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# **Romanian Glocalization. Case Study on the Roșia Montană Gold Corporation Mining Project**

Mihai PASCARU<sup>1</sup>

## **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 Roșia Montană 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. The global, in this confrontation, is not immediately and necessarily the winner. The local particularities provide a specific configuration to the global, and this is precisely the definition of glocalization. The present study uses a synthesis proceeding from a series of research developed by the author, under his direct coordination or through his substantial collaboration, in the impact area of the Roșia Montană Gold Corporation project. The present work focused on: 1) the psychosocial and residential impact of the RMGC project; 2) inhabitants' representations the project's impact; 3) subjective dimensions for the quality of life in the impact area of the project; 4) comparative representations of traditional and modern mining. The conclusion of this study is open to future research: at a local level, the effects of globalization are not nonlinear, but much more complex and at least bilinear, that is to say, from global to local (the efforts for the implementation of

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the RMGC project) and from local to global (the delay on the implementation process and the potential of a deeply localized implementation).

*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 Roşia Montană Gold Corporation (RMGC) mining project was and still is among the topics of long and heated controversy. This project is promoted by Roşia Montană Gold Corporation Company, 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 started in 1997 with exploration works and geological research. Gradually, more estates were purchased (houses and terrains owned by the inhabitants of the villages considered for relocation and resettlement). The archaeological field works intensified too, followed by the evaluation, classification and preservation of artefacts. 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 Băsescu. 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*, August 29<sup>th</sup> 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.

Globalization (*mondialisation*, in French) in itself, as we have already pointed out (Pascaru, 2007), seems to challenge the multiple theoretical and methodological efforts that social sciences and sociology in particular are assigned to make. 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. In order to be meaningful to social actors, these new social meanings must build on existing cultural schemes. It becomes obvious that this sort of reinvention of tradition and creation of new meanings is different from persisting local traditions. 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) national level, 2) regional level and 3) communal level.

It should be noted, in this context, that specialists who speak of the passing from *globalization* to *glocalization*, take into account as a defining feature the rearranging process for the levels at which fundamental decisions are taken and their consequences need to be analyzed. If during the globalization period the national level was dominant, the current era of glocalization the local and global levels are dominated in terms of decisions and governance. (Knödler & Albertshausen, 2001; Swyngedouw, 2004; Sucháček, 2008).

### **Roşia Montană and the RMGC project**

Roşia Montană is located in the north-eastern part of the Metaliferi Mountains, Romania, near the towns Abrud and Câmpeni. 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 Roşia Montană was closed. Mining was practiced here for over a 2000 years (Sîntimbrean & Bedelea, 2002: 15). Because of its long history of mining this area has acquired patrimonial

value. This patrimony has to be preserved in order to reduce the impact of the RMGC project (*Roşia Montană. Studiu etnologic*, 2004: 68-69). Three communities belonging to the perimeter which will be affected by the mining project are subjects to relocation and resettlement (the village Roşia Montană and two peripheral villages, Corna and Gura Cornii). The company offered the locals the option of *resettlement*, namely the possibility to exchange properties from two new sites. The 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; 4) a certain contribution to a modern infrastructure; 5) regional development. Closely related to the economic benefits are the social ones that refer to solution for certain social problems (poverty, unemployment, social exclusion in general).

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; 6) the fact that gold production is no longer imperatively necessary as there are enormous gold deposits in the national banks all around the world; 7) the fact that starting the exploitation would include Romania on a list of underdeveloped and corrupt countries; 8) the economic inefficiency of the project (Pascaru, 2007; Gavrilă-Paven & Muntean, 2011).

## **Romanian Glocalization. Research at Roşia Montană (2003-2011)**

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

Our first research on Roşia Montană 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).

### **Globalization and dependence. Dependence/independence and the RMGC project**

Can globalization lead to dependence at the level of local aspirations? In order to answer this question we will use the results of a research carried out between 2004-2005. In the above mentioned research we also took an interest in the way the inhabitants of Roşia Montană saw their future. Some of our collocutors tied their future to the RMGC: "*My projects and my family's projects are connected to*

*those of the RMGC and I lay all my hopes in this project. Yes, I would advise other people to think about their future the same way I do*" (employee RMGC). Others, on the contrary, said that their future is not connected to the RMGC: "*The RMGC's projects have nothing to do with me or my family and I would advise others to think about it the same way I do*" (pensioner). Thus, dependence was not absolute, though probably related to the position groups of this area. In 2007, a major sociological study was carried out at a regional level, in the impact area of the RMGC project (Marina & Millea, 2007). One of the key points highlighted in the social investigation was that attitudes towards the project were also influenced by the experience and the values that resulted from the traditions of mining in the area. As such, if two thirds of the interviewees had had miners in their families (62.7%), their positive expectations and perceptions regarding the project were higher. Another interesting point in this research was that the project was supported more in Roşia Montană - the village directly affected by it. The positive attitude towards the project was progressively lower as the regional frame became wider. The other way around, resistance towards the project was lower in Roşia Montană, where the impact would be direct, and higher outside the impact area. These situations have led researchers to the idea of a concentric public participation as a model of supporting sustainable development in the area (Butiu & Pascaru, 2011).

### **Local alternatives to globalization. Traditional mining vs. Modern mining**

In 2011 we have coordinated a series of research in Roşia Montană 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 Roşia Montană 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 Roşia Montană, generates nostalgia.

### Conclusions and openness

The natural question at the end of this work is: What is the specific character of *localising* a powerful vector of globalization such as the Roşia Montană Gold Corporation project? By answering this question we will also draw the lines for the profile of Romanian glocalization. At a 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 regional level, we have a paradox of rejecting globalization, even more so when its impact is less dramatic.

There are two apparently less significant elements that should be considered. As shown in the *RMGC - Action Plan Resettlement and Relocation 2002-2004*<sup>2</sup>, the mining company purchased approximately 42% of the residences inside the impact area, offering at the beginning more advantageous compensations to those who owned smaller houses and had larger families. The reason for this was that the calculation system relied on the minimum living area as the standards required, regardless of the effective surface of the house. Suddenly, the number of members in a household increased in Roşia Montană as thousands of people who had lost touch with their native land resettled their residence here. The company was forced to adopt a new compensation system. The surface of the building, the class the property fits into (according to construction materials, appearance, general state) and the household functionality factor were all taken into account. Later, the inhabitants of Roşia Montană were presented with a new location plan. Negative reactions were rather harsh and mainly directed to the type of household and the urban uniform appearance of the settlement. The building was inspired from the traditional model of the villages in the Apuseni Mountains and its settlement was meant to shadow every family's personality. Today however in Roşia Montană, building follows the principle "make it completely different than the neighbour's" (if it cannot be bigger, then it should at least be different).

This reaction belongs to the psycho-sociological and anthropological local structure. To it, we can add the fast structuring of the position groups into

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<sup>2</sup> See also <http://www.povesteaadevarata.ro>



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 Roșia Montană.

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 Roșia Montană, 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 Roșia Montană 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 (national) to a micro level (communal). We believe that this hypothesis can offer a generous opening to further research in the field of glocalization. In terms of an opening towards new research, there is the possibility of continuing a more in-depth study of the position groups' referred to in previous research and that of focusing more on the Canadian Romanian company promoting the project. The use of *appreciative inquiry* (Chapagain, Ojha, 2008; Cojocaru, 2012) should be included in the methodology, as we are dealing with a number of other economical, social and cultural projects that have been associated with the mining project presented here. From the point of view of social change and its sustainability the emphasis must be put on the mechanisms of the RMGC project and *the occupational strategies* (Buțiu, 2011) needed in the implementation area of the project.

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