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Ahead at half speed

Splendour is gone. Stores close, sales drop and activity ceases. Thus, the citizens of Fray Bentos wake up from what was an unimportant chore of two years: the construction and erection of Botnia. Some cling to hope: a possible return by Ence or the trip to Conchillas.

Eloísa Capurro | In Fray Bentos

It's two o'clock in the afternoon and Fray Bentos' main avenue hardly shows any activity. On the sidewalk, the tables of the restaurants are empty. Only just one customer having a beer to appease the heat that is felt at the height of April. Shops are closed and will continue so at least for one hour more, when the town starts waking up from its siesta. Finns are nowhere to be seen; their presence is far away in the image of Botnia's stack that today keeps moving and generating money but no longer for Fray Bentos.

There were two years of apogee for a town that needed a respite from that "ghost town" into which it had become after the Anglo Packing House was closed in 1979. During the construction of Botnia's cellulose plant the number of workers reached a peak of 5,300 people, and it is estimated that there were more than 5,000 indirect jobs. Out of the total, 2,650 workers were Uruguayans and 1,590 were from Fray Bentos.

But today the boom has ended. In Botnia only 300 workers remain, out of which at least 180 are Uruguayans. And barely 33 are from Fray Bentos. Very slowly, the town starts waking up from that dream. Merchants saw their sales plummet by 50% or more, and the works, the main source of labour in town, came to a halt. On 18th July Avenue there are at least 20 retail shops or department stores closed. Many of them were short lived and as they came simultaneously with Botnia, they quickly moved out.

According to INE unemployment reaches 14% in Rio Negro, the largest increase in the country during 2007. Of the 2,881 unemployed that the department generated that year, 2,335 were from Fray Bentos. And with unemployment comes delinquency. A police source, that preferred to remain anonymous, indicated that criminality doubled, especially thefts carried out by youngsters. So far no settlements (shanty towns) have appeared. But it is feared that it will happen when winter is over when, according to estimates by Sunca, 200 workers will finish collecting their unemployment insurance and therefore cease receiving any income.

Some people talk about an "unimportant chore" that lasted a year and a half and that left many people yearning for more. Expectations were high. Many people took advantage of the boom and refurbished their homes and even bought the long yearned for motorbike. Today they are into debt. A motorbike dealer, who'd rather not give his name, said that during the construction of the plant he sold between 12 and 13 such vehicles per day. Out of those clients, today 20% are in arrears. At the Pronto loan store consultations on Botnia's payment day are double those for a normal day. In a Movistar store sales went from 17 cell phones per day down to only five and, from having all of the customers pay cash for their purchases, now 70% of them choose to buy on credit. "There were people who thought that with this they could touch the sky with their hands" said Jose Luis Sanchez, the parish priest. "A lot has been misspent. There are people that took advantage of the situation and succeeded and other people lived like kings and now have to live like beggars", he added.

The stores that survive are those with a history in the town. "We have 17 years in Fray Bentos and with or without Botnia we will continue to exist", said Guillermo Rosas, manager of a store that sells furniture, household goods, and motorbikes. Even though he recognises having suffered a sales drop, for Rosas the Botnia event is something special. That is why when he talks about assessments, he prefers to avoid comparisons. "We will compare this year against 2002 because these were very special years. And in that comparison we are 100% better as far as sales are concerned", he said.

The mayor of Rio Negro, Omar Lafluf is of the same opinion; for whom 2008 should be compared only with 2003 or 2004. "That is the comparison we have to make. Because in 2006 there were 5,000 people more consuming in the area", he said. When consulted on the high unemployment rate in the department, Lafluf played it down. "That is also measured with respect to the number of people looking for jobs. In 2003 and 2004 nobody was looking for a job because there wasn't any, and in spite of that we reached a 22% unemployment rate at that time".

Others ventured with their projects and now are back to square one. Fabiana Martinez is one of them; she came from Buenos Aires together with Botnia to set up her restaurant, El Patio de Cuqui, which became a meeting place for the Finnish. But once the construction of the plant finished, her clientele started dwindling and Martinez had to close the premises in March. "I am still mourning", she said. When the place opened it was dazzling. Work was excellent and some 30 to 40 people came daily, of which 70% were foreigners". But as from December the number of customers went down to 20 and then to 10. There were nights when they only had five guests. Martinez is still betting on Fray Bentos and that is the reason she chose to stay, even though she has now opened a smaller restaurant in the downtown area and oriented to local patrons. In the menu no longer will we see salmon, nor spicy sauces but rather viands and lunch pails. "Now we work two shifts, before we opened only for dinner. We cook pizza, empanadas (turnover pie), kids, a la carte, and viands. The Patio was a one season venture, just like opening a place in Punta del Este, where you know that you have a term. I thought that the term here would be a longer one", she said.

As her, there are many that reap much less than what they sowed. "For me it is the same ghost town it was before", said Daniel Matera, owner of Deleite ice cream parlour. As many residents of Fray Bentos, Matera moved to Nueva Helvecia, Colonia in 1998 trying to escape from the crisis. There, together with 380 workers he worked in Parmalat until November last year, when he decided to come back to his natal town. "My customers were harmed by the blockade. I worked (as customers) with the people of the free shop, the Customs agents. During the construction of the plant, there was activity. But now, in a normal work day, I don't have a single Botnia employee here", he said. For him, as for the rest of the residents of Fray Bentos, Botnia's payroll monies go unnoticed. "When the Anglo packing house was operating and the workers collected the salary or their pension payments you could feel the impact. The same thing happened to me in Parmalat. Everybody was waiting for the pay cheque and the town changed completely. Today the 'Botnia pays today' effect goes unnoticed".

Even those activities still related with the plant suffer from the slowdown. Homer Demassi, a businessman from Fray Bentos, had five trucks working for Botnia during the construction and erection of the plant. Later he had only two trucks transporting logs. But when business ceased to be profitable, he kept only one lorry to move containers. "With logs I worked for 42 cents the kilometre and now with containers I work at 60 cents. Besides, with the price of fuel this is not profitable", he said. Botnia receives 280 trucks per day; in the roads there are no bottlenecks anymore.

Fernando Polero is a family man and when he saw Botnia was coming he had no doubts about buying a bus that would help improving his standard of living. He had been one of many residents of Fray Bentos that became unemployed after the picket. During a year and three months he dedicated to transporting workers to the plant and for that he billed between 30,000 and 35,000 pesos monthly, working Mondays through Fridays. Together with him, other 70 buses enjoyed the prosperity. But today the Company utilizes only three buses. Polero was lucky to sell his bus but today he is without a job. With his wife's salary, that also lost her job due to the picket and now works at a pharmacy, they try to survive. Her salary barely reaches 4,000 pesos per month.

Of course there are those that do not loose hope and think about the return of the Spanish company Ence, that left in Fray Bentos the greatest earth levelling in the country, a fully built port, and a sensation of great bitterness everywhere. No doubt the departure of the company was a hard blow for the town, which was expecting more job posts. According to Sunca's president in Rio Negro, Sergio Campero, for the construction and erection of Ence's plant they might have used the same number or more workers than in Botnia's case and work would have extended for more time. "We have not received official word on why did Ence leave", insists even today Campero.

Moreover, since the construction (of Botnia's plant) there are several voices that raise demanding legislation that forces foreign companies that wish to locate in the department to employ a certain number of local workers. But from the Municipality this possibility is put aside. "In that case we are going against national legislation. That possibility exists for public works, but not for private projects", explained Lafluf.

In Fray Bentos work and employment is scarce and many are preparing the trip to Conchillas to live the dream once more. During the construction of Botnia, the workers' salaries amounted to 650 pesos,

including lunch tickets and travelling allowance. Back then every resident of Fray Bentos had a friend or an acquaintance that was working at the plant. Today less than 10% of the workers still remain in the payroll, with a salary that varies from 350 to 450 pesos depending on the category. And few people know of friends or relatives that still work there. "At least over 1,500 workers are leaving for Conchillas", said Campero. And that in spite of the fact that the Mayor of Colonia, Walter Zimmer, has already announced that a large part of non skilled labour that Ence will be needing will come from his department.

Victor Da Costa is one of those that are preparing their suitcases. With his young 33 years, he got a job during Botnia's construction and later he got a post in Saceem, one of the companies working for Botnia, in the construction and carpentry sector. He is at the plant from 6 o'clock in the morning through 8 o'clock in the evening and makes 400 pesos per day. His contract ends in two months time and he is decided to leave his family in Fray Bentos and travel to Conchillas. "Everything that starts will someday end. In two months time I will be looking for a job", he said. The rest will stay like Campero, who when he agreed to this interview was painting a portico of a house two blocks away of the main avenue. But the 'odd jobs' are less and less every day. "In the times of Botnia the people could pay well for these chores. Working at the plant I didn't have time to do the household chores", he recalled.

Even though the mirages of the apogee that has ended still are felt, what is agreed between all residents of Fray Bentos is that their town is not the same that was at the time of the closing of the Anglo packing house. "Naturally we would have loved to carry on with that standard of living, which goes without saying, but reality is what we are now facing", said Leopoldo Cayrus, president of the Commercial and Industrial Association of Rio Negro (Acim) that congregates 200 businessmen from Fray Bentos, to Que Pasa. "We cannot look to the entire staircase but only to the stair we climbed thanks to Botnia", he added. For Cayrus the focus must be on the stay of large chains such as Ta-Ta, Grandes Tiendas Montevideo, Macri Calzados, car rentals and consultant firms, activities all of which Fray Bentos lacked. "They were companies that maybe were located in other cities of the interior and we were not even considered", he pointed out.

But also there the reduction was felt. In Grandes Tiendas Montevideo, located on 18th July Avenue, sales fell at least 20%. The number of employees was maintained, but work was reduced. Before, each salesgirl waited on three or four customers, but now on a Monday at 4 o'clock in the afternoon the place is almost desert. Something similar occurs at Ta-Ta where sales dropped by 50% according to reliable sources consulted.

At the Avis car rental work continues, but what has changed is the type of customers. During the construction of Botnia's plant it was usual to see foreigners asking for annual rental contracts. Today what remains is the local customer from Fray Bentos, which rents the cheapest vehicle for three or four days or for a week at the most.

One of the exchange houses located on the main avenue came together with Botnia. The expectations of management were to work with Argentine currency, given that Fray Bentos is a border town. The picket prevented this type of transactions, but nevertheless close to 200 operations were made daily out of which 80% were by foreigners and for amounts far greater than those of the local residents. Today, with luck, the number of transactions is half of what it was, and the manager will be reassigned to Colonia where he is more useful.

Those that still maintain a positive attitude are hotels and restaurant's owners. For them business is still at acceptable levels. Restaurant La Juventud billed 20,000 pesos daily. Today they are around 10,000. The restaurant opened simultaneously with the cellulose plant, in 2006 and for its owner, Blanca Rainieri, the difference was made by foreign patrons. She explains that a Finnish menu for two, characterised by spicy meals and a lot of alcoholic drinks, meant some 1,800 pesos at minimum, while the customer from Fray Bentos spends only 150 pesos and grudgingly at that. "The Finns do not pay attention to prices. When I opened the restaurant I had a simple menu with steaks, French fries, pasta and ravioli. Very much slanted to Uruguayan tastes. But I had to start preparing other meals", said Rainieri. Today in her menu you can still find salmon, the favourite meal of the Finns, and ratatouille, a French dish based on vegetables. But at 9 o'clock in the evening of a Monday we have 20 customers, half of them foreigners, and more than 10 empty tables. Out of the 14 employees we had in the restaurant, only five are left. In the storage area in the back it was once full of beer bottles. We bought around 20 to 25 large boxes, now we buy only 10 per week. Now people dine at their homes", she said.

This is so because during the construction of Botnia the workers came and lodge in the 108 houses that Botnia built in a site handed over by the Ministry of Housing to the Municipality of Rio Negro. "The houses remained as a property of the Municipality. With that a departmental fund will be created, we will sell them to the Ministry of Housing and part of the proceeds will go to the retirees", said Mayor Lafluf.

Catalina Kravic is a resident of Fray Bentos and her daughter has a grocery store opposite this neighbourhood, named Fray Bentos 2000. She still remembers the 60 cases of beer that she used to order, the 26,000 pesos she made selling prepaid telephone cards and the 39 kilograms of bread she ordered from La Spezia, all because of the Finns. Today barely 20 people show up at the store. "When those houses are occupied we hope to go back to the activity level of that time", she says. According to Lafluf the agreement is about to be signed.

Other workers stayed at hotels, such as the Gran Hotel Fray Bentos, that was refurbished so as to receive the Finns. From the reception desk on, the visitor knows to whom the hotel is aiming as target patron. Three silver plated clocks display the time at key cities: Fray Bentos, London and Helsinki. The one night rate per person is of 64 dollars, while the rest of the hotels in town do not exceed 700 pesos. During the construction of the plant the occupancy of the hotel was of 90%, and today is only 67%. A similar situation occurs with La Posada and Plaza hotels, where Botnia blocked 50% and 30% of the rooms respectively. This contract expires at the end of April, but already there are many rooms without guests. The hotels next wager will be to make the most of increased commercial activity.

The houses of the residents of Fray Bentos were also used to lodge the Finnish. At that time the rentals that stood around 6,000 or 7,000 pesos per month rose to 500 dollars a month. A 1,000 dollar rental was considered normal. During that boom, many residents of Fray Bentos chose to move to relatives' homes or even rent cheaper houses for themselves. But today the Finns live with their families in the Jardín residential quarter, reason why the rental rates dropped down to the old level for Fray Bentos' residents, hovering around 5,000 pesos and being supported with real estate credits.

The children of expatriates go to school (elementary and high school) at the Laureles lyceum, one of the institutions that escaped bankruptcy thanks to Botnia's plant. Its high school headmaster, Jorge Piccart, explained that thanks to the investment the Company made on the educational centre, large overdue debts were paid. "We entered into agreements with the Company and we ceded classrooms where the technicians were instructed. Once they left, the classrooms were for us to use", he said. From being on the verge of closing, today the school has 350 pupils. In its classrooms work two Finnish teachers that teach the 16 foreign pupils attending school. In the past, they were 36. Music, Drawing and Physical Training are the only subjects they share with the Fray Bentos' (local) pupils.

Some fare better than others, but what is pervasive is discouragement. "Spiritually they are devastated. The people thought that the 'famous' prosperity would solve everything and that was not the case", said Sanchis, the parish priest.

For some the answer has to come from the private sector. "The rise was disproportionate. The people still remember that and, hopelessly, they see that this is back again to being a dull and gloomy town. But I think that we are back to square one and it depends solely on us to start again and improve. Now is the time for the private sector to appear, basically those that got rich with Botnia's arrival", said town councillor Bruno Danzov.

The Municipality is already talking about an industrial park in the site that was left after Ence moved out, investment in the tourist industry and production of liquid fertilisers in the old facilities that belonged to the Anglo packing house. Also building a police station on the intersection of Routes 2 and 24 brought hope to the construction sector of the economy. "There are projects just around the corner and one loses hope trying to get hold of them", said Lafluf.

In the meantime, the people continue to wait.

The figures

1,200 million dollars is the total cost that the Botnia Finnish company invested in the Uruguayan plant.

60 subcontractors were needed to work during the construction of the plant.

2 million dollars was the cost of constructing 108 houses at the Fray Bentos 2000 quarter.

2 million cubic metres of earth were removed in the preparation of the site where Botnia is erected.

15,000 tons of steel were used during the construction of the metallic structures used in the civil works.

3,000 tons of cellulose per day will be produced, for which 10,000 cubic meters of timber will be needed.

700 million dollars is what is estimated that Botnia, which operates since November, will export annually.

The social responsibility issue

The main claim of the residents of Fray Bentos with Botnia is not referred to contamination but has to do with “social responsibility”. The last struggle had to do with buying tomography equipment for Fray Bentos' hospital. On March 5, the Minister of Public Health, Maria Julia Muñoz, reminded the Finnish company on the need to finance the revamping of the emergency room of the hospital. “Public services must have adequate technology, and supporting the Hospital is a part of the social responsibility of the Company”, said the Minister. Botnia had contracted an emergency service at the construction site by the hospital paying for it at private sector prices. The rest of the money would go to an administrative commission that would decide on the final allocation of the funds. According to Magdalena Ibañez from the Botnia Foundation, the company never committed or discussed buying tomography equipment for the hospital.

In its web page, Botnia states that it assumes the responsibility implied in being a member of a community, “acting with the principle of sustainable development, always paying attention to the long term effect of the activities and to the welfare of the society in which they act”. On the contrary of what many Fray Bentos' residents think, for the company its responsibility has not increased since Ence decided to move out. “It is one area of work more, already included in what is defined as the mission of the company. We work together with the communities so they can be self-motivated and manage their affairs and become self sustainable in the future”, said Ibañez. But it's not only for Fray Bentos, but also for the entire department of Rio Negro, as well as Paysandu and Soriano.

Along these lines they have promoted workshops for training in IT and workshops for training in hotels and catering and culinary services. They have also contributed with lunchrooms and schools. To ensure getting closer to the society, the company leaves in the porches of the residents of Fray Bentos its magazine Espacio Botnia, where they inform about their activities.

For the company, their contribution is very clear. “It was seen in all the monitoring reports. Labour training increased in all the services of hotels and domestic commerce. And it was clear to be seen how services changed and improved. I think that all these things are clear indicators of growth and development of a community”, said Ibañez.

But some still have complaints. Rafael Coma, a 38 year old in charge of a kiosk, complained about the lack of support that his sports club, located in the Perolatis centre, has from the Finnish. For him, the arrival of the plant did not have any impact on the town. “It was only a year and a half during which there were jobs available, but later they didn't contribute with anything at all”, he said.

For the president of the merchants association, Leopoldo Cayrús, what was really lacking were local workers. “What I can reproach Botnia is that I would have liked to see more people from Fray Bentos in the operations area. Because the residents of Fray Bentos could have developed, educated and grown side by side with technicians and specialists that they (Botnia) brought and remain in the payroll in a higher number than the one we have today”, said Cayrús.

The company has summoned the young people in Fray Bentos, Mercedes and environs to train them as “eventual plant technicians”. But the citizens know little about this summon. Only in a few commercial centres of the city there were leaflets and brochures with the data.

Thank you picketers!

One of the great expectations of Fray Bentos is collecting the subsidies that the government had promised for those affected by the picket that since November 2006 the activists maintain on route 136. There were 214 job posts that were lost due to the ceasing of activities at the General San Martín Bridge.

Payment had been promised for February. But the decree is about to come out from the State Exchequer and still has to go back to the Ministry of Economy. So far there are 61 beneficiaries and 23 applications turned down. Subsidies go from 10,000 to 100,000 pesos.

Some have no doubt at all in blaming Botnia, even though indirectly at that. For merchant Daniel Matera, job posts lost because of the blockade at the bridges were more than those won by the construction of Botnia. “For me, Botnia's impact is a negative one. Because, besides, the salaries of those working at the bridges were high salaries”, he said.

In spite of the loss of posts caused by the picket, in Fray Bentos it is a common idea that the activists ended up benefiting the town. This is so because the attraction that the Argentine town of Gualeguaychú

could exert on Botnia's workers was quite big. "We had a great advantage, a gift of God, and this was the blockades on the bridges", said parish priest Sanchis. "Thanks to the picketers the monies from Botnia stayed in Fray Bentos, otherwise they would have fled to Gualeguaychú".

Eduardo Pérez, manager of the free-shop at Fray Bentos, was one of the many affected by the blockade in Gualeguaychú. His business went from having 3,000 people per day down to 50 customers. For the time being he will keep it open, for contractual reasons and also because he hopes that if the blockade is lifted tomorrow, in a few days business picks up again", he said.

For now the scenario is not encouraging. Opposite his shop the Corine restaurant is abandoned as a nearby tourist information booth. The undergrowth of weeds is higher than ever since the bridge opened and invades everything. The only thing left there are scraps of a national flag.

Anglo Packing House

This is one of the greatest keepsakes of the residents of Fray Bentos. During more than 50 years until it was closed in 1979, the Anglo packing house provided work for some 5,000 people. The industry gave the capital of the Rio Negro department a cosmopolitan air that witnessed the arrival of Englishmen and Germans. "When it closed down, it was a catastrophe. The workers were there in a continued basis, not for a few months, and the population of Fray Bentos depended on the packing house", recalled Mayor Omar Lafluf.

San Martín Bridge

As many citizens admit today, this was a chore similar to that of the construction of the Botnia plant. From 1972 through 1976 up to one thousand workers worked on the construction of the 5.4 concrete kilometres that connect the towns of Puerto Unzue in Entre Rios, Argentina with Fray Bentos. Construction was financed through a loan from the Interamerican Development Bank (IDB). It generated a seasonal movement that didn't exist before, but later on, it ended", recalls Eduardo Paez, manager of the free-shop that is at the head of the bridge on the Uruguayan side.

Botnia's Plant

Tired of living at the cost of the municipality, the residents of Fray Bentos hoped that Botnia would become the next industry to revitalize the town. And for two years it was. The construction of the plant achieved the greater concentration of people in the last 30 years. But out of the 5,300 employees that once were, today Botnia employs only 300. The majority are Uruguayans, even though they still remain several Finns transmitting their know-how. "Nobody thought the change would be so rapid", said Magdalena Ibarra from the Botnia Foundation.

Mirages in the city

Wherever the residents of Fray Bentos look they still see the optical illusions of what the city was during the construction of Botnia's plant. The corners of Plaza Constitucion (Constitution Square) were replete with 20 or more people queuing up waiting for the buses. Today not even the benches of the square are occupied. The streets teem with foreign languages: Czech, Polish, Finnish, and Portuguese. But today those strolling are the residents of Fray Bentos, which meet in downtown only after six o'clock in the afternoon. Rincon Street had revitalized and competed with 18th of July Avenue, the most important street in town. Today, once more it is a barren street. There was talk about great chains like Mc Donald's, men's apparel store Los Cuatro Ases or supermarkets such as Disco coming to town. Those, as many other dreams, remain thwarted.