

# Towards rapprochement? Anglo-Argentine relations and the Falklands/Malvinas in the late 1990s

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With the handover of Hong Kong to the People's Republic of China in July 1997 and the continuing controversies over the handling of the humanitarian crisis in Montserrat, Britain's remaining imperial burden has become headline news.<sup>1</sup> The capacity of a scattered group of islands and enclaves to become a major foreign policy issue was, however, recognized over 20 years ago by Edward Rowlands, a minister of state at the Foreign Office under the Callaghan administration:

Jim Callaghan was very clear about my role...he wanted me to watch the 'dots on the map', as he called them. He said that the big issues of foreign policy very rarely bring governments down, but there are 'dots on the map' that create enormous embarrassments...if not bring governments down...I was responsible for the relationship between Belize and Guatemala—we nearly went to war twice in four and a half years—and, of course, for the Falkland Islands...If you read the history of ministerial involvement over the Falklands, it had one recurring pattern. On the whole it blew up, and sometimes blew down ministers.<sup>2</sup>

In the midst of the Montserrat crisis, the new Labour Foreign Secretary, Robin Cook, ordered a major review of the remaining imperial possessions: Anguilla, Bermuda, British Antarctic Territory, British Indian Ocean Territory, British Virgin Islands, Cayman Islands, Falkland Islands, Gibraltar, Montserrat, Pitcairn Islands, St Helena and dependencies, South Georgia and the South Sandwich Islands, and the Turks and Caicos Islands. It has been widely reported that this

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<sup>1</sup> See *Guardian*, 28 Aug. 1997: 'Cook to take on Britain's imperial burden'; more recently, *Observer*, 18 Jan. 1998: 'Short in trouble again over Montserrat'. Compare G. Drower, 'The UK Labour Party's Dependent Territories Policy', *The Round Table* 320 (1991): 477–81.

<sup>2</sup> Edward Rowlands, cited in Michael Charlton, *The little platoon: diplomacy and the Falklands dispute* (Oxford: Blackwell, 1989), p. 45. More generally, see G. Drower: *Britain's dependent territories* (Aldershot: Gower, 1992).

review process will seek to identify so-called 'custom-made' solutions to each imperial possession. Cook did report on the review process in a keynote speech to the conference on 'Dependent Territories in the Twenty-first Century' held in London in February 1998.<sup>3</sup> The review process has undoubtedly raised difficult questions relating to citizenship rights for those territories (e.g. Monserrat) which are *not* legally and politically 'threatened' by neighbouring states such as the Falklands/Malvinas (Argentina) and Gibraltar (Spain). As a consequence, the new Foreign Secretary has raised the possibility of the Labour government extending citizenship rights to all Britain's remaining dependencies.

This article examines the position of the Falkland Islands/Islas Malvinas (hereafter 'the Falklands') in the light of this Foreign Office-inspired review period. The first section describes some of the events and processes that have affected the Falklands since the 1982 conflict in the South Atlantic. Recent trends in Anglo-Argentine relations are then investigated with particular reference to the Menem administrations from 1989 to the present. The recent decision by the Falkland Islands government to approve oil and natural gas exploration in the waters around the islands merits some consideration given the financial and political implications of the September 1995 Joint Declaration which provides a structure for future Anglo-Argentine cooperation over resource exploitation.<sup>4</sup> The analysis then seeks to relate the Falklands question to wider issues of decolonization and the handling of the remaining imperial burden, and finally draws together some conclusions relating to the Falklands, Anglo-Argentine relations and the decolonization process.

### **The Falklands in the aftermath of the 1982 conflict**

After the 1982 conflict in the South Atlantic, Mrs Thatcher commissioned the second Shackleton Report on the economic, political and social future of the Falklands. Following the report's recommendations, and in accordance with its own determination to retain the islands, her government committed itself to a major investment programme in the Falklands coupled with a raising of the general British profile in the Antarctic and South Atlantic region.<sup>5</sup> In addition, the main cartographic and scientific body responsible for research in the South Atlantic and Antarctic (the British Antarctic Survey) was given a higher funding profile from 1982/3 onwards. This broader regional perspective was in part stimulated by policy advice given by key advisers such as Lord Shackleton.

New claims to British sovereignty were manifested by the extension of

<sup>3</sup> The conference, hosted by the Dependent Territories Association, took place on 4 Feb. 1998. See *Daily Telegraph*, 5 Feb. 1998: 'Citizenship for remnants of empire'.

<sup>4</sup> *The Times*, 15 Sept. 1995: 'Anglo-Argentine talks point to oil deal'.

<sup>5</sup> For general details see Peter J. Beck, *The Falklands as an international problem* (London: Routledge, 1988); Walter Little and Christopher Mitchell, eds, *In the aftermath: Anglo-Argentine relations since the war for the Falkland/Malvinas Islands* (College Park, MD: University of Maryland, 1989) and Lawrence Freedman and Virginia Gamba-Stonehouse, *Signals of war: the Falklands conflict of 1982* (London: Faber and Faber, 1992).

## *Towards rapprochement?*

maritime and air space rights, and military security was further enhanced by the construction of Mount Pleasant airbase in 1985–6. Internally, political reform of the Falkland Islands government (FIG) combined with changes to land ownership and sheep farm size changed the nature and pattern of social and cultural life. Economically speaking, the declaration of a Falkland Islands Conservation Zone and the sale of fishing licences not only transformed the financial situation of the islands but also extended the effective maritime rights of the FIG. The oil and natural gas licensing process undertaken in the mid-1990s offers the promise of further income for the FIG in the twenty-first century.

Prior to the 1982 conflict, land ownership was administered in a semi-feudal manner by the Falkland Islands Company (FIC), with less than 10 per cent of land owned by islanders. The vast majority of the farm holdings were owned either by the FIC or by British landholding companies. The Second Shackleton Report had identified changes in land ownership as one of the most significant steps to be taken, along with either additional investment in agriculture or the creation of new economic opportunities for the islands more generally. In the 1980s and 1990s, large farms were broken up into smaller holdings and redistributed to islanders, and by the mid-1990s, only 5 per cent of land was owned by 'outside' interests. However, revenue from wool exports (0.6 per cent of the world's total production in 1996/7) remains low because prices have been adversely affected not only by the Australian wool stockpile but also by the relatively low productivity of the land itself.

The construction of Mount Pleasant airbase underlined Britain's commitment to defend the islands from future invasions by Argentine military regimes. It has been widely seen by the islanders as a welcome sign that the British government is determined to protect the air and maritime space around the islands. The so-called 'Fortress Falklands' policy involved the rapid construction of not only of the airbase but also major garrison and port facilities. The Alfonsín government of Argentina was, however, swift to condemn the airbase as an unwelcome militarization of the South Atlantic region. Argentine military commentators also speculated at the time that the airbase was part of a wider NATO plan to play a larger military role in the region.

There is no question that the base has been a major strategic and political investment (over £2 billion) which currently (1996/7) costs British taxpayers £67 million a year in terms of general servicing costs. Taking this along with rising funding for the British Antarctic Survey, there were grounds for believing that the Thatcher government had undertaken a fundamental geopolitical re-evaluation of the wider region. Lord Shackleton's comments in 1985 on the importance of taking a regional perspective were representative of the government of the day:

While naturally our major concern has been the Falkland Islands and their inhabitants, we have sought to draw attention to wider and long term issues in the South Atlantic and Antarctica...South Georgia may in the long run prove to be of greater importance to the future developments of the potential wealth of the South West Atlantic.<sup>6</sup>

At the same time as the Falklands were acquiring a new military base, a new Falkland Islands constitution was also passed in 1985. Under the terms of this constitution, eight legislative councillors were to be elected to serve on a Legislative Council for a period of four years. In contrast to the colonial governance of the prewar period, the Falklands (along with South America) underwent something of a democratic revolution in the mid-1980s. The Governor of the islands remains involved in the governing process through membership of the Executive Council, which also includes representatives from the Secretariat and the Commander of British Forces at Mount Pleasant. The Legislative Council oversees the activities of the Falkland Islands Development Corporation, which is charged with the promotion of economic development in the islands. Apart from a responsibility for defence and foreign affairs, the British government (through the office of the Governor) has since the mid-1980s played a supportive rather than an authoritative role in the day-to-day governance of the islands.

The major economic development was the introduction of the Falklands Interim Conservation Zone (FICZ) in 1986–7 in response to fears that the waters were being over-fished by unregulated trawling fleets operating in the south-west Atlantic. Having thus declared its concern, the FIG began to issue licences to trawlers wishing to fish in this geographical zone. Politically speaking, the declaration of an FICZ was considered by some commentators to be damaging to Anglo-Argentine relations in the aftermath of failed sovereignty negotiations in Berne in 1984. There is no question, however, that the FICZ had a dramatic impact on the Falklands local economy. In the first financial year of operation (1987/8), income to the FIG increased fourfold as a result of this fishing revenue.<sup>7</sup> The Fisheries Department in Stanley is responsible for not only the licensing system but also the production and coordination of scientific research regarding fishing stocks. In 1995/6, £21 million was generated from the sale of fishing licences to companies from Japan, Spain, South Korea and others for access to stocks of squid and other fish.<sup>8</sup> The growing political confidence of the FIG in the late 1980s was attributed to this new source of revenue. As the former Governor, David Tatham, recalled in July 1994:

<sup>6</sup> *The Times*, 22 April 1985: 'Why the Falklands matter'.

<sup>7</sup> Falkland Islands Government Fisheries Department *Fisheries Statistics, Vol. 1 1989–1996* (Port Stanley, 1997).

<sup>8</sup> Interview with John Barton, Director of Fisheries, Falkland Islands Government, 1 May 1997.

## *Towards rapprochement?*

When you have your own income you do not have to go to the ODA [Office of Development Assistance] or others to ask their agreement to every minor development plan or have to accept the various controls which, rightly or wrongly, they insist on putting on...Everyone has benefited, but most welcome of all has been the increase in people's self-confidence and their willingness to stand up and speak on their own behalf and to deal with the rest of the world.<sup>9</sup>

The confidence born of this improvement in the islands' financial circumstances has not only substantially affected the Anglo-Argentine sovereignty dispute but has also enabled the islands to project their own political agenda and determination that the 'Falklands should remain British'.

The most recent change for the islands was the decision in 1994 by the FIG to allow licensing for oil and gas exploration in the waters around the Falklands after two years of Anglo-Argentine and Anglo-FIG negotiations. Recent seismic surveys carried out by geological consultants suggest that oil-bearing strata exist in the north-west region of the Conservation Zone.<sup>10</sup> In 1996 the FIG, advised by the Department of Oil, approved the offer of seven exploratory tranches of a total area of 12,800 square kilometres to five consortia (Amerada, Shell, Lasmo, IPC and Desire) after their bids had been judged satisfactory in terms of health and safety regulations and environmental impact assessment. No licensing bids were received for the southern tranches because they were considered less commercially attractive, requiring greater drilling depths. The prospects for substantial oil reserves being discovered in the waters around the Falklands should be known within ten years.

The provision for an area of Anglo-Argentine cooperation is a significant dimension of the oil and gas licensing development. A region proximate to the Patagonian continental shelf was identified as a zone for close exploratory cooperation between Britain and Argentina. It was agreed in 1995 that the two governments should develop this region and that any revenue derived from possible oil discoveries would be shared.<sup>11</sup> From a British perspective, the cooperative measures are designed not only to consolidate an improving climate in Anglo-Argentine relations but also as a basis on which to seek agreement on common environmental standards for the south-west Atlantic. The South-West Atlantic Hydrocarbons Commission, created in 1996, was intended to provide a forum for the eventual implementation of common environmental and operating standards in this particular region.

The Department of Oil in Stanley and the FIG as a whole have, however, had to confront a number of local concerns focusing on socio-cultural impact, environmental legacies and financial distribution of oil revenues. In the first

<sup>9</sup> Speech given to the Falkland Islands Association on 31 July 1994, London.

<sup>10</sup> *The Times*, 29, Oct. 1994: 'Falklands hunt for oil'. See also P. Richards, *An introduction to the Falkland islands for the oil industry* (Edinburgh: British Geological Survey, 1997).

<sup>11</sup> *Buenos Aires Herald*, 20 Sept. 1995: 'Oil deal marks shift from guns to diplomacy'. See also Nicanor Costa Mendez, *Malvinas: Esta es la Historia* (Buenos Aires: Pleamar, 1993).

place, fears have been expressed that oil and gas exploration may stimulate massive social and economic change to the islands in the wake of a large oil discovery.<sup>12</sup> British and Falkland media sources have used the expression 'South Atlantic Kuwait' to convey a sense of the possible changes an influx of oil revenues could bring to the Falklands. An early report commissioned by the FIG on the likely consequences of oil development identified a number of scenarios for potential change. This report, by consultants Environmental Resources Management, concluded in June 1994 that 'It is clear that from this review there is very considerable uncertainty about the way in which any future oil developments in the Falkland Islands might proceed.'<sup>13</sup>

Informal interviews conducted by the present author in May and December 1997 revealed that many islanders consider the oil and gas licensing process to be a double-edged sword. On the one hand, there is a general agreement that extra revenue will help to make the islands financially self-sufficient in the medium term;<sup>14</sup> on the other, many are concerned that the exploratory process will encourage the creation of onshore facilities for a large number of oil workers and their support operations. At present the FIG licences make no formal requirement that operators seek onshore support. The majority of respondents were deeply sceptical of claims either that the oil and gas exploration process would give rise to self-contained offshore processing operations or that some islanders would not wish to be involved in the provision of onshore services to the exploratory process. Underlying these fears of substantial socio-cultural change lies the unarticulated fear that their community will be changed by a new influx of 'foreign' oil workers.

The second major area of concern following the decision to grant oil and gas exploration licences is the environmental safety of the Falklands. One of the earliest conditions regulating exploratory work in the seven tranches is the prohibition of exploratory mining during the *Ilex* squid harvesting season. While the Department of Oil created an Environmental Forum in May 1997 to oversee the implementation of health and safety legislation in the south-west Atlantic, there remains concern for the general protection of the ecosystems in the region. This relates in part to fears that any environmental disaster might also compromise the islands' expanding tourist industry, which now receives 8,000 visitors per year.

The distribution and political impact of oil-based revenue is also a point of concern. At the local level, there is no legal or political doubt among councillors that the oil and gas deposits around the Falklands waters belong to the FIG. Therefore, any revenue derived from the oil exploration process would be due to

<sup>12</sup> Interview with Phyllis Rendell, Director of the Oil Department, Falkland Islands Government, 30 April 1997.

<sup>13</sup> Cited in the Falklands-Malvinas Forum homepage 'Hot issues—oil', April 1995. <http://www.falklands-Malvinas.com/>

<sup>14</sup> Interview with Mike Summers, Falkland Islands Executive Councillor, 1 May 1997.

## *Towards rapprochement?*

the government in the Falklands and not London. The current arrangements are based on the FIG receiving acreage rental during the exploration process followed by revenue-based royalty on production and corporation tax on profits and gains. In practice, this would mean that the FIG would take approximately 40–50 per cent of the final projected revenues. However, underlying this debate over revenue-sharing there remain the sovereignty dispute with Argentina and uncertainties regarding the eventual payment of the defence bill of the islands by the FIG. In the case of the latter, the FIG has committed itself to the payment of the annual defence costs of Mount Pleasant, provided that sufficient revenue is derived from oil exploration and production.

### **Anglo-Argentine relations and the Falklands/Malvinas**

In June 1982, the British armed forces successfully retook the Falklands after a period of intense fighting against Argentine forces described by the then Argentine foreign minister, Costa Mendez, as a 'small problem [over] a few rocky islands'.<sup>15</sup> Under the presidency of Raul Alfonsín (1983–9), the Argentine government and media had mounted a sustained campaign to focus regional and world interest on Argentina's historical claim to the Falkland Islands. For the eight years following the conflict, however, Anglo-Argentine relations were suspended until a rapprochement between Margaret Thatcher and Carlos Menem occurred in September 1990. More recently, President Menem (1989–) has delivered a series of powerful speeches in the United Nations and elsewhere calling for the return of the Falklands to Argentina by the year 2000. As he remarked to the UN General Assembly in September 1989, 'We have extended our hand, showing our willingness to enter into dialogue, while in no way casting any doubt on our historical and inalienable rights to sovereignty over those islands...We shall struggle unstintingly and peacefully to recover our Malvinas Islands.'<sup>16</sup>

The Menem administration has consistently argued, however, that its rhetorical assurances concerning the recovery of the Falklands are nonetheless grounded in a commitment to searching for a peaceful solution.

According to Argentine media and political reports, since the restoration of contact with Britain in 1990 President Menem has taken a more subtle course in the handling of Anglo-Argentine relations, ranging from renewed trading contacts to an agreement whereby the Red Cross could organize visits on behalf of Argentine relatives of the fallen to the Argentine cemetery at Goose Green in 1991. In contrast to the uncompromising Argentine diplomacy of the 1980s, the present foreign minister, Guido di Tella, has been highly influential in developing direct approaches to the islanders, from participation in BBC

<sup>15</sup> Cited in Freedman and Gamba-Stonehouse, *Signals of war*, p. 200.

<sup>16</sup> Cited in Peter J. Beck, 'The conflict potential of the "dots on the map"', *International History Review* 13, 1991, pp. 124–33. The quote is taken from p. 128.

radio programmes such as *Calling the Falklands* to organizing the delivery of cartoon videos and books for the islands' children during the Christmas period in 1993–4 and 1994–5.<sup>17</sup> From 1993 onwards, the Argentine foreign ministry under di Tella has organized seminars dealing with conflict resolution and the Falkland Islands. In October 1993, students at the Argentine National Foreign Service Institute participated in a simulation exercise of negotiations between the Argentine and Falklands delegations. Recent Argentine pronouncements on the Falklands/Malvinas have explicitly recognized that the islands are populated rather than simply treating the question as a sovereignty dispute over uninhabited territory. As di Tella acknowledged in February 1996, 'We recognize that the people are part of the problem and that they are necessary to a solution'.<sup>18</sup>

The most significant development affecting Anglo–Argentine relations in the late 1990s has been the negotiations over oil and gas exploration in the south-west Atlantic. Prior to these negotiations, President Menem had threatened to take the matter to the International Court of Justice unless agreement could be reached concerning a joint framework for the exploration of possible oil reserves. Since 1992, the British and Argentine governments have discussed the issue of oil and gas exploration under the 'sovereignty umbrella agreement' which stipulates that any bilateral discussion on oil or natural gas does not prejudice in any way the legal and political status of claims to the Islands. At the same time, Anglo–Argentine negotiations also encompassed improving trade relations and the ending of a British arms embargo in a move widely seen as signalling the restoration of close trading and commercial relations.

As a result of these negotiations, it was agreed that Britain and Argentina would create a South West Atlantic Hydrocarbons Commission in order to pursue areas of joint interest such as the development of common environmental and health standards in the Special Co-operation Area. Created in February 1996, this body complements the existing South Atlantic Fisheries Commission which has sought to improve bilateral cooperation over the conservation of fishing stocks and the environmental protection of the region. Political groups in Argentina have been generally supportive because, as a senior foreign office official, Andres Cisneros, noted, 'If you were an islander, what reasons would you have to trade British sovereignty for Argentina? The existence of economic resources and interests is a good argument.'<sup>19</sup> The Menem government believes that the proposals for joint action over oil and gas exploration, environmental protection and revenue-sharing will improve Argentina's prospects for a favourable yet peaceful solution to the Falklands issue. Other groups, such as the Malvinas War Veterans Federation, have

<sup>17</sup> See *The Times*, 12 December 1996: 'Argentine present fails to impress'.

<sup>18</sup> Cited in Falklands–Malvinas Forum homepage 'Inter-Mediation', April 1996. <http://www.falklands-malvinas.com/> See also *Clarín*, 'A veces nos olvidamos que las Malvinas estan habitadas', 4 April 1993.

<sup>19</sup> Cited in Falklands–Malvinas Forum homepage 'Hot issues—fishing', April 1995. <http://www.falklands-malvinas.com/>

## *Towards rapprochement?*

condemned the oil and gas proposals as being akin to allowing the British and the islanders to 'steal' their resources and 'damage' their environment. Environmental criticism has also been voiced by groups such as the Friends of the Argentine Seas (AMAR), which issued statements in 1995 condemning the exploration process and urging a consumer boycott of any Argentine companies bidding for a part of the exploration zone. Ironically, the only bid involving an Argentine corporation (YPF, in a joint bid with British Gas) was later turned down by the FIG management committee in October 1996 because of the Department of Oil's concerns about offshore health and safety. Notwithstanding this rejection, the unresolved problem posed by the FIG's refusal to allow any Argentine citizen to enter the Falklands limits the prospect of an intensification of Anglo-Argentine cooperation.

In the context of Anglo-Argentine relations, the activities of the Hydrocarbons Commission assume considerable importance given the comments by the Argentine under-secretary for foreign relations, Guillermo Gonzalez, that a great deal of negotiation remains to be done regarding common standards in the 17,500 square kilometre Special Cooperation Area.<sup>20</sup> British and Falkland Island officials have sought to encourage the Argentines to share relevant scientific information and to develop rigorous environmental standards for the management of the area closest to the South American mainland. However, the current arrangements regarding joint cooperation over fishing do not bode well for coordinated action, especially in the management of the high seas. At present the South Atlantic Fisheries Commission involves the British and Argentines negotiating the conservation and regulation of stocks of fish such as the Patagonian hake and Ilex squid. However, these negotiations (under the sovereignty umbrella) do not involve the major fishing nations of Spain, Japan and Korea.<sup>21</sup> Management decisions regarding the waters around the Argentine Exclusive Economic Zone (EEZ) and the FICZ are taken, therefore, without the active involvement of the fishing countries. Under a recently negotiated (December 1995) international agreement dealing with high seas fishing, new stress has been placed on securing the agreement of coastal and fishing states for the mutual protection of fishing stock. It would seem prudent, therefore, that both the Argentine and British governments press for new multilateral fishing agreements concerning the south-west Atlantic which recognize the 1995 high seas fishing agreement and promote the active involvement of fishing nations in a conservation and management regime to protect fish stocks for future generations.<sup>22</sup> The FIG's fishing-derived revenue has declined in the last few years and there is a real and pressing need to address the widespread problem of over-fishing in the high seas of the south-west Atlantic as well as in the Southern Ocean more generally.<sup>23</sup>

<sup>20</sup> Cited in *La Nación*, 25 Feb. 1996: 'Malvinas: otro por el petroleo'.

<sup>21</sup> Interview with Dr Conor Nolan, Chief Scientist, Fisheries Department, FIG, 1 May 1997.

<sup>22</sup> A point recently reiterated in a briefing paper from the South Atlantic Council, June 1997.

<sup>23</sup> See, for example, *Guardian*, 15 Jan. 1998: 'Old threats to Antarctic linger as new curbs come into force'. This piece deals with the illegal over-fishing of the Toothfish in the Southern Ocean.

Within this changing political and economic context, the election of a new Labour government in the British poll of May 1997 provoked mixed reactions in the Falklands and Argentina. Councillors in Stanley expressed the hope that the British government would continue to support the principle of self-determination of the islanders.<sup>24</sup> A number of councillors referred to the need to 're-educate' the Labour government, given their absence from key negotiations over sovereignty and resource cooperation. In private, many councillors are sceptical of the Prime Minister's commitment to the islands. The current junior foreign minister responsible for the Falklands, Tony Lloyd, has already caused concern by his comments regarding re-establishing a jet link with Argentina and his initial reluctance to endorse the FIG's refusal to allow Argentine citizens into the Falklands. In contrast, the Argentine government has been eager to stress that new and improved relations with the British government should be possible given the removal of hard-line Conservative ministers such as Michael Portillo and Malcom Rifkind. The Argentine defence minister, Jorge Dominguez, noted: 'I believe that after the first of May [1997] a new phase of review of the Malvinas with a new administration will start'.<sup>25</sup> Ironically, his comments were later denounced by the Menem government as unrepresentative, and di Tella subsequently contacted a Falkland Islands journalist in the UK to deny the accuracy of the reported comments of the defence minister.

### **Decolonizing the Falklands?**

According to recent public opinion polls, the overwhelming majority of the Falkland Islanders wish to remain British in preference to independence or Argentine citizenship. Under the principle of self-determination and effective occupation, successive British governments have argued that the sovereignty of the Falklands is not negotiable. However, it has also been apparent that British interest in South America and the Falklands for much of the post-war period was minimal with the islands widely considered to be of a low economic and political priority.

In the last decade and a half, however, an improved economic situation in the Falklands has given rise to a greater confidence in Stanley and among the FIG representatives in London and a renewed determination to defend their current political arrangement with the British government. There are a number of elements in this rigorous defence of the rights to self-determination, ranging from the activities of the pressure group the Falkland Islands Association (FIA) to active representation of the FIG in a variety of international organizations.<sup>26</sup> The FIA, through an active membership and newsletter, seeks to maintain the

<sup>24</sup> Interview with Sharon Halford, Falkland Islands Legislative Councillor, 6 May 1997.

<sup>25</sup> Cited in *Penguin News*, 25 April 1997: 'Labour denies Argentine claim'.

<sup>26</sup> See C. Ellerby, 'The role of the Falklands lobby 1968-1990', in A. Danchev, ed., *A matter of life and death: international perspectives on the Falklands conflict* (London: Macmillan, 1992) pp. 85-108.

## *Towards rapprochement?*

political profile of the Falklands through the lobbying of Parliament and, *inter alia*, through attendance at the major British political parties' annual conferences.<sup>27</sup> These activities in London have been complemented by the regular attendance of several elected councillors of the FIG at the UN debates on decolonization for the purpose of ensuring that the principle of self-determination is recognized by the UN Committee on Decolonization.

One recent indication of a growing willingness of the FIG to defend the islanders' right to self-determination is its membership of the Dependent Territories Association (DTA). Following the 1993 DTA conference entitled 'Progress through Partnership', the FIG in conjunction with other dependent territories created the DTA for the purpose of providing a forum for examining common problems such as constitutional status, citizenship rights, political stability and economic growth. The then Foreign Secretary, Douglas Hurd, appeared to endorse the idea of a DTA at the 1993 conference:

This is evidence of the spirit of co-operation which the Conference [in November 1993] has evoked and the range of common concerns shared by Dependent Territories despite their differing backgrounds. The event will provide a valuable forum for representatives from Dependent Territories to promote opportunities for business and trade and to highlight opportunities for trade.<sup>28</sup>

Critically, however, Hurd did not address the problematic issue of citizenship and constitutional rights. Like most previous Foreign Secretaries, his endorsement of closer relations between DTs (excluding Pitcairn, British Antarctic Territory, British Indian Ocean Territory and South Georgia) concentrated on trade and commercial connections rather than on either any new commitments from the British government or commentary on the anomaly of the existence of dependent territories in the late twentieth century.

The mission statement of the DTA reflected these commercial and trading concerns but also sought to create a forum where issues of common interest could be debated. The ultimate purpose of the DTA is, as the Falkland Islands representative Sukey Cameron noted, to 'promote the interests of the British Dependent Territories and co-operation between them'.<sup>29</sup> The significance of the DTA lies in the possibility of forming new links between dependent territories rather than using the British government as a common source of political, economic and diplomatic advice. To further the cause of the Falklands, the FIG has been active in ensuring that the DTA has established contact with a wide range of bodies such as the EU, UN and Commonwealth.

<sup>27</sup> See Danchev, ed., *A matter of life and death*; Peter J. Beck, 'Looking at the Falklands from Antarctica: the broader regional perspective', *Polar Record* 30, 1993 pp. 167-80.

<sup>28</sup> Cited in 'Summary of the deliberations of the Dependent Territories Association Conference "Progress through partnership"', Dependent Territories Association, 24 Nov. 1993.

<sup>29</sup> *Ibid.*

The FIG has also striven to ensure that its attitude towards Argentina and Argentine sovereignty claims has been presented in fora outside the UK. Councillor Norma Edwards of the Falkland Islands Legislative Council noted at the 1993 meeting of the DTA that 'the Falklands are glad to be a British dependent territory and look to ever closer consultation between them and the Foreign Office...They look to a partnership with the UK, the Commonwealth and the European Community [sic].'<sup>30</sup> The move towards developing bilateral and multilateral relations appears more important in the light of the annual debates of the UN Special Committee on Decolonization. Throughout the late 1980s and 1990s, Falkland Island councillors have attended the meetings in July each year in order to counter demands that the British government should discuss sovereignty with Argentina. Falkland councillors such as Wendy Teggart, Eric Goss and Richard Stevens have reiterated their commitment to remaining British and rejecting any calls for sovereignty discussions with Argentina. However, in 1994 resolutions calling for such bilateral contact were passed by the committee without any reference to the principle of self-determination, despite some political support from Papua New Guinea (PNG), Fiji and Sierra Leone. In 1996, the resolution calling for new talks over sovereignty was also passed without any reference to self-determination. However, on this occasion the PNG representative and chairman of the committee made no reference to such a principle in spite of earlier expressions of support in July 1995. This provoked one of the Falklands representatives, Eric Goss, not only to denounce the PNG chairman of the committee but also to condemn Argentina once more: 'It is a pity that the emerging democratic Argentina can entertain such feeble fantasy in claiming my homeland. As a maturing nation they should be big enough to relinquish what is now regarded as a national psychological delusion, installed from infancy. This old nationalistic attitude does nothing for their credibility.'<sup>31</sup>

These debates on decolonization within the UN appear to be at an impasse which is unlikely to be broken by any major new concession on sovereignty in the near future. Indeed, it is increasingly unlikely that there will be any substantial movement on the sovereignty question, in spite of Argentine hopes for a diplomatic gesture from the new Labour government regarding the Falklands. Fifteen years ago Jorge Foulkes argued, in a book entitled *Los Kelpers en las Malvinas y en la Patagonia*, that a diplomatic solution would be forthcoming once a Labour government in London was joined by a Democrat administration in Washington and a democratic government in Buenos Aires.<sup>32</sup> While this combination of governments has been in existence only since May 1997, it is unlikely that it will of itself deliver any further progress on an eventual solution to the Falklands dispute. It would be fair, however, to note that Anglo-Argentine cooperation over oil and gas exploration has

<sup>30</sup> Ibid.

<sup>31</sup> Cited in *Penguin News*, 31 July 1996: 'United Nations Special Committee on Decolonization'.

<sup>32</sup> J. Foulkes, *Los Kelpers en las Malvinas y en la Patagonia* (Buenos Aires: Corregidor, 1983).

## *Towards rapprochement?*

undoubtedly been assisted by a spirit of conciliation and moderation on both sides—a point reiterated by President Clinton in October 1997 when he praised President Menem for his attempts to improve relations with the UK and the islanders.<sup>33</sup>

The future of such negotiations remains unclear, and various bodies, including the London-based South Atlantic Council, have called for further dialogue for the purpose of establishing new levels of cooperation and understanding between Argentina, Britain and the Falklands. From the British perspective, the recent agreements over oil, fishing and, to some extent, limited visiting rights for the relatives of the Argentine war dead have illustrated a commitment to pursuing a cooperative dialogue. The Argentine government, too, has recognized that the use of force is unacceptable in its desired recovery of the Falklands. A major area for possible improvement in the long-term process of conflict resolution would be the relaxation of the ban on visits to the Falklands by Argentine citizens. This is an area of controversy because the relaxation of such a ban is currently unacceptable to the FIG. Another area for further improvement may well be the extension of visiting rights for the relatives of the Argentine war dead to include brief visits to the 1982 battle sites and even Stanley. This could be presented as a political gesture towards the Argentines and even part of the long-term healing process. There is, however, some political pressure on President Menem to build upon the bilateral advances made since 1990. In a recent Argentine opinion poll, over 90 per cent of Argentine citizens thought that it was 'important' (28 per cent thought it was 'very important') to recover the Falklands for Argentina.<sup>34</sup>

## **Conclusions**

In 1983, the late John House noted that there was 'unfinished business in the South Atlantic'.<sup>35</sup> Using a systems approach in his analysis of the conflict, he concluded that a solution might be found through either international trusteeship or a freeze on claims to sovereignty. The prospects for independence appeared bleak because the Falklands had a weak economy and a declining population. In the late 1990s, it has become apparent that the Falklands have been economically transformed. Fishing revenue, possibly followed in the next ten years by oil monies, could further enhance the financial position of the FIG.<sup>36</sup> The result of this fiscal improvement has been a growing self-confidence within the FIG regarding its position within Anglo-Argentine relations. While the Falklands people have not pressed for independence, it may well be sensible in the future to consider a range of political options including full independence or self-governance (of a type similar to that prevailing on the Isle of Man) in association with an external nation such as Britain.

<sup>33</sup> *The Times*, 18 Oct. 1997: 'Clinton calls for talks on Falklands'.

<sup>34</sup> *Buenos Aires Económico*, 31 Oct. 1997: 'La recuperación de las Malvinas es una asignatura pendiente'.

<sup>35</sup> John House, 'Political geography of contemporary events: unfinished business in the South Atlantic', *Political Geography* 2, pp. 233–46.

<sup>36</sup> See *The Times*, 27 Feb. 1996: 'Talks aim at fishing deal for Falklands'; Falkland Islands Government, *Report of the Governor on the financial year July 1995 to June 1996* (Port Stanley, 1996).

In contrast, the belief that the Falkland Islands are not British remains widespread in Buenos Aires and the rest of the Argentine Republic. Any head of state who could retrieve the Falklands/Malvinas would undoubtedly enjoy instant canonization within Argentine society. President Menem has sought to combine rhetorical promises of the recovery of the Malvinas with a strategy of cooperation with the British and Falkland Islands governments. The favoured Argentine strategy of 'provincialism' remains, with certain provisos for respecting language, tradition and customs. This is in line with the 1994 constitution, which commits Argentina to the recovery of the Falkland Islands. At present, such a strategy has been suspended in favour of a general confidence-building process with the British and the wider international community.<sup>37</sup> In February 1997, President Menem suggested that a short-term solution based on 'shared sovereignty' would be acceptable to Argentina. At a press conference, the President asked 'How can I not mention my dream of sovereignty over the Malvinas? We pursue this dream on peaceful terms in the diplomatic field, which is just another way of waging war.'<sup>38</sup>

Viewed from the Argentine perspective, this overall position may have been improved with the news in September 1997 that the United States is to offer Argentina the status of a special partner of NATO. This means that Argentina would be allowed, among other things, to purchase NATO military equipment at reduced prices. More significantly, it provides a visible symbol of the rehabilitation of the Argentine Republic within the US-led Western security community—a status which Spain, too, has found useful in the past in terms of raising concerns within NATO (and the EU) over Gibraltar.<sup>39</sup> In spite of President Reagan's decision to facilitate the British task force in April 1982, American support has often been considered a *sine qua non* for the eventual recovery of the Malvinas.

The Falklands are therefore likely to remain among Britain's dependent territories for a considerable part of the next century. Anglo-Argentine relations have improved in the 1990s, as witnessed by cooperation over fishing and oil licensing. The present Argentine foreign secretary, Guido di Tella, considers it crucial to persuade the islanders that Argentine politics are no longer those of the military regime which invaded the islands. The new Labour government at Westminster has committed itself to upholding the islanders' rights to self-determination and, with an active Falklands lobby in London, it is highly unlikely that Robin Cook will be extending any further cooperative concessions to the Menem government before the year 2000. In the medium term, the most likely direction of Anglo-Argentine negotiations is towards some kind of permanent cooperative arrangement over issues such as fishing, oil and communications combined with a degree of self-governance within the Falkland Islands.<sup>40</sup>

<sup>37</sup> See *The Times*, 11 Jan. 1998: 'Tango diplomacy'.

<sup>38</sup> Cited in *Falkland Islands Association Newsletter*, Feb. 1997, 'Britain rejects two flags sovereignty'.

<sup>39</sup> See *Guardian*, 21 Aug. 1998: 'Chile fumes as Clinton offers ally role to Argentina'.

<sup>40</sup> For an alternative position, see M. Parris, 'Time to think again', *The Spectator*, 4 April 1998.