

Urgent request to withhold credit for “Kolubara”

Date: 10.04.2012

To:

EBRD Directors

To whom it may concern,

We are writing as an interested party whose interests are related to the Project of Environmental Protection in Kolubara coal mining area, in accordance with the Plan of Inclusion of Interested Parties (EPS, Kolubara, 2011).

The scope of our work and interest, being a union organization, concerns the protection of workers` rights as regulated by the National Law and collective contract. Those rights have been unscrupulously violated by Kolubara. Working conditions are extremely difficult and inhumane and they can be compared to the age of primitive capital accumulation since various norms are not adhered to by our Employer (PD RB “Kolubara”).

In order to illustrate the Employer’s reckless attitude toward employees, we would like to cite just one example. The track transporters on all four mining fields have no installed system that would prevent dust from flying freely. Thus the coal and earth dust is being directly inhaled by the workers.

It is impossible to describe the stress that is transferred from the higher and middle management levels to the workers in the production line. If production is being halted any minute as necessitated by the repair of technological and engineer breakdowns or shortcircuits, the workers are held into serious account and often fined. The fine usually means 10% off the income. This practice is diametrically opposite to existing regulations. This attitude to workers has led to several tragic outcomes. Several employees have been killed in the mining area since they worked under a great psychological pressure and constant fear of being maltreated by boss. The statistics of those who lost their lives at work posts are staggering.

Expropriation process has been delayed for several years now. Because of that the mining field “D” has taken a reverse direction from projected progress. It has now intruded into “eastern edge”, a former dump in Zeoke. Even worse, the mining area has been expanded to the exploitation field “E” whose mining was planned for later period. This premature mining of the field “E” has caused extreme exhaustion of the workers, while being unsafe for both the workers and equipment because bulldozers covered daily much larger distances than what they were projected to cover. In the process of that irregular exploitation, 150 ha forest in re-cultivated areas has been destroyed which, needless to say, was a completely illegal activity.

Even tough the Contract allows half an hour break in working hours, suffice to say that the workers were completely unable to use that right in 2005–2008 period. The court ruled in favor of the workers, yet nothing changed following the legal process. This violation caused particularly precarious situations in winter when such a break is most needed because of extremely low temperatures.

Our national Constitution and laws regulating rights of the employees say that in emergencies caused by weather – namely when temperature drops to 18 below zero, or surges over 38 degrees – the production is to stop. Suffice to say that the employees of PD RB “Kolubara” work 24 hours 365 days.

Here is another aspect employed by PD RB “Kolubara” concerning temporary contacts. We wonder whether such a practice exists in the third world countries, let alone in European Union. Workers employed under such contacts have been employed for several years now, they receive half the regular income, have no sick leave nor paid vacation. Their situation gets particularly dramatic when they get injured at work.

Our national law (Article 108, paragraph 2) stipulates a raise of at least 26% to workers in night shifts. Considering the number of employees who have been engaged in night shifts for the last 3 years, the raise money would amount to 8 million euros. That would be the amount actually owed by “Kolubara” to its workers if the aforementioned raise benefits have been regularly paid along with regular monthly wages. Since this raise has never been paid, almost all employees have gone to the court. The combined interest rates, raised taxes, as well as expenditures for legal process and years of work from 2005 on, make Kolubara’s debt to its workers 35 million euros. This is yet another illustration of money squandering on the part of Kolubara.

Even more incredible is that after the verdict which forced Kolubara to pay that debt to its workers, the same unconscious practice has continued. The workers are being forced to go to the court again and again in order to claim their rights, so the vicious circle of money squandering continues.

Because of the facts we have presented in this letter and because of various other irregularities that are present in the work of Kolubara, we beseech you not to credit our Employer’s Project ID 41923 EPS Kolubara Environmental Improvement before the Employers begins to respect the workers` social rights as regulated by the Action Plan for Enviroment and Social Issues enacted on March 5, 2012.

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