

# Gold Mining Stakeholders: Diversity and Influence. Roşia Montană Case Study\*

Adela Deaconu, Crina Ioana Filip\*\*

## Abstract

Using historiography, online information and the stakeholders' theory, this study focuses on the interested parties involved in a highly controversial gold mining project in Romania's Roşia Montană area. The study documents the emergence and influence of different stakeholders (and the relationships between them). The research result suggests that company management and project investors (in this case involving the State as minority owner and regulator and a Canadian company as the majority owner) need to be aware of the objectives of a range of stakeholders including the general public, environmental campaigners and cultural agencies. They should identify shared stakeholder objectives and take these objectives into account when assessing the prospects of a mining project. Ultimately, these findings could be a lesson in political conduct for stakeholders involved in similar projects in other East European countries.

**Keywords:** gold mining history, stakeholders, environment, cultural heritage, Romania, East European countries

**JEL Codes:** M21, M14, G38, K32

## 1. Introduction

The purpose of this paper is twofold. Firstly, it documents the emergence of new groups of stakeholders that influenced not only company' policies, but also those of dominant stakeholders, in a specific context, *i.e.* a gold mining project in a post-communist, Central-East European country. Secondly, this research aims to analyse the relationships between different stakeholder groups (in terms of the influence they exert) and the convergence of their objectives over time. Overall, the study investigates the level of support or resistance of different stakeholder groups for the actions of the company, the public authorities and the principal investor.

According to publicly available data<sup>1</sup>, Romania still holds large deposits of gold (estimated at 6,000 tones) and could regain its former status as major European

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\*\* *Adela Deaconu* (Corresponding author), Ph.D, Professor, Faculty of Economics and Business Administration, Babes-Bolyai University, Cluj-Napoca. E-mail: adela.deaconu@econ.ubbcluj.ro. Research Interests: Accounting and business history, Financial reporting, Property valuation.

*Crina Ioana Filip*, Ph.D, Associate Professor, Faculty of Economics and Business Administration, Babes-Bolyai University, Cluj-Napoca. Research Interests: Accounting and business history, Financial reporting, Accounting ethics.

1 <https://magnanews.ro/2016/10/romania-mai-6-000-de-tone-de-aur-zacaminte-valoare-de-22-4-de-miliarde-de-euro/>.

gold producer.<sup>2</sup> The gold mining sites under analysis are located in Transylvania, a historical province of today's Romania. They belong to the Roşia Montană Region (RMR) and encompass the gold mines in Roşia Montană village (RM) and its surrounding. The area was home to mining activity in the past (Appendix 1a, b).

The research focuses on the period 2001–2019 and the stakeholders that emerged as an inherent consequence of historical evolution, but mainly in response to a controversial mining project, namely the Gold Corporation Project (GCP) initiated by Roşia Montană Gold Corporation joint-stock company (GC). The project envisaged the use of cyanide-based technologies, with suspected adverse effects on the environment and on activities in the area. Numerous disputes between the stakeholders arose due to accusations that the company had obtained illegal privileges from the public authorities. As the attitude of corporate executives and shareholders towards stakeholders' concerns still leaves room for research (Polonsky/Scott 2005; Deegan/Blomquist 2006; Lafreniere/Deshpandes/Bjornlund/Hunter 2013), this study discusses the behaviour of GC management and Gabriel Resources (the main shareholder), exploring whether they can gain legitimacy for the proposed project.

Another interesting stakeholder to study is the public authority (hereafter the State), which historically speaking, had absolute control and oversight over the mining sector. In the post-communist period, the State has resorted to entering into partnerships with private companies but has kept its role as regulator of the mining sector. In various level of government (including ministries, parliament and other public institutions) public policy-making has proven extremely volatile in recent years. As such, this research observes the State as dominant stakeholder in terms of influence.

Furthermore, for Romania, the actions of lobby groups, particularly concerning environmental issues, are a novelty. In the 1970s, during the period of the communist regime, the voice of the general public was not heard in relation to a historical-archaeological disaster involving environmental damage (a massif of RM – *Cetatea Romană*). In recent years, the GCP triggered the emergence of new interest groups that advocate for environmental and cultural protection and which have the potential to curtail the project.

Therefore, new insights on stakeholders' identification, salience and impact on economic, social, but also environmental and cultural-corporate, as well as public policy are useful, especially for a less explored territory. Romania, as a former communist country, had little experience in dealing with stakeholders' influence on managerial decision-making because in the past the State oscillated

2 It seems that in the Antiquity the gold deposits in Dacia were the richest in Europe (Marin 1931); Gold Corporation, our case-study company, claimed that Roşia Montană exploitation under his mining project could be the largest gold exploitation in Europe

between absolute domination and relative weaknesses due to corruption and lack of professionalism in its substructures.

The discussion about an industrial project from the stakeholders' perspective is also a novelty in the Romanian specific literature and for the resources management sector. GCP is the first project of such magnitude in post-communist Romania, which helps the understanding of unprecedented attitudes, expectations and linkages of stakeholder groups, which overturns the typology and hierarchy commonly observed in literature. Particularly, the paper analyses the relationship between GC management (and Gabriel Resources, the promotor of GCP) and the State (in a unique position, as the regulator and hence the public interest representative, and as minority shareholder in GC); between GC management (and Gabriel Resources) and other stakeholders, activists for environmental and cultural issues; between the State and other stakeholders; between the public substructures that form 'the State' as a stakeholder group.

Much of the extensive coverage of the case by the media was based on hearsay rather than on fact. For this reason, the intention of our study is to process and verify the information. The discussion is grounded on the stakeholders' theory and the stakeholders' salience as illustrated by our application of the attributes proposed by Mitchell/Agle/Wood (1997). Furthermore, the proposed research addresses new applications of stakeholders' theory, such as sustainability (Freeman/ Harrison/ Wicks/ Parmar/ de Colle 2010).

GCP's evolution and implications are analyzed for the benefit of GC management (a subsidiary of the majority shareholder) and regulators (the State and its substructures). Therefore, the first contribution of our research is to demonstrate that interested parties should be aware of the specific stakeholders' objectives. A second contribution of this paper is to provide some policy-making suggestions. Stakeholders' specific objectives and their discourse suggest alternatives for the future of the region, such as economic sustainability, ecosystem preservation and cultural heritage conservation. In addition to the contributions for the Romanian space, the results of our study can be transferred to other contexts, countries or regions that have faced similar challenges. The case of Roșia Montană can be a lesson on counteracting in time, and with much smaller efforts made by stakeholders, some social, environmental and cultural repercussions. Last but not least, our study could be of interest for the researchers: an application of stakeholders' theory with new features, *i.e.* environmental and cultural.

In order to achieve the above aims, Section 2 contains a literature review of the stakeholder theory, explaining why this was chosen for the RM case study; also, it presents the techniques and the information sources chosen for this investigation. Section 3 comments on stakeholders' emergence and their claims in relation to the context-induced influential factors. Also, this section proceeds to the ranking and assessment of the influence of RM stakeholders. Section 4 examines

the relationships between stakeholder groups in reference to their specific/ common objectives, while making predictions for the future of RM. The final section provides the concluding remarks.

## 2. Research design

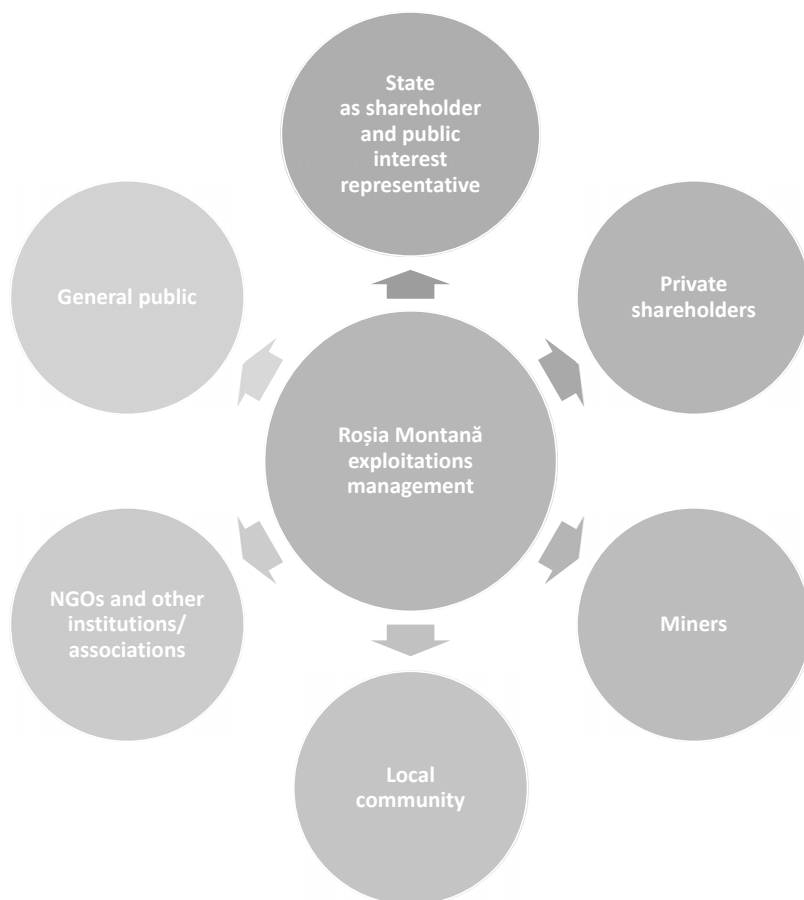
As a theoretical basis, we use the stakeholder's theory to explain our case and its complex implications. Freeman et al. (2010) shows how stakeholders' theory evolved to address issues of ethics, responsibility and sustainability, in combination with the usual economic view of capitalism. According to Horisch/Freeman/Schaltegger (2014), it is one of the most important theories used in social, environmental and sustainability management. Our research uses the theory to look at other further implications of the analyzed case study, *i.e.* the environmental and cultural issues linked to the economic and social developments.

The application of the stakeholder theory was initially confined to managerial decision-making and strategic planning for stakeholders' management from an organizational perspective (Savage/Nix/Whitehead/Blair 1991; Donaldson/Preston 1995). More recent studies use this theory to seek some insight into stakeholders' typology and salience (Mitchell et al. 1997; Friedman/Miles 2002; Collier 2008) and into stakeholders' influence over the organization decision-making process (Frooman 1999; Slob/Ellen/Gerrits 2008; Lafreniere et al. 2013). We integrated all these views on the stakeholders' identification and influence in the following section of the paper.

Of interest for our study is the classification of stakeholders according to their level of influence (Clarkson 1995), primary stakeholders (those critical for the existence of the organization) and secondary stakeholders (those affected, directly and indirectly by the organization's decisions) (Cheng/Ahmad 2010; Brown/de Bie/Weber 2015). The organization must identify and successfully manage the first group for better effectiveness, and the second group for purposes of legitimacy and ethics (Wang/Liu/Mingers 2015). Secondary stakeholders are rarely in direct transaction with the organization, and organizations do not depend on them for survival. Consequently, the literature has often overlooked these stakeholders (Ritvala/Salmi 2011). Our research highlights both primary and secondary stakeholders. Particularly, we identified those stakeholders shaped by an economic, social, environmental and cultural-specific setting. They became interested parties either based on institutional arrangements (laws, codes), or informal rules (evolution of environmental and cultural awareness, impact of specific groups) as presented in Figure 1: (1) the minority shareholder (the State); (2) the private majority shareholder; (3) the employees/ the miners; (4) the local community; (5) the non-governmental organizations (NGOs) and other cultural, educational, and professional institutions and associations which established themselves as defenders of RM; and finally (6), the general public as

(groups of) citizens supporting the need to preserve RM's values. The environmental and cultural objectives observed for RM stakeholders could be viewed as alternatives to mining, as argued in the literature. Ecosystem preservation is correlated with objectives relating to management policies and activities that protect or restore ecosystems and cultural assets, assert Kent/Kaval/Berry/Retzlaff/Hormaechea/Shields (2003).

**Figure 1. RM identified stakeholders**



Of the criteria of stakeholders' influence assessment listed in literature, this research adopted the scheme developed by Mitchell et al. (1997) due to its flexibility and easy adjustment to any context. This scheme is used in many applicative studies in resource management, *e.g.* Reed/Groves/Dandy/Posthumus/Hubacek/Morris/Prell/Quinn/Stringer (2009), Lafreniere et al. (2013) and Branten/Purju (2014). Mitchell et al. (1997) define three attributes that characterize

stakeholders, each one having a specific intensity: power, legitimacy and urgency claims. The power attribute is discussed in several texts (e.g. Mitchell et al. 1997; Frooman 1999). Mitchell et al. (1997) for example, quoting Weber (1947), equals power with the probability that one actor in a social relationship would be in a position to carry out his own will, also in case of resistance. Legitimacy qualifies direct input contributors as stakeholders, as well as the communities engaged in environmental and other external activities. This attribute could be defined as socially accepted and expected structures or behaviors (Mitchell et al. 1997). Stakeholders' urgency claims or needs meaning is paying attention to various stakeholder relationships in a timely mode. This attribute exists when two conditions are met: when a claim has a time-sensitive nature and when this claim is critical for a stakeholder (Mitchell et al. 1997). The more one stakeholder possesses each attribute, the higher is its salience in the stakeholder hierarchy. The study of Mitchell et al. (1997) classifies stakeholders into seven categories: definitive stakeholders possessing all the three attributes; expectant stakeholders possessing two of the attributes (dominant, dangerous and dependent); and latent stakeholders possessing one of the attributes (with the categories dormant, discretionary and demanding). Table 1 illustrates Mitchell et al. (1997) descriptions of the seven categories, applied for RM case study.

**Table 1. RM stakeholders' attributes matrix in the present**

Stakeholders	Attributes	Stakeholder categories						
		Definitive	Dominant	Dependent	Discretionary	Dormant	Demanding	Dangerous
	Power	High	High	Low	Low	High	Low	High
	Legitimacy	High	High	High	High	Low	Low	Low
	Urgency	High	Low	High	Low	Low	High	High
<i>Primary</i>								
State		*						
Private shareholders of GC			*					
Employees					*			
<i>Secondary</i>								
Local community				*				
NGOs							*	
General public						*		

Alongside Mitchell et al. (1997), further developments of the stakeholder theory assume the existence of communication between the organization and its stakeholders, and among different groups of stakeholders (e.g. Key 1999; Foster/Jonker 2005). Lafreniere et al. (2013) agree on the management's failure to understand stakeholders' perspectives and their potential of resistance, giving the

example of water transfer in Canada. Likewise, for resource management, Jankowski (2009) and Lastarnau/Oyarzun/Maturana/Soto/Senoret/Soto/Rotting/Amezaga /Oyarzun (2011) highlight the need to improve stakeholders' participation. Also, managers should be mindful of a new important stakeholder, the general public, whose pressure can change the policies of an organization, as shown by Slob et al. (2008) in their article on sediment management. Withal, the public authority has a more prominent role in the arbitration of some strategic issues. Kent et al. (2003) consider that the State should be aware that in a modern and democratic society its role as decision-maker should overlap that of decision negotiator. We intend to comment on the relationships between some groups of stakeholders, as follows: Management – State; State – Private shareholder, Gabriel Resources; Management – Other stakeholders then the shareholders; State – Other stakeholders then Gabriel Resources.

As research techniques, we used a qualitative research method based on narrative inquiry, resorting to documentary research and historiography. We focused on two types of complementary data, as follows:

*(a) online information which expressed positions, opinions and comments on the evolution of the GCP and its effects.*

For this point, we reviewed about 172 documents which were selected based on their reliability (in the order of relevance disclosed by internet searches) and lack of informational redundancy. As such we came across documents issued by governmental agencies (government decisions, minister's orders, and resolutions of parliamentary or ministerial commissions) and officials (presidents, prime-ministers); by non-governmental associations; by public institutions (e.g. universities, academies); by the mass-media which cited reliable sources. We found different types of public documents containing data and opinions about the GCP, as reports, declarations, presentations on sites, legal documents.

*(b) as secondary sources, writings on RM gold mine history and on its present challenges (opinion essays, documentary books).*

We then proceeded to the document analysis, trying to assure the neutrality in the presentation of the facts implying or exposed by stakeholders. Firstly, we selected the data by stakeholder groups revealed step by step, in an iterative path. Secondly, we took an interpretative approach of the texts. The analysis was performed concomitantly comparing the groups between them. Thirdly, we assessed for each stakeholder the intensity of the attributes of power, legitimacy and urgency claims. Power for a group was assessed in relation to the possibility to dominate other groups, imposing on them its volition and perceiving some benefits. Legitimacy was assessed according to the type of actions performed by a group in terms of appropriateness, respect of the laws and social, environmen-

tal and cultural norms. Urgency claims of a group were assessed by judging how urgent its group's needs are and what potential they have to be solve in the future by another group. Thus, we provided insights into different groups' behavior, and the relationships between some groups.

### 3. Stakeholders emergence in Roșia Montană, their influence and salience

#### 3.1. Stakeholders emergence

This section includes both opinions of the group of stakeholders itself and third-party opinions. The stakeholders' claims and objectives associated with economic, social, cultural and environmental issues are described.

##### 3.1.1. The State as shareholder and public interest representative

The State as stakeholder designates at the same time his quality of shareholder and a whole set of public structures that have been involved over time in the RM case. The state as shareholder is represented by Minvest holding a 19.31 % stake in GC capital. The public substructures as State representatives were implied in sector regulations/decisions/permits issuance.

In the post-communist period, the State was open to public-private partnerships and issued, through the National Agency for Mineral Resources (NAMR) it granted new licenses for mining exploration and exploitation (Mihai/Marincea/Ekenberg 2015).

According to the information posted by GC on its website, the State would be at an advantage if GCP had been implemented, through direct **economic** benefits (dividends, royalties, tax and investment in construction materials, electricity, transport), and through indirect (**social**) benefits (jobs, contracts for the local suppliers, creation of micro-financing institutions in RM). However, the Group for the Salvation of Roșia Montana within the Academy of Economic Studies (hereafter the Group ASE), in two reports (in 2003 and 2010), points out errors in the estimates related to future costs, investments and direct and indirect benefits. The Romanian Academy argues that the economic benefits derived for the Romanian State are disproportionate to the expected value of the gold to be extracted. In 2019, the State renegotiated the initial license, such that GC signed with NAMR the 5-year extension of the gold concession from RM, based on an increased fee from 4 % to 6 %.<sup>3</sup>

In 2007 the Romanian government started the procedure for the registration of Roșia Montană as a world **cultural and natural heritage** site (Mustață 2012). In 2016 this process was completed, according to the report of Wilson et al.

3 <https://www.profit.ro/povesti-cu-profit/energie/procesul-rosia-montana>.



(2011). Other similar action was initiated by the Ministry of Culture and Religious Affairs of the National Research Program Alburnus Maior Preventive Archeology Research which was to be implemented by this Ministry in the period 2001–2005 and was financed by GC. It is however contradictory that although this project was not completed, the Ministry of Culture issued an archaeological discharge certificate to GC in 2004 for the *Cârnic Massif*, authorizing the excavation of the entire network of ancient and medieval sites.

As an obligation assumed to prepare Romania's accession to the EU (which occurred in 2007), the Law no 451/2002 was issued, ratifying the provisions of the EU environmental directives. Then, GD no 1076/2004 triggered GC's initiative to assess the impact of the GCP on the environment (EIM). The EIM report was submitted to the Ministry of Environment following the last public debate in Budapest, Hungary, in August 2006. Hungarian experts came to the conclusion that the documentation submitted by their Romanian counterparts is biased and contains only positive conclusions as asserted on the Group ASE.<sup>4</sup> In the end, the environmental agreement was not granted to the GC.

In the State stratification issue, at the governmental level, from the materials studied, we noticed that the Social Democratic Parties (PSDR, PSD) benefitted from their position on the project, with the exception of the Ponta government, which suffered massive public pressure, for having an inconsistent policy. Another social-democrat government, led by the Prime Minister Viorica Dăncilă, stopped the procedure for the inclusion of Roșia Montană as a UNESCO World Heritage Site and proposed a law in February 2019, which paves the way for mining projects. In opposition to these measures, the democrat-liberal and the technocratic governments have acted in favour of preserving cultural-historical heritage sites, and have not supported the GCP. As for the public structures involved, outside the government, NAMR has consistently supported the project, as have the National Commission of Archaeology and The Institute for Heritage. The Parliament, through the Chamber of Deputies, had mixed attitudes, with more against the project than pro.

### 3.1.2. *The private shareholders. Gold Corporation*

GC was founded in 1995 and its current majority shareholder is Gabriel Resources Ltd., a Canadian company. After successive increases in equity held in GC (in 1999, 2009 and 2010), they now hold an 80.69 % stake.

GC initiated the GCP project in our case study in 2001, intending to extract approximately 300 tons of gold and 1,600 tons of silver through surface excavations, using a sodium cyanide-based technology. The implementation of GCP was going to involve the removal or relocation of about 900 families counting

4 <http://www.cdep.ro/img/rosiam/pdfs/raport-ASE-final-2.pdf>.

2,000 members, 8 churches, 9 cemeteries, schools, kindergartens and a medical Center. It also was going to provoke the declassification of 9 buildings – historical monuments and the exploitation of 4 mountain massifs (*Cetate, Cârnic, Orlea, and Jig*) housing the natural monuments *Piatra Corbului* and *Piatra Despicata*.

GCP was promoted by the company through an institutional lobby which ran impressive campaigns emphasizing the project's economic potential sociocultural benefits (Mihai et al. 2015). In their communications with the GCP stakeholders, GC and Gabriel Resources based their estimations of **economic benefits** on the results of two independent reports, Otto (2009) and Wilson/Mattingly/Dawson (2011).

The GC website shows the chronology of the legal procedure meant to allow the issuance of the mining license. NGOs and other groups believed that the license could not be obtained without infringing on the legislation in force at the time.<sup>5</sup> In July 2013, the Ponta government (social-democrat, PSD party) transcribed this agreement into a draft bill which was rejected by the Romanian Parliament. In January 2015, GC sent an official letter to the President and Prime-Minister of Romania pleading for an amiable resolution of the licensing disagreement. Without any result, after that, GC took legal action against the Romanian State, and the case has reached international arbitration at the International Centre for Settlement of Investment Disputes of World Bank, Washington Court of Arbitration (ICSID 2016).<sup>6</sup> In December 2019, at the hearings under the ICSID arbitration procedure, Gabriel Resources claims damages of almost \$4.8 billion from Romanian State as a result of the GCP blockade, although they actually invested in the project, according to their own statements, \$24 billion (Revista Capital 2017) and only about \$760 million according to other sources (SAR 2019). A final decision of ICSID is expected in 2020.

The **environmental** concerns of GC were posted on the company's website in the period 2002–2006, when the EIM was completed and incorporated into a Feasibility Study. In 2004 the company started the environmental licensing procedure. Sixteen public consultations related to EIM were held during July–August 2006 (Alburnus Maior 2015), following which GC answered 5,600 questions in a 12,600 page report submitted to the Ministry of Environment.

A series of inaccuracies in the application of the law in the RM case and the strengthening of the **cultural heritage** laws led to the suspension of the archaeological license obtained by GC in 2004 from the Ministry of Culture despite the legislation in force at the time (Roșca 2010). The *Cârnic Massif*, the main site of

5 <http://www.rmgc.ro/proiectul-rosia-montana>.

6 <https://icsid.worldbank.org/apps/ICSIDWEB/cases/Pages/ViewRecentUpdates.aspx?view=RECREGISTERED>.

surface exploitation by GC, was restored as archaeological site under the protection of Law no. 258/2005 by resolution of the Supreme Court in 2008. According to the information posted on its website, GC funded research projects intended to assess the archaeological potential. The first one was launched in 2000 with the support of experts from the National Union Museum of Alba Iulia and the Centre for the National Cultural Heritage, and the second was achieved between 2001 and 2005 (referred to in Section 3.1.1). The projects<sup>7</sup> brought to light 15,000 Roman artefacts, necropolis and tombs.

### 3.1.3. *The miners*

The post-communist period (after 1989) saw a dramatic decrease in the number of miners due to the fact that the **production** dropped dramatically, with important social and economic effects. After 10 years, as the Group ASE asserts, there were attempts to restructure the mining labour force, following a governmental decree (Bran 2003).<sup>8</sup> Those persons who then benefited from the severance package granted by the government became farmers.

After 2001, the **unemployment** rate remained high, since the implementation of GCP had not started. GC estimated that a figure of 500–1,200 employees would be involved in GCP, depending on the project phase. However, the Group ASE viewed this number exaggerated, relying on an independent study of Mining Consultants Inc. in 2003 which estimated 217 jobs annually (Roşca 2010).<sup>9</sup> Referring to the farming activities embraced by the former miners, the Group ASE anticipated the destruction of the agricultural land and forests, as potential effect of GCP. The representatives of the Romanian Academy argued, as well, that the number of jobs to be created during the mining phase (estimated to 300 by this source) is ill-balanced in relation to the local needs, which would require a long-term solution.<sup>10</sup>

Pascaru (2013) published the results of several surveys conducted on a local community sample. In 2007, 62.7 % of the interviewed RMR families including former miners had positive expectations regarding GCP. In 2011 almost 2 out of 3 interviewees expressed low or very low trust in the investors. The highest rate of trust in GC was showed by RM villagers (52.8 %), some of whom were already its employees. Both surveys signaled a biased attitude of the GC employ-

7 <http://mnir.ro/portfolio/programul-national-de-cercetare-alburnus-maior/>; [http://www.rmgc.ro/proiectul-rosia-montana/patrimoniu/cercetare-arheologica-la-rosia\(-montana.html](http://www.rmgc.ro/proiectul-rosia-montana/patrimoniu/cercetare-arheologica-la-rosia(-montana.html).

8 [http://www.observatorulurban.ro/24-argumente-contra-proiectului-roiamontana.html?searched=rosia&highlight=ajaxSearch\\_highlight+ajaxSearch\\_highlight1](http://www.observatorulurban.ro/24-argumente-contra-proiectului-roiamontana.html?searched=rosia&highlight=ajaxSearch_highlight+ajaxSearch_highlight1).

9 The study prepared by Independent Mining Consultants, Inc. for GC in September 2003 was posted on [www.gabrielresources.com](http://www.gabrielresources.com), but was subsequently removed for the poor advertising it did.

10 [http://www.acad.ro/rosia\\_montana/pag\\_rm04\\_decl.htm](http://www.acad.ro/rosia_montana/pag_rm04_decl.htm).

ees as compared to the rest of the population, who had expectations related to tourism and agriculture as alternatives to the project, GCP having the potential to ruin these goals.

To conclude, the miners do not represent a force in RMR. The few remaining employees have enjoyed this status for an area where work alternatives are low and did not stand up against GCP.

#### 3.1.4. *The local community. Alburnus Maior*

The Group ASE predicted that the local community would suffer significant **social** loss, by the destruction of cohesion, given that some should leave and others should stay, and from those who should leave some resisted the temptation of reward (the compensations promised by GC for the relocation), while others did not (Roșca 2010). The Romanian Academy, believed that forced removal of the homeowners who refuse to sell risked dragging the Romanian State into lawsuits at the Strasbourg Court of Human Rights.<sup>11</sup>

Alburnus Maior, an NGO based in Roșia Montana<sup>12</sup>, declares that it *represents the interests of those inhabitants who oppose the GCP, for social, environmental, economic and **heritage considerations** and who refuse to sell out to make room for the mining project* (Alburnus Maior 2015). Its initiatives had a wide resonance, bringing together the citizens of the local community and raised the awareness of a large number of fellow countrymen, as well as the interest of foreign individuals and institutions.

Among others, Alburnus Maior coordinated the ‘Save Roșia Montană’ campaign, which has become over time the largest social and environmental movement in Romania. A public meeting held in 2002 in Roșia Montană with 350 participants from the local community and NGOs resulted in a declaration against strip mining and the use of cyanide (so far cyanide had not been used in RM, the gold being extracted in Baia Mare). 10 years later, the force of these actions did not lose weight. In 2013 thousands of people gathered in the street to chant, among others, against *corporate and political greed, mass-media’s failure to inform the public, corruption, cyanide **effects on water and soil**, damage to mountains and landscapes, and change of the laws to fit the corporate interest*.<sup>13</sup> The protests continued in 2013 and 2014. In 2015, as a reaction to this pressure, GC filed the complaint at the ICSID.

Moreover, citizens’ indignation targeted institutions of the Romanian State, which failed to comply with their own laws. Allegations of unlawfulness and corruption at all levels were reported and exposed in the public space. The ‘Save

11 [http://www.acad.ro/rosia\\_montana/pag\\_rm04\\_decl.htm](http://www.acad.ro/rosia_montana/pag_rm04_decl.htm).

12 <https://www.rosiamontana.org/>.

13 <https://www.facebook.com/unitisalvam>.

Roșia Montană' campaign required the Romanian government transparency in the arbitration proceedings between GC and its opponents. Eugen David, president of Alburnus Maior, showed that:... *Gold Corporation puts **profit** above human beings... a series of court orders declared the mining project illegal, the locals together with tens of thousands of people put up vehement dissidence, and numerous politicians accused for or even convicted for corruption were the only ones persuaded into the company's interests.*<sup>14</sup>

### 3.1.5. NGOs and cultural, educational and professional institutions and associations

This section presents another group of stakeholders, including NGOs other than Alburnus Maior. The main NGO involved is Group ASE whose position has so far been presented indirectly. Also, the Romanian Academy took a stand and presented its opinions on the GCP issue. Therefore, we will explore the other associations or actors involved in this section.

In 2010 the Romanian Union of Architects officially declared (RUA 2010) that GCP *is typical for precipitated operations which will compromise definitively the high-potential **development of the area** and will erase a notable part of the county and two millenniums of history.*

Cartel Alfa, the largest mining union, claimed in 2011 that the investment of the State in RM *is not justified, since there are other sites where the benefit related to the creation of **jobs in the mining industry** would be higher, for a lower investment.* Cartel Alfa was also concerned by the use of dangerous technologies, with associated hazards around the mud-setting ponds and catastrophic consequences for the **environment**. The mining federation also pointed out that RM attracted 15,000 tourists per year, but did not get any revenue since the construction of hotels and restaurants was prohibited (TVR 2013).

Recently appearing on the pro-environmental activist stage is a network of civic organizations known as Mining Watch Romania.<sup>15</sup> Mining Watch participated in the demonstration to support the conservation of the RM, attracting almost 20,000 people, in response to the Dăncilă government's decision to stop the inclusion of the site in UNESCO's patrimony (RFI 2018). Mining Watch qualifies this public action as a proof of incompetence and bad faith. The organization believes that at this moment RM is more valuable through its **patrimony**, whose value exceeds any golden fist that is still present in his depths.

Over time, we have also noticed opinions from outside the country. In 2004, Greenpeace organized campaigns to inform the population about the harmful

14 <http://www.romaniacurata.ro/eugen-david-este-culmea-tupeului-sa-vii-si-sa-propui-un-proiect-ilegal-sa-l-vezi-respins-si-apoi-sa-ceri-compensatii/>.

15 <http://mningwatch.ro/>.

impact of the GCP on the community and the environment, collecting 27,000 signatures against the project. In July 2006, Greenpeace protests continued at the Ministry of Environment.<sup>16</sup> According to the same source, at the country level, the Government of Canada announced its support for the GCP in 2005, while the Hungarian Ministry of Environment was opposed.

Two senators from a new political party, The Save Romania Union (generally seen as Centre-right), called on the Prime Minister and the Minister of Culture to resume the necessary procedures for the inclusion of RM in the UNESCO World Heritage programme, in honor of the promise made by the liberal government. They specify that the value of the heritage of RM for the history and culture of humanity has been confirmed in the last decade by numerous studies of the Romanian specialists in the country and abroad, culminating with the ICOMOS report.<sup>17</sup>

### 3.1.6. *The general public*

This is a unique stakeholder in the Romanian context. This sub-section lists the pros and cons, the opinions against GCP prevailing. Also, some concatenated data allow more flexible interpretations, for the cases of undecided interviewees or lack of technical awareness.

A public opinion poll conducted in 2009 by the Chamber of Deputies (CDEP 2009) on a sample of 7,400 persons showed that 96 % of them opposed to GCP. Conversely, another poll published in 2013 by Sociopol (Revista Capital 2013) revealed that 68 % of the Romanians believed that the authorities should promote GCP. Therefore, a change of opinion is observed, even if the proportion of pros is not the same as the proportion of cons in the first survey. The results of the second survey are influenced, in Mihai et al. (2015) opinion, by the limitation that the public at large does not possess specialized knowledge required to make an informed decision or the time required for detailed documentation.

The category of positive opinions includes the results of a report conducted by 1 Decembrie University of Alba-Iulia” (UAB 2007), delivered in the early period of the GCP debates. This report estimated the quantities of gold and silver potentially to be extracted by GC, pleading for the **economic** boost of the area if mining is resumed, which would favour – as alternative – the revival of tourism. The economic potential would be enhanced, since at present the local economy is only fueled by the industry, such as wood harvesting in Câmpeni and Abrud (UAB 2007). The report goes over **social** issues, like how much the active popu-

16 <https://www.profit.ro/povesti-cu-profit/energie/document-apararea-romaniei-in-procesul-rosia-montana-de-la-washington-scenariu-teoretic-daca-guvernul-isi-da-acordul-rm-gc-ar-p-utea-incepe-proiectul-minier-in-2022-18564027>.

17 <https://www-bugetul-ro.cdn.ampproject.org/v/s/www.bugetul.ro/guvernul-orban-a-promis-se-fac-demersuri-urgente-pentru-rosia-montana/amp/>.

lation has already dropped and will fall in the future given the lack of economic activity in the area (UAB, 2007). The psychological distress arising from the intended relocation of the RM inhabitants would be outweighed, in the opinion of UAB (2007), by the rewards offered by GC.

Individuals with technical backgrounds who were highly knowledgeable about the RM case also took a stand against GCP. Geologist Aurel Sîntimbrean, former chief engineer at Roşiamin (the former Minvest which is the current public, minority, shareholder in GC) pleaded in 2005 for RM protection as the area represents a *cultural and historical heritage site of national and universal value* (Roşca 2010). In an open letter addressed to the President of Romania and the Romanian authorities competent in the matter of Roşia Montană (Televiziunea Liberă 2013), another geologist, Ioan Mârza, associate professor at Babeş-Bolyai University Cluj-Napoca, affirmed that GCP was about to exploit *the most important geo-archaeological mining treasures in Roşia Montană, genuine arguments of the origin of our people*.

Mihai et al. (2015) review some topics which the present research has already discussed, in order to identify and analyses the development opportunities for RM. In relation to the environment, it argued that the lack of compliance with Romanian environmental laws was the main reason why GC failed to obtain all the required mining permits. The report summarizes the reasons of GCP's rejection by the public, such as environmental hazards, impairment of cultural heritage, forced expropriation, corruption allegations and lack of transparency in the agreements between the State and GC.

**Environmental** concerns arise for the first time in RMR in relation to *Cetatea Romană Massif*, destroyed under the communist regime, as Steclaci (2011) book reveals. The author wonders whether now, with the initiation of GCP, *Romanian mentality has changed: will people keep silent like in 1970?* In the same spirit, Mustaţă (2012) alleged that after project implementation the area will become an ecological scarecrow and for tourism any initiative would be a sure failure. The perception of the print media is similar. Thus, Capital Magazine (2017), a reputed economic publication, opines that the widespread street protests caused by the use of cyanide in the extraction process caused the government to withdraw its support for the project in 2014.

Finally, the opponents of GCP (e.g. Mustaţă 2012) argued that the implementation of GCP would damage many archaeological sites dating back to the Roman times, such as sanctuary sites with tens of votive shrines, a necropolis, a circular mausoleum in *Găuri*, the *Carpeni* buildings equipped with floor and wall heating, and the 400 m long galleries in *Orlea*.

The facts we have outlined, which arise from our interpretation of the documents, are critical for the next steps of the inquiry. They reveal the characteris-



tics, behaviors, strength of the arguments and objectives of each group, and groups' inter-correlations. Therefore, this data is the basis to assess the stakeholders' attributes and to observe the convergence of their objectives over time.

### 3.2. Stakeholders influence and salience

In the past the public authorities had an overwhelming level of influence, holding the power to lease or operate the RMR mines itself. At present the RM mine is owned by a predominantly private partnership (the majority of shares being held by Gabriel Resources), the State having a smaller share of the equity structure (19.31 % through Minvest, a public company). In exchange, the public dominance manifests itself in other ways today. The State maintains a privileged position over other stakeholders by controlling the concession rights upon which mining and GC are dependent (Concession License for Exploitation no 47/1999 granted to GC and then withdrawn), and by the mining and environmental laws in force. Thereby, we view the State as a highly salient stakeholder for the RM mine and GC management, placing it in the *definitive* category, according to Mitchell et al. (1997) and in line with the opinion of Branten/Purju (2014). The authors include in this category governmental agencies if they use their power to solve critical problems. In the RM case study, the State is represented by the government, several ministries, governmental representatives, the Parliament, and public agencies (e.g. NAMR). All these public structures have legitimacy (the State as shareholder and the public structures as involvement in strategic issues), the power to make decisions (including due to its role as regulator of the mining sector), and urgency claims. The urgency is related to the pressures exerted on the Romanian State by the citizens, the European Union (EU), the neighboring countries (Hungary for example), foreign associations, and the international arbitration court, especially on environmental issues. The stratification of the State as a stakeholder in several layers produced sometimes divergent actions. The inconsistency of the decisions of the public substructures has over time affected the relationship with GC management and with the majority shareholder, Gabriel Resources. By default, it affected other stakeholders, causing negative reactions over GCP.

The *dominant* stakeholder is Gabriel Resources Ltd., as majority private shareholder and initiator of the GCP. As shareholder, it holds the power and legitimacy associated to this (Mitchell et al. 1997; Lafreniere et al. 2013). This is because the Canadian partner has gradually imposed complete control over the GCP, through successive capital increases. The power of Gabriel Resources is also due to its relationship with GC management. Together, they resisted organized protests, manifesting a common disagreement against these public actions. However, Gabriel Resources does not have the third attribute, the urgency of its claims. The urgency of GC and Gabriel Resources claims (environmental li-



cense, archaeological discharges, project for laws to unblock GCP for the commencement of gold mining) are not supported, but boycotted by the other stakeholders because, so far, they have found the proposed resolutions to these issues unacceptable. Also, GC management is powerless to reverse the situation just described and therefore, powerless to act in the interest of the majority shareholder. As suggested by Mitchell et al. (1997) this is the type of stakeholder on which a series of corporate reports are focused, including of environmental and social responsibility type. Hence, this shareholder should engage more and more in such issues, all the more so as it controls the company management and its actions are expected to be more intense. We firstly evoke the views of the technocrat and liberal governments (Cioloş and Orban governments in 2017 and 2019, respectively) on the cultural rather economic value of RM that impacted the materialization of GCP. Secondly, we think of the increasing power of the new organizations and new protest movements which campaign for the definitive annulation of GCP (e.g. Mining Watch Romania and the manifestation on June 8, 2018). Therefore, Gabriel Resources is an expectant stakeholder, not the first arrival of a foreign investor in the area but the most controversial in terms of global concerns – environmental and social responsibility, and also cultural issues.

Specific literature describes employees as primary stakeholders, the expectant type. However, GC employees cannot be qualified as expectant (Mitchell et al. 1997), but latent and of *discretionary* type. This is because their needs concerning jobs and other social services, although legitimate, are beyond miners' power. Also, their claims are not perceived as sensible and are not viewed as salient by the GC management. In a similar vein, the State, although aware of the importance of the social implications of GCP, has failed so far to manage them successfully. The current employees of GC, after successive lay-offs as a result of GCP immobility, continue to be threatened of losing their jobs. Nevertheless, we noted no clear reactions on their part. A model of mature social dialogue would have been useful, but it is not yet available to the miners. Also, they are poorly represented and somewhat reluctantly viewed by those locals who were not hired by the new company.

Although in the literature the local community ranks as secondary stakeholder (Cheng/Ahmet, 2010; Ritvala/Salmi 2011; Lafreniere et al. 2013), for our case study is classified as expectant – first class stakeholder group, the *dependent* category. This is in line to other recent research, arguing that the community must be viewed as a primary stakeholder (Tuokuu/Idemudiyab/Grubera/Kayira 2019), which refers to a gold mine in Ghana where the local community has been neglected. While initially the NGOs involved in the RM case were typically small and relatively non-militant, their force changed over time. It is the case of Alburnus Maior which together with the local community fought to support and strongly promote the social, environmental, and cultural interests of the locals.

Nowadays this stakeholder has a more defined position, more power and implied legitimacy. They also relied on other stakeholders – in our case, the State and Gabriel Resources – as well on GC management to promote their will. The local community and its associations are now expecting to gain more power in order to support their interests. After all, companies cannot operate without obtaining a ‘social license’ from the community for operating the mine. Black (2013) argues the need for a strategy of consulting the stakeholders, especially in a complex socio-political environment. This is also the case of RM, for which the demonstrations and the negative publicity proved that the social license was not granted to GC and Gabriel Resources. As we have shown, the community is concerned about the effects of mining on life and health and the definitive loss of natural and cultural resources.

Another group of latent stakeholders, like the miners (employees), with only one attribute according to Mitchell et al. (1997), are NGOs (other than Alburnus Maior) and other cultural, educational, and professional institutions/associations. This *demanding* stakeholder is defined for RM by urgency claims, as shown by their rich activity, respectively by the number and diversity of these associations. They are representatives of civil society, a block that in Romania has only started to emerge as a voice in the past two decades, after a long period of silence during the communist era. At present, these associations are making their voices heard and can become a force in the future, although for the time being they do not particularly draw the attention of the company or the two main stakeholders.

Compared to the previous stakeholder, GC and its management focus instead on the general public and the civil society as a whole, with which it had successive discussions and explanations. Therefore, we view the general public as a *dormant* stakeholder, quite powerful (there were strong street protests), but with poor legitimacy and urgency. Urgency as an attribute is not accomplished since there is no structured public opinion regarding citizens’ preferences, as argued by Mihai et al. (2015). The authors give the example of the Romanian Chamber of Deputies’ webpage which posted documents about RMR, including those reviewed in this research, together with opinions expressed on a discussion forum, but lacking in replies from the relevant legislative body. However, some results are visible. This stakeholder dissuaded the Prime-Minister from promoting the mining draft bill in the Parliament and exerted pressure on GC to change the GCP from its initial form in 2001 and to sign an agreement with the State, more environmentally favorable and culturally friendly. The vehement position adopted by this stakeholder stems from the awareness of the general public about the implications of GCP, as Slob et al. (2008) also assert for similar projects. The recent demonstration (June 2018) with the participation of 20,000 people, who signed an online petition addressed to UNESCO, as a reaction of civil society against removing RM from the UNESCO agenda, reinforces what has been said. In addition, they advocate only for cultural and ecological conservation, reject-

ing the idea of economic exploitation. However, lacking legitimacy, civil society was not successful in this action, with UNESCO stopping the recognition process of RM as there was no consent given by the State.

As a result of the analysis performed, Table 1 illustrates the attributes we allocated to each stakeholder group.

#### 4. Roșia Montană stakeholders' relationships and the convergence of their objectives

This section comments on RM stakeholders relationships integrated in a discussion of dynamics of their objectives. By stakeholders relationships we mean the linkages between some groups of stakeholders, particularly between: GC management (and Gabriel Resources, the promotor of GCP) and the State (1); GC management (and Gabriel Resources) and other stakeholders, militants for environmental and cultural issues (2); the State and these other stakeholders (3). In this last item, we provide an analysis of the State substructures and their controversial behavior, as well of the double hypostasis of the State, as shareholder and public interest representative. The section outlines the objectives of each group, and the alternatives for the future development of the RM as a common view, which derives from here and is useful to policy-making in this area.

The specific *objectives* of each SH group are suggested by their claims, in relation to the GC management, *i.e.* economic, social, environmental, and linked to the cultural heritage. Our research outlines two *alternatives* for the RM future development (and at the same time, ways to unblock GCP): economic sustainability (1), and ecosystem and cultural heritage conservation (2). The economic sustainability of the area could be ensured through the continuation of mining, however under supervision, provided either by GC, with other material amendments to its project, already revised in 2004 and 2013, or by another company, on the basis of impartial regulations. The objective of ecosystem and cultural heritage preservation entails non-mining activities, such as tourism. Table 2 presents the current chief objective of each RM stakeholder and how it fits into the two future development alternatives outlined. Starting from this, we will further discuss how certain stakeholders focus more or less on these two alternatives. At the same time, we will comment on how some groups which initially have separate objectives, share common goals, which could be a starting point for future collaboration. Stakeholders' objectives, transposed in the above two alternatives for RM future lead to two possible *development policies* for the area: mining activities, particularly GCP achievement (a), and providing other economic activities than mining, especially tourism (b).

**Table 2. Current RM stakeholders' main objectives in correlation with the alternatives for the future development of RM area**

<i>Stakeholders' chief objective</i>	<i>Future development alternatives</i>	
	<i>Economic sustainability</i>	<i>Ecosystem and cultural heritage conservation</i>
State	To co-operate with GC under clear mining regulations; To obtain direct and indirect economic benefits; To protect social, environmental and cultural interests.	
Private shareholders of GC	To implement GCP in the form updated in 2004 and 2013 or as revised in the future; To obtain economic benefits.	
Miners (employees)	To continue mining operations, especially through GCP to which they assign the highest degree of trust.	
Local community		To avoid cyanide effects on the environment; Not to destroy the historical heritage through surface mining.
NGOs		To keep the area untouched in its holiness, purity and beauty; To prevent an environmental disaster.
General public		To preserve this natural beauty, together with the cultural and historical heritage of national importance.

The first alternative designed for the future of RM (a), GCP achievement, is feasible in an improved version (this solution is preferred by the local community – more precisely the current miners, and by the State, this time in the position of minority shareholder). In its turn, this solution has two scenarios. The first refers to the 2004 and 2013 revisions to the initial GC project (proposed in 2001), which targeted the mining technologies to be used (which still remained cyanide-based after these revisions), the increase of the Romanian State's share of the benefits and the guarantee of cultural heritage preservation and environmental rehabilitation. The second scenario refers to a possible settlement of the lawsuit between Gabriel Resources and the Romanian State pending at the International Court of Arbitration, and a new revision of the project according to the 2013 amendments to the Mining Act no. 85/2003 (to be further detailed).

The second alternative (b) is the most probable according to stakeholder groups' claims and power. The analysis of these groups, except for the majority shareholder, Gabriel Resources Ltd., but including the State as representative of the

public interest, reveals a trade-off among their objectives. Tourism could be agreed upon by all parties as key to the RM development policy.

A short-term development of this issue envisages that public opinion (the local community, NGOs and the general public) gains momentum as a force. The fact that the town of Roşia Montană has been declared a historical site of national importance by the Ministry of Culture and Religious Affairs, which included it on the List of the Historical Monuments, under special treatment for the preservation of cultural assets, confirms this. Moreover, in October 2016, the site Roşia Montană was included in the indicative list of UNESCO (although in June 2018 the Ministry of Culture postponed this move in order not to affect the lawsuit with Gabriel Resources). The precipitation of these events and their timing immediately after the climax of the public opposition to GCP suggest a gain of the civil society in terms of cultural patrimony respect and preservation. The increasing concern of the citizens in mineral resources exploitation and environmental issues after 2001, starting with the famous case of RM is also noteworthy, although this manifested in Romania later than other nations. It can be asserted that these three groups of stakeholders concerned with cultural and environmental issues put pressure on GC management and the dominant shareholder, Gabriel Resources, to improve the project to address these demands. They all privilege the ‘Ecosystem and cultural heritage preservation’ as alternative for RM future, in accordance with ‘Tourism’ (b) as development policy.

Also, the steps taken by the Romanian State for the recognition of its cultural heritage internationally (described in the previous paragraph) and for stopping the GCP implementation by eventually not granting the mining licenses, indicate a strong influence for the local community, NGOs and the general public. The data reveals a significant fluctuation of the objectives of the State in relation to GCP, through the public substructures, which proved harmful, aggravating the conflicts between the new stakeholders and GC, Gabriel Resources, respectively the State itself. However, after 19 years, it seems that the State is inclining more towards the alternative of environmental and cultural protection, rather than the economic one. Therefore, aside from these three stakeholder groups, the State is also open to the alternative ‘Ecosystem and cultural heritage conservation’ (2). Another sign in this respect is provided by the latest regulations. Hence, the amendments to the Mining Act no. 85/2003 (ECS, 2013) discussed by the Economic Commission of the Senate in 2013, define the assessment criteria of a mining project, which are of economic, social and environmental nature. The proposed amendments also define the projects of special public interest, namely those whose economic and social benefits expected by the State outweigh the negative environmental effects, and which guarantee environmental rehabilitation after completion of the project. The regulation also prohibits the use of cyanide-based mining technologies and invites State participation in public-pri-

vate partnership companies, in order to manage and exploit the natural resources of Romania.

The alternative with GCP adjusted is feasible taking into account the latest actions of GC meant to correct its initial plans on environmental and cultural issues. Initially, according to its information channels, GC expected that the project would generate economic, social and environmental benefits. After 2001, GC organized public consultations with the public authorities, the locals and the project opponents, to respond to inquiries related to the relocation and removal operations. In 2004 these actions determined the revision of the related action plan. Starting from these facts, our previous analysis gives insights into the factors that dictate managerial behavior. It reveals the environmental concerns of the company in the form of revised plans, namely the Environmental Impact Assessment, the improvement of the technical project, and the financing of research projects intended to assess and then restore the archaeological potential. These revisions can be explained as responses to the pressure of the locals and to increasing citizen activism, as well as to the hesitation of the State to grant the operating licenses. It is also worth mentioning the activities pursued by Gabriel Resources in the area of culture/ education and heritage during the next period, until 2010 where these are summarized in the CEO report alongside the intention of communication with all the stakeholders and commitment to social and environmental responsibility. At this point in the evolution of events and to increase the likelihood of the GCP application success, we see useful the application by GC (and perhaps also by the State) of interactive governance (Nouzari/Hartman/Spit 2019). This would involve a process of communicating with the controlled stakeholders (selecting representative stakeholders, defining procedures and applying rules for participation in structured discussions). This approach would be needed all the more as more and more stakeholders are demanding from companies, which should be more responsible and ethical, as Good and Thorpe (2019) claim (the authors develop a framework meant to better integrate environmental issues in companies' communication with the stakeholders and the management of these relationships). Sambell/Andrew/Godrich/Wolfgang/Vandenbroeck/Stubbley/Rose/Newman/Horwitz/Devine (2019) also argue that encompassing economic, environmental and social aspects and taking into account the needs of all stakeholders is the key to the success of a sustainable business model.

Thus, if in the beginning each group of stakeholders (with the exception of the miners), showed their opposition through individual actions, to GCP, GC management and indirectly its shareholders (the State and Gabriel Resources), in time these actions have come to coincide with and influence shareholders' behavior. Apparently, each group (or individual) acted for the national well-being, but we cannot exclude the possibility of a dose of manipulation either in favour or against GCP. The pros for GCP are linked to the relationships between stake-

holders that were initiated, improving the odds for its implementation. Therefore, the acceptance by the groups of the local community, NGOs and other institutions/associations and the general public of the second alternative is also imaginable, in a new, more culturally and environmentally friendly version; despite that, even now, there are voices claiming that the failure of GCP implementation is also due to GC's and Gabriel Resources inability to obtain the social operating license, meaning the acceptance of the Romanian community in the broad sense. This second alternative is strongly linked to and conditional upon the State's actions in terms of specific legislation issuance, respect and control. At the current time in Romania the laws on environmental and historical monuments are aligned to European regulations and there are premises to succeed in the above aim. However, considering the history of mining licensing in the case of GCP, it results that although fairly straightforward, its interpretation was not always correct; the governmental officials may be to blame in this respect, since they were initially in favour of GCP. These issues outraged the public and generated nation-wide mass reactions. Minvest received the license from NAMR for concession and exploitation in the RM area in 1999, which was then transferred to GC. Under this license, GC intended to conduct exploration activities, or the Romanian laws<sup>18</sup> provide that exploitation and exploration are distinct activities. More specifically, certain sources claim that the exploration license for GC should have been obtained through a public auction (Simian 2006; Chifan 2007). From accusations made by Gabriel Resources against Romania, it is also clear that the State, through the voice of several policy-makers, had created 'reasonable expectations' that the project would be achieved – these expectations have not been honored as operating permits were not granted.<sup>19</sup> There were suspicions of some agreement between the public authority and GC. However, although some normative acts were initially applied in an incorrect way, at this date this has been redressed and the law duly observed.

## Conclusions

Using local historiography and online information and stemming from the stakeholder theory, this study explores stakeholders' emergence, their hierarchy based on the characteristics of the interested parties in gold mining in Romania – Roșia Montană and the relationships between stakeholder groups, in order to outline some alternatives for the future of this area. The recent events in Roșia Montană were triggered by a gold mining project initiated by a Canadian company,

18 <http://www.cdep.ro/pls/dic/site.page?id=597>, Mining Laws 61/1998 published in Official Monitor no. 113/16.03.1998 and 85/2003 published in Official Monitor no. 197/27.03.2003.

19 [https://adevarul.ro/locale/alba-iulia/acuzatiile-gabriel-resources-adresa-romaniei-procesul-arbitraj-privind-proiectul-minier-rosia-montana-1\\_5b4dd317df52022f755423f0/index.html](https://adevarul.ro/locale/alba-iulia/acuzatiile-gabriel-resources-adresa-romaniei-procesul-arbitraj-privind-proiectul-minier-rosia-montana-1_5b4dd317df52022f755423f0/index.html).



Gabriel Resources Ltd., after a period of mining depression in an area inflicted by economic and social hardship. The project gave rise to much controversy – including environmental and cultural heritage issues, and led to the appearance of stakeholder groups, something unprecedented in the history of Romania.

In the first part, our research identified the specific stakeholders (the State as shareholder and presumed representative of the public interest, Gabriel Resources Ltd. as majority shareholder), the miners – employees, the local community, NGOs, the general public), and observed their claims and the objectives that drove them.

In the second part, this study portrayed the relationship between the mining company's management controlled by Gabriel Resources Ltd. and the stakeholders. In this vein, Mitchell et al.'s (1997) framework prescribing stakeholders attributes, *i.e.* legitimacy, power and claims urgency was juxtaposed on a historical context of stakeholders' emergence and characteristics. This analysis revealed that for today's RM, and in relation with the Gold Corporation management, the State is the most salient of the stakeholders, possessing all the attributes; Gold Corporation is a dominant stakeholder but its claims are not immediately satisfied due to the contempt of almost all the other groups of stakeholders and the suspension of the licensing procedure by the State in response to such fierce opposition; miners' position is less fervent than expected, being classified as latent, discretionary stakeholders; the local community is more salient than employees, dependent on more powerful stakeholders but likely to gain more power, along with legitimacy and urgency claims from the active position undertaken; finally, NGOs and the general public are latent stakeholders, possessing only one attribute, urgency or power, but with significant contribution to the evolution of the Gold Corporation Project.

In the third part, our research commented on stakeholder groups' relationships and some particular interests or behaviors, which were able to change their objectives into a convergence, during the time. This enabled the identification of some shared objectives, transversal to the stakeholder groups, which describes possible scenarios of the future development of the region. The findings show that although the stakeholders of the mining industry and gold exploitation in particular are numerous, with diverse objectives and interests, they can be grouped in more easily manageable clusters to outline some alternatives and/ or to make some decisions (the alternatives of tourism and supervised gold mining). While we are aware of possible other motivations for public policies, our suggestions could support decision makers' strategies in Roșia Montană case, and also of similar mining projects.

In this part, our study highlights the convergence of the objectives of the various stakeholders' groups. As such, Gold Corporation Project improvements at technical, environmental and cultural levels, performed during the period, are per-



ceived as beneficial for Roșia Montană by the other stakeholders (the results of a survey in 2011 support such affirmation, for example). As such, it demonstrates how the public involvement in gold mining and in particular in the Roșia Montană case gained more momentum than in the past. According to our findings, some solutions were initially accepted to the detriment of environmental and cultural factors, which were based on outdated laws neglecting these factors while favoring economic and social aspects. Moreover, even the last two aspects (economic and social benefits for the public power and the area) were secured on a very small scale in relation to the exploitation potential, as a result of poor negotiation experience, corruption, lack of transparency, and lack of professionalism and political consistency. In time the regulations had undergone some changes and the release of environmental permits had been stopped until the completion of such improvements, and institutional and public opinions gained more and more ground. Other public positions have been expressed, such as the pressure of the European legislation through community acquis, the warning signals issued by EU through sanctions for the poor-management of dangerous waste, as a reaction of the neighboring countries (*e.g.* Hungary) which were affected by an environmental incident, and by international environmental associations. Another pressure on the Romanian State to change its conduct was the fierce opposition, more or less concerted, of the civil society. It was finally understood that its role could be real and important. The Roșia Montană case is unique and special given that it is one of the few occasions for revolt, protests and solidarity, which comes on the line of tolerance and unconditional acceptance, cultural features of the Romanian people.

From the two alternatives depicted in this study arises a third one, which combines supervised mining (carried out by Gold Corporation or a third party) with tourism. This final option would be achievable with more consistent communication among stakeholders, including on cultural and environmental matters, attracting a larger part of the local community, NGOs and the general public in favour of the Gold Corporation Project. Also, the third alternative is a challenge for the State to act as a regulator rather than a shareholder, promoting more environmentally and culturally favorable legislative changes, subject to public debate before completion and implementation. The dialogue of the State and Gold Corporation with other stakeholders is important to learn about their expectations and key requirements. Therefore, Roșia Montană case study is a lesson of civil conduct in relation to the environment and cultural heritage, as well as a lesson of economics in relation to a fair balance of the benefits for each interested party, while ensuring employment and social development. Our findings could inspire the key actors involved in similar projects in other East European countries and not only.

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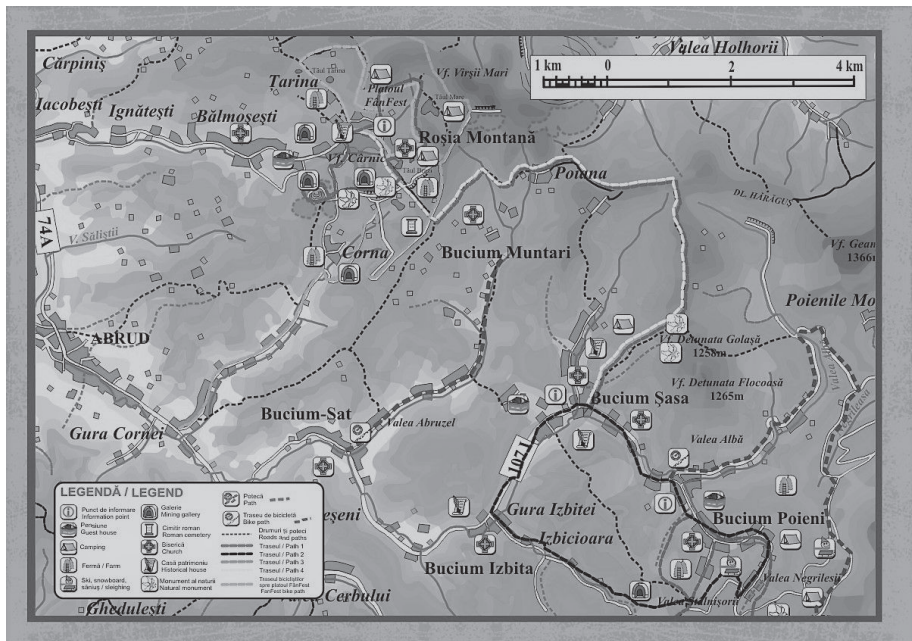
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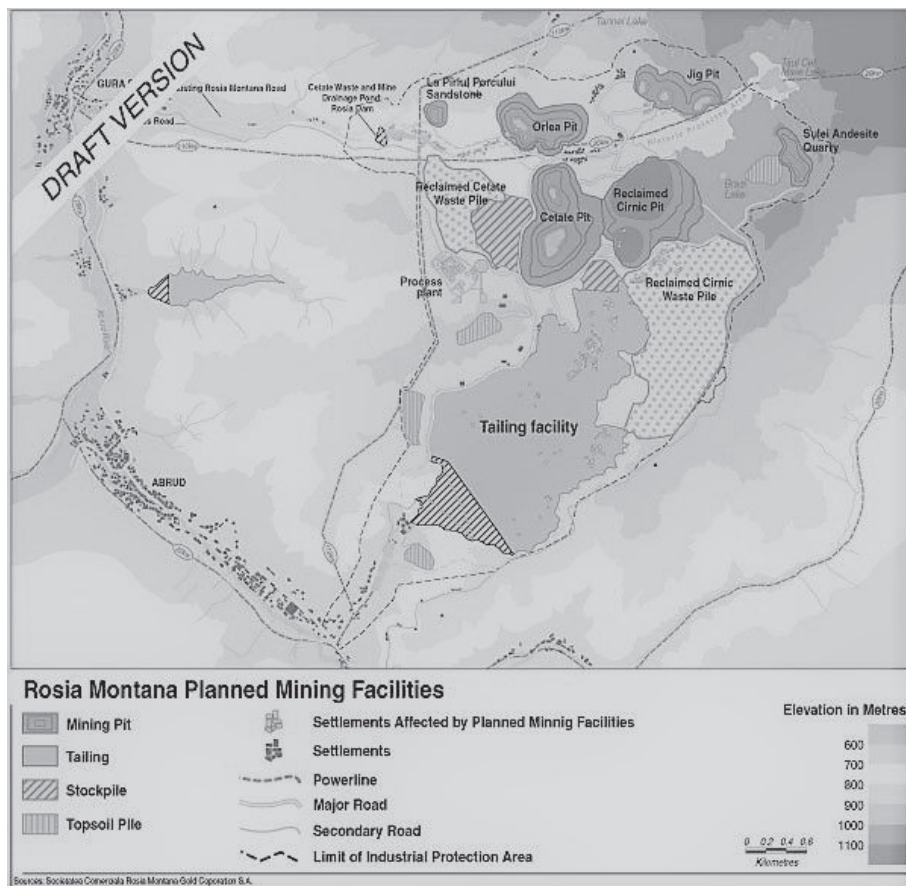
## Appendix

### 1a. Roșia Montană Region map



Source: <http://portal.tfm.ro/directorul-institutului-geologic-desfiinteaza-proiectul-rosia-montana-e-fals-in-acte/>

## 1b. Gold Corporation Project in Roşia Montană Region



Source: [https://ro.wikipedia.org/wiki/Ro%C8%99ia\\_Montan%C4%83,\\_Alba#/media/File:Proiect\\_Minier.jpg](https://ro.wikipedia.org/wiki/Ro%C8%99ia_Montan%C4%83,_Alba#/media/File:Proiect_Minier.jpg)