

Worrying levels of air pollution have already given rise to numerous protests in Serbia and other countries of the Western Balkans.

Procedurally reckless projects with potentially devastating effects on the wider environment as well as the surrounding population, all covered under a veil of non-transparency". That's how a cross-party group of MEPs characterised the impact of Chinese investment in Serbia in a January 19 letter to the European Commissioner for Neighbourhood and Enlargement Negotiations, Oliver Varhelyi, urging him to press EU institutions and the Serbian government to take action

Residents of the Serbian town of Smederevo, where a steel mill purchased in 2016 by China's Hesteel is located, or Bor, where a copper mine was acquired by Chinese Zijin Mining in 2018, have taken to the streets several times. After running into an institutional 'brick wall', they have resorted to organising creative flash mobs such as a 'masked ball', donning protective masks even before the advent of COVID-19.

In the Bosnian city of Tuzla, where a coal mine was expanded via financing by China's Exim bank in 2017, citizens are still protesting against air pollution: "Stop poisoning us!" they cried again this month.

On January 10, 2021, thousands of protestors marched through Belgrade, asking for clarity concerning pollution measurements and for the reinstatement of air pollution expert Milenko Jovanovic, who was fired from the state agency in charge of air quality control under unclear circumstances after raising concerns over the way air pollution is measured.

### **The health risk**

The outrage of citizens is understandable. Pollution has reached levels so high across the Balkans that the health hazard is impossible to ignore. Serbian and other Balkan cities regularly top lists of the most polluted cities in the world. As reported by the Health and Environmental Alliance, 16 coal-based power plants in South-Eastern Europe produce more pollution than those in the rest of Europe combined. A 2019 report by the Global Alliance for Health and Pollution, GAHP, found that Serbia had Europe's worst per capita record for pollution-related deaths: 175 per 100,000 people. After repeated instances of 'red dust' and 'red rain', Smederevo found itself covered by thick black dust in July 2020. Recorded levels of 1645 mg/m<sup>3</sup> of sulphur dioxide in Bor in September 2020 exceeded by more than tenfold the 125 mg/m<sup>3</sup> permitted by law.

It is possible, therefore, that Chinese takeovers have led to a further escalation of environmental problems that were already present. But while citizens perceive the situation as ever-worsening, concrete proof of this deterioration is hard to come by because of the

significant deficiencies in air pollution measurement in Serbia. Authorities are reluctant to provide information: when it comes, it is delayed and incomplete. A complete lack of transparency means that we still do not know, for instance, the origin of high levels of poisonous arsenic recorded in the air in Bor when there should not be any at all. These problems are becoming even more deadly in the context of the COVID-19 pandemic, as people living in areas affected by heavy air pollution have been found to be much more vulnerable to the effects of the novel coronavirus, increasing mortality by up to 11 per cent.

### **A largely self-inflicted problem**

While evidence indicates that the environmental situation has indeed worsened in the above-mentioned towns since the arrival of Chinese investors, what's crucial is the pressure on the Serbian government to act.

As a new study published by the Prague Security Studies Institute argues, the main culprit is not China but a Serbian government that is permitting the damaging environmental impact of Chinese investments. The role of the Serbian government in allowing dubious and non-transparent practices by the new Chinese owners is strikingly evident – starting from the lack of transparency.

The Chinese projects, often operating on the basis of a China-Serbia state agreement, have been elevated to the rank of 'Projects of National interest', allowing authorities to turn down most Freedom of Information requests concerning the details of the deals, feasibility studies etc.

The 'national interest' formula therefore enables the government to bypass questions from the public and close them off from scrutiny. Details of agreements with Chinese investors are shrouded by secrecy and almost very little is known about what they committed to. Available information suggests that the Chinese have promised to increase production, which is the main cause of the worsening pollution. An in-depth study of the contract concerning Bor's copper plant argues that the Serbian government gave the Chinese company Zijin a 'free-pass' on any environmental damage done in the transition period, while crucially omitting to define the duration of said period.

On the other hand, the minutes of a recent Bor Zijin Copper board meeting, obtained by activists, reveal that the Chinese managers were more concerned than the Serbian: "What happened in September, that the pollution limits were overtaken so glaringly and that I was not informed about it immediately, this is something I am very unhappy about, and hope it will never happen again," one of the Chinese managers is quoted as saying.

Pointing fingers at China as the main cause of all wrongdoing is thus misleading. The

situation is more nuanced.

As highlighted by a May 2020 research article in the Journal of Current Chinese Affairs, the common perception of 'bad' Chinese investors exploiting the weakness and dependence of host states is misplaced. Instead, they put forward the notion of "synergy of failures" between investors, host states and international institutions, including a lack of EU oversight, resulting in poor compliance and regulation.

### **Pressure growing for authorities to step up**

In Serbia, Chinese investments are presented to the domestic public as salvation for the economy, while the significant environmental risks to those living in proximity to these plants are disregarded. Such an approach is a cause of popular anger.

In the words of a Serbian activist, "We can't keep talking about economic benefit, day in and day out, while we're dying like rats here". Given that authorities also neglect or even actively sabotage the availability of pollution measurement data, it is not surprising that environmental activism joins forces with anti-government sentiment.

The issue has been receiving more attention even beyond the country's borders, resulting in mounting pressure on authorities to step up.

On January 21, the European Fund for the Balkans launched a campaign under the title "United Balkans for Clean Air", aiming to raise awareness among citizens of the Western Balkans about the causes and consequences of air pollution. The campaign should serve as a wake-up call for people to stand together and demand that decision-makers take urgent steps to reduce pollution in accordance with their own commitments to the Green Agenda for the Western Balkans, adopted in Sofia in November 2020.

A similar demand for action is contained in the MEPs' letter to Commissioner Varhelyi, to "remind the Serbian government to adhere to its national legislation as well as EU rules as pertains to the accession process."

### **But the EU must do more than just 'remind' the local authorities**

The specific mix of environmental and governance issues outlined above should be front and centre of the policy of EU conditionality and value-based democratic assistance, far more so than it is at the moment.

The importance of international pressure cannot be overestimated: the activists' fight, raising attention through the media, has already pushed the Chinese investors to worry about reputational risks and adopt at least palliative measures to lower pollution.

New, more environmentally-friendly plants are in the works. But for real impact, pressure

must continue at a sustained pace. There is still a long way to go for the Balkans to truly breathe again.

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