (local-communal). We believe that this hypothesis can offer a generous opening to further research in the field of glocalization.

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