

Energy crisis rocks Argentina

by Cynthia Rush

Argentina, the nation which developed Ibero-America's first nuclear energy program in the 1950s, and boasted of a solid scientific and technological infrastructure, is now caught in a devastating energy crisis, which has thrown its fragile economy into chaos and threatens to unleash a health disaster as well.

The crisis, which has forced the government of President Raúl Alfonsín to impose six hours a day of energy blackouts, is a direct result of its slavish obedience to the policies of the International Monetary Fund over the past five years, and its willingness to put payment of its \$56 billion foreign debt above the welfare of its own people.

In early January, the government declared a national energy emergency, after several hydroelectric plants broke down. The Atucha I nuclear plant has been in and out of service since early last year, and is now nonfunctional. Over a period of years, the plant was not once shut down for maintenance, for lack of spare parts to service it. It is not expected to be back in service before June.

Government officials say "bad luck," lack of rain, and unexpected problems at the Atucha I plant have caused the crisis. Energy Minister Roberto Echarte has chastised Argentines for "wasting energy," and warned them to get used to reduced energy consumption. There is now discussion of establishing policing procedures, to find and punish those businesses or individuals who are greedily consuming too much energy.

The Peronist-run CGT trade union federation provided a more accurate view of the situation. In a Jan. 9 statement, CGT Secretary General Saúl Ubaldini warned that "the ominous burden of the foreign debt has led to the postponement of indispensable projects." The crisis, he said, "is the result of a negative economic policy, which assaults all workers." The labor leader reported that executives and workers from the energy sector had warned of an impending disaster months ago, unless the government made dramatic policy changes. Nothing was done.

Not only is daily life disrupted, but only 50% of residences in Buenos Aires, a city of 10 million, have potable water, since electricity shortages have shut down wells. It is estimated that only 30% of residences have sewage service. In Argentina's hot, humid summer this poses a major health threat. In Buenos Aires and in the interior provinces, hospitals and clinics are beginning to report cases of hepatitis A, dehydration, and diarrhea. Lack of energy and water is en-

dangering the lives of patients, especially small children and the elderly.

Energy rationing has forced businesses to close, and suspend workers. Officials have declared four-day weekends, and are reducing the work day. Spokesmen at the state electricity concern, Segba, say the nation is losing close to \$42 million daily.

'No problem here'

Argentina currently possesses a "hypothetical" installed capacity of 13,310 megawatts. The General Mosconi Energy Institute, run by former Energy Undersecretary Jorge Lapeña, says that the problem is "conjunctural, not structural," adding that there is no problem with obsolescence. However, of this total installed capacity, at least 4,600 MW are "indisposed," due to the obsolescence or collapse of infrastructure. Actual capacity is therefore 8,677 MW, against a total demand of 8,200 MW. Close to 50% of installed capacity doesn't work.

Alberto Costantini, former director of Argentina's National Atomic Energy Commission (CNEA), charges, "We are behind in investment, and this government has done nothing to improve on it, because it has maintained a monetarist policy." In 1985, Costantini resigned from CNEA to protest budget slashing.

The "book-balancing" mentality so admired by the IMF, which has dominated the Alfonsín government, can take credit for the following:

- Segba cut its maintenance budget by 50% in 1987. In 1985, Segba officials warned that at least \$200 million would be needed for maintenance for the rest of the decade. Only \$20 million has been made available to date.

- Sixty percent of Buenos Aires' underground cable network, for which Segba is responsible, is defective. The entire system is over 60 years old.

- Fifty percent of the country's thermal grid is inoperative. Since no new nuclear plants are expected on line before 1993, if then, consumer demand was to have been met by thermal plants.

Over the past decade, the budget for the CNEA has been cut by almost 70%. The \$780 million allocated by the Finance Ministry for 1988 guarantees that construction of the Atucha II nuclear plant, originally scheduled for completion in 1987, and the heavy-water industrial plant at Arroyito, will be in limbo. From the start, the budget allocated for these two projects was never enough to meet more than 60% of their costs.

The failure to complete the Arroyito heavy-water plant has forced the government to purchase heavy water from Canada and the People's Republic of China, at higher cost. Delays in these projects have increased their costs; builders must bear financing costs, while never making a profit since the plants are not operational. If Atucha II does get finished in 1993, the final cost will be more than double the original estimate.