



PROTESTS

The White Stuff: Mining Giant Rio Tinto Unearths Unrest in Madagascar

In the wake of aggressive protests, the British-Australian company is scaling back plans to develop the world's biggest titanium white-pigment supply

By [Jessica Hatcher / Fort Dauphin](#) | Feb. 08, 2013

For five days in January, a few hundred protesters armed with slingshots in Fort Dauphin, Madagascar, blocked the road to one of the country's largest economic assets, a \$940 million mining operation run by the British-Australian company Rio Tinto. Their grievances were local: high unemployment, alleged political corruption and unsatisfactory reimbursement for relocating homes to make room for the mine. But the protest's effects were global and relate to anyone who wants to brush their teeth, put on sunscreen or whitewash their house.



Ed Harris / Reuters

A Malagasy worker walks along an access track at Rio Tinto's project to construct an ilmenite mine in Fort Dauphin, Madagascar, in 2007

Fort Dauphin could have supplied a tenth of the world's ilmenite, a mineral used to make titanium dioxide, the white pigment commonly found in toothpaste, cosmetics and paint. The product is a staple of household goods in the West and global demand is growing, especially in [India](#) and [China](#). But three weeks after the Fort Dauphin standoff, which ended when the Malagasy military dispersed the crowd with tear gas, Rio Tinto announced a major scale-back in Madagascar. The company is shelving plans for a second — and larger — mine in nearby St. Luce, which leaves only one of three planned sites in operation.

The cuts mark a potential setback for Madagascar, where 70% of the population lives on less than \$1 per day. The African nation has hydrocarbon deposits, gold and half of the world's sapphires, and the arrival of mining companies like Rio Tinto brought the prospect of improved economic conditions. But the protesters in Fort Dauphin say the mine exploited them, a charge the company denies.

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Fort Dauphin is a small stretch of arable land bordered by mountains and sea in southeastern Madagascar. When Rio Tinto moved in to set up its mine, the only land it could offer in compensation to displaced locals had little agricultural value, so the company gave out cash. It had a profound effect on the culture. "We're fishermen, we're not used to handling large amounts of money," said Hasoavana Mahalomba, 33, a construction contractor in Fort Dauphin. "People were buying cars, TVs, generators, drinking. It was like a party every day." <https://world.time.com/2013/02/08/the-white-stuff-mining-giant-rio-tinto-unearts-unrest-in-madagascar/print/>



One Rio Tinto staffer, who asked not to be named, said recent protests were simply locals looking for more handouts: “I think a big error in the past is that [Rio Tinto] gave people money — now that’s what everyone wants.” But the mine disrupted Fort Dauphin in other ways. Hotels sold out for two years, collapsing the area’s tourism business. An influx of sex-workers spread STDs. After an initial employment boom during construction, locals say the jobless turned to banditry.

Rio Tinto’s critics say the company is at fault for the town’s unrest. Zatinandro Perle Fourquet, a 46-year-old entrepreneur who led the protests against Rio Tinto in January, says just 10% of the mine’s employees are locals; Rio Tinto insists more than 70% of its staff is from the area. Guillaume Venance Randriatefiarison, the *chef de region*, who is the most senior local government official in town, was widely reported to have accused the mining company of paying as little as 5 cents per square kilometer for land; Rio Tinto says the 147 households it relocated received \$1.40 to \$2.80 per square meter, in compliance with [World Bank](#) guidelines. Randriatefiarison now agrees with Rio Tinto, but disinformation abounds.

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Despite significant new investments by Rio Tinto in community relations, partnerships with NGOs and the involvement of organizations like the World Bank, the social impact of the Fort Dauphin mine remains highly controversial. Legal advisers say Rio Tinto has been unable to produce adequate paperwork, and local government officials claim to have lost their copies. In 2011, a thousand village claimants filed a class-action lawsuit in a U.K. court. But the case stalled after Rio Tinto made payments to a number of litigants, leaving too few to sustain the case. In January, the town reached a boiling point as protesters, some allegedly backed by corrupt individuals, stirred things up. “We just wanted the mine closed so they would listen,” said Perle.

Rio Tinto declined to comment when TIME asked whether the company’s scale-back in Madagascar was connected to recent unrest. The company is not expected to give up on Fort Dauphin anytime soon — the town is now secured by a heavy military presence — and it’s unlikely that locals would be better off if it did. “If Rio sold up here then Fort Dauphin wouldn’t know what’d hit it,” says Lisa Bass of Azafady, a U.K. charity that opposed construction of the mine.

Just north of Rio Tinto’s St. Luce site is a Chinese-owned ilmenite-mining concession that has miraculously whizzed through bureaucratic red tape and its social-impact assessment in recent months — a process that would have taken Rio Tinto at least six years, according to Bass. “In the face of what’s happening elsewhere in Madagascar,” she says, “I think we can count ourselves lucky.”

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