Region: Uruguay, Argentina Agree to Open Binational Bridge

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In 2003, Uruguay created a binational conflict with Argentina by unilaterally authorizing construction of a gigantic pulp mill on the banks of the Río Uruguay—the natural border separating the two countries. Seven years later, Presidents Cristina Fernández de Kirchner of Argentina and José Mujica of Uruguay have now signed an agreement to end the blockade by residents of the Argentine city of Gualeguaychú of the principal and most used of the three bridges across the river (NotiSur, February 16, 2007).

The settlement of the dispute has come in three stages. The first was the decision last April by the International Court of Justice (ICJ) at The Hague, before which Argentina had filed its complaint arguing that the Finnish-owned Botnia plant was contaminating the area (NotiSur, January 4, 2008). The court's Solomonic ruling found that both countries were partially right and "recommended" that they resolve their differences by carrying out joint environmental monitoring, which would detect whether industrial waste was polluting the water, soil, and air.

The second stage ended on June 20, when residents of Gualeguaychú agreed to lift the bridge blockade for 60 days to facilitate dialogue between the two sides. The third crystallized on July 28, when Presidents Fernández and Mujica signed the agreement outlining in general terms the monitoring effort suggested by The Hague.

Presidents sign monitoring framework

Despite high expectations of turning the page on this interminably long and debilitating conflict, analysts say that political will deserves more credit than the facts. Fernández and Mujica have strengthened a good friendship and both understand that a longstanding binational relationship cannot be broken for mere economic interests, however economically significant the plant is for a tiny country like Uruguay, where investments come in droplets.

While the agreement signed by the presidents provides a framework for the monitoring arising from The Hague decision by establishing the creation of a scientific committee—which will be in charge of the controls—and stipulating that the committee will be able to enter the industrial plant twelve times a year, or once each month, the way in which the monitoring will be carried out must still be specified.

By the end of August, diplomats and technicians from both countries will have to discuss what and how they are going to measure. Essentially, and perhaps this is the most important issue, the presidents agreed that the monitoring would include "all industrial and agricultural establishments and urban centers that discharge effluents into the Río Uruguay and its areas of influence." This means that care will be taken to avoid contamination not only by pulp production but also by agricultural production that uses large quantities of agrochemicals as well as that arising from the extensive industrial park that has been set up without any type of controls on the Argentine bank of the river.
This is a unique case, at least in the region, and looking toward the future, many believe that the results will determine whether this type of monitoring becomes a healthy custom. For now, it is known that automatic sensors will be installed to control the liquid waste and gaseous emissions, study all the waste that the plant dumps in the river, measure contaminants associated with this type of industry (such as dioxins and furans), track fish and amphibians that can accumulate toxins, and periodically analyze the aquifers and groundwater to measure the contamination level that agrochemicals could be producing in the water and soil.

Engineer Enrique Martínez, president of the Argentine government's Instituto Nacional de Tecnología Industrial (INTI), says, "This will be a challenge for both communities, which will have to be willing to understand the reparation commitments that come from a leaking sewer or from an industry with untreated waste. This is important and fundamental, because the shared vision will enable each country to face its own obligation to care for its side of the river."

The INTI president is among those who think that "this experience could end up building an intervention model to be replicated in the future in any important fluvial channel in the region." Martínez goes further, saying, "I dream that a motto will emerge here that will have global reach: attention soy fumigators, poultry abattoirs, large and small cities, wood or pulp processors, the time of reckoning is at hand."

Problems not all on Uruguayan side of river

Martínez is very critical of the way in which the Argentine industrial park was developed—small poultry slaughterhouses, sawmills, various pulp and paper factories—all along the bank of the Río Uruguay, and he is especially critical of the new forms of agriculture production imposed with the onset of the world soy boom, a model that requires excessive use of agrochemicals (glyphosate, paraquat, endosulfan, parathion, and other chemicals produced almost exclusively by multinationals Monsanto, Syngenta, Bayer, and BASF).

A solution is vital for Uruguay, since almost 50% of Argentine tourists enter the country via the bridge, coming every summer to the ocean beaches, especially at Punta del Este, the most exclusive of South American resorts. And it is particularly vital because 70% of the cargo transported by Uruguayan trucks—some 900,000 tons annually—to satisfy bilateral commercial trade enters Argentina across this bridge.

Both countries—and especially both capitals, Buenos Aires and Montevideo—have ample air and sea access, but the most economic route is by land, across the 1,500-meter bridge over the Río Uruguay that unites Gualeguaychú with Fray Bentos, the bridge that was blocked continuously from Nov. 20, 2006, until June 20 this year (NotiSur, October 17, 2008).

The blockade has been an anomaly between two countries with solid and longstanding social, cultural, economic, and diplomatic ties. The crisis began in 2003, when Uruguay authorized the Finnish company Botnia to construct a pulp mill on the outskirts of Fray Bentos, a project requiring a US$2 billion investment, the largest in Uruguay’s history.

Gualeguaychú environmentalists contended that the factory would be highly contaminating. Since then, they have staged demonstrations, beginning with a motorcade to deliver a protest letter to Fray Bentos authorities, followed by sporadic blockades of the bridge, and culminating in the Nov. 20, 2006, indefinite closing of the bridge (see NotiSur, 2007-02-16). The bridge is strategic not only
because of the interchange between the two countries but also because of the intensive commercial traffic with southern Brazil. "Yes to life, no to Botnia" is the slogan uniting the environmentalists.

**Botnia bought by another Finnish company**

As part of its business strategy, which included the difficulties derived from the blockade, Botnia last year sold all its stock in the pulp mill to another Finnish company, United Paper Mills, Ltd. (UPM). The latter also acquired Botnia's stake in Forestal Oriental, which operates eucalyptus plantations, with the objective of providing the Botnia plant with 3.5 million cubic meters of wood annually. The eucalyptus operations are carried out on vast tracts of land in seven of Uruguay's 19 departments and are divided between company-owned lands and those where it operates with associates or harvests wood supplied by third parties. In this sense, the wood first supplied to Botnia and now to its own industrial plant is 70% UPM's, with 30% belonging to associates. The anger of Gualeguaychú residents is now directed at UPM.

Argentina has not yet calculated the economic damages caused by the bridge closing. What is known is that in Gualeguaychú, with a population of just over 76,000, has lost 500 jobs, and activities such as those related to import and export businesses have disappeared.

In Uruguay, economic losses have been assessed. In various categories, no less than US$600 million has been lost, and in Fray Bentos, with just 25,000 residents, the effects have been devastating: 1,000 jobs lost, dozens of establishments dedicated to providing food and lodging closed, and all activities directly tied to the bridge disappeared (the only one left is the duty-free shop).

The great damage from the blockade, however, has to be measured in the rupture in family, cultural, and social ties in two cities that have lived harmoniously throughout their history. Before considering economic losses, this is the assessment made by the few inhabitants of Fray Bentos and Gualeguaychú who were not won over by the nationalistic fanaticism that today dominates both communities.

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