

# FEATURE

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educational subjects pertinent  
to development.*

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## THE RIO DE LA PLATA BASIN, GLEAM IN SOUTH AMERICA'S EYE

by ANDRE VAN DAM

The Rio de la Plata basin, a huge area of more than three million square kilometres and home to some 77 million people, is shared by Argentina, Bolivia, Brazil, Paraguay and Uruguay. Stretching some 2200 km from Brazil in the north to Buenos Aires to the south, and from the Andes to the Atlantic, it is an economic "lung" in which a complex river system pumps the economic engine. The many small and large rivers all flow into the Rio de la Plata delta. In terms of resources and development opportunities, it is potentially South America's wealthiest area.

The basin fails to reach its potential, however, because of a lack of long-term population strategies and land management, as well as the absence of coordinated development efforts by the five nations sharing the basin. Close cooperation between Argentina and Brazil, who possess the lion's share of the basin, would be required, a cooperation that is marred by a political squabble over two giant hydroelectric projects, the Itaipu and Corpus. The giant dam being built by Brazil at Itaipu, on the Parana river, is just north of Argentina's border and the Corpus hydroelectric installation. Argentina fears that the dam will reduce Corpus' power and may flood part of its territory. In addition, the Brazilians plan to build a waterway parallel to the Rio de la Plata, connecting Bolivia's Puerto Busch with its own Puerto de Rio Grande.

The sheer dimension of the Rio de la Plata basin is reflected in the well-advanced Itaipu project. The world's largest hydroelectrical dam, requiring a total investment of US\$10 billion, it will generate 14 000 megawatts. In a world hungry for energy, and given the fact that giant Brazil must import 77 percent of its fossil fuels, it is altogether realistic to envision the Rio de la Plata Basin as South America's equivalent to Europe's "Ruhr" region, well before the close of the century.

One of the world's largest iron ore deposits — still unexploited — is located in the southeast of Bolivia, in El Mutun. Bolivia is also rich in petroleum and natural gas, as well as manganese. The Mutun-Itaipu area can also be connected by cheap water transport to the densely populated areas of Sao Paulo and Buenos Aires, which, at the end of the century, will be home for 40 and 25 million people respectively.

There is no dearth of projects. The Pantanal, presently a swamp covering 80 000 km<sup>2</sup> in southwestern Brazil and into Bolivia and Paraguay, is potentially the world's largest cattle ranch. One other project is at Ibera in eastern Argentina, nowadays a swamp as well, but potentially the world's largest man-made lake (5 000 km<sup>2</sup>), capable of providing clean water, fishing, irrigation and tourism for a fertile area one quarter the size of France.

With proper irrigation, the Rio de la Plata basin will turn into one of the world's huge "bread baskets". It is also potentially rich in coffee, corn, cotton, fruits, meat, potatoes, rice, sugar, vegetables and wool. (Lest one dismisses this vision of the future, it may be recalled that in 1935 Saudi Arabia did not export a single drop of petroleum.)

Why then is the Rio de la Plata basin still underdeveloped? The answer is provided by Argentina's Ministry of Economy whose Environmental Planning Agency, in a recent study, demonstrated that demographic exodus is at the heart of underdevelopment. Argentina's northern provinces, all situated within the basin, have been the stepchild of the economic concentration in the Buenos Aires province and the capital city. Because of a dearth of infrastructure, life is presently not attractive in Argentina's northern provinces.

That, too, is changing, however. Argentina and Uruguay are jointly building a hydroelectric project at Salto Grande. Although of modest proportions (less than 2 000 megawatts) it is remarkable by its success in balancing the generation of energy with environmental considerations and the establishment of human settlements. Salto Grande is one region where the economy is being expanded "with the human being in mind".

Geographically, Argentina and Brazil have the largest part of the Rio de la Plata: 44 percent of the basin belongs to Brazil, 32 percent to Argentina.

However, Paraguay — the only country whose entire territory falls within the Rio de la Plata — is likely to benefit the most since most of the hydroelectric potential is located on the Paraguay and Parana rivers which border its territory. Paraguay may well become the world's largest exporter of electricity.

Bolivia's share in the Rio de la Plata basin is small, but it enjoys a key position. On the one hand it owns a wealth of petroleum, natural gas, iron ore and manganese. On the other hand, it is the only country in the basin with a potential outlet to the Pacific Ocean (which it lost a century ago to Chile). Since the center of gravity of world affairs gradually moves from the Atlantic to the Pacific, Bolivia will be well situated if it regains its Pacific port. Bolivia may eventually turn into the "heart" of Latin America — comparable to the role Belgium plays in Western Europe.

The Inter-American Development Bank has compiled an extensive list of potential projects for the region. The salient project concerns the Bermejo river, one of three rivers that run west-east (Bermejo, Pilcomayo and Salado rivers), whereas the principal rivers run north-south (Paraguay, Parana and Uruguay rivers). The Bermejo project is important for irrigation, and in one phase alone might irrigate a region of 100 000 km<sup>2</sup>, now called the "green desert" in Argentina's hot Chaco province. Another project calls for the construction of two canals, together measuring 1 800 km that, provided with sluices, could alter the entire pattern of South America's inland waterway system.

The Rio de la Plata basin is still more a gleam in the eye of the planner than the lush, thriving sub-continent it could be. The missing link: investments in infrastructure, agro-industry, basic metalmechanics, transportation, and people, lots of people.

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*André van Dam is an economist and planner based in Buenos Aires who, in his spare time, writes and publishes on Third World issues.*