The Falklands/Malvinas after the referendum: why the Islands matter
Davide Borsani(*)

When, in June 2012, David Cameron announced a referendum on the political status – a phrase to avoid calling it on the sovereignty – of the Falkland (or Malvinas) Islands, few had doubts about the outcome. On 10 and 11 March, the kelpers answered a very simple question: «do you wish the Falkland Islands to retain their current political status as an Overseas Territory of the United Kingdom?». As the Argentina’s Ambassador to the United Kingdom, Alicia Castro, said more than a week ago, the result was «100% predictable». Indeed, the option «yes» won without questions.

So, is this the end of a long-standing dispute? Of course not. For the Argentinian Ambassador, the referendum has been just a «silly game»; in a recent interview with The Guardian, also her Foreign Minister, Héctor Timerman, declared that the referendum «is something that doesn't mean anything». The referendum concerned only the wishes of the islanders, an aspect which is not actually at stake for Argentinians. According to Buenos Aires, in fact, the dispute should be solely solved through bilateral discussions with London on the basis of the interests of the islanders. An approach which would exclude from the negotiations the kelpers, denying them any rights to assert their will and, as a consequence, the principle of self-determination.

As the distinguished Italian historian, Sergio Romano, recently wrote on the Corriere della Sera, the diplomatic struggle essentially stands between two different versions of nationalism. On the Argentinian hand, the claims are rooted on the principle that «a land is mine when it is inside my natural borders»; on the British hand, on the contrary, the idea is that «a land is mine when it is populated by my citizens». Two historical examples: by standing on the first principle, Italy claimed the sovereignty over the territories up to the Brenner Pass in the aftermath of the First World War; by adopting the second stance, Germany asserted its right to control the Polish Corridor before the outbreak of the Second World War.

Apart from legal issues, the British sovereignty over the Islands remains a historical thorn in the Argentina’s side. And today retaking the Malvinas still appears a cornerstone for Buenos Aires. There are three main reasons to pursue this goal, concerning both domestic and foreign politics.

As the war of the 1982 proved, the Casa Rosada sees the Malvinas dispute as an opportunity to rally its public opinion around the flag. Indeed, Argentinians are convinced that in the XIXth century the Islands were illegitimately seized by the British Empire and their government has the duty to
bring them back. After having enjoyed a strong popular support at the last Presidential election in October 2011, Christina Kirchner’s popularity is declining and the country is facing a general social unrest. Why? The economy is getting worse day by day. The interventionist policy of the central government is far from succeeding: economic growth is modest and the business confidence is weak. Structural problems still remain unsolved and distortions aroused by public intervention deter foreign investment inflows. But the biggest difficulty is undoubtedly inflation, a chronic issue for Argentine. Although official data maintain it at 10% (a very high percentage, anyway), the truth seems different. Private analysis estimate it at over 25% and it is predicted it will accelerate in the next future. Even the International Monetary Fund blamed Buenos Aires for producing fake statistics.

The domestic perspective, however, is neither enough nor preeminent to understand the strong renewed interest in the Falkland/Malvinas Islands dispute. The regional context and the balance of power between Latin American States, in fact, play a major role. In particular, the rise of Brazil – the very long-standing rival of Argentine for the regional leadership – brings forcible pressures. Retaking the Malvinas would become an instrument of power and a source of prestige. If claims succeed, they would demonstrate the Argentinian assertiveness on the international stage and, in the long term, its ability to lead the Latin region against an outdated Western global order. From this point of view, also the newly-established friendship with Iran is perfectly understandable.

But there is also a third explanation regarding both domestic and foreign politics: hydrocarbons. Two years ago, for the first time since 1987, the Argentinian energy trade balance registered a negative record of 3 billion dollars. According to some recent estimates, the basins surrounding the Islands might contain more than 8 billion barrels of oil. In particular, some drillings by British companies in the Northern basin warned that the resources under the sea might be richer than initially expected. For Buenos Aires, supposing the accuracy of these assessments, the exclusive control on the oil production would transform its economy and position on the world stage. Becoming energy independent (and preferably a net exporter, then) is a project already started and clearly revealed in 2012, when the Argentinian Senate approved a resolution which nationalized the private Spanish oil company Repsol-YPF.

In the future, the Falkland/Malvinas Islands might cover an important role in international politics. Their control could change policy guidelines for Argentine and, in many ways, for the United Kingdom, too. So, it would definitely be misleading to label them just as a «little ice-cold bunch of land down there», as Ronald Reagan did in 1982, without any importance. Differently from 1982, no war is expected, but there is evidence that diplomacy will continue to play a major role. With few regards for the recent referendum.