

In a Czech Roma ghetto in the shadow of a vast steelworks, the air smells sulphuric and the smog is thick overhead. Dirt tracks lead to squat, ramshackle houses, and there are no streetlights. On a dark November night, the area is eerily illuminated by the ever-burning lights of the steel furnaces.

Here, on the outskirts of the city of Ostrava, in the eastern part of the Czech Republic, the noise and light from the looming steelworks is constant. So too is the heavy pollution in the air.

Ostrava is one of the most polluted places in Europe, and the vast ArcelorMittal steelworks, covering an area of ten square kilometres, is a major contributor.

Dust levels in the city are regularly four times higher than allowed by the European Union, and in the areas closest to the plant, harmful emissions can go much further beyond accepted limits. Smog alerts are an accepted part of life here in winter - as are the regular recommendations for children, the elderly or chronically ill to stay indoors.

Local residents don't really expect things to improve. "We know the pollution won't go away. We live in an industrial town," says Rostislav, a 57-year-old engineer who has lived in Ostrava for most of his life. "But the problem is serious and it won't change soon."

Campaigners say there's no political will to make ArcelorMittal, a major employer and foreign investor, fall in line with regulations. And residents, too, are split on the issue, with thousands relying on the steelworks for employment and fearful of job losses.

Still, there has been some progress in Ostrava. In 2007, sulphur dioxide emissions were up to six times higher than they are today, according to Czech non-governmental organisation Arnika. After years of campaigning by citizens' groups, some action has finally been taken by the steelworks to reduce noise and pollution levels. The measures don't go far enough, Arnika says, but things have improved.

In fact, the improvements at Ostrava's steelworks are seen as an example to follow at another ArcelorMittal-owned plant. In Zenica, Bosnia & Herzegovina, pollution levels today are similar to those recorded in Ostrava in 2007. And just like in Ostrava, ArcelorMittal is a major contributor. But the company, which took over the steelworks there ten years ago, says it can't afford to make improvements any faster.

"Air pollution is now reaching the outrageous levels of the 1990s," says Samir Lemes, president of non-governmental organisation Eko Forum Zenica, which filed a lawsuit in September against ArcelorMittal Zenica (AMZ).

"Unfortunately, the state authorities are paralyzed by fear of a possible loss of jobs, and keep their eyes closed."

The organisation says the steelworks is "poisoning" the town's 120,000 residents, and

accuses Bosnian authorities of “turning a blind eye” to the company’s polluting practices. The plant exceeded limits on sulphur dioxide emissions on 252 days last year, Lemes points out. “The law allows exceeding the limits for a maximum of three days a year,” he tells Equal Times.

He says the plant has also been operating without some of the required environmental permits since December 2014 and, although the company says it has requested new permits, none have yet been issued.

In fact, since November of this year, he says, the steelworks has been operating without any valid environmental permits at all.

“All remaining environmental permits expired on 24 November 2015, so now all parts of the steelworks operate without a valid permit: the sintering plant, coke plant, blast furnace, power plant, rolling mill,” he said.

“Local authorities could close it down tomorrow, but, as usual, they’ll continue to be tolerant towards the foreign investor, despite the fact that AMZ didn’t pay the air pollution tax for 2013 and 2014.”

Thousands of angry Zenica citizens took to the streets in 2012, demanding the enforcement of environmental regulations. After this, “ArcelorMittal finally installed some obligatory end-of-pipe technologies in 2013,” according to Eko Forum Zenica. Still, hazardous sulphur dioxide emissions continued to rise.

The steelworks, formerly state-owned, was taken over by ArcelorMittal in 2004. Production resumed in 2008 at the plant, which was closed at the beginning of Bosnia’s devastating 1992-95 war.

Eko Forum Zenica says the takeover should have been followed by a €150 million investment in improvements to the plant, but only a third of that sum was actually invested. In August this year, the company launched a €3 million project aimed at reducing dust emissions.

But AMZ says it can’t improve its environmental performance at Zenica any faster, as it is funding the improvements without any financial help from the EU or government.

The company’s CEO, Biju Nair, told Eko Forum Zenica: “It took 20 years to improve the environmental situation in the Czech Republic. The process is much faster in Zenica, but we need more time.”

He added that the corporation “did not receive a single [Bosnia and Herzegovina convertible] mark from the government, from EU or other institutions.”

But NGOs say this is not completely true, pointing out that the company received a €25million loan for factory renovation from the European Bank for Reconstruction and

Development in 2005. Martin Skalsky of Arnika says the loan was “conditioned on the elaboration of the company’s Environmental Action Plan. The plan suffered large shortcomings and did not lead to any significant improvement in air pollution.”

“The company’s claims in 2008 that the plant will comply with EU environmental standards by 2012 never came true,” Skalsky adds.

The main obstacle to change here, as in Ostrava, is the crippling fear that investment and jobs will be lost. Public opinion has been split, as thousands of residents rely directly or indirectly on the steelworks for employment, and fear any extra costs to the company will result in job cuts.

Those fears were fuelled earlier this year when ArcelorMittal said it was “seriously considering” closing its operations across Bosnia and Herzegovina, after the government accused it of tax evasion and demanded €25 million in unpaid tax. One company official told local press that the government was “taking risks with the economy.”

Now, as the global steel crisis continues to unfold, AMZ “are complaining and threatening that they will be forced to shut down the integral production, and to continue only with the scrap steel furnace, keeping only 800 of the current 2400 employees,” says Lemes.

This is despite the fact that last year alone, he says, AMZ made a profit of €11 million.

“We do not want the steelworks to be shut down,” says Lemes. “Compliance with the national law, and using modern technologies to protect citizens’ health, should be unquestionable.”

Kenan Mujkanovic, President of SMFBIH (Trade Union of Metalworkers of the Federation of Bosnia & Herzegovina), is one of many Zenica residents torn between concern for the environment and job security. Living just 500 metres from the plant with his family, he says he’s got a “direct interest” in minimising the “damaging impact that this plant has on the environment.”

“On the other hand, as a representative of metal workers, I am very much interested in the successful operation of our factories, and seeing that workers have their salaries and job security.” he tells Equal Times.

“Ferrous metallurgy and metal processing are the backbone of the economy and the overall development of Zenica.” he adds. “Every industrial city, anywhere in the world, has issues with negative impact on the environment. Zenica is no exception. This is our fate, and in the near future it is hard to talk about alternative solutions.”

The corporation meanwhile sees pollution as a problem far too big for it to solve alone. It paints a picture of Zenica as a town badly in need of much broader environmental regulation and investment.

“Before our arrival in Zenica, there had been no investments for decades and no environment protection measures had ever been undertaken,” a spokesperson for AMZ told Equal Times.

“ArcelorMittal Zenica been working on measures to improve its ecological performance since the first day. But we inherited very old equipment and there have been huge technological challenges to overcome.”

“The measures we have implemented with our ecological investments so far of €50 million are already delivering results. Even at this moment, when all steel plants in Europe face serious market challenges.”

If a solution is ever to be found, Mujkanovic says, “all parties must take a balanced, fair and responsible approach” to identify specific measures which would improve working conditions and reduce pollution “as much as possible” without threatening the sustainable operation of the plant.

“This is not an easy task,” he says. “But there is no alternative.”

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