In "beautiful China", local polluters still hold sway

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By David Stanway

TIANYING, China (Reuters) - In ramshackle semi-industrial Tianying in China's Anhui province, a state-owned lead smelter and foundry sits at the centre of town, behind high walls and secure gates that make it look more like a prison than the mainstay of the local economy.

Decades of pollution from it and similar plants -- Tianying once accounted for half of China's total lead output -- has made much of the town's land uninhabitable and its water undrinkable.

In 2007, the Blacksmith Institute, a New York-based non-profit group that helps clean up polluted sites, included Tianying in its list of the world's most polluted regions.

For China's new leadership, reversing the environmental destruction wreaked by three decades of unrestrained economic growth is among its highest priorities. Across the country, to the government's alarm, social unrest spurred by environmental complaints has become increasingly common.

In a pledge taken up by the new leadership, outgoing President Hu Jintao said in his address to the Communist Party Congress earlier this month that the country had to "reverse the trend of ecological deterioration and build a beautiful China".

Environment minister Zhou Shengxian reinforced the pledge at a briefing in Beijing last week, saying China needed to "quickly change the current situation in which too much emphasis is put on economic growth and too little on environmental protection".

Tianying, in the northwest of poor and landlocked Anhui, will test that commitment.

Here, like hundreds of other blackspots from the stripmined cities of the northeast to the mercury contaminated fields in the southwest, the local government is intimately entwined with the most powerful economic interests in town.

"LEAD BOSSES"

In Tianying the government and the town's largest employer are all but indistinguishable: the Jiaxin Group, owner of the main foundry at the centre of town, is a state-owned company.

Unsurprisingly, amidst the town's dwindling population of around 100,000, the words "beautiful China" elicit scepticism.

"I heard the central government is going to protect the environment more, but it won't happen here," said Zhang Weimin, a 58-year-old resident who lives a mile from the smelter. "I don't trust the local government or the public security bureau or the lead factory bosses."

Fear of the local authorities is palpable. Many residents were reluctant even to be seen near Reuters correspondents during a recent visit, saying they would be punished by the "lead bosses" as well as the police.

Asked about the state of local water supplies, a worker standing outside the factory gates grinned nervously and muttered "go see for yourself".

China's richer, coastal regions have improved environmental conditions over the last 10 years, driven as much by the profit motive as by tougher regulation. Rehabilitated land in Beijing or Shanghai can be turned into lucrative real estate.

But Beijing has struggled to provide the incentives for poorer regions like Anhui to clean up.

"The places I worry about in China are no longer the large wealthy metropolises but the small township and village enterprises - a lot of those are ignored and highly polluting and toxic to the very poorest communities," said Richard Fuller, the Blacksmith Institute's founder and president.

ALGAE AND SLUDGE

Tianying today is not as polluted as it was a decade ago. A 2002 study showed lead concentrations were as much as 10 times higher than national standards and children had suffered "adverse effects" as a result of prolonged exposure to the metal, which is especially damaging to children as it can impede learning and affect behaviour.

Regulators by then had identified it as a blackspot urgently in need of remedy. The worst small-scale smelters and recycling workshops were shut, and production was left to large state firms like the Jiaxin Group.
Local authorities have also set up a wetland preserve nearby and forced the town's remaining farmers to vacate land around the factories, replacing pasture with rows of fragile saplings.

The perimeter of the main Jiaxin plant is marked by signs urging residents not to drink water within an 800-metre radius, but even a mile away the risks do not appear to have abated. Some irrigation streams were clogged with algae -- the result of fertiliser use -- but others were filled with sludge.

"If you look you will see it - they are all black, nothing can grow in them and nothing can live in them," said Zhang.

As China's top leaders pound the "beautiful China" rhetorical drum, richer cities have already been forcing big polluters to clean up or relocate. Along the richer east coast, big polluting industries have come under growing pressure from urban residents now willing to fight for a better environment.

Demonstrations against chemical plants or garbage incinerators have erupted across China, from Dalian in the northeast to Xiamen in the southeast.

"You've got the local population becoming a lot more aware of environmental issues as they affect them on a day-to-day basis, and that isn't going to go away," said James Pearson, founder of Pacific Risk Advisors, which advises investors on potential environmental risks.

"HERE, NO ONE DARES TO PROTEST"

The protests have had an impact on government policy. Environment minister Zhou said last week that local residents needed to be consulted and new projects would now be forced to conduct "social impact assessments" before being approved.

But while the new procedures might help allay the "NIMBY" (Not In My Backyard) fears of affluent urban residents, they will not address longstanding problems like those in Tianying. Despite encouraging words from the central government, standing up to the polluters is not an option, residents said.

"Here, no one dares to protest - we would end up in jail because the lead bosses are protected by the police," said an elderly resident standing at a kiosk a mile away from the plant.

The interests of the local government are now more aligned with the lead producers than they were a decade ago. Then, as part of the clean-up effort, lead production was taken out of private hands and passed to bigger state enterprises.

That has caused considerable resentment among residents. While pollution has been cut, the surviving plants and local authorities have had little incentive to clean up further, or to rehabilitate ruined land and water supplies.

"That is where they need to spend some serious cash -- China has so far been focusing all its efforts on land that is worth selling when it is cleaned up," Fuller of the Blacksmith Institute said.

Local resident Zhang said little would change under China's new leaders as long as local industries and the governments that protect them continue to hold sway.

"If Wen Jiabao or Xi Jinping came here now I would certainly tell them what's going on," referring to the outgoing premier and anointed president-in-waiting. "But I wouldn't trust anyone else."

(Editing by Alex Richardson)