ILVA: AN ENVIRONMENTAL CASE

Nicola Lugaresi Trento University Law School – Italy

ABSTRACT

A history of conflicts and failures: the Ilva case might be summarized like that. The Ilva steel plant, located just outside the city of Taranto, is a big polluter, but also a provider for thousands of jobs. In 2012 criminal judges seized core parts of the factory, in order to shut it down; the Italian Government intervened in order to overcome the seizure and its effects. The citizens of Taranto are torn between the anxiety for their health, jeopardized by the industrial activities, and the concern for their economic future, should the plant be closed. Failures are evident in the persisting unsustainability of the environmental, social and economic crises. In this context, lack of reliable and coherent information and problematic public participation has made things worse, delaying and altering the awareness of the local community and, in the end, procrastinating the adoption of incisive measures.

Keywords

Ilva – steel plant – pollution – integrated pollution prevention and control – Environmental permit – Sustainable development – information – participation

1. INTRODUCTION: THE ISSUES

Ilva is the Latin name for *Isola d'Elba*, a beautiful island rich in iron off the coast of Tuscany. Ilva is also the name of the company (Ilva s.p.a.¹) that owns, among others, the steel plant located just outside the city of Taranto², in the Southern Italy Region of Apulia. Its business is the production, processing and marketing

On Ilva s.p.a. and its data, see its own website [www.gruppoilva.com].

Ilva s.p.a. owns 16 production unit (13 in Italy, 3 in France) and employs around 15,000 workers; the Ilva factory in Taranto is responsible for over 60% of the base products of the group and employs almost 12,000 workers (source: Ilva website [www.gruppoilva.com]).

of steel products. The Ilva steel plant in Taranto has been operating, and polluting, for more than fifty years, but it is just in the last few years that it attracted a high level of legislative, administrative, judicial and mass media attention.

The basic and dramatic dilemma concerning the Ilva factory in Taranto is between shutting it down and letting it open. In the first case, social and economic measures would be needed in order to avoid a "welfare disaster", as thousands of people would lose their jobs or substantially reduce their income and their business chances. In the second case, environmental measures would be needed in order to avoid further deterioration of the quality of air, water and soil, which would put the health of the population under additional, intense, stress. Both solutions aim to protect some basic rights and interests: life and health, in the first case; work and private enterprise, in the second case. But, at the same time, they may compromise others.

Following complaints from citizens and reports from local NGOs, the heavy impact of the plant on the population and on the environment has been put under stricter judicial and political scrutiny over the last few years. In 2012 a criminal judge in Taranto³ seized core parts of the plant, in order to close the factory, considering the continuation of the productive activity inconsistent with the right to life and the right to health of the local population. The Italian Government, considering the economic and social consequences of the closure, stepped in before the effects of the judicial order could be implemented, in order to keep the plant open. The conflict between the judiciary and the central Government did not stop there: more orders and seizures have been issued by the judges in Taranto, and more special legislation and administrative measures have been enacted. Since then, saving the Ilva plant from others judicial interventions and trying to strike a balance among public interests and private fundamental rights, were the declared goal of politics, while the judiciary, more simply, aimed at ending the industrial activity, and, consequently, the daily, deeply harmful, pollution. Waiting for a definitive way out, the plant still operating and impacting on the environment, people in Taranto are both worried for today's (and tomorrow's, and the day after tomorrow's) health and concerned for their jobs and welfare.

The Ilva factory, currently under public property, but put up for sale, has reduced its levels of production, is losing money every day, and it may be less and less attractive for new private investors. Management decisions and environmental measures have been taken, the environmental situation apparently has improved, but the future of Ilva is still unknown.

The Ilva case, in other words, is about the core of sustainable development and its basic quest: how to harmonize social, economic and environmental issues, considering present and future generations. This quest faces an extremely serious

Judge for Preliminary Investigations, Court of Taranto, order 25 July 2012 (confirmed by order 10 August 2012). The order of 25 July 2012 was particularly complex and circumstantial (almost 300 pages).

situation, going far beyond general statements: it is about daily people's life, health and dignity. The main concern is focused on present generations, as they are dealing with serious, potentially lethal, health issues: long-term perspectives for the future generations are inevitably moved to the background.

The actors involved are many: the Taranto and Apulia population, trade unions, entrepreneurs, NGOs, central, regional and local governments, the judiciary, public administration, environmental agencies, public and private technical bodies. Their respective positions are not always neatly sketched within the fight between health and jobs, a fight that should not have gone that far and that deep. The interests involved in the Ilva case are many as well. Just to name the most relevant, the right to life, health and dignity of the people living close to the plant; the right to work and to fair working conditions of the people employed in the factory; the freedom to conduct a business and the right to property of the past and next owners of the industrial facility; the social development of Taranto and Apulia; the local, regional and national economy; the protection of the environment; the institutional balance among the public actors; the need of justice and the needs of justice.

It is evident that an effective solution for Ilva and Taranto, workers and population, economy and social justice, is not simple to be found and it will not come cheap. It is not an easy task even because, so far, access to complete and reliable information has not been guaranteed and public participation, hampered by that, has not been so effective and relevant as it could have been. If solid data bases lack, and public participation is not promoted and organized, political analyses and people's contributions to such a complex environmental case are compromised.

To make things harder, the crisis could not and cannot be faced just under a national framework. The European Union stepped in, adding even more issues, like the assumed violations of the EU environmental legislation on one side and the infringement of the EU state aid rules on the other side. The options at a national level are therefore less, as EU law does not allow some answers that the Italian government was trying to give. Moreover, the European Court for Human Rights has been involved. The Court, that in 2015 rejected a requested presented by a Taranto individual, declaring it not admissible, opened proceedings against Ilva in May 2016.

A number of factors are therefore progressively reducing the political and administrative leeway: time is running out.

2. ILVA: HISTORY AND DATA

Ilva has a long history behind it: more than a century, as for the company, more than fifty years, as for the plant in Taranto. It is a history of steel production and environmental pollution; a history of entrepreneurial successes and downfalls;

a history of relationships, often opaque, among managers, politicians, public servants; a history of battles and negotiations with trade unions; a history of civil, criminal and administrative trials.⁴ It is not surprising that loads of data about the economic, social and environmental impact of Ilva on different local, regional and national contexts are available, even though often inconsistent and incomplete. Moreover, in the last few years both the company and the steel plant have been, almost daily, at the centre of mass media attention: it is a major environmental, social, economic, political, legislative and judicial case. It would be impossible to list all the data, administrative provisions and laws in a limited space, but some references are needed in order to understand the dynamics and what is really at stake.

The Ilva company, Ilva s.p.a., was founded in 1905. In 1934 it became public. The Ilva steel plant in Taranto was inaugurated in 1965. In 1995 the plant was privatized and sold to the Riva group. In 2013, following the judicial and legislative turmoil of 2012, the Italian Government designated a "Special Commissioner" for the Ilva plant: the property stayed private, but it was managed under public control. In 2015 Ilva s.p.a. was placed under "extraordinary administration", becoming, again, public. In 2016 Ilva was put up for sale⁵, and it is expected to be sold to a private entity (an international joint venture) by the end of 2017.

Taranto is not only Ilva, though. On one side, the industrial and productive sectors include other big actors: the ENI refinery, the Cementir cement and concrete plant, the Italcave mining site, the military base and arsenal, the harbour. On the other side, its economy is also based, or could have been based (and might still be based), on tourism, agriculture, livestock farming, fishing, mussels harvesting. Nevertheless, it looks like, in the collective consciousness, that Taranto "is" Ilva and that its economic, social and environmental issues start and finish with the steel plant.

What makes the Ilva plant so relevant is not only its dimension, but also its position. Ilva was built very close to the city, next to the Tamburi neighbourhood and few kilometres from the centre. Dust and emissions, depending on the direction of the wind, can easily infest Taranto, and often do.

The data about the Ilva steel plant clearly show the impact on the city of Taranto and its population.⁶ The keyword, here, is "big".

On these aspects, see *C. Ruga Riva*, Il caso Ilva: profili penali-ambientali, 17 October 2014, pp. 1 et seq. [http://lexambiente.it/ambiente-in-genere/188-dottrina188/10999-ambiente-in-genereil-caso-ilva-profili-penali-ambientali.html].

⁵ See "Call for expressions of interest in relation to the transfer of businesses owned by Ilva S.p.A. in Extraordinary Administration and other companies of the same group" of 5 January 2016 [www.gruppoilva.com/items/571/allegati/1/Bandopermanifestazioneinteresse.pdf].

Data are extracted by many sources, not always congruent and not always updated. The difference among sources, though, is often not significant, as the issues and their relevance do not change. Other times the data inconsistencies make evaluations, at any level, harder. As for general data, on different profiles, see A. Lucifora, F. Bianco & G. M. Vagliasindi, Environmental and Corporate Mis-compliance: A Case Study on the Ilva Steel Plant in Italy.

The Ilva steel plant is big. It is the largest steel plant in the European Union, occupying a 15 square km area. It has 200 km of railways, 50 km of roads, 190 km of conveyor belts, a dedicated harbour with 6 docks. Intervening on such a large and "structured" industrial zone is not easy. Closing the factory would create a large area to be cleaned up and to be used in a different way. What way, though, it is not clear.

The Ilva steel plant is a big employer and job provider. In a city, Taranto, with an unemployment rate of 15.5% (and in a Region, Apulia, with an unemployment rate of 19.8%), about 12,000 workers are directly employed at the plant, while about 8,000 additional people indirectly depend on it. Closing Ilva would be a social disaster, that public interventions supporting workers could mitigate and postpone, but not avoid.

The Ilva steel plant is a big economic actor. It has an annual production capacity of about 10 million tons (40% of Italian steel production), even though, as for now, is producing less than a half of it. The steel is sent to factories in Northern Italy and exported, mainly within the EU. Closing Ilva would deeply impact on the regional and national productive system, but also on the European Union industrial policy.⁸ The impact on the gross domestic product of Taranto

Study in the Framework of the EFFACE Research Project, 2015 [http://efface.eu/sites/default/files/EFFACE_Environmental%20and%20corporate%20mis-compliance.pdf]; F. Tonelli, S. W. Short, P. Taticchi, Case Study of Ilva, Italy: The Impact of Failing to Consider Sustainability as a Driver of Business Model Evolution, in G. Seliger (ed.), Proceedings of the 11th Global Conference on Sustainable Manufacturing – Innovative Solutions, 2013, pp. 25 et seq. [www. gcsm.eu/Papers/33/1.2_7.pdf]; G. M. Vagliasindi & C. Gerstetter, The Ilva Industrial Site in Taranto, European Parliament – Directorate-General for Internal Policies, Policy Department A: Economic and Scientific Policy, 2015, pp. 5, 7 et seq. [www.europarl.europa.eu/RegData/etudes/IDAN/2015/563471/IPOL_IDA(2015)563471_EN.pdf]; see also the regional plan for improving the air quality in the Tamburi neighbourhood ("Piano contenente le prime misure di intervento per il risanamento della Qualità dell'Aria nel quartiere Tamburi per gli inquinanti Benzo(a)pirene e PM10"), July 2012; A. Bonelli, Good Morning Diossina, 2014 [www.verdi. it/taranto/GoodMorningDiossina.pdf]; see also the Ilva website [www.gruppoilva.com]; for environmental data, see the facility details at the European Pollutant Release and Transfer Register [http://prtr.ec.europa.eu/#/facilitylevels].

Source: Ilva (2012 website).

European Parliament, Resolution 13 December 2012 on a new sustainable and competitive steel industry, based on a petition received [2012/2905 (RSP)], (2015/C 434/16) [www.europarl.europa.eu/sides/getDoc.do?pubRef=-//EP//TEXT+TA+P7-TA-2012-0510+0+DOC+XML+V0//EN], para. E: "in terms of EU industrial policy, it is strategically essential to prevent the further relocation of steel plants and production outside the European Union"; European Commission, Press release, 20 January 2016, State aid: Commission opens in-depth investigation into Italian support for steel producer Ilva in Taranto, Italy [http://europa.eu/rapid/press-release_IP-16-115_en.htm], p. 2: "The European steel industry has a turnover of around € 180 billion, with direct employment of about 360,000 people, producing around 170 million tons of steel per year in more than 500 production sites in 23 Member States. Effective overcapacity in the EU in 2015 has been estimated at c.a. 10-15% of total European capacity. European steel producers face global challenges, among which stiff competition from low cost countries which also experience major overcapacity, the decrease in global demand for steel, increasing energy costs, and a heavy reliance on imported raw materials".

and Apulia is huge, and essential for the local economy, but it comes with many drawbacks, unbalancing the economic framework of the city. While, on one side, the presence of Ilva has boosted industrial and commercial activities, on the other side it has adversely affected other economic sectors, like agriculture, livestock farming, mussels cultivation, and tourism. Closing Ilva would turn upside down local and regional economies, with unpredictable, but surely problematic, outcomes.

The Ilva steel plant is a big polluter. The emissions have always been very relevant in quantity and quality, affecting air, water and soil. Dangerous substances, such as dioxin, mineral dust, benzene, nitrogen dioxide, sulphur dioxide, hydrochloric acid, are emitted by the factory. Besides, even though it is a profile less considered, Ilva is a big emitter of carbon dioxide and greenhouse gases. The pollution comes from both production (furnaces) and storage (mineral parks) activities, invading the territory and the city. Closing Ilva would radically diminish pollution, improving, immediately, the quality of air and, gradually, the quality of soil and waters.

The Ilva steel plant is a big danger for people's health. Dioxin, polycyclic aromatic hydrocarbons, heavy metals, and other substances produced by the plant, can be carcinogenic. Particulate matter smaller than 10 micrometres (PM10) penetrates and damages lungs, causing respiratory diseases. Others serious diseases are deemed attributable to the Ilva activities. Children are, not surprisingly, the most affected. Closing Ilva would eliminate further pollution and reduce these consequences.

Beyond data, the impact of the Ilva steel plant on the population of Taranto can be visualized and perceived through administrative orders, that, in their cold bureaucratic language, show how Ilva presence has permeated population's daily life and, in the end, the city identity. In 2008 hundreds of sheep and goats were slaughtered after high quantities of dioxin were detected in their milk and meat. In 2010 children of the Tamburi neighbourhood were prohibited to play outside in the public gardens, as the soil contamination level was considered dangerous. In 2011 mussels harvesting was prohibited in a portion of Mar Piccolo (an inner semi-enclosed basin adjacent to the Ilva factory and the city of Taranto), as its waters were too polluted. In 2015 dozens of cows were shot down, due to the dioxin in their milk. Starting from 2015, when the wind comes from Northwest, and

See European Pollutant Release and Transfer Register [http://prtr.ec.europa.eu/#/facilitylevels].

As for health data, the starting source was the "Studio SENTIERI", Epidemiologia e Prevenzione (5–6) 2010 [www.epiprev.it/materiali/2010/EP5–6_2010_suppl3.pdf] and (6) 2011 [www.epiprev.it/pubblicazione/epidemiol-prev-2011–35–5–6-suppl-4]. See also P. Comba et al., Ambiente e salute a Taranto: evidenze disponibili e indicazioni di sanità pubblica, Epidemiologia e Prevenzione (6) 2012, p. 305 et seq. [www.salute.gov.it/imgs/c_17_pubblicazioni_1833_allegato.pdf]; Ilva criticized the studies produced by the Apulia Region through a different study realized by its consultants (Boffetta, La Vecchia, Lotti, Moretto) on 27 June 2013. That study was, in turn, harshly criticized by other scientists and NGOs.

therefore the city of Taranto is downwind of the factory, not only ordinary traffic limitations are introduced, but residents of the neighbourhoods close to the plant are advised, between noon and 6 p.m., neither to do sports outside nor to open their windows. These days are called "wind days". In the administrative orders the expression used is, strangely enough, in English, as though a foreign (and therefore fancy'), name could soften the constraints and the underlying situation. Wind is a relief in other cities or territories, allowing to lift environmental limitations. In Taranto wind, depending on its direction and strength, can be a serious environmental nuisance, carrying and spreading dust and pollution and imposing restrictions on ordinary activities and daily life.

It is easy to understand why the Ilva steel plant in Taranto is representing a very thorny political issue. Any decision, or lack of decision, might improve the situation on one side, but it would adversely affect some fundamental interests or rights (life, health, work, dignity, economy, private enterprise) on the other side. Unfortunately, and unforgivably, things have been so for decades, without anyone seriously facing the dramatic issues.

3. ILVA, THE LAW AND THE ENVIRONMENT

3.1. ITALY

Reading newspapers and reports, it looks like that Ilva became a relevant legal, environmental and political case just in the last few years. It is not so. The Government declared the area of Taranto as an "area of high risk of environmental crisis" in 1990¹¹, when the Ilva plant was public, confirming the declaration in 1997¹², after it was sold to a private company. Environmental agreements among Ilva, Apulia Region, local administrations and trade unions have been signed since 2003.¹³ Criminal, administrative and civil trials started in the nineties and have never stopped.

But only the seizure of core parts of the Ilva plant by the judiciary in 2012 sped things up, hit the news and ignited the institutional and social conflicts. The Taranto judges have been criticized for going beyond their powers, for some excesses in their orders, for heavily antagonizing the Government. But without their interventions, it is unlikely that politics would have woken up, as it had not for decades. On 25 July 2012, the Judge for Preliminary Investigations of the

Council of Ministers, Decision 30 November 1990, that called for an environmental recovery plan. The reclamation plan was adopted with Decree of the President of the Republic 23 April 1998.

¹² Council of Ministers, Decision 11 July 1997.

See agreements 8 January 2003, 27 February 2004, 15 December 2004, concerning the improvement of the environmental impact of the Ilva factory; agreement 23 October 2006, concerning dioxin pollution.

Taranto Court seized the "hot working areas" of the plant, basing the order on an epidemiological survey showing that Ilva activities were harming not only the environment but also the health of workers and citizens. The goal of the judicial order was the final closure, a very complex technical task for such a large steel plant. Closing the factory would have taken months, and restarting it would have been neither easy nor quick. Moreover, damages could have occurred in the process. Still, the order relied on two assumptions: the first was that the right to life (and health) had to absolutely prevail on other rights, including the right to work; the second, consequently, was that the "death vs jobs" assessments was a legal, unacceptable, absurdity.

The day after (26 July 2012) the judicial seizure order was issued, the Italian Government, the Apulia Region, the Taranto Province, the Taranto local administration and the Special Commissioner for the Taranto harbour signed an agreement for urgent environmental clean-up in Taranto. Just some days after, a Special Commissioner for the Taranto area¹⁴ was designated by law.¹⁵

On 26 October 2012 the IPPC permit, granted only fifteen months earlier, was revised. When the judges ordered to stop the productive activity of the factory, due to its extremely dangerous activities, Ilva was operating on the basis of a permit issued just one year earlier.

The political and administrative response did not satisfy the Taranto judges. On 26 November 2012, a new order, concerning the products manufactured during the seizure of the plant, was issued. The seizure of the products meant that the factory could not sell them, causing an economic damage that put at risk the survival of the factory.

To avoid the closure of the plant, the Government enacted the Decree-Law 3 December 2012, no. 207¹⁶, allowing the plant to keep working, notwithstanding the judiciary decisions. ¹⁷ The compliance with the revised IPPC permit allowed

[&]quot;Commissario Straordinario per gli interventi urgenti di bonifica, ambientalizzazione e riqualificazione di Taranto" [www.commissariobonificataranto.it/sito_commissario_2015_-_ 19_gennaio_009.htm].

Decree-Law 7 August 2012, no. 129 converted with amendments into Law 4 October 2012, no. 171.

The Decree-Law no. 207/2012 was converted with amendments into Law 24 December 2012, no. 231.

On the Decree-Law no. 207/2012, *G. Arconzo*, Il decreto legge "ad Ilvam" approda alla Corte costituzionale: osservazioni preliminari al giudizio di costituzionalità, Diritto Penale Contemporaneo 2013 (1), pp. 28 et seq. [www.penalecontemporaneo.it/foto/37031.2013. pdf#page=33&view=Fit]; *G. Arconzo*, Note critiche sul "decreto legge ad Ilvam", tra legislazione provvedimentale, riserva di funzione giurisdizionale e dovere di repressione e prevenzione dei reati, Diritto Penale Contemporaneo 2013 (1), pp. 16 et seq. [www.penalecontemporaneo. it/foto/37031.2013.pdf#page=33&view=Fit]; *R. Bin*, L'Ilva e il soldato Baldini, Diritto Penale Contemporaneo 2013 (1), pp. 5 et seq. [www.penalecontemporaneo.it/foto/37031.2013. pdf#page=33&view=Fit]; *R. Bin*, Giurisdizione o amministrazione, chi deve prevenire i reati ambientali? Nota alla sentenza "Ilva", Giurisprudenza costituzionale 2013 (3), pp. 1505 et seq.; *petter*, Le politiche pubbliche dell'emergenza tra bilanciamento e "ragionevole" compressione dei diritti: brevi riflessioni a margine della sentenza della Corte costituzionale sul caso Ilva,

production even under judicial seizure. The Government, on the other side, established some other conditions, concerning the designation of an independent "Guardian" to monitor the implementation of the prescribed requirements; the obligation for Ilva to send an implementation report to the competent authority every three months; the direct access of the same authority to the emission monitoring system of Ilva; the publication of the monitoring results and of the permit requirements on the official website of the Ministry of Environment. The Decree-Law no. 207/2012, that had both general provisions that could apply to other companies and specific provisions that could be applied only to Ilva, was commonly known as the "Save-Ilva Decree". ¹⁸

The Judge for Preliminary Investigations at the Court of Taranto and the Court of Taranto challenged the Decree-Law no. 207/2012 before the Constitutional Court, maintaining that some provisions of the decree violated several (seventeen) articles of the Italian Constitution.¹⁹ The Constitutional Court, with the judgment no. 85/2013²⁰, did not agree, affirming that there was no violation of the Constitution and finding that the balance of the rights struck by the decree was reasonable. The Court, moreover, sustained that the fundamental rights recognized by the Constitution are to be mutually integrated, without a pre-determined hierarchy, and that the prerogatives of the judiciary had not been violated.²¹

Federalismi.it 2014 (3) [http://federalismi.it/nv14/articolo-documento.cfm?artid=24088]; *L. Geninatti Satè*, "Caso Ilva": la tutela dell'ambiente attraverso la rivalutazione del carattere formale del diritto (una prima lettura di Corte cost., sent. n. 85/2013), Quaderni Forum Costituzionale 2013 (5), [www.forumcostituzionale.it/wordpress/images/stories/pdf/documenti_forum/giurisprudenza/2013/0008_nota_85_2013_geninatti_sat.pdf]; *A. Morelli*, Il decreto Ilva: un drammatico bilanciamento tra principi costituzionali, Diritto Penale Contemporaneo 2013 (1), pp. 7 et seq. [www.penalecontemporaneo.it/foto/37031.2013. pdf#page=33&view=Fit]; *A. Muratori*, Decreto salva Ilva: scelte difficili, Ambiente & Sviluppo, 2013 (1), pp. 8 et seq. [www.giuristiambientali.it/documenti/280113_AM.pdf]; *D. Pulitanò*, Fra giustizia penale e gestione amministrativa: riflessioni a margine del caso Ilva, Diritto Penale Contemporaneo 2013 (1), pp. 44 et seq. [www.penalecontemporaneo.it/foto/37031.2013. pdf#page=33&view=Fit]; *A. Sperti*, Alcune riflessioni sui profili costituzionali del decreto Ilva, Diritto Penale Contemporaneo 2013 (1), pp. 12 et seq. [www.penalecontemporaneo.it/foto/37031.2013.pdf#page=33&view=Fit].

An unusual intervention of the President of the Italian Republic, who had to sign the Decree in order for it to be enacted, explained in a letter to the Taranto population why he had signed it.

The articles of the Italian Constitution that the Judge for Preliminary Investigations considered violated were: articles 2, 3, 9, 24, 25, 27, 32, 41, 101, 102, 103, 104, 107, 111, 112, 113 e 117.

Constitutional Court, judgment 9 May 2013, no. 85 [www.cortecostituzionale.it/actionSchedaPronuncia.do?anno=2013&numero=85].

On the judgment no. 85/2013 of the Constitutional Court, *C. Petteruti*, *Country Report: Italy. Italian Environmental Law Development in 2013*, IUCN eJournal 5, 2014, pp. 206 et seq. [www. iucnael.org/en/86-journal/issue/491-issue-20142]: "the judgment of the Constitutional Court acknowledged the capacity of an administrative act (the reassessed IEA) to stop the Criminal Courts in suppressing environmental crimes. These elements reveal an unequal approach of the Constitutional Judge to the different fundamental rights involved in the Ilva episode".

Some days after the Constitutional Court judgment, the Government, with the Decree-Law 4 June 2013, no. 61, instituted a Special Commissioner for the Ilva plant in Taranto. The Special Commissioner had to adopt an "industrial plan" and an "environmental plan" designed to comply with the IPPC permit and to clean up the area. The company was still private, the owners unchanged, but its operations were under the control of public powers. That hybrid situation did not last much. By decree of the Minister of Economic Development of 21 January 2015, Ilva (subsequently declared insolvent by the Court of Milan) was admitted with immediate effect to the extraordinary administration procedure provided by Decree-Law 23 December 2003, no. 347²³ on industrial restructuring of large companies in a state of insolvency. Ilva met the criteria concerning the scale of the company (at least 500 employees) and the state of insolvency (at least 300 million euros of debts in the previous year). The goal was to let the company continue its business in view of a future transfer, saving the production and the jobs. The decree also appointed three "Special Commissioners" for the Ilva steel plant in Taranto.

Emergency became routine. To date, nine more "Save-Ilva Decrees" have been enacted in order to avoid the seizure and the closure of the steel plant, adopting new measures, postponing deadlines and, in the end, buying time while a definitive solution is being searched. The solution, as for now, relies on the sale of the plant to a private entity, scheduled for 2017. It remains to be seen if the property change will solve the environmental and health issues and what the legislative and administrative frameworks for the private new owner will be. Taranto cannot afford to face the same mistakes made in the past decades.

3.2. EUROPE

The European Union, exercising its control powers, and alerted by Taranto individuals²⁴, has challenged more than once the Italian institutional behaviours regarding the Ilva steel plant in Taranto.²⁵ The European Union interventions

The environmental plan was approved by Decree of the President of the Council of Ministers on 14 March 2014.

The Decree-Law no. 347/2003 was converted with amendments into Law 18 February 2004, no. 39

See European Parliament, Committee on Petitions, Notice to Members, 13 Dec 2016 [www. europarl.europa.eu/sides/getDoc.do?type=COMPARL&reference=PE-404.458&format=PDF& language=EN&secondRef=09], and the petitions reported: Petition 0760/2007 (Fracasso): "The petitioner expresses alarm at the high dioxin content of the atmosphere caused by harmful emissions from an industrial plant in Taranto"; Petition 2207/2013 (Sion): "The petitioner expresses concern at the serious problem of pollution being caused by Ilva plant in Taranto and in particular the impact of toxic dust from the 70-hectare mineral parks".

See European Parliament, Committee on Petitions, Notice to Members, 13 Dec 2016 [www.europarl.europa.eu/sides/getDoc.do?type=COMPARL&reference=PE-404.458&format=PDF &language=EN&secondRef=09], reconstructing the difficult relationship between the Italian Government and the European Union Commission concerning Ilva.

has been related to many different concerns and interests: people's health; environmental quality; workers' employment; local economy; steel industry policies; EU market competition; state aids.

The steel industry is a very delicate sector, both for its economic crisis and for its impact on the environment. The European Parliament, in a resolution dedicated to the steel industry as a whole, explicitly refers to Ilva, calling for the environmental reclamation of the site and the implementation of the polluter pays principle. The European Commission has sent Italy two letters of formal notice, in September 2013 and April 2014, urging Italian authorities to bring the Ilva steel plant into compliance with the Industrial Emissions Directive and the Environmental Liability Directive. Besides, the Commission opened an in-depth investigation about the violation of State aid rules through the financing support (\in 2 billion) of Ilva in Taranto.

The substantial environmental issues relate to the operating conditions of the plant and the level and quality of its polluting emissions (with special reference to dioxin and PM10), causing severe health and environmental problems. The formal legal issues involve, in a first stage, the violation of Directive 96/61/EC²⁹

Communication from the Commission, Action Plan for a competitive and sustainable steel industry in Europe, 11 June 2013 [COM(2013) 407 final], para. 1: "The ongoing economic crisis has led to a marked downturn in manufacturing activity and associated steel demand, which remains 27% below pre-crisis levels. As a result, several production sites have closed or reduced output with corresponding job losses, with up to 40 000 jobs lost in recent years. Consequently the pressure to restructure and reduce production capacity will remain one of the main challenges for this industry in the foreseeable future"; see also Commission Staff Working Document, 24 June 2014, State of play on implementation of the Commission Communication Action Plan for a competitive and sustainable steel industry in Europe of 11 June 2013 [SWD(2014) 215 final]; Opinion of the European Economic and Social Committee on the Action Plan for the European Steel Industry, 11 December 2013 [http://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:52013AE4522&from=EN].

European Commission, Press Release, 16 October 2014, Environment: European Commission urges Italy to address severe pollution issues at Europe's biggest steel plant [http://europa.eu/ rapid/press-release_IP-14-1151_en.htm]: "Although some shortcomings have been addressed, a number of breaches of the Industrial Emissions Directive remain. Today's action, a reasoned opinion, concerns deficiencies such as lack of compliance with the conditions set out in the permits, inadequate management of by-products and wastes, and insufficient protection and monitoring of soil and groundwater. The Commission is giving Italy two months to reply. Most of the problems stem from a failure to reduce the high level of uncontrolled emissions generated during the steel production process. Under the Industrial Emissions Directive, industrial activities with a high pollution potential must be licensed. Ilva does have a permit for its activities, but it is failing to adhere to the requirements in a number of areas. As a result, dense particulate fumes and industrial dust are escaping from the plant, giving rise to potentially serious negative impacts on the health of the local population and on the state of the surrounding environment. Tests have shown heavy pollution of the air, soil, surface and ground waters both at the Ilva site and in nearby areas of the city of Taranto. The contamination of the Tamburi quarter of the city in particular can be attributed to the emissions from the steel plant".

European Commission, Press Release, 26 September 2013, Environment: European Commission urges Italy to bring a steel plant in Taranto up to environmental standards [http://europa.eu/rapid/press-release_IP-13-866_en.htm].

²⁹ Council Directive 96/61/EC of 24 September 1996 concerning integrated pollution prevention and control.

and of Directive 2008/1/EC³⁰ (the "*IPPC Directives*"), concerning integrated pollution prevention and control, and, then, the violation of Directive 2010/75/EU³¹ (the "*IED Directive*"), concerning industrial emissions, that replaced the IPPC Directives.³² Ilva has fallen under the scope of all the mentioned Directives. Permits based on emission limit values and on best available techniques (BAT) are the core of the environmental legislation. The aim is to prevent or reduce the emissions to air, water and soil. Permits can be issued only in accordance with the rules enacted by the Directives, taking into account the BAT reference documents (BREFs) adopted by the European Commission. Moreover, in order to ensure better implementation, the Commission, under the IED Directive, adopts decisions on best available techniques for each industrial sector. For the iron and steel production sector, the Commission adopted the Implementing Decision of 28 February 2012.³³

In a first stage, Italy simply kept delaying, and not only for the Ilva steel plant in Taranto, the issuance of the IPPC permits, postponing the deadlines set and therefore breaching Directive 96/61/EC and Directive 2008/1/EC. The infringement procedure, launched in 2008, led to the European Court of Justice judgment of 31 March 2011 (case C-50/10), that declared that Italy had failed to fulfil its obligations.³⁴

The IPPC permit (AIA, "autorizzazione integrata ambientale", that is "environmental integrated authorisation") was granted, at last, in August 2011³⁵, and it was supposed to last six years, but just one year after, in October 2012³⁶, it was revised. Ilva sent, in both cases, a letter criticizing the permit, asking for

³⁰ Directive 2008/1/EC of 15 January 2008 concerning integrated pollution prevention and control.

Directive 2010/75/EU of 24 November 2010 on industrial emissions (integrated pollution prevention and control); in Italy the IED Directive was implemented with the legislative decree 4 March 2014, no. 46.

Directive 2010/75/EU (IED) replaced Directive 2008/1/EC starting from 7 January 2014.

Commission Implementing Decision of 28 February 2012 establishing the best available techniques (BAT) conclusions under Directive 2010/75/EU of the European Parliament and of the Council on industrial emissions for iron and steel production (2012/135/EU). Full compliance was due within four years.

ECJ, Case C-50/10, Commission v. Italy [2011] ECR I-00045, para.39: "the Italian Republic has failed to fulfil its obligations under Article 5(1) of Directive 2008/I/EC of the European Parliament and of the Council of 15 January 2008 concerning integrated pollution prevention and control (codified version), by failing to take the necessary measures to ensure that the competent authorities see to it, by means of permits in accordance with Articles 6 and 8 of that directive or, as appropriate, by reconsidering and, where necessary, by updating the conditions, that all existing installations within the meaning of Article 2(4) of that directive operate in accordance with the requirements of Articles 3, 7, 9, 10, 13, 14(a) and (b) and 15(2) of that directive".

The "Environmental Integrated Authorisation" was issued on 4 August 2011. It was constituted of 1162 pages (9 articles in 19 pages, and 1143 pages of procedural and technical attachments) [http://aia.minambiente.it/DettaglioAutorizzazionePub.aspx?id=4822].

The revision of the "Environmental Integrated Authorisation" was issued on 22 October 2012. It was constituted of 149 pages (4 articles in 23 pages, and 126 pages of procedural and technical attachments) [http://aia.minambiente.it/DettaglioAutorizzazionePub.aspx?id=5135].

changes and revealing in advance possible legal actions.³⁷ The revision was only partially due to the Commission Decision 2012/135/EU, implementing the IED Directive for the iron and steel sector, as the deadline for its implementation was still far away (2016). What really mattered was that the Taranto criminal judges intervened, seizing the plant in order to shut it down.

The European Court of Human Rights (ECtHR) has been involved as well.

A citizen of Taranto, who was diagnosed with leukaemia in 2006, brought a proceeding against Italy in 2009³⁸, alleging that the harmful emissions from the Ilva factory caused the development of her cancer and therefore violated Article 2 ("Right to Life") of the European Convention for Human Rights (ECHR). The complainant had previously sued the Ilva management before the national judges, but, after a scientific report ruled out, on the basis of the available scientific data, a causal link between the emissions from the factory and her illness, the proceedings were discontinued. The ECtHR unanimously declared the application inadmissible, as the complainant had not demonstrated that the Italian authorities had failed in their obligation to protect her right to life (Article 2, ECHR).³⁹

In 2016 the ECtHR formally opened proceedings against Italy for having failed to protect life and health of 182 Taranto citizens from the polluting emissions caused by the Ilva factory. The applicants alleged that the Italian authorities did not take the necessary measures to safeguard the environment and the health of people. The Court deemed the evidence presented by the applicants (that applied in two stages, in 2013 and in 2015⁴⁰) solid enough and referred to Article 2 (Right to Life), Article 8 (Right to Respect for Private Life) and Article 13 (Right to an Effective Remedy) of the Convention.

4. ILVA, (UN)SUSTAINABLE DEVELOPMENT, INFORMATION AND PARTICIPATION

There are two perspectives that may help to understand today's Ilva issues: the perspective from the past and the perspective for the future. The former is about

³⁷ See letters from Ilva 31 August 2011 and 6 November 2012.

³⁸ ECtHR, Smaltini v. Italy, application no. 43961/09, published on 16 April 2015. Ms. Smaltini died in 2012. Her husband and her two children continued the proceeding.

See ECtHR, Smaltini v. Italy, application no. 43961/09, para. 60 (available only in French): "Compte tenu de ces circonstances, et sans préjudice des résultats des études scientifiques à venir, la Cour ne peut que constater que la requérante n'a pas prouvé qu'à la lumière des connaissances scientifiques disponibles à l'époque des faits de l'affaire, l'obligation imposée au Gouvernement de protéger sa vie, au sens de l'article 2 de la Convention, sous son volet procédural, a été méconnue".

Cordella and Others v. Italy (application no. 54414/13) and Ambrogi Melle and Others v. Italy (application no. 54264/15) [http://hudoc.echr.coe.int/eng/?i=001-163116].

what has been done, the many mistakes and the contested liabilities. The latter is about what can be done, the suggested solutions and the necessary responsibilities.

What happened in the past is somehow clear, at least as for the basic dynamics. The Ilva private owners' hunger for profit heavily affected their approach to environmental issues, postponing protection measures as long as possible. Their opaque closeness with politics and public officials favoured reprehensible business behaviours. The Government did not seriously intervene until the closure of the plant became a plausible option, due to the judicial orders of 2012. The implementation of European Union directives had to be forced through a decision of the European Court of Justice. The IPPC permit was issued with a delay of years, but that did not mean that it was well thought and accurate: it was substantially revised just one year later. Monitoring and control of the productive and entrepreneurial activity lacked. The judiciary itself was not blameless. For years it had not intervened, even though the environmental situation has been compromised for decades. When the criminal judges stepped in, they sometimes pushed their own powers boundaries and the confrontation with the company and with the government was extremely harsh.

Besides, administrative judges have often decided in favour of Ilva s.p.a. when it challenged administrative orders or sanctions, saying that the company was respecting the legislative and administrative rules (starting from the IPPC permit). The administrative judges, on the other hand, underlined that administrative provisions were often inconsistent and flawed. That means that Ilva s.p.a. has had its faults, but it has not been alone: the legal and institutional framework contributed to the disaster.

Delay, opaqueness and lack of accountability are the keywords.

The result is today's situation. Ilva s.p.a. has been always considered strategic for local, regional and national economy, and too big to fail. The Ilva factory in Taranto is the heart of the Ilva company, that is the heart of the national steel production sector. The steel plant is still working, polluting less because of environmental measures, but also because is producing much less.⁴³ The employment level, though, has not substantially decreased, which means that the Ilva plant is daily losing public money.⁴⁴ The cleaning up of the area has started

J. Mackenzie, Steel pollution case highlights Italy's slow decline, August 29, 2012, Reuters, United States Edition [www.reuters.com/article/us-italy-pollution-idUSBRE87S07B20120829] "Behind the immediate health threat, Ilva is a stark example of the suffocating mix of short-term political expediency, poor oversight and endemic corruption that has given Italy the most sluggish economy of any euro zone country over the course of a decade, with average growth of less than one percent a year".

⁴² ECJ, Case C-50/10, Commission v. Italy [2011] ECR I-00045.

⁴³ The Ilva Taranto factory produced more than 10 million tons before 2012, 8.3 million tons in 2012, 4.7 million tons in 2015. The "survival limit" for such a plant is estimated in 6.5 million tons.

See M. Borrillo, Ilva, effetto Cina sull'acciaio. Perdite record di 2,5 milioni al giorno, Corriere della Sera, 1 aprile 2016 [www.corriere.it/economia/16_aprile_02/ilva-effetto-cina-sull-

but, as the plant is still operating, it is slower and less effective than it could have been in case of closure. The European Union is calling Italy's responses to the crisis into question under two points of view: environmental law violations and state aid violations. The European Court of Human Rights is challenging Italy's behaviours as well. The economic and social situation is still hard and the future is uncertain. The Ilva plant is on sale, but the declarations of interest were less than expected, which may affect the quality of the final offers. Besides, we do not know in what conditions and at what conditions Ilva will be sold.

Italy has not, in its Constitution, an article devoted to sustainable development. Though, the Legislative Decree 3 April 2006, no. 152 (so called "environmental code") has an article (article 4) that states that every legally relevant human activity must comply with sustainable development (para. 1), that public administration activity must aim at implementing sustainable development (para. 2) and that any controversy involving environmental aspects must be solved ensuring sustainable development (para. 4). Notwithstanding these principles, sustainable development is far from being respected in the Ilva case. At a national level it is often misunderstood, misused, "lost in translation", speciously declared with rhetoric and demagogy, without any real will to comprehend and substantially pursue it.

The lack of reliable data is one of the major issues, as it affects both institutional (political, economic, environmental, social) analyses and public awareness (information and participation). The availability of data has been irregular, and data themselves were often outdated and inconsistent. Data are often presented in an emotional way, and other times they are hardly comprehensible.

The Ilva plant is ISO 14001 certified, and it has been since 2004.⁴⁵ So, while the judiciary was saying that the Ilva factory was killing people and destroying the environment, technical bodies, accredited by national authorities and implementing international technical norms, were saying that the same factory was environmental friendly and virtuous above average.

In 2011 the European Environment Agency (EEA) released a report⁴⁶ assessing the damage costs to health and the environment caused by pollutants emitted from industrial facilities in 2009. Ilva was at the top neither in Italy (2^{nd47}) nor in Europe (52^{nd48}) and, as for steel plants, it was just at the 6th place. Reading

acciaio-perdite-record-25-milioni-giorno-5beld166-f850-11e5-b848-7bd2f7c41e07.shtml]: losses are estimated, for 2015, in 2,5 million daily, for a total amount of 918 million, to be summed to 641 million for 2014, 911 million for 2013 and 620 million for 2012 (that is an average daily loss of more than 2 million over a four-year period).

In 2002 a representative of a local NGO publicly challenged Ilva to get the ISO 14001 certification, considered a "truth test". Ilva got it in 2004, but, clearly, it was no silver bullet.

European Environment Agency, Revealing the costs of air pollution from industrial facilities in Europe, Report 2011 [www.eea.europa.eu/publications/cost-of-air-pollution].

⁴⁷ At the top in Italy (18th in Europe) was the thermal power station "Centrale termoelettrica Federico II" in Brindisi, located in the Apulia Region as well.

⁴⁸ At the top, in Europe, was the thermal power station "PGE Elektrownia Bełchatów", located in Rogowiec, Poland.

the report the first impression was that the Ilva situation was not that bad, as there were worse cases around Europe that had not sparked a similar interest.

In 2014 the EEA released an updated report⁴⁹, that considered the 2008–2012 period. This time Ilva was on the top in Italy, 29th in Europe and 3rd as for steel plants. The five-year term (2008–2012) included the single year (2009) analysed by the previous report. Besides, Ilva started to modify its productive behaviours at the end of 2012, so such a change in the ranking is hardly justifiable.

The point is that criteria and methodology changed. Moreover, as the 2011 Report explicitly states in its introduction, the reports do not assess the consistency of facilities' emissions with the national and EU requirements, nor they consider "diffuse" sources, such as transport. Furthermore the EEA reports evaluate neither the social (employment) and economic (production, tax revenues) benefits that they generate nor the efficiency of the facilities. The largest factories release more pollutants and impose the higher costs, but smaller facilities may be less efficient and pollute more if compared with the amount of goods and services provided to the market. The EEA analysis admits that there are uncertainties in assessing the damage costs, related to scientific knowledge about impacts, exposure methods applied and models used, inviting therefore to caution in interpreting the results.

The EEA, for these reports, drew the data from the European Pollutant Release and Transfer Register (E-PRTR)⁵⁰, the Europe-wide register, created by Regulation (EC) no. 166/2006, that provides environmental data from industrial facilities in Europe.⁵¹ The E-PRTR is a transparency and public participation tool connected to the Aarhus Convention⁵², but its data may be not totally reliable: the information concerning pollutants released and off-site transfers of waste are provided by the companies. In absence of effective control and monitoring mechanism, the risk that the companies alter the data cannot be excluded.

Available data at a national level suffer from the same limits. The first data on Taranto, collected since 2001 in the INES register⁵³, are extracted from the ILVA declarations. Monitoring occurs, but the company is informed beforehand about when it will take place. The scientific studies are often outdated and not

European Environment Agency, Costs of air pollution from European industrial facilities 2008–2012 – an updated assessment, Report 2014 [www.eea.europa.eu/publications/costs-of-air-pollution-2008–2012].

The E-PRTR, that replaced the European Pollutant Emission Register (EPER) contains data reported annually by more *than 30,000 industrial facilities* covering 65 economic activities across Europe (EU Member States and Iceland, Liechtenstein, Norway, Serbia and Switzerland). See the E-PRTR website for more data [http://prtr.ec.europa.eu/#/home].

Regulation (EC) no. 166/2006 of 18 January 2006, concerning the establishment of a European Pollutant Release and Transfer Register and amending Council Directives 91/689/EEC and 96/61/EC.

⁵² United Nations Economic Commission for Europe (UNECE) Convention on Access to Information, Public Participation in Decision-Making and Access to Justice in Environmental Matters, adopted on 25 June 1998 in Aarhus.

The INES register was established with Legislative Decree 4 August 1999, no. 372 and Ministerial Decree 23 November 2011.

unanimously accepted by the scientific community. Besides, the way they are presented are often misleading. A recent report from researchers of the Ministry of Health states on one side that Ilva is polluted like Rome and, on the other side, that there may be serious neurological consequences due to the pollution in Taranto that have not been considered so far.

The result of this uncertainties in data and in their interpretation affects public participation, especially if added to other factors. The IPPC permit procedure in 2011 and 2012 did not favour participation due to its extreme complexity. While the Save-Ilva decree was not deemed in violation of the Constitution, the fact that administrative provisions were adopted by law lowered (or cancelled) the chances to participate to the proceedings. The selling procedure, due to its confidentiality, is making public information and participation harder, both for citizens and for public authorities (like Region Apulia and the local administration of Taranto) other than the ones directly involved.

In other words, public opinion is kept in the dark as for what is really happening, limiting its chance to participate at the political debate on fundamental choices that are going to influence life, health, economy and employment in Taranto and Apulia.

That said, it came as a surprise the outcome of the advisory referendum of 14 April 2013 on Ilva, promoted by the "*Taranto futura*" committee. There were two questions for the Taranto population: the first concerning the total shutdown of the factory, the second concerning the shutdown of the main problematic areas (the "hot area" and the mineral parks). A large majority of the voters supported the shutdowns (respectively 81,29% and 92,62%), but the results were invalidated as only 19,5% of the population participated (the quorum was 50%). In the Tamburi neighbourhood the percentage of voters was even lower (14,57%). Considering the physiological rate of non-voters, people in Taranto that did not want Ilva to close decided to abstain. It is a legitimate choice. Still, seeing that, in Taranto, in 2013, less than one person out of five went to vote for a referendum concerning Ilva, was somehow unsettling.

5. CONCLUSIONS

There are four main, intertwined, factors that can help Ilva and Taranto: new legislation, better implementation, technical progress and the sale of the factory. The legislation should abandon the emergency approach, and adopt a long-lasting perspective, enacting coherent rules that clearly define policy objectives and actors' accountability. The application of the rules must avoid the mistakes and the drawbacks of the past, establishing reliable monitoring and control mechanisms. The advancement in technology, through new best available techniques, may help in reducing the emissions and their dangerousness. The sale procedure of Ilva

must find a reliable new owner, but, above all, must outline a complete, rational, incisive set of rules to be followed by the company.

The sale of Ilva, which is assuming a pivotal role, is the solution the Italian government is pursuing, in order to exit from a thorny, long-lasting, crisis. Selling the Ilva plant has some advantages. It will overcome (or at least postpone) European Union infringement procedures; it will stop heavy, daily, monetary losses; it will shift to a private company the responsibility for the (future) respect of environmental legislation.

On the other hand, several issues will stay open. The first is the economic agreement that Italy is getting for selling a large company, one of the major actors in world's steel sector and in Italy's economy. The Ilva plant is located in a polluted area, experiencing a difficult relationship with a city, Taranto, and its population. The area has to be cleaned up, and it will be very costly and controversial. The pollution in Taranto is not coming only from the Ilva plant, and the soil pollution layering derives also from thirty years of public ownership and management. It will not be easy to calculate the contribution of the different actors to the pollution occurred in Taranto over the years, and it would not be fair not to (try to) do it.

The sale must have occurred in 2016, but it was postponed, trying to find better offers. In the meantime, though, Ilva may become less competitive and less attractive. The Italian economy is still struggling to exit the crisis and the political situation is not stable.

The company who is going to buy Ilva will have to face several delicate issues. It will have to adopt and implement an environmental plan that will have to guarantee a dramatic change from the past. It will have to deal with the consequences of EU new legislation, policies and case law. It will have to resort to the best available techniques and respect the IPPC permit. It will have to take care of the social issues in Taranto.

Once sold, clear rules have to be enacted, in order to avoid EU infringement procedures, to strictly monitor the new owner's activities, to further improve the environmental legislative and administrative framework, to guarantee employment levels that can ensure a profit to the company without creating a social turmoil in Taranto. Public information and participation have to be promoted through the provision of clear, updated, coherent data.

After being a history of conflicts and failures, Ilva may turn out to be an example of economic resilience, environmental recovery, social justice: in two words, sustainable development. It is a strong hope. It will not be easy at all.