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Argentina, Uruguay Close to Solving Dispute Over Cellulose Plant

by Guest

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Nearly two years after the Asamblea Ciudadana Ambiental (citizens' environmental assembly) in the Argentine city of Gualeguaychu first shut down access to the main bridge connecting Uruguay and Argentina (see NotiSur, 2005-05-16), the governments of the two countries have given some tenuous signs that the situation might be nearing a resolution.

A resolution is vital for Uruguay, since nearly 50% of the Argentine tourists who come every summer to enjoy the beaches, especially at Punta del Este, the most exclusive of South America's seaside-resort areas, come across that bridge. And, what makes it even more vital is that 70% of the cargo 900,000 tons each year transported by Uruguayan trucks as part of bilateral trade comes into Argentina across that bridge.

Both countries, especially both capitals Montevideo and Buenos Aires, are well-connected by air and water, but the most economical access is the land route, which connects Gualeguaychu with its neighbor Fray Bentos by a 1,500 meter bridge that extends across the Rio Uruguay. This is the route that an increasingly small group of people has kept permanently closed since Nov. 20, 2006.

Tension regarding the blockade spiked on Oct. 5 when Argentine citizen Sebastian Belaustegui was attacked by a group of his fellow citizens after he received judicial authorization to freely cross the bridge by car. This is an example of the abnormal situation between two countries that have solid and historical social, cultural, economic, and diplomatic ties. Blockade has high economic toll The crisis began in 2003, after Uruguay authorized the construction of a pulp mill on the outskirts of Fray Bentos.

Environmentalists from Gualeguaychu said that contamination from the plant, belonging to the Finnish company Botnia whose US$2 billion investment was the largest in Uruguay's history, would be high. Since then, they have carried out demonstrations that began with an auto caravan to deliver a letter of protest to the authorities in neighboring Uruguay. That was followed with intermittent short closures of the bridge that turned into the indefinite closure of this route.

The route is strategic not only because of the interchange between the two countries but also because of a high volume of commercial traffic with southern Brazil. "Yes to life. No to Botnia," is the slogan that unifies the environmentalists. Uruguay's Minister of Tourism Hector Lescano says the blockade of the bridge has had a significant impact on the local economy. In the 2005-2006
summer season, lost tourism revenue amounted to US$400 million, equivalent to 2.3% of national GDP. In the summer 2006-2007 tourism season, losses amounted to US$600 million. At Las Canas river resort in Fray Bentos, the number of Argentine tourists fell from around 10,000 in earlier summer seasons to only 2,000 this past year. In this Uruguayan city of barely 24,000 inhabitants, 1,300 jobs have been lost, all tied to tourism and restaurant activities.

Sign of progress

Signs that the bridge might be close to reopening became known on Sept. 25, when the Montevideo weekly Busqueda published statements by Uruguayan Minister of Foreign Relations Gonzalo Fernandez. The minister said that he had met with Argentine President Cristina Fernandez de Kirchner in New York during the UN General Assembly session earlier in September and that she had "responded positively to our request that her government initiate actions that would lead to the prompt opening of the bridge."

The same day a communique from the Argentine Foreign Ministry in Buenos Aires dismissed what it called "journalistic versions [of events]," although it expressly said that the government was not in agreement with measures such as the blockade, which it considered "counterproductive." The statement added that the authority to end the blockade "is the exclusive province of competent judicial courts."

In Montevideo, meanwhile, Argentina's Ambassador Hernan Patino Mayer agreed that the only way to immediately end the blockade was through a judicial ruling, and he recommended that the press quit speculating on the matter. "Diplomacy works best when it says little," said Patino Mayer on radio station El Espectador.

Various analysts were of the opinion that the Argentine ambassador was to some extent confirming what the Uruguayan government had said, because, although diplomacy is working, it has done so until now within the framework of the International Court of Justice (ICJ) at The Hague (see NotiSur, 2006-02-10). Appealing to the ICJ was an extreme move that many experts counseled against, and its decision is not expected until the third quarter of 2009.

The dispute ended up at The Hague after Argentina, following the reasoning expressed by Gualeguaychu's Asamblea Cuidada Ambiental, accused Uruguay of violating a bilateral treaty that included certain restrictions on the use of water shared by the two countries. In this case, Botnia discharges the industrial waste into the Rio Uruguay, which is the border between the two countries. In the first hearing, the court at The Hague turned down the Argentine request that the ICJ order construction on the industrial plant stopped (see NotiSur, 2006-07-28 and 2007-02-16).

Botnia has been in full production since November 2007 (see NotiSur, 2008-01-04). The Chilean daily La Tercera published statements by Argentine sociologist Sergio Berenztein of the consulting firm Poliarquia in which he says that the ICJ's ruling will be important in taking pressure off the controversy, but he warned that the cost of rebuilding bilateral relations will be high. "Beyond the eventual validity of the claim," said Berenztein, "Argentina never considered the importance of this industrial development for the economy of its neighbor," referring to the huge investment received by Uruguay.
For the Argentine expert, "the conflict will also have negative consequences in the long run because it has broken the historic ties of trust and fraternity between both countries, which will be difficult to repair." Incidents like that involving Sebastian Belaustegui and, earlier, lawyer Salvador Rossetti, along with the harsh language and insults that many authorities and neighbors of Gualeguaychu and Fray Bentos are using to refer to each other, seem to confirm the words of Berenztein. Rosetti, after being insulted in similar circumstances as those involving Belaustegui, created the nongovernmental organization (NGO) Asamblea Cuidadana Rutas Libres.

**Public opinion changing**

When they began their protests, the environmentalists of Gualeguaychu had the general support of the citizens of the town, opposition political parties, and ecological organizations with a strong international presence, like Greenpeace. They have been losing much of that sympathy, however. The blockade of the bridge, originally led by hundreds of people, is now often maintained by two or three militants. The parties no longer send their leaders to share time at the blockade with the environmentalists.

Greenpeace has expressly withdrawn its support. And, the environmentalists have lost prestige with many of the citizens because their arguments are being contradicted by the facts. Opponents said that, in the first few days after the pulp mill opened, a large number of birds and fish had been killed by the waste. This claim has since been disproved. They said that hundreds of citizens were suffering from respiratory and dermatological problems caused by the fumes emitted by the Botnia plant.

However, doctors and the public hospital in Gualeguaychu do not support those claims. What is more, there is no monitoring, neither official nor private nor from the public universities or ecological groups, that has offered proof that Botnia is contaminating.

What seems closest to the truth is a study published by the Argentine daily Critica, which says that the only contamination detected so far not only is not coming from Botnia but is coming from the industrial park in the very city of Gualeguaychu. The newspaper cites a confidential report from the Laboratorio de Control Ambiental (Environmental Control Laboratory) in the nearby city Concepcion, Uruguay, which says that the industries of Gualeguaychu could have toxic emissions 900 times higher than those from the Finnish cellulose plant.