

## EXECUTIVE SUMMARY

This paper deals with confidence building and confidence building measures in the context of the long-standing dispute between the United Kingdom and Argentina over the Falkland Islands. It argues that since 1989 there has been an exceptional degree of confidence building between the two countries in a political context allowing for such a process to take place. It suggests also that, despite being far from a solution to the deep differences still dividing the two countries, and the Falklands population itself, confidence building as a goal of both sides has been able to reduce levels of tension and act as a stimulant to cooperation across a wide range of fields in the bilateral relationship.

Argentina and the United Kingdom fought a short but significant war in the spring of 1982, a conflict which was to have far-ranging consequences for both nations. Victory brought the UK renewed self-confidence and reinforced elements within the country which wished for a continuation of a major role on the world scene. Defeat ushered in a restored democracy in Argentina, added to other factors pressing for a resolution of the long-standing rivalry with neighbouring Brazil, shattered the prestige of the armed forces, and was a major step along the road to the deep revision of traditional Argentine foreign policy whose culmination is so visible today.

In the first seven years following the conflict, tensions remained high even though the risk of a new war was diminished by the collapse of Argentine military power and the birth of a new era of civilian control over the armed forces. The country was simply in no state to revert to dreams of an armed solution to the dispute. Instead, Buenos Aires sought friends in a wide range of multilateral forums and circles in the diplomatic battle for the islands. London meanwhile stood reinforced in its determination not to yield by its recent victory and the blood and treasure which had been expended to keep the territory British, as its inhabitants insisted it should remain.

In this context, little progress could be expected. Argentine diplomatic efforts yielded little except the occasional vocal expression of displeasure by inter-American, Latin American or similar groupings. No progress of any real kind was made during these years. And Britain was able, with only the slightest of real efforts, to keep away from negotiations of any kind which might bring the question of the sovereignty of the islands into any major limelight.

In 1989 and as the new decade of the 1990s dawned, this situation changed abruptly with the arrival of President Carlos Menem's government. The new policy called for a coordinated and wide-ranging drive to end Argentina's long-standing isolation from so many of the nations of the developed world. The United States and Western Europe were seen to be Argentina's natural partners and were felt to be essential to its future well being and prosperity. Obstacles to those linkages, vital to the nation's recovery, would have to go. And the Falklands as an immediate priority for Buenos Aires was one of those obstacles.

Relations with Washington and European capitals could simply not be greatly improved without reducing the centrality of the Falklands issue in Argentine diplomacy. The bilateral