

GOLD AND DISPLACEMENT IN EASTERN EUROPE: RISKS AND UNCERTAINTY AT ROȘIA MONTANĂ*

FILIP ALEXANDRESCU**

The Canadian-Romanian gold mining project at Roșia Montană in Romania is known as the largest opencast gold mine being planned now in Europe. It involves the displacement of several thousand inhabitants, mostly former gold miners and a smaller number of farmers. The land and houses of more than three quarters of this population have already been acquired by the project owners, although the project has not yet received its formal environmental clearance. The paper analyzes the risks facing the displaced population of Roșia Montană, employing as analytical methodology the Impoverishment Risks and Reconstruction (IRR) model, developed by Michael M. Cernea. The paper argues for an expansion of the IRR model. By taking into account the macro (extralocal) forces that shape displacement and paying closer attention to the micro (subjective) experience of this process, it becomes possible to understand the effects of uncertainty and vulnerability in displacement. The author's participant observations and in-depth interviews with local families are complemented with secondary analyses of data from several other socio-economic surveys and with the analysis of the Resettlement and Relocation Action Plan of the project owners.

Keywords: Displacement, risks, IRR model, uncertainty, vulnerability, peripheralization.

INTRODUCTION

This paper explores the social and economic risks generated by a proposed large-scale mining project to be carried out in the gold-rich area of Roșia Montană, Romania, by a Canadian – Romanian corporation. While the project has not yet been approved by the Romanian authorities, the project developers have already acquired the properties of three quarters of the households whose land is needed for the project. The article captures only the initial stages and the most apparent trends of an ongoing and complex process of mining-induced displacement.

* First published in "Revista Română de Sociologie", Nos. 1-2 / 2011.

** Address for correspondence to Filip Alexandrescu: Institutul de Cercetare a Calității Vieții al Academiei Române, Calea 13 Septembrie nr. 13, sector 5, 050711 București, România, e-mail: filip.alexandrescu@utoronto.ca.

Populations displaced by mining projects face specific challenges as rich mineral deposits are discovered in areas where land is relatively inexpensive and opencast mining is the most cost-effective method of extraction. Such deposits are often located in regions of high population density in which land tenure is poorly defined, residents depend on subsistence agriculture and are politically disempowered (Downing 2002: 6). When displaced by large mines, individuals or whole villages face the risk of impoverishment as described by Cernea's Impoverishment Risks and Reconstruction (IRR) model¹. However, the last two decades have brought some important changes and added complexity to the world-wide phenomenon of involuntary displacement.

First, the fall of state socialism has enabled mining companies to expand into Eastern Europe, attracted by the mineral bounty of the Carpathian mountain range (Danielson, 2005). Mining in this area, that is now part of the European Union (EU), poses specific challenges for companies due to higher land prices, stricter environmental regulations and growing social expectations.

Second, in addition to the project developers and the local populations to be displaced, a new category of actors has emerged on the scene: environmental and human rights NGOs. These have become increasingly successful in delaying resource-extraction projects in different countries². This has also happened at Roşia Montană. The NGOs opposing the new mine have managed, beyond many people's expectations, to bring the environmental approval process to a standstill. However, the grassroots base of the opposition has declined over the years as many families received compensations for their properties and left the area³ while others do not find their interests represented by the opposing NGOs.

Both circumstances mentioned above have a strong bearing on the displacement process and its outcomes. The growing real estate market in Romania and the sustained opposition have compelled the project developers to provide, lately, substantially increased compensations for properties. These have reduced the risk of decapitalization for those who have already relocated from Roşia Montană before the project was put on hold. The residents who still live in the area were left to struggle with a host of uncertainties because the fate of the mining project itself is undecided. Roşia Montană is considered 'one of the world's few remaining undeveloped giant gold deposits' (Casey, 2006: 2). Even if the project is suspended, it is unlikely that the \$9.2 billion⁴ bonanza will remain in the ground for long. This casts a long shadow of uncertainty over Roşia Montană.

¹ The IRR model will be discussed in the third section of the paper.

² Recent examples include the Phulbari coal project in Bangladesh and the Bujagali hydropower project in Uganda.

³ No expropriation has been used so far, property acquisitions following the 'willing buyer, willing seller' principle.

⁴ The gold deposit is estimated at 10,100,000 oz (RMGC 2006b). Calculated at current prices (\$915 for 1 oz of gold – June 26, 2008) gives a value of \$9.2 billion.

In order to account for this diversity of resettlement experiences I will enrich the IRR model by taking into account the macro- and micro-social contexts in which the Roşia Montană displacement takes place. I will show how extralocal influences shape the impoverishment risks described by the IRR model and how this, in turn, is reflected in the lived experience of the displacees.

The description of the Roşia Montană case is followed by the outline of the theoretical framework. The next section focuses on the macro-level processes that create the conditions for vulnerability in the Roşia Montană area. This is followed by the description of the data and its collection. In the “Analysis and Interpretation” section, I introduce the micro-social context of the resettlement experience. This is followed by an analysis of the issue of ‘successful relocation’, of compensation and of six impoverishment risks from the IRR model⁵, with particular emphasis on the links between extralocal processes and their subjective interpretation. To ensure comparability, I point out some similarities with development-induced displacements in other countries.

THE CASE IN BRIEF

Roşia Montană is a cluster of 16 villages located in the Western Carpathians of Romania. Administratively, Roşia Montană belongs to Alba county (the county capital is Alba Iulia), has a population of 3600 (2006) and is surrounded by the towns of Abrud and Cămpeni, and by several other villages (“1 December” University, 1918⁶: 19). In what follows, a distinction is drawn between ‘displacees’ and the local population. The former refers to those inhabitants of Roşia Montană and Abrud whose land has been earmarked for acquisition while the latter refers to all other residents of Roşia Montană and the surrounding area, who live in close proximity to the project footprint but are not eligible for compensation.

Roşia Montană has been a famous gold mining area since Roman times. Mining has been carried out with varying intensity over the centuries until 1948 when all the private mines were nationalized by the socialist state. Beginning with 1970, the socialist state enterprise commenced open pit exploitation which occurred, even after the fall of the socialist regime (1989), until 2006.

In the 1990s, the mineral and energy resources of Eastern Europe increasingly attracted foreign direct investment (FDI) to this region (Castells, 1996: 136). The Toronto-based mining company Gabriel Resources arrived in Roşia Montană in 1997. Together with the state-owned enterprise Minvest Deva, Gabriel

⁵ With the exception of the ‘loss of access to common property resources’ and ‘food insecurity’ which seem less relevant in the case analyzed.

⁶ These are the results of a study carried out by the “1 December” 1918 University, Alba Iulia, in the Roşia Montană area in 2007. The availability of the study is courtesy of RMGC. Henceforth, the author of the study will be shortened to “1918 Univ.”

Resources formed the Roşia Montană Gold Corporation (RMGC)⁷, which intends to develop the largest open pit gold mine in Europe based on cyanide-in-leach technology. The surface needed for the project covers 1660 ha (RMGC, 2006a: 9). Since 2002, the company has commenced the acquisition of properties of 974 households residing within the project footprint. The Resettlement and Relocation Action Plan (RRAP) distinguishes between two forms of displacement: relocation and resettlement. Those opting for relocation have received compensation in the form of a lump sum which they have used to purchase a property at a location of their choice. For those who chose to be resettled, new houses will be built by the company at two new resettlement sites (Piatra Albă⁸ and Dealul Furcilor⁹). Until the new sites are constructed, the resettlers live in their houses in Roşia Montană (RMGC, 2006a).

RMGC had applied for a \$100 million loan from the International Finance Corporation (IFC), the private lending arm of the World Bank. The application for this loan was dropped in October 2002, but there are contradictory reasons given for the Bank's refusal to finance the RMGC project. A World Bank spokesperson claimed that the decision was taken by James Wolfensohn, former World Bank's president due to 'concerns about the project's social and environmental impact' (Beattie and McAleer, 2002: 13). According to IFC officials, however, the decision to withdraw was made due to the availability of private financing for the project (McAleer, 2003: 27).

After securing private loans, RMGC submitted in 2006 the Environmental Impact Assessment (EIA) report to the Romanian government. However, the NGOs opposing the project, headed by the local NGO 'Alburnus Maior' (AM), have launched legal challenges against the project, and in Fall 2007 succeeded in having a number of important certificates annulled by Romanian Courts of Appeal. As a result, the Romanian Ministry of the Environment decided to suspend the evaluation process for the EIA. In early 2008, property acquisitions were discontinued and two thirds of the RMGC workforce was laid off.

THEORETICAL FRAMEWORK

The impoverishment risks caused by population displacements throughout the world have been the focus of sociologists and anthropologists for several decades. Their research has been articulated in an analytical model known as the

⁷ Gabriel Resources has an 80% share in RMGC, while Minvest has 19.3% and 3 minority shareholders the remainder.

⁸ A new village to be built at the end of the Roşia Montană valley, 5 km from the centre of the Roşia Montană commune.

⁹ A new quarter to be built on the outskirts of the county capital Alba Iulia, 70 km from Roşia Montană.

Impoverishment Risks and Reconstruction (or IRR) model (Cernea, 1991, 2000, 2008; Cernea and Guggenheim, 1994). Cernea's IRR model postulates that involuntary displacement results in eight impoverishment risks: landlessness, joblessness, homelessness, food insecurity, increased morbidity and mortality, marginalization, social disarticulation, and loss of access to common property. The main strength of the IRR model is that it is both comprehensive and specific. It focuses on a broad range of possible risks and, being grounded in an impressive accumulation of empirical findings, it sensitizes researchers to specific forms of impoverishment. This makes it very useful for a multisided exploration of the displacement process at Roşia Montană. The main weakness of the IRR model is the neglect of the broader political economic processes, which cause and shape displacement in little understood ways. In addition, the model pays insufficient attention to the subjective experience of displacement among affected populations (Dwivedi, 2002: 719). This study aims to build on the strengths of the IRR model and overcome its limitations by exploring the displacement process at Roşia Montană within its macro (extralocal) context and its micro (subjective) context.

The main argument is that the displacees and the local population from Roşia Montană are exposed to a process of impoverishment which is both more complex and more uncertain than similar instances of displacement in 'Third World' contexts. To better identify this process I use the term *vulnerability*. Vulnerability refers to the relative inability of an individual or group to deal with the adverse effects stemming from environmental or technological change (Allen, 2003). It is the *possibility* 'that a crisis may descend at any time, [and] not knowing whether one will cope' (World Bank, 2001: 135). Exposure to risks becomes vulnerability when the outcomes or probabilities of risks are uncertain¹⁰. In the case of displacement, vulnerability is a form of impoverishment which may or may not materialize. Even in the absence of real impoverishment, uncertainty changes the everyday lives of displacees in significant ways.

Uncertainty plays thus an important role in understanding the subtle and enduring effects of involuntary displacements. For example, in discussing resistance to displacement in the Sardar Sarovar project in India, Dwivedi (1999: 46) points out that 'paradoxical as it may seem, lack of information is a high risk'. In other instances, uncertainty becomes 'chronic', as in the case of the Gwembe people forcibly relocated by the construction of the Kariba Dam in Zambia in the 1950s (Cliggett et al., 2007).

Vulnerability is due to two macro processes – peripheralization and individualization – which shape the risks of the IRR model in specific ways. Peripheralization and individualization do not necessarily work in tandem but can have contradictory effects on displacement risks.

¹⁰ The conception of risks adopted here is very similar to that of Jaeger et al. (2001: 17): risk is a "situation or event in which something of human value [...] has been put at stake and where the outcome is uncertain".

The peripheralization of a local community means that its developmental path comes under the ever-stronger influence of extralocal forces. In the geographical literature, peripheries are defined by their dependence on decisions made in a centre of power and by the 'distance' (in both a spatial and a socio-cultural sense) from that centre (Waack, 2004a: 1). Moreover, communities exposed to peripheralization experience contradictory pressures, such as an increasing dependence on extralocal investments or markets and, concomitantly, depopulation and ever fewer indigenous resources to cope on their own with rapid technological and economic change.

When discussed in relation to risks, individualization has two aspects. On the one hand, it means that the responsibility for dealing with risks is transferred from institutions to the individual (Beck, 2006: 336). On the other hand, individuals face this new demand by searching for individual solutions to their problems, a trend that is exacerbated during the post-socialist period due to institutional instability (Genov, 2000: 542). Overall, individualization tends to make individuals more vulnerable.

THE MACRO-SOCIAL CONTEXT OF ROȘIA MONTANĂ: VULNERABILITY IN AN EMERGING PERIPHERY

To understand how a local population in Eastern Europe becomes vulnerable once it becomes exposed to extralocal influences, one needs to look in several directions. First, it is important to consider the political economy of the global extractive industry. Second, the transition context of post-socialist Romania is indispensable for understanding the pre-project conditions in Roșia Montană. Third, the emergence of influential transnational NGOs draws attention to the growing power of extralocal actors to define local risks and uncertainties and the consequences of this process.

In the mining literature it is generally agreed that mining is risky business. Modern mining requires large, capital-intensive operations with substantial start-up costs. Mineral prices are subject to large fluctuations on the world market, which affect the profitability of mining projects (Mikesell and Whitney, 1987: 31). This causes the well-known boom and bust cycles of economies dependent on mining (Clark and North, 2006: 3). Exploration is very high-risk because ore reserves can be overestimated or the quality of the ore might vary unexpectedly in different areas of the deposit (Mikesell and Whitney, 1987: 69). Cost overruns are very frequent in mining due to technical problems or administrative reasons. Even if the mine reaches its operational phase, it can still experience difficulties or a premature shut-down, not least because of political risks, such as unexpected changes in taxes or in environmental legislation (Mikesell and Whitney, 1987: 69).

What are the social implications of these constraints on local communities? From a spatial point of view, the mining industry tends to crowd out the living space of local populations in order to use the environment as a supply depot and waste repository for its large-scale operations (see Figure 1). This spatial ‘conflict’ between the uses of the environment has negative economic implications. At Roşia Montană, for example, mining, agriculture and forestry have offered long-established, complementary income opportunities (Waack, 2007). With the advent of a modern, large-scale project, the local economy is pushed towards dependence on a sole income source: mining.

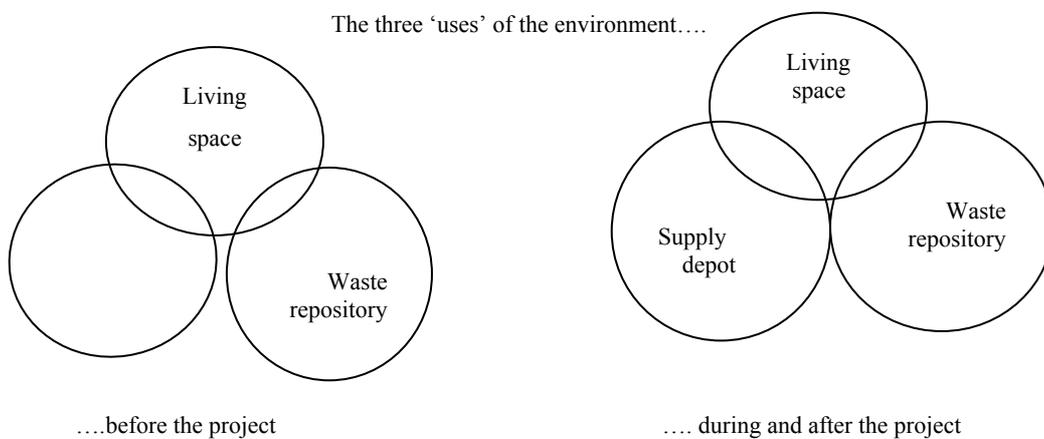


Figure 1. The Three Competing Uses of the Environment in Roşia Montană: From Relative Harmony to Emerging Conflict.

Source: adapted from Dunlap (1993), cited in Hannigan (2006: 19).

This profound intrusion into the spatial and economic fabric of community life stands in marked contrast to the limited engagement of mining companies in the socio-economic *development* of local communities. Transnational mining projects tend to be organized as ‘enclaves’, separated from the rest of the national economy (Clark and North, 2006). In most cases, operations are owned by foreigners so that profits are largely repatriated to outside investors. The few workers employed in these operations can hardly generate enough demand for the growth of regional markets. The specialized knowledge and technology required by modern mining are not widely applicable to other economic activities (Clark and North, 2006: 3). Given the pressures of international competition (Schnaiberg and Gould, 1994), the rate of extraction is of crucial importance: the faster, the better. This makes the prospect of *sustainable* socio-economic development for mining communities highly elusive. Because mining ventures are high-risk, companies often externalize many of these risks onto local – and relatively powerless – populations. Or, in more positive terms, they limit their social responsibility

towards communities as much as possible (Szablowski, 2002: 254). This makes the latter vulnerable to the vagaries of processes and decisions entirely beyond their control: fluctuations in mineral prices, corporate mergers and acquisitions, cost overruns, technological risks and political struggles.

The second macro-social process is the Romanian post-socialist transition. During the socialist period, Roșia Montană was an important gold producer for the state, as the owner of the entire Romanian economy. Given the strategic importance of gold production, the Roșia Montană mining area enjoyed a relatively privileged status (Sîntimbrean et al., 2006: 42). Even before 1948, Roșia Montană had displayed a semi-urban character (Pop, 2002), with a population engaged primarily in resource extraction rather than agriculture. This trend was strengthened during socialism with the large-scale, industrial production of gold¹¹. A large proportion of the local population was therefore dependent on wages and various amenities and benefits from the state mining company.

With the collapse of the socialist regime in 1989, mining at Roșia Montană was progressively downsized and eventually closed in 2006. This was part of the restructuring of the mining sector in Romania, following the structural adjustment policies of the World Bank (Larionescu et al., 1999). The withdrawal of the state from the local economy has been a heavy blow for the local population, resulting in depopulation and high unemployment. This came in stark contrast to the expectations for growth and development in the early years of the transition.

Post – 1989 governments were interested in attracting foreign investors with new technology to exploit Romania's low grade gold deposits. Gold could be used to stabilize Romania's volatile economy and offer a constant source of foreign exchange and employment opportunities for impoverished mining-dependent communities. Interestingly, investments in modern mines were regarded as opportunities for cleaning up the notorious pollution of inefficient socialist enterprises (Argeșeanu Cunningham 2005: 102).

The latter proved to be a problematic proposition. In 2000, the same year that Romania commenced negotiations to join the European Union (EU), a joint venture between the Romanian state and an Australian mining company produced the 'worst disaster since Chernobyl' (Argeșeanu Cunningham 2005: 99). A failure of the tailings dam at the Aurul gold mine in north-east Romania released 10,000 cubic meters of waste water containing sodium cyanide and heavy metals into waterways in Romania, Hungary and Yugoslavia, affecting 2,000 kilometers of the Danube catchment area (Argeșeanu Cunningham 2005: 99). This accident revealed the propensity of risky investments to seek lax

¹¹ Still, the annual production of 0.580 million tones was substantially smaller as compared to the annual production for the proposed RMGC project (13 million tones) (Sîntimbrean et al., 2006: 39; RMGC 2006b: 5).

environmental regimes not only in the 'Third World' but also in the transition economies of Eastern Europe (Schwabach, 2000: 10 515).

Romania's EU accession in 2007 was a mixed blessing from the point of view of environmental protection. On the one hand, the pre-accession strategy emphasized the restoration and protection of the environment. The European Commission noted in 2001 certain improvements in the adoption of environmental legislation (Costi, 2003: 293). On the other hand, however, the extent to which national governments are willing to comply with EU requirements is likely to diminish after accession (Ban and Romanțan, forthcoming: 5). There might be, in fact, a collusion of interests between newer and older members of the EU: 'Privately, some EU officials also worry that member states will offer the applicant countries a quid pro quo by 'letting them off' on strict and timely fulfillment of the environmental *acquis* to compensate for being especially tough with them on such politically charged issues as the free movement of labour and refugees' (Kramer, 2004: 291).

Rather than a monolithic entity, the EU should be conceptualized, following Ban and Romanțan (forthcoming: 4) as a 'plurality of contentious actors'. Their conflicting interests are recognizable in the struggle over Roșia Montană. The European Parliament was quite vocal in the opposition against the mining project and the NGOs opposing the RMGC project capitalized on this opportunity (Ban and Romanțan, forthcoming: 9). However, the European Commission adopted a hands-off stance on this issue and in 2006, it effectively removed any pressures on Romania to deal with Roșia Montană, formerly a 'hotspot' in its environmental dossier (Ban and Romanțan, forthcoming: 10–11).

During the last few years, Romania has experienced a significant growth in its real estate market. The price of land increased constantly and so did the cost of living. As a result, RMGC was compelled, among other factors, to offer increased levels of compensation in its 2006 RRAP compared to its 2003 RRAP.

The third process which shapes the macro-social environment of Roșia Montană is the growing power of international NGOs. These militate against corporate misconduct and speak against the exploitation of the lands of powerless communities (e.g. Greenpeace, Mining Watch, Bank Watch etc.). The ensuing conflict between RMGC and the opposing NGO resulted in the temporary success of the latter. This outcome can be explained by several factors. First, rather than focusing only on environmental issues, the project opposition has successfully advanced an array of socio-economic, environmental and archaeological/cultural arguments against the proposed mine. Second, the NGO coalition has effectively mobilized expertise from different fields (geochemistry, conservation and biodiversity, law, social sciences, archaeology etc.) to articulate a persuasive campaign against the mine. Third, and most importantly, NGOs secured their access to the

‘monitoring and enforcement mechanisms of EU governance’. (Ban and Romanțan, forthcoming: 14).

This success came at a price. Unlike the conventional assumption that advocacy groups represent and foster local interests (De Echave, 2005: 120; Kalb, 2006: 107), the argument advanced here reveals a deep fracture between extralocal activists and the residents of Roșia Montană. They both appear to struggle with the uncertainties created by the proposed project, but there are different types of uncertainty that concern each group. The NGO coalition focuses on the technological and environmental risks of the project. For them, only the definitive cancellation of the project can bring the situation back to ‘normal’. For the displacees and the local population, the uncertainties span a much wider field which is far from coherent. Fears of impoverishment and marginalization – and thus the acceptance of compensation and relocation – coexist with concerns about the possible health and environmental effects of the new project. The extralocal opponents fail to recognize that RMGC and its proposed project have become part of the local social fabric even if, at the same time, the latter are one of the forces that tear this fabric apart. This issue will be explored in the section on ‘Marginalization in decisions concerning the project’.

METHODS AND DATA USED

The analysis is based on ninety semi-structured interviews, which were carried out in three stages: a pre-test of the interview schedule in May 2007 involving eight interviews, followed by sixty-seven interviews in July 2007 and fifteen interviews in May 2008. In addition, two prominent leaders of Alburnus Maior were also interviewed. All interviews were carried out in Romanian by the author, with the exception of the interviews in July 2007 which were gathered with the help of three research assistants. The field research in Roșia Montană and the surrounding area also included participant observation of public meetings and the collection of documentary material (the RRAP and socio-economic surveys).

The respondents were chosen to maximize the diversity of points of view. They were recruited from the project-affected area (parts of Roșia Montană and Abrud), from the area in close proximity to the affected area (rest of Roșia Montană and Abrud, as well as Bucium and Câmpeni) and from the county capital Alba Iulia. Individuals at different stages in the resettlement process were interviewed: 14 per cent of them have already relocated to Abrud, Câmpeni or Alba Iulia; 16 per cent are resettlers who still live in Roșia Montană until RMGC builds the resettlement sites; 27 per cent have not sold their properties to RMGC but were willing to sell them at the time of the interview; 8 per cent refuse to sell their properties while another 27 per cent of the sample live outside the affected area and are not eligible for compensation. 8 per cent have an ‘uncertain’ status.

The gender distribution is slightly biased in favour of men (52 per cent). The age structure is dominated by older adults and the elderly (totalling 73 per cent). Those less than forty years of age represent only 27 per cent of the respondents. In terms of employment, 43 per cent of the respondents are pensioners, 13 per cent are unemployed, 10 per cent are homemakers and 4 per cent are students. The proportion of economically inactive persons (70 per cent of all respondents) is very high. Both the age and employment structures reflect the peripheral status of Roşia Montană, as it experiences high unemployment, out migration of its younger cohorts and an aging population (Waack, 2004a).

This paper uses the IRR model as an analytical framework to explore the vulnerability to which the population from Roşia Montană is exposed. For different the dimensions of impoverishment from the IRR model, to which I have added two subsections on ‘successful relocatees’ and the issue of compensation, I provide quantitative evidence¹² regarding their possible impacts on the displacees and the local population. Based on the author’s empirical research, each of these dimensions is then enriched by contextualizing the objective evidence within the microcosm of respondents’ subjective experience of vulnerability. The evidence for the macro context is drawn from secondary analyses of the mining literature, the literature dealing with the East European transition and from interviews with and observations of extralocal activists in Roşia Montană.

ANALYSIS AND INTERPRETATION

THE MICRO-SOCIAL CONTEXT: STRUGGLING WITH UNCERTAINTY AT ROŞIA MONTANĂ

This introductory section is meant to capture, in broad strokes, the feelings of restlessness and uncertainty that crop up repeatedly in the interviews that I carried out in the Roşia Montană area. The following subsections will show how uncertainty is experienced within each of the categories of the IRR model.

Being part of the socialist block, Roşia Montană has until recently been shielded from transnational socio-economic forces. However, with the fall of state socialism in 1989, powerful global investors and militant civil society organizations have clashed over the landscape of this old mining community, thereby exposing the local population to new risks – uncertainty and apprehension about its future – both individually and collectively (see Figure 2).

The pervasive sense of restlessness, illustrated in this collection of excerpts from interviews, is perhaps the most common theme encountered in conversations with displacees and local people. Accepted with resignation or restlessness, uncertainty is experienced by various respondents, regardless of age or gender, whether they are in favour of the project or not, both inside and outside the affected area. Those who have sold their properties are unsure where life will take them.

¹² To the extent that such information is available.

RMGC employees do not know if the company will offer the desired workplaces in mining. Moreover, risks loom both ways, for those who leave as for those who stay. What was previously taken for granted becomes illusory or incomprehensible.

Uncertainty appears to be endemic because the national frame of reference in which Roşia Montană was as an important mining town in a socialist economy has given way to the competing frames of global investors who have found a new Eastern European 'El Dorado' and influential NGOs fighting to preserve a community from destruction. After the suspension of the permitting process, a member of the local elite commented: 'Some things have happened which neither we, nor the [company], nor anybody, *could have imagined*'. (N. R., RM¹³, emphasis added). The fate of the local community appears as the uncertain outcome of influences over which no local actor seems to have control. Echoing Casey (2006: 2), 'it's not the geology but the politics of trying to build a mine in the face of environmental opposition' that has kept RMGC from commencing operations at the same time as it has put local life on hold.

RESETTLEMENT AS OPPORTUNITY

The experiences of the relocatees from Roşia Montană who have ended up better off provide a useful contrast with the less fortunate residents of Roşia Montană. Who are the 'successful relocatees'? First, they report a feeling of comfort or satisfaction at the new location *and* do not show signs of experiencing uncertainty/unhappiness in their lives. Second, an objective researcher can easily notice that their life is materially comfortable and that the compensation for the property has been at least adequate.

Eight respondents included in this research meet these criteria. In describing her life at the new location, R. O. states: 'Life is very good in Câmpeni – we are very satisfied with the house we purchased. We lived well in Roşia Montană but here we live even better'. Another respondent explained: 'Things have been much better since I moved to Abrud [in 2002]. Life is easier [...] and better living conditions. To move from [an apartment of] 37 m² to a [house of] 210 m² and still have some money left is no mean feat' (V. H, Abrud). L.S. from Abrud also lauds the 'improved living conditions in Abrud; [we] have water, more stores when you go shopping'. His mother adds: 'We got quickly used [to life here]. We moved, we now live in the city'.

What do these relocatees have in common? First, they have all left Roşia Montană and with it, the uncertainties which beset this area earmarked for 'development' but where development cannot yet take place. Being among the first to move out of Roşia Montană, L. E. recalls how they were told by their neighbors that they will be cheated out of an adequate compensation for their house. Other early relocatees, H. R. and his wife recount how they stayed for two weeks with

¹³ As location of the interviewee, Roşia Montană will be shortened as RM.

‘half a house purchased in Alba Iulia and another half still [not sold] in Roșia Montană’. R.O. admits that they took a risk when they moved to Câmpeni but this risk ‘worked in their favor’. For all three, the uncertainty has been short term: once they moved, they used the compensation money to start a better life.

Second, they have managed to put an end to their socio-economic marginalization by obtaining large compensation packages from the company. They have used the compensation money to purchase a good quality property in an urban area. However, they have used only part of the compensation money for this acquisition while the rest has been used for other purposes. For example, L. E. and his wife (Alba Iulia) have used only *one third* of the compensation for buying a new house in a large city. They have used the surplus to help their two children – one to buy an apartment and the other an automobile. Third, these respondents have a stable income source (in most cases a pension) that is independent of the uncertain employment in Roșia Montană¹⁴.

The resettlement experience of these respondents has been, both subjectively and objectively, very positive. This finding is important in two respects. First, it begins to shed light on the fact that resettlement at Roșia Montană has highly differential effects on diverse individuals and groups. Second, it illustrates the specific nature of resettlement risks at Roșia Montană where extralocal influences shape local decisions. The issues are not simply inadequate compensation but rather being able to obtain compensation before *contingent* events put on hold one’s decision to relocate; not simply homelessness but rather vulnerability to *unexpected* standstills in the resettlement process; not food insecurity but rather socio-economic marginalization for individuals who used to think of themselves as urbanites.

COMPENSATION: MOVING OUT AND MOVING UP

Although recent scholarship has shown that compensation alone is not sufficient to prevent the socio-economic vulnerability of displacees (Cernea, 2008), the compensation paid for properties by RMGC has been adequate, if not generous. In a World Bank review of thirty-one projects involving resettlement, the authors calculated the ratio between the resettlement cost per capita and the GNI¹⁵ per capita for each project (World Bank, 1996). The study concluded that: ‘None of the projects with a ratio of 3.5 or higher had reported major resettlement difficulties’. Table 1 shows the level of compensation in different years, as well as the ratio of resource allocation to GNI, for the RMGC project. The latter compares favourably with the ratios from the World Bank study.

¹⁴ However, there are also exceptions. One respondent (L.S., Abrud) has worked for RMGC and now works with another company in the mining industry.

¹⁵ <http://www.imf.org/external/np/exr/glossary/showTerm.asp#99>. GNP has been renamed gross national income (GNI) in the System of National Accounts.

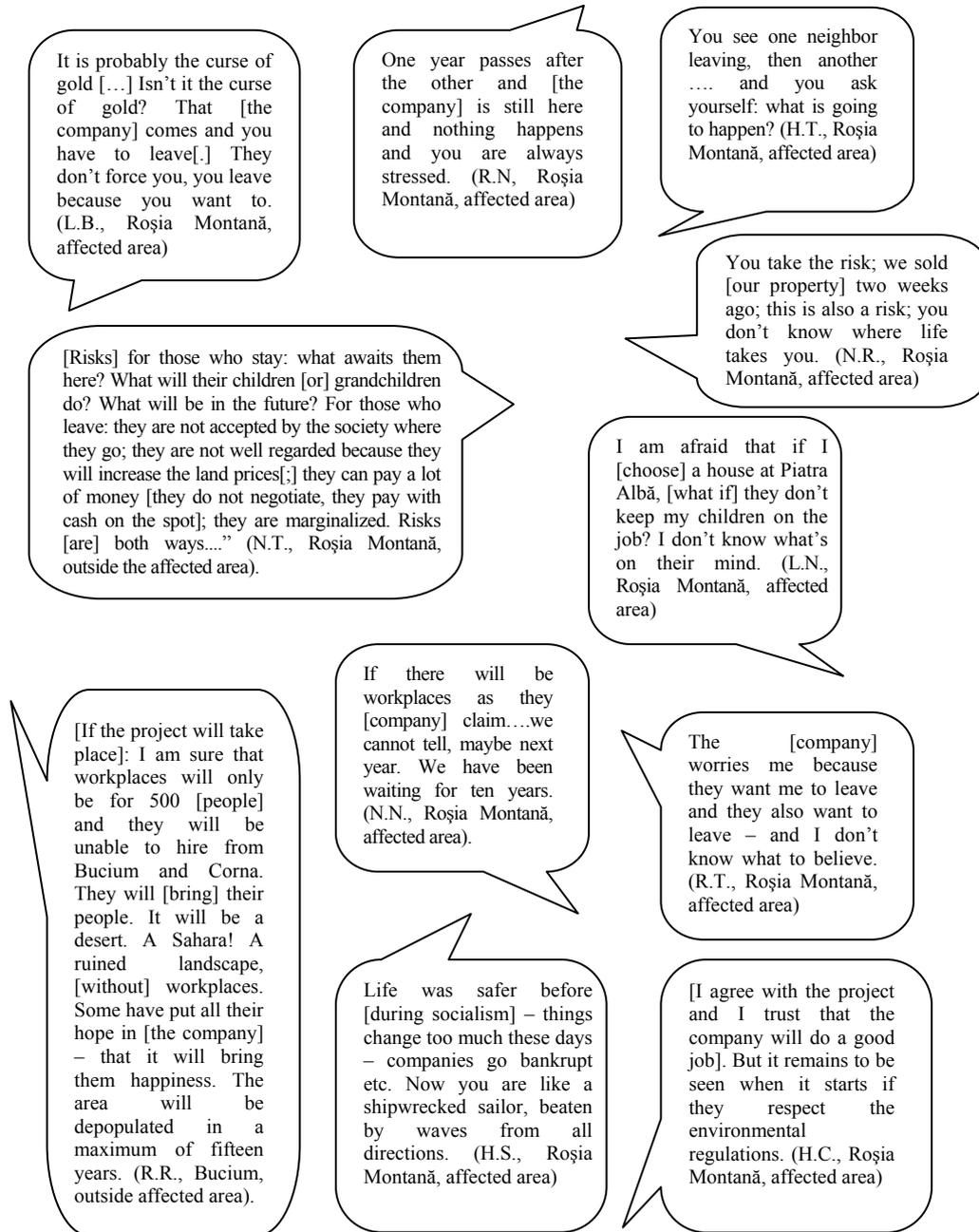


Figure 2. The faces of uncertainty – voices from Roșia Montană.

More exactly, in fifteen of the projects reviewed (e.g. hydropower or irrigation in Lesotho, India, Nigeria, Argentina and Brazil or transportation projects in China or Malawi) the ratio of resource allocation was less than 3.5 (World Bank, 1996: 145–6). In some extreme cases, populations in Africa were evicted without *any* compensation to make way for national parks, as in the case of Uganda’s Kibale Game Corridor (Cernea and Schmidt-Soltau 2006: 1811). In contrast, even at its lowest (in 2004), the ratio for RMGC is almost double the 3.5 cut-off.

There is still an obvious discrepancy between the compensation levels paid between 2002 and 2004 and those paid in 2006. The latter year, when compensation was paid at three times the level between 2002 and 2004, was considered decisive for the project because RMGC submitted its EIA report and hoped to finish the acquisition process as quickly as possible. The increase in compensation also reflects the growing real estate prices and the stronger bargaining power of the relocatees. Even if the objective risk of decapitalization is low, it is worthwhile to ask about the interpretation of this compensation by the affected persons.

Table 1

Relocatees and Compensation Amounts in the RMGC Project (2002–2006)

Year	Number of families accepting compensation	Compensation per family (US \$)	Compensation per ‘rightful owner’ (US \$)	Ratio of resource allocation to GNI
2002	49	41,143	20,744	10.75
2003	213	65,737	22,823	9.97
2004	33	52,242	20,068	6.80
2006	145	161,379	70,582	14.61

Source: 1918 Univ. 2007: 78–79; World Bank website

Of the sixty-seven interviewees in the Roşia Montană area who had not been relocated by July 2007, 30 per cent consider that their properties are worth at least \$245,000¹⁶. Those willing to relocate from Roşia Montană expect not only a house but also the financial means to secure their long-term livelihood or an improved socio-economic status for themselves or their children: ‘I was offered \$60,000 but I want a house and an additional \$80,000 in a bank account. [...] My pension is not enough for living somewhere else [...] I also want to offer my son a home’ (E. O., RM).

In fact, several respondents explained that they would be unable to cover the additional expenses that they would incur if they were to live somewhere else than Roşia Montană: ‘If I go there [city in Western Romania], I have to pay for water, garbage, everything’ (N.S., RM). Eleven interviewees expressed concerns that the

¹⁶ Not all of these respondents are eligible for compensation but they either live within the project footprint or in close proximity (all are inhabitants of the Roşia Montană commune).

compensations received would be insufficient to cover these long-term livelihood needs.

There are, however, a variety of reasons for which displacees seem to expect these high levels of compensation. A few respondents disapprove of the intrusion of the mining company into their lives and demand compensation for the ‘moral damage’ or ‘psychological war’ (N.U., RM) inflicted upon them. Another respondent living close to the project footprint demands compensation so that they can ‘move out [of Roșia Montană] and not be polluted’ (R.I.). Some self-declared opponents of the project are relatively wealthy and they reject the compensation offers as insufficient. In general, the most common view regarding the ‘appropriate’ level of compensation is related to *improvements* in one’s socio-economic status.

More precisely, the level of compensation is construed by displaced residents as not simply a replacement of property but rather as an *investment* in their individual socio-economic reestablishment *and* advancement. However, unlike the novel policy-approach – argued and recommended by Cernea (2008: 58) – RMGC does not explicitly define ‘investment in the improvement of resettlers’ livelihoods’ as a policy objective of its RRAP. What can be seen in the 2006 levels of payments as perhaps the inclusion of ‘investment supplements over compensation proper’ has emerged rather spontaneously. No mechanism of benefit-sharing is used by RMGC to help develop the Roșia Montană *community*, but only one-time compensations. This reinforces the trend towards the individualization of resettlement, which can partly explain the differences in outcomes among different displacees.

In addition, the desire for rapid upward mobility is a typical phenomenon for the post-socialist transition, in which individuals hope to reverse the downward socio-economic trend experienced after the fall of communism (Genov, 2000). If they are too old to climb higher on the social ladder, their children should enjoy an elevated social status: ‘[RMGC] should give me enough so that my children can wear ties their whole lives!’ (N.E., RM). Another respondent comments on how some of those who have sold their houses have a ‘higher social position’ (T.R., RM). H.T. (RM) explains that those who sold their properties have purchased new cars (i.e. status-lending consumer goods): ‘“Dacia”¹⁷ has no value here anymore; there are Jeeps, Audis, [Volkswagen] Golfs’ (R.D., RM).

Moreover, social mobility very often means geographic mobility. Of the 295 households relocated between 2002 and 2006, 39 per cent have chosen to move to another county in Romania or abroad (1918 Univ., 2007: 80). In addition, an undetermined number of residents wish to be resettled in Alba Iulia. Only a small number of displacees¹⁸ are willing to resettle to ‘Piatra Albă’ (i.e. are willing to stay in the Roșia Montană area). As one respondent explained, ‘Alba Iulia is for

¹⁷ Romanian socialist-era automobile.

¹⁸ Approximately 30 families (<http://www.green-report.ro/stiri/nou-cartier-pentru-locuitori-din-rosia-montana>)

those who want to [advance], while Piatra Albă is for those who want to stay as they are' (M. R., RM). The centrifugal movement of Roşia Montană relocatees can be interpreted as an effort to escape from vulnerability and impoverishment. For a largely non-agricultural population, this means moving to the city, which offers both better employment opportunities and the possibility to partake in an urban lifestyle.

LANDLESSNESS

The loss of land at Roşia Montană will be massive. The company intends to replace the 1660 ha earmarked for the mining project with as little as 120 ha (7 per cent) (RMGC, 2006c: 64). If this project would have taken place in an agricultural region of Africa (such as the Kwale titanium mine in Kenya, see Abuodha, 2002: 203) or Asia (e.g. in the Nimad plain, the 'bread bowl' of central India, see Dwivedi 1999: 48), the consequences would have been abysmal. At Roşia Montană, however, the loss of land has highly differentiated impacts. For the majority of displacees who want to move to urban areas, the loss of agricultural land seems to be of only marginal importance. This appears to be the case even if a survey of 247 households in the Roşia Montană area found that 77 per cent keep farm animals and 89 per cent engage in agriculture to a greater or lesser extent (Planning Alliance, 2002).

First, only a minority of residents want to move to a rural area such as Piatra Albă. Second, of 82 interviewees, less than half claimed that they would like to see a development of agriculture in the future of Roşia Montană. The remainder were either hostile to this idea (47 per cent) or uncertain (12 per cent). This underscores the desire for upward mobility from a subsistence-dependent to an urban lifestyle. 'I had enough of agriculture' says N.S. of Roşia Montană. T. R. (RM) explains that, even if he were to keep cows, 'there is nowhere you can sell your milk given the European standards. To have a farm you need a lot of land, to work it with equipment, to be efficient.' This is symptomatic for the peripheralization of this area as a whole. Subsistence agriculture becomes impossible under the agricultural policies of the EU which favour large, market-oriented farms (Waack, 2004b: 94–5)¹⁹. Under the twin pressures of large-scale mining and large-scale agriculture, the former miners and part-time farmers see little escape than to move out of the area.

For the poorest in Roşia Montană, who rely on subsistence agriculture and access to common resources (e.g. forests), impoverishment will probably be similar to that of subsistence farmers displaced by large-scale mines in Ghana (Hilson et al., 2007: 419). However, for the former, alternative employment in artisanal mining is not possible due to low-grade ores in Romania. Landlessness is also a

¹⁹ For example, the EU-funded SAPARD program includes no funding for farms under 5 ha (representing 82 per cent of all agricultural units in Romania) (Waack, 2004b: 95).

risk for those residents who are primarily farmers (about 37 households – see RMGC, 2003: 51). Such residents seem to refuse to sell their properties to RMGC but their fate could worsen significantly if the company decides to expropriate them. These residents are highly vulnerable to the vagaries of the approval process for the mine and they could lose their livelihood source through landlessness or negative environmental impacts, if the project is eventually approved.

HOMELESSNESS: ‘WE ARE NOW TENANTS OF THE COMPANY!’

The risk of homelessness assumes a peculiar form at Roşia Montană. Although RMGC has purchased three quarters of the affected properties, approximately 200 households have sold their houses in Roşia Montană but will still live in them until RMGC builds the resettlement sites at Dealul Furcilor and Piatra Albă. As of May 2008, the company had built only 2 per cent of the houses at Dealul Furcilor and none at Piatra Albă. Although the company has assured residents that house construction will be continued even if the approval process for the project is suspended, the future of the two resettlement sites is highly uncertain. Given the cost-reducing imperative of mining ventures, RMGC has little incentive to invest in the resettlement project as long as there is no hope to commence the mining operations. The residents who have opted for Piatra Albă or Dealul Furcilor have currently only the compensation money. They have no property rights over their ‘former’ properties, but only use-rights. As one participant in a public meeting said (December 2007), they are ‘tenants of the company’, uncertain of their future. At the same time, homelessness is a major risk for those residents who rent their dwelling, as the RRAP prescribes no compensation for them (2006a: 45).

THE FEARS OF JOBLESSNESS

The history of labour at Roşia Montană has gone through several stages over the last sixty years. Before mid-century, residents could find work in private mines or in the state mine. Following the nationalization of the means of production (1948), mining ceased and the inhabitants migrated to other mining areas to find employment. The socialist state reopened the mines in the 1950s (Sîntimbrea et al., 2006) and inhabitants were hired at the state mine. After 1989, operations at the state mine (RoşiaMin) were gradually reduced and eventually ceased in 2006. Unemployment emerged as a ‘new’ challenge in post-socialist Romania and it is no surprise that 46 per cent of eight-two respondents stated that *the* problem at Roşia Montană is the lack of workplaces. As one respondent explained full of surprise: ‘Our fathers and forefathers said that mining is good. I don’t understand why they stopped it’ (R.T., RM).

Over the period between 1997 and 2007, 673 employees from Roşia Montană and 746 from Abrud were laid off from the mining sector (1918 Univ., 2007: 51). In 2007, RMGC employed²⁰ 286 inhabitants from Roşia Montană and 73 from Abrud (1918 Univ., 2007: 87) for various exploratory and preparatory activities. However, the new jobs represented only 25 per cent of the number of workers dismissed. The void in employment created by the closure of RoşiaMin was only partly compensated by RMGC. Caught between the retrenchment of the state mining sector and a privately funded development project, the population experienced a net loss of jobs during the past decade. This only mirrors, albeit on a smaller scale, the effects that structural adjustment programs (SAPs) had on employment in sub-Saharan Africa: many of those left unemployed due to the privatization of the mining industry were not absorbed in the large-scale mining sector (Banchirigah, 2006: 167; Hilson and Potter, 2005).

Moreover, 'when times are tough in the mineral industry [...] typical responses by mining companies are to cut costs and/ or increase production' (Hall and Vries, 2003: 191). Although RMGC has not yet reached its operational stage, it would be hard to doubt that 'times are tough' for the project developers given that the approval process for the new mine has been suspended. In response, RMGC has laid off two thirds of its workforce in Roşia Montană in early 2008. One former RMGC employee complains: 'they threw me off like a dog' (M.I., RM).

In fact, in recent years there has been growing discontent worldwide among local communities which see themselves burdened with the negative impacts of mining and receive few of the benefits, especially because large mines are capital-intensive and not labour-intensive (Pegg, 2006: 380) and they generate 'only a fraction of the jobs that they did a generation or two ago' (McMahon and Remy, 2001: 2). The case of Coal India Ltd illustrates the huge challenges of offering sufficient workplaces to ever growing numbers of displacees (Mathur 2008: 266).

What appears as a cost-reducing imperative for the company is very problematic for the local population. The jobs created by RMGC have not only an economic function but also serve as legitimation for the project. Although not formally stated in the RRAP (RMGC, 2006a), the company committed itself to hiring at least one member from each family to be resettled or relocated. All those hired under the apparently benevolent hand of the company are nevertheless exposed to the vagaries of changing business needs: 'They say they hire one from [each] family. They don't say for how many months they hire you, it is uncertain for how many years, how many months they keep you on the job. They hire you today, [but] tomorrow or the day after someone does not like you anymore. I have enough stress already.' (L.B., RM). Another respondent claims that, paradoxically, 'mining pushes people out of Roşia Montană, [...]. They [company] will hire only a few' (S.E., RM).

²⁰ The salaries offered were generous – two to three times the average salary at the national level between 1999 and 2006 (1918 Univ., 2007: 88).

The new mine is supposed to create 1200 jobs during the construction period (two years), and 640 jobs during the mining period (sixteen years). The hiring policy specifies that residents of Roşia Montană will be preferred²¹ but that ‘all recruitment remains subject to the Company’s operational requirements’. Employment is thus strictly controlled by the project developers and exposes all those who do not meet business requirements to the risk of joblessness. It is therefore not surprising that of thirty respondents of working age interviewed, only *three* mentioned that they could personally benefit from the new jobs created by the future mine.

The uncertainty of workplaces manifests itself in apparently paradoxical beliefs. Almost 78 per cent of 90 respondents claimed, that the state-owned mine from Roşia Montană should have continued its operation. Rather than socialist-era nostalgia, these views could be more appropriately interpreted as an acute awareness of the instability of the promised workplaces. At the state mine, ‘there were more workplaces, safer, and [even] our descendents could have [found] work’ (N. T., RM). Even an RMGC employee explained that the company does not offer enough workplaces so that the state-owned company should have hired the remaining workforce (R. R., RM).

The uncertainties related to mining jobs at Roşia Montană, if the project is approved, are readily understandable in the context of similar cases both in developed and in developing countries. For example, Slack and Jensen (2004: 136, 143) describe in detail the ‘“rollercoaster” trajectory of mining employment’ in the US, while Freudenburg and Wilson (2002: 572) point out the periodic shutdowns of mining operations when mineral prices are low. The situation is no different for gold mines in the ‘Third World’, for example in Ghana (Hilson and Yakovleva, 2007: 104)

The RMGC project makes the population vulnerable also because it will displace all other economic activities from the project footprint. According to a *Socio-Economic Survey* (2002) carried out for RMGC, agricultural activities have played a *certain* role among the livelihood sources of the population (Planning Alliance, 2002). More importantly, the proposed project involves the suppression of a livelihood source for precisely those inhabitants that are least likely to benefit from mine-related jobs (the elderly and women).

In conclusion, joblessness emerges from a combination of two macro-social processes: the withdrawal of the former socialist state from the exploitation of a ‘strategic resource’ (gold) and the penetration of foreign direct investment aiming at short-term exploitation. Employment opportunities at Roşia Montană are either highly uncertain, as in the mining industry, or unfeasible, due to social mobility, depopulation and a strict agricultural policy, as in the case of subsistence agriculture. The new project could destroy tourist attractions and even in the

²¹ The company also offers skill enhancement and training packages for local residents (RMGC 2006d: 141).

absence of the project, the development of a tourist infrastructure would require high investments.

SOCIAL DISARTICULATION

Downing wrote that in involuntary resettlement, 'people may physically persist but the community that was is no more' (1996: 34). This captures well what has happened at Roşia Montană. Social disarticulation afflicts mostly those who are still in Roşia Montană, continuing to live in a 'community' that is physically there, but has been 'emptied' socially and culturally²².

About 27 per cent of seventy-five respondents decried the 'disunity' and 'hate' that have emerged after the company came to Roşia Montană²³. 'They got to the point where they are ready to hurt each other. The one who works for the [company] is the enemy of the one who wants to stay; the latter is guilty that the former has no workplace' says R.M. from Roşia Montană. New forms of social differentiation have also emerged: 'The lowliest cleaner [hired] by the company doesn't say 'good day' anymore....' (N.E., RM). The socio-economic cleavages that have accompanied the post-socialist transition have exacerbated the social disruption produced by the RMGC project.

There has been an intense debate in Romania and internationally over the risks of cyanide-in-leach technology. Concern over the health dangers of this technology and the technological impact of the project in general is quite pregnant in some respondents: 'If [cyanide] affects the environment in such a way, how much [more] can it affect us?'; 'We can [even] die' (L. S. and R. S. RM, outside the affected area). Another respondent, also living close to the affected area, says: 'For us, it is a catastrophe! The tailings pond. We have to swallow all the cyanide and all the emissions' (R.R., close to affected area). However, other respondents held opposite views. When asked what cyanide means to her, C. E. (RM, affected area) answered: 'I know what it is. I worked with it [...]. It is a chemical, this is what it means. That's all. I know it is dangerous, but it can be found in some fruits and vegetables, obviously in small quantities'.

There is an obvious cleavage between the displacees who will be compensated for their properties and can move elsewhere, and the local population living in close proximity to the project. Among the latter respondents (28 in total), more than three quarters, see the use of cyanide in a negative way: 'the problem is that the company should be mindful of those who stay in the area, close to the [mine]. Nobody cares about those who stay; we have no warranty; this is a risk' (N.R., RM, outside affected area). These examples show that, in addition to

²² However, even some of those relocated report feelings of 'being among strangers'.

²³ Not everyone views the situation in this way: 11 per cent of the respondents regard the relations between people as good or even better than in the past.

differences of status and wealth, technological threats further tear the social fabric apart (Short 1984).

MARGINALIZATION IN DECISIONS CONCERNING THE PROJECT

Marginalization refers to the exclusion of the local population from the agendas and decisions of extralocal actors, even when these decisions affect local lives and livelihoods. At Roșia Montană, residents are marginalized by RMGC and the NGOs that support the project as well as by the NGOs which oppose it²⁴. An implicit statement in the RRAP (RMGC, 2003) is that the project is a ‘given’. In focus group discussions RMGC asked respondents ‘to discuss and agree on livelihood and/or coping strategies of the affected communities’ (RRAP, 2003: 30). However, there is no acknowledgment that the local population could participate in fundamental decisions about the project, beyond adapting and ‘coping’ with business decisions. The formal endorsement of World Bank directive on involuntary resettlement (O.D. 4.30) by RMGC does little to advance the participatory role of local people. Indeed, research on the Antamina project in Peru has shown how easily World Bank prescriptions can be circumvented by mining companies (Szablowski, 2002: 267).

Although there are several civil society organizations that allegedly represent the people from the Roșia Montană area, when asked which organization or person defends their interests, 54 per cent of 82 respondents said ‘nobody’ or ‘I don’t know’. Only 37 per cent of these respondents named one or several organizations or persons: 20 per cent mentioned opponents of the project and 17 per cent supporters.

Surprisingly perhaps, ninety respondents showed relatively more trust in those supporting the project than in those opposing it (see Table 2). Testing for the independence of the two variables (supporters/opposition²⁵ vs. level of trust) using the chi-square test²⁶ shows that the two variables are not independent (at a probability level of 0.05 with 4 d.f.). In other words, the project supporters enjoy significantly more trust compared to the opposition. This is also visible from the percentage of respondents who have ‘no trust at all’ in those who supposedly speak on their behalf. Here, the difference between project supporters and opponents is much more marked than the average levels of trust (column 4 of Table 2).

²⁴ These are: Pro Roșia Montană, Pro Dreptatea and the Viitorul Mineritului trade union (which support the project) and Alburnus Maior and the Soros Foundation (which opposes it).

²⁵ The “supporters” category consists of the aggregated trust values for RMGC, Pro Roșia Montană and one company representative and the “opposition” category of the aggregated values for Alburnus Maior, the Soros Foundation and one opposition leader.

²⁶ The results should be interpreted with caution as the respondents do not represent a random sample.

Table 2

Levels of Trust Enjoyed by Some Project Opponents and Supporters among the Local Population

Category of actors	Mean level of trust*	No. of valid responses**	Percent of those reporting 'no trust at all'***
<i>Project opponents</i>			
Alburnus Maior	3.9	70	50
Soros Foundation	4.4	49	78
G. I. (local opinion leader)	4.1	73	59
<i>Project supporters</i>			
RMGC	3.5	80	36
Pro Roşia Montană	3.3	73	29
L. L. (company representative)	3.3	60	35

* The level of trust is measured on a scale from 1 to 5, where 1 means 'very much trust' and 5 means 'no trust at all'.

** Of the 90 interviews, responses such as 'I don't know' or 'I have not heard of....' were removed.

*** Calculated as the percent of those reporting 'no trust at all' in the no. of valid responses.

Some respondents criticize the local NGO Alburnus Maior (AM), the (international) Soros Foundation (SF) and some of their opinion leaders for being 'interest groups', for pursuing personal interests or for representing foreign interests. Although nominally a 'local' NGO, Alburnus Maior includes numerous extralocal activists²⁷. The opposition is also accused of having no viable alternative for development: 'They keep talking about alternatives [tourism etc.] but nothing has been done so far. Why did they think about this only now? The [company] is the only certain thing'²⁸ (M.N., RM).

The low legitimacy of project opposition at the local level stands in marked contrast with the substantial influence wielded by these NGOs, which have effectively put the project on hold. In other words, there is a deep disconnect between the *risk bearers* (local population) and the *risk bearers' advocates* (transnational NGO alliances) (Palmlund, 1992). This can be illustrated by contrasting the risk perceptions and concerns of the locals interviewed with those of the NGOs opposing the project.

The most visible opponents of the mining project, Alburnus Maior and the Soros Foundation, are mostly concerned with the *physical* preservation of Roşia Montană. The president of the Romanian chapter of the SF states that her foundation opposes the project due to its 'devastating effects on the environment and on the architectural and archaeological patrimony' (Weber, 2006: 1). Endorsing a broader agenda, a prominent opposition leader describes AM as a

²⁷ Among them is Stephanie Roth, a Swiss-born activist who ensured an international profile for the AM campaign and was awarded the Goldman prize for grassroots environmentalism in 2005.

²⁸ The opposition contends, however, that the Zonal Urbanistic Plan (PUZ in Romanian) for Roşia Montană prevented any alternative economic activity between 2002 and 2007.

‘community movement’ struggling against the proposed mine on ‘social, environmental, cultural, and economic grounds’ (T. O.). Following an invitation of SF, Princess Margarita of Romania²⁹ delivered a speech in Roșia Montană suggesting that the area could develop through agro-tourism, organic agriculture, crafts and cultural tourism³⁰. This captures in a brief and admittedly simplified description the assumptions of the extralocal project opponents.

However, the reality experienced by the local population is vastly different from the image of a community David struggling against a corporate Goliath. The ‘community’ is in fact divided between a few active supporters and opponents of the project, but with the largest share of residents whose interests are tangential to those of the active contestants. When asked ‘what they understand by risk?’, eighty-two respondents suggested a variety of sources of apprehension in their everyday lives. The unknown outcome of the whole project is a reason of concern for almost one third of all respondents. M.A., a resident from Roșia Montană willing to sell her property to RMGC, voices this feeling: ‘You are afraid that you lose your house or the money – or that the company pulls out’. Interviewees see risks for those who leave (17 per cent) but also for those who stay (2 per cent). Environmental and health risks are mentioned by 12 and 10 per cent of respondents, respectively. However, 5 per cent consider risk as struggling for a better life, while other 5 per cent see a risk in the project not going ahead. Further 5 per cent see a risk in the current situation (‘the risk of remaining isolated because everybody is leaving’ – R.O., RM), while 7 per cent refer to the risk of losing your means of living.

In all of the above there is no neat distinction between an ideal situation “ithout the project” and the “end of Roșia Montană” if the project goes ahead. As Guha (2000: 105) puts it, in the Third World “reality is a seamless web of social and environmental constraints which it makes little sense to atomize into mutually exclusively categories”. And, I would add, a web whose internal consistency comes under the growing pressure of outside influences.

AM and SF seem out of touch with the lived experience of local residents. However, it is important to understand this claim in relation to the micro- *and* macro-contexts of the Roșia Montană resettlement. At the micro-level, AM and SF certainly fail to take into account the expectations and uncertainties experienced by the displacees. Their ‘preserving Roșia Montană’ frames ignore two basic issues that concern local residents. First, more than three quarters have agreed to resettle/relocate from Roșia Montană and for many of them this decision has been riddled with both uncertainties and hopes for their future. The lack of sensitivity for the concerns of individuals and groups in Roșia Montană is apparent in a statement

²⁹ The daughter of the former King Michael of Romania.

³⁰ Personal observation.

by a prominent extralocal leader of AM. Although he sees AM as a ‘community organization’ she claims that if there is one family opposing the project, AM has local legitimacy (T.O.). The ‘cause’ of preserving Roşia Montană takes precedence over flesh-and-blood human beings.

Second, AM and SF fail to reckon with the problem that the lack of jobs (especially in mining) is a serious issue for displacees and the local population as a whole. A similar case of NGOs being oblivious to local needs of employment, at the Bujagali hydropower project in Uganda, is discussed by Kobus (2008). While 78 per cent of ninety respondents regard the continuation of the state-owned mining operation as desirable, such a position is virtually taboo for the project opposition. In the discussions about the workplaces created by the new mine, a leader of AM rejects this possibility with profound disdain: “And the miners who want to sleep and drink palinka [brandy] and think that they can do that with Gabriel Resources [as they did it during socialism], no way” (T.O.). Even a small-scale mining project is unconceivable for SF and AM.

From a macro-social perspective, this cleavage between local and extralocal concerns is a manifestation of the peripheralization of Roşia Montană as a whole and of individualized responses to risks. Residents cannot set the course of their collective well-being³¹ because this course has been already set for them by extralocal forces and they are unable to pursue their common good. They have to chose between a job-creating but potentially destructive mine and an ‘agro-tourist future’ for those who are able to act as entrepreneurs. From this point of view, AM and SF can be seen as the instruments of this latter option. In other words, there are overpowering structural constraints in addition to the partly misguided involvement of these NGOs.

INCREASED MORBIDITY AND MORTALITY

Although epidemiological data are not available, 14 per cent of ninety respondents mention stress in their everyday lives. Several respondents also refer to increased mortality among those who have relocated³². A local resident says that ‘all those who left regret it, many passed away within two – three months after they left.’ (R.D., RM) and another respondent adds, ‘of those who leave from Roşia Montană, eight out of ten are dead’ (N.A., RM). ‘They [keep] stressing us, people died from heart[attacks]’ says M.A. (Roşia Montană). The structural uncertainty which besets the Roşia Montană area is reflected, at the psychological level, through high levels of stress.

³¹ Their ability to act as a ‘community’ is further hampered by the social disarticulation described above.

³² Estimates go as high as over 70 casualties among relocatees (N. N., Roşia Montană)

CONCLUSION

By applying Cernea's IRR model to the problem of displacement at Roşia Montană, I aimed to bring a twofold contribution to the displacement literature. First, following Dwivedi (2002), I argued for the need to place empirical analyses of impoverishment risks within their macro (political economic) contexts as well as within their micro (subjective) contexts. This double contextualization is apt to reveal more subtle challenges facing displacees and resettlers – such as chronic uncertainty and vulnerability – which are not immediately apparent from the application of the IRR model. Second, this paper appears to be the first theoretically-informed empirical analysis of the displacement process at Roşia Montană. Existing publications on this topic tend to take a partisan position on the consequences of resettlement. In contrast, this article seeks to present a balanced picture of some of the challenges faced by the displacees and the local population from Roşia Montană.

What are the main elements of this picture? As all mining-induced displacements, the RMGC project has created significant impoverishment risks for the would-be displacees. The effects of these risks are, however, shaped by the micro and macro-social contexts in which the Roşia Montană displacement occurs. The compensation paid by RMGC for the acquired properties is adequate, compared to international standards, but there are significant differences among individuals in different time periods. This high level of compensation is partly the (unintended) effect of the strong opposition against the project. In fact, the high level of compensation is the only insurance against impoverishment, provided that relocatees can use it to acquire a new home *and* save a significant amount for increased living costs in urban areas. Those who have already relocated from Roşia Montană and have a steady income source (pension or wage) appear to have avoided the risk of decapitalization. However, the marginalization, social disarticulation and possibly higher morbidity take their toll on some of these relocatees.

The displacees still living in their homes in Roşia Montană and the local population living close to the project footprint bear the full brunt of uncertainty created by a very lucrative mining project temporarily halted by influential NGOs. Joblessness, resulting from the peripheralization of the Roşia Montană area as a whole, appears to be the most pervasive risk. Affecting different groups in different ways, the risks of homelessness, landlessness as well as social disarticulation and marginalization are part of the everyday lives of the locals.

The conclusion of this study is less than optimistic. While individual relocatees have managed to escape from vulnerability by moving away from Roşia Montană, the 'community' as a whole is torn apart not only by the displacement induced by RMGC but also by extralocal forces. These push increasingly towards the depopulation of the area and, at same time, make subsistence agriculture or a small-scale mining project impossible. The only choice for Roşia Montană is either

to disappear or to remain, in the words of a extralocal activist, ‘an unequally alive museum’, but a *museum* nonetheless.

ACKNOWLEDGEMENTS

This article has been made possible by the generous support of Professor Michael Cernea. From the first idea to the final draft, his intellectual support and kind encouragement are greatly appreciated. Thanks are also due to Miriam Cihodariu, Monica Costache and Cosmin Stancu who have helped me in gathering the data and processing it. Professor John Hannigan, Norah Mackendrick and Professor Bernd Baldus have provided helpful comments which have certainly strengthened the article. Financial support from the University of Toronto and the German Federal Foundation for the Environment (DBU) is gratefully acknowledged.

REFERENCES

1. ABDUODHA, J.O.Z. (2002) ‘Environmental impact assessment of the proposed titanium mining project in Kwale District, Kenya’, *Marine Georesources & Geotechnology* 20(3): pp. 199–207.
2. ALLEN, K. (2003) ‘Vulnerability reduction and the community-based approach’, in M. Peeling (ed) *Natural Disasters and Development in a Globalizing World*, pp. 170–184. London, New York: Routledge.
3. ARGÈȘEANU, CUNNINGHAM, S. (2005) ‘Incident, accident, catastrophe: Cyanide on the Danube’, *Disasters* 29(2): pp. 99–128.
4. BAN, CORNEL and ROMANȚAN, ANCA FORTHCOMING. ‘Fuzzy Europeanization: The Role of the EU in Civic Opposition to Gold Mining in Romania.’ *Environmental Politics*.
5. BANCHIRIGAH, S.M. (2006) ‘How have reforms fuelled the expansion of artisanal mining? Evidence from sub-Saharan Africa’, *Resources Policy* 31(3): pp. 165–171.
6. BEATTIE, A. and MCALEER, PH. (October 29, 2002). ‘World Bank arm denies green claims’, *Financial Times* [London edition], p. 13.
7. BECK, U. (2006) ‘Living in the world risk society.’ *Economy and Society* 35(3): pp. 329–345.
8. CASEY, D. (2006) ‘The Casey Files: A Case Study in Political Risk and How to Profit from It’, *The International Speculator* (September 16). <http://www.321gold.com/editorials/casey/casey091606.html> (accessed 18 April 2007).
9. CASTELLS, M. (1996) *The Rise of the Network Society*. Blackwell Publishers.
10. CERNEA, M. M. (1991) ‘Involuntary Resettlement: Social Research, Policy and Planning’, in M. M. Cernea (ed) *Putting People First: Sociological Variables in Rural Development*, p. 188–215. Washington, D.C.: World Bank.
11. CERNEA, M.M. and GUGGENHEIM, S. (1994) ‘Resettlement and Development. The Bankwide Task Force Review of Project involving Involuntary Resettlement 1986–1993 (with contributions from task-force members: W. van Wicklin III, D. Aronson, A. Salam, L. Soeftestad, D. Tewari, T. Solo)’. Washington, DC, the World Bank. Environment Department.
12. CERNEA, M.M. (1997) ‘The Risks and Reconstruction Model for Resettling Displaced Populations’, The World Bank: Environment Department. <http://www.policykiosk.com/cer1.htm> (accessed 4 January 2003).
13. CERNEA, M.M. (2000) ‘Risks, Safeguards, and Reconstruction: A Model for Population Displacement and Resettlement’, in M. M. Cernea and C. McDowell (eds) *Risks and Reconstruction: Experiences of Resettlers and Refugees*, pp. 11–55. Washington, DC: World Bank.

14. CERNEA, M. M. (2008) 'Compensation and Investment in Resettlement: Theory, Practice, Pitfalls, and Needed Policy Reform', in M. M. Cernea and H. M. Mathur (eds) *Can Compensation Prevent Impoverishment: Reforming Resettlement through Investments and Benefit-Sharing*, pp. 15–98. Oxford, New York, Toronto: Oxford University Press.
15. CERNEA, M.M. and SCHMIDT-SOLTAU, K. (2006) 'Poverty Risks and National Parks: Policy Issues in Conservation and Resettlement', *World Development* 34(10): pp. 1808–1830.
16. CLARK, T.D. and NORTH, L. (2006) 'Mining and Oil in Latin America: Lessons from the Past, Issues for the Future', in L. North, T. D. Clark and V. Patrony (eds) *Community Rights and Corporate Responsibility: Canadian Mining and Oil Companies in Latin America*, pp. 1–16. Toronto: Between the Lines.
17. CLIGGETT, L., COLSON E., HAY, R., SCUDDER, T. and UNRUH, J. (2007) 'Chronic Uncertainty and Momentary Opportunity: A half century of adaptation among Zambia's Gwembe Tonga', *Human Ecology* 35: pp.19–31.
18. COSTI, A. (2003) 'Environmental Protection, Economic Growth and Environmental Justice: Are They Compatible in Central and Eastern Europe?', J. Agyeman, R. D. Bullard and B. Evans (eds) *Just Sustainabilities: Development in an Unequal World*, pp. 289–309. London: Earthscan.
19. DANIELSON, V. (2005) 'Carpathian Arc key to Europe's mining renaissance', *The Northern Miner* (Mar 4-Mar 10) 91(2): p. C1 – C10.
20. DE ECHAVE, J. (2005) 'Peruvian peasants confront the mining industry.' *Socialism and Democracy*. 19(3): pp. 117–127.
21. DOWNING, T. (1996) 'Mitigating Social Impoverishment when People are Involuntarily Displaced', in C. McDowell (ed.) *Understanding Impoverishment: the Consequences of Development-Induced Displacement*, pp. 33–48. Oxford, New York: Berghahn Books.
22. DOWNING, T.E. (2002) 'Avoiding New Poverty: Mining-Induced Displacement and Resettlement', www.iied.org/mmsd/mmsd_pdfs/058_downing.pdf (accessed 15 November 2004).
23. DWIVEDI, R. (1999) 'Displacement, Risks and Resistance: Local Perceptions and Actions in the Sardar Sarovar', *Development and Change* 30: pp. 43–78.
24. DWIVEDI, R. (2002) 'Models and Methods in Development-Induced Displacement (Review Article)', *Development and Change* 33(4): pp. 709–732.
25. FREUDENBURG, W.R. and L.J. (2002) 'Mining the data: Analyzing the economic implications of mining for nonmetropolitan regions. *Sociological Inquiry* 72(4): pp. 549–575.
26. GENOV, N. (2000) 'Global trends and Eastern European societal transformations', *International Social Science Journal* 166: pp. 539–547.
27. GUHA, R. (2000) *Environmentalism: A Global History*. New York: Longman.
28. HALL, B.E. and J.C. de VRIES (2003) 'Quantifying the Economic Risk of Suboptimal Mine Plans and Strategies' in *Mining Risk Management*, pp. 191–200. Parkville, Victoria: Australasian Institute of Mining and Metallurgy.
29. HANNIGAN, J. (2006) *Environmental Sociology*. London and New York: Routledge.
30. HILSON, G. and POTTER, C. (2005) 'Structural Adjustment and Subsistence Industry: Artisanal Gold Mining in Ghana', *Development and Change* 36(1): pp. 103–131.
31. HILSON, G., YAKOVLEVA, N. and BANCHIRIGAH, S.M. (2007) "To move or not to move": reflections on the resettlement of artisanal miners in the Western Region of Ghana. *African Affairs* 106 (424): pp. 413–436.
32. HILSON, G. and YAKOVLEVA, N. (2007) 'Strained relations: a critical analysis of the mining conflict in Prestea, Ghana', *Political Geography* 26(1): pp. 98–119.
33. JAEGER, C.C., RENN, O. ROSA, E. A. and WEBLER, TH. (2001) *Risk, Uncertainty, and Rational Action*. London: Earthscan.
34. KALB, D. (2006) 'The New El Dorado in Romania: The State and The World Bank against local development', *Development* 49(3): pp. 106–110.
35. KOBUS, E.M. (2008) 'Perceptions of Risk and Their Implications: The Delay of the Bujagali Hydropower Project'. Paper presented at the Annual Meeting of the Society for Applied Anthropology, Memphis, TN (25–29 March).

36. KRAMER, J. (2004) 'EU Enlargement and the environment: Six challenges', *Environmental Politics* 13(1): pp. 290–311.
37. LARIONESCU, M., RUGHINIȘ, C. and RĂDULESCU, S.M. (1999) *Cu ochii minerului. Reforma mineritului în România (With a Miner's Eyes: Reforming the Mining Industry in Romania)*. Bucharest: Gnosis.
38. MATHUR, H.M. (2008) 'Mining Coal, Undermining People: Compensation Policies and Practices of Coal India', in M. M. Cernea and H. M. Mathur (eds) *Can Compensation Prevent Impoverishment: Reforming Resettlement through Investments and Benefit-Sharing*, pp. 266–285. Oxford, New York, Toronto: Oxford University Press.
39. McALEER, Ph. (February 7, 2003) 'World Bank withdrawal raises environment fears: What at first glance appears a loss for Romanian mining could have implications for the rest of the world, says Phelim McAleer' *Financial Times* [London edition] p. 27. ABI/INFORM Global database (accessed 11 September 2008).
40. McMAHON, G. and REMY, F. (eds) (2001) *Large Mines and the Community: Socioeconomic and Environmental Effects in Latin America, Canada and Spain*.
41. MIKESELL, R.F. and WHITNEY, J.W. (1987) *The World Mining Industry: Investment Strategy and Public Policy*. Boston, London, Sydney, Wellington: Allen and Unwin.
42. PALMLUND, I. (1992) 'Social Drama and Risk Evaluation', in S. Krimsky and D. Golding (eds) *Social Theories of Risk*, pp. 197–212. Westport and London: Praeger.
43. PEGG, S. (2006) 'Mining and poverty reduction: Transforming rhetoric into reality', *Journal of Cleaner Production* 14(3–4): pp. 376–387.
44. PLANNING, ALLIANCE (2002) 'Rosia Montana Gold Mining Project Gold and Cold: Traits of the Communities in the Impacted Area (Results of the Socio-Economic Survey)'. Unpublished manuscript, Roșia Montană.
45. POP, V. (2002) 'Die städtebauliche Struktur von Roșia Montană' (The urban structure of Roșia Montană), in R. Slotta, V. Wollmann and I. Dordea (eds) *Silber und Salz in Siebenbürgen Band 4 (Silver and Salt in Transylvania – Volume 4)*, pp. 167–179. Bochum: Deutsches Bergbau-Museum.
46. ROȘIA MONTANĂ GOLD CORPORATION (2006a) 'Resettlement and Relocation Action Plan', http://www.truestory.ro/files/RRAP_final.pdf (accessed 20 July 2006).
47. ROȘIA MONTANĂ GOLD CORPORATION (2006b) 'EIA Study Report: Non Technical Study', http://80.86.106.216/povesteaadevarata/files/RMP_EIA_MAY_06/1%20-%20EIA%20Chapters/9%20Non-Technical%20Summary%20-%20Chapter%209/RMP_EIAch9_NonTechSummary_May06.pdf (accessed 29 July 2006).
48. ROȘIA MONTANĂ GOLD CORPORATION (2006c) 'Management of Social Impacts: Resettlement and Relocation Action Plan (Annex to the RRAP)', http://www.truestory.ro/files/RRAP_annex.pdf (accessed 20 July 2006).
49. ROȘIA MONTANĂ GOLD CORPORATION (2006d) 'Community Sustainable Development Programme', http://www.rmgc.ro/en/raport/files/RMP_EIA_MAY_06/3%20-%20Envir%20and%20Soc%20Mngmt%20System%20Plans/Community%20Sustainable%20Development%20Management%20Plan%20-%20Plan%20L/RMP_MPL_Community_May06.log.pdf (accessed 29 July 2006).
50. ROȘIA MONTANĂ GOLD CORPORATION (2003) 'Resettlement and Relocation Action Plan', <http://www.rosiamontanagoldcorp.com/RAP/RMGC.RAP.Revision%2002.English-Locked.pdf> (accessed 28 November 2003).
51. SCHNAIBERG, A. and GOULD, K.A. (1994) *Environment and Society: The Enduring Conflict*. New York: St. Martin's Press.
52. SCHWABACH, A. (2000) 'The Tisza Cyanide Disaster and International Law', *Environmental Law Reporter* 30: pp. 10509–10515, http://www.tjcgls.org/Faculty_Publications/Tisza_Cyanide_Spill_ELRL_article.pdf (accessed 15 February 2004).
53. SHORT, J.F. Jr. (1984) 'The Social Fabric at Risk: Toward the Social Transformation of Risk Analysis', *American Sociological Review* 49(6): pp. 711–725.

54. SLACK, T., and L. JENSEN (2004) 'Employment adequacy in extractive industries: An analysis of underemployment, 1974–1998', *Society & Natural Resources* 17(2): pp. 129–146.
 55. SÎNTIMBREAN, A., BEDELEAN, H. and BEDELEAN, A. (2006) *Aurul și argintul Roșiei Montane*. Alba Iulia: Altip.
 56. SZABLOWSKI, D. (2002) 'Mining, displacement and the world bank: A case analysis of Compania Minera Antamina's operations in Peru', *Journal of Business Ethics* 39 (3): pp. 247–273.
 57. UNIVERSITY 1 DECEMBER 1918. (2007) Untitled. Unpublished manuscript, Roșia Montană.
 58. VILHENA, FILHO, C. (2002) 'Main considerations in the formulation of mining policies to attract foreign investment', *Transactions of the Institutions of Mining and Metallurgy, Section B: Applied Earth Science* 111 (Sept/Dec): pp. B177 – B182.
 59. WAACK, C. (2004a) 'Probleme der Regionentwicklung in peripheren Bergregionen am Beispiel des rumänischen Westgebirges' ('Problems of Regional Development in Peripheral Mountain Areas With Reference to the Romanian Western Carpathians'), in F. Bröckling, U. Grabski-Kieron and C. Krajewski (eds) *Stand und Perspektiven der deutschsprachigen Geographie des ländlichen Raumes (State and Perspectives of the German Geography of Rural Areas)*, AAG Arbeitsberichte, Bd. 35, pp. 135–142. Münster 2004.
 60. WAACK, C. (2004b) 'Ländliche Peripherien im Kontext der EU-Erweiterung – Welche Zukunft haben die rumänischen Bergregionen?' ('Rural Peripheries in the Context of EU-Expansion – What Future for the Romanian Mountain Areas?'), *Europa Regional* 12(2): pp. 92–99.
 61. WAACK, C. (2007) 'Randerscheinungen: Regionalisierungen und Skalierungen im Kontext von Transformations- und Globalisierungseffekten in der Kontroverse um den Goldbergbau im rumänischen Westgebirge' ('Marginal Phenomena: Regionalizations and Scalings in the Context of Transformation and Globalization Effects in the Controversy over the Gold Mine in the Romanian Western Carpathians'), Leipzig University, Habilitationsschrift (Postdoctoral lecture qualification) (Prepared for publication).
 62. WEBER, R. (2006) 'Scrisoare deschisă adresată Guvernului României – "Proiectul Roșia Montană": o consecință a slăbiciunii statului de drept din România' ('Open letter to the Government of Romania – the "Roșia Montană Project": the consequence of the weak civil state in Romania'), Open Society Foundation, http://www.osf.ro/ro/eveniment_detaliu.php?id_eveniment=13 (accessed 25 July 2006)
 63. WORLD BANK (March 1996) 'Resettlement and Development: The Bankwide Review of Projects Involving Involuntary Resettlement 1986–1993', Environment Department Papers, http://www.wds.worldbank.org/external/default/WDSContentServer/WDSP/IB/1996/03/01/000009265_3980728143956/Rendered/PDF/multi_page.pdf (accessed 13 January 2009).
- WORLD BANK (2001) 'Chapter 8: Helping Poor People Manage Risk' in *World Development Report 2000/2001*, pp. 135–59, www.worldbank.org/poverty/wdrpoverty/report/ch8.pdf (accessed 8 April 2003).