



# **NAVAL POSTGRADUATE SCHOOL**

**MONTEREY, CALIFORNIA**

## **THESIS**

**RISKY INVASIONS: DECISIONS MADE BY THE  
ARGENTINE JUNTA REGARDING DISPUTED ISLANDS,  
1978–1982**

by

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September 2011

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**RISKY INVASIONS: DECISIONS MADE BY THE ARGENTINE JUNTA  
REGARDING DISPUTED ISLANDS, 1978–1982**

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## **ABSTRACT**

In 1978, Argentina and Chile were poised at the brink of war over disputed possession of the Beagle Channel islands located near the southern tip of South America. Despite provocative military maneuvering and inflammatory rhetoric from both sides, Argentina's ruling military junta pulled back just short of attacking the territory occupied by Chile, and eventually both sides reached a peaceful settlement.

Only four years later, Argentina launched a surprise invasion of the British-held Falkland Islands in the South Atlantic. Why did Argentina choose to go to war with Britain in 1982, but not with Chile in 1978? What factors led to a grab for the Falklands instead of the Beagle Channel islands?

Prospect theory, borrowed from cognitive psychology, may hold the answer. This theory proposes that decision-makers tend to be more risk-averse when they are facing a potential gain and more willing to take risks when they are confronting a potential loss. Therefore, the junta refrained from invading the Beagle Channel islands because they were more secure in their political position and therefore facing a potential gain, but chose to invade the Falklands because they were insecure in their position and facing the loss of political power.

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## LIST OF ACRONYMS AND ABBREVIATIONS

ARA	<i>Armada República Argentina</i> , prefix for Argentine Navy vessels
ERP	<i>Ejército Revolucionario del Pueblo</i>
HMS	Her Majesty's Ship, prefix for British Navy vessels
ICJ	International Court of Justice
MID	Militarized Interstate Dispute
MoD	Ministry of Defense (Great Britain)
NATO	North Atlantic Treaty Organization
OAS	Organization of American States
PJ	<i>Partido Justicialista</i>
PNL	Picton, Nueva, and Lennox Islands, located near the Beagle Channel
PRN	<i>Proceso de Reorganización Nacional</i>
RA	<i>Revolución Argentina</i>
UN	United Nations
UNCLOS	United Nations Convention on the Law of the Sea

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# **I. BACKGROUND OF THE TERRITORIAL CONFLICTS**

## **A. INTRODUCTION**

In 1978, Argentina and Chile were poised at the brink of war over disputed possession of the Beagle Channel islands. Both countries were under military government and highly disinclined to yield anything to their geopolitical rivals. Despite provocative military maneuvering and inflammatory rhetoric, both sides backed down and eventually reached a peaceful settlement.

Only four years later, however, the same Argentine military junta launched a surprise invasion of the British-held Falkland Islands in the South Atlantic, which Argentina has historically claimed.<sup>1</sup> Why did Argentina choose to go to war with Britain in 1982 but not with Chile in 1978? What factors led to a grab for the Falklands but not the Beagle Channel islands?

This thesis will answer these questions by examining the decision-making process of the Argentine military leadership in both conflicts. The difference in outcomes in these conflicts can be explained by a decision-making concept called “prospect theory” borrowed from cognitive psychology.

### **1. Prospect Theory**

Prospect theory presents an alternative to the traditional rational choice analysis of decision-making. Whereas in rational choice theory, people are assumed to always calculate the benefits and costs of their actions and make the decision that results in maximum personal advantage, prospect theory claims that people will take different approaches to risk, depending on whether they are facing a potential loss or a potential gain. When making decisions that attempt to maximize personal gain, people tend to be

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<sup>1</sup> These islands are customarily known as the Falkland Islands in English, and as *las Islas Malvinas* in Spanish. For simplicity’s sake, this thesis will generally refer to them as the Falklands. This is not meant as a statement of support for the sovereignty claims of any state.

more cautious when in the domain of gains, and more willing to take risks when in the domain of losses.

Kurt Weyland applied prospect theory to neoliberal economic reform in four South American states in his work entitled “The Politics of Market Reform in Fragile Democracies: Argentina, Brazil, Peru, and Venezuela.” This passage from Weyland helps to illustrate the point:

The following two choice situations provide examples of risk aversion in the domain of gains, and risk acceptance in the domain of losses. In the first situation, people are asked to choose between a sure gain of \$100 or a lottery that offers 50 percent chance of winning \$220 and a 50 percent chance of no gain. In this choice between different options of gains, two-thirds to three quarters of experimental subjects display risk aversion and select the safe option of \$100. Since the lottery has higher expected value—namely, \$110—these people make an excessively cautious choice, which diverges from strict cost-benefit calculations. Thus, they do not act in a conventionally rational fashion. In the second situation, people are asked to choose between a sure loss of \$100 or a lottery that holds a 50 percent chance of losing \$220 and a 50 percent chance of no loss. In this choice between different options of losses, two-thirds to three quarters of experimental subjects display risk acceptance and select the lottery, hoping to avoid any loss. Since the lottery has lower expected value—namely, −\$110 compared to the −\$100 of the sure loss—all these people make an excessively daring choice, which again diverges from conventionally rational calculations. The fact that depending on domain, experimental subjects switch between pronounced risk aversion and clear risk acceptance poses a particular challenge to expected utility arguments.<sup>2</sup>

This means of studying how decision-makers perceive risk and how it affects their choices can be utilized to solve the puzzle of the junta. Governmental leaders who seeks to maximize their personal benefits will generally be primarily motivated by the desire to maintain their position of power. Therefore, according to prospect theory, we may expect them to change their risk-acceptance levels depending on the type of situation that they are facing, and how secure they feel in their position. If the leaders are firmly rooted in power, they are likely to view themselves in the domain of gains, and will therefore act with a greater aversion to risk. Conversely, if the leaders are insecure and clutching to a

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<sup>2</sup> Kurt Weyland, *The Politics of Market Reform in Fragile Democracies: Argentina, Brazil, Peru, and Venezuela* (Princeton, NJ: Princeton University Press, 2002), 40–1.

tenuous hold on power, they are likely to view themselves in the domain of losses, and will therefore be more willing to take a riskier action in order to have a chance to “break even.”

This paper will argue that prospect theory can explain the differing actions of the junta members in 1978 and 1982. When the junta was confronting Chile over the Beagle Channel islands in 1978, they had seized power relatively recently and were still in the early phase of their rule. Therefore they felt more secure in their positions (in the domain of gains) and were less inclined to take a risky gamble. In contrast, by 1982, the junta was in a dire political position and facing severe challenges to their regime. They felt less secure in their positions (in the domain of losses) and were more willing to consider a risky course of action that carried the promise of a potential large gain to recover from their grim situation. Therefore, they pulled back from an invasion of the Beagle Channel islands in 1978, but gambled on a grab for the Falkland Islands in 1982.

## **2. Outline**

Chapter I will discuss the relationship of territorial disputes and war, and give historical background for both conflicts. It will also provide an overview of the Argentine political system in the second half of the twentieth century, most notably as it relates to the governance of the military junta in the *Proceso de Reorganización Nacional* (PRN), from March 1976 until December 1983. Chapter II will analyze the dispute over sovereignty between Argentina and Chile over the Beagle Channel islands, and the eventual decision by the junta to refrain from armed force and pursue a negotiated settlement. Chapter III will analyze the dispute over sovereignty between Argentina and Great Britain over the Falkland/Malvinas Islands, and the eventual decision taken by the junta to resort to armed force. Chapter IV will compare and contrast the two historical episodes and analyze the differences that resulted in divergent outcomes, as well as examine alternate explanations and potential applications to other territorial disputes.

## **B. TERRITORIAL DISPUTES AS A CAUSE OF WAR**

Territorial disputes can very quickly lead nations into violent conflict. Few things can generate stronger waves of burning nationalism and fierce anger than the injustice of feeling that a piece of your sovereign territory, a portion of your beloved motherland, has been cruelly and unjustly stolen from you by a bitter rival. Even if the territory in question does not have significant value, or if its value is substantially less than the costs of going to war, land has the tendency to trigger strong sentiments of national pride and prestige. Many wars are prompted or escalated by some form of a territorial dispute. In fact, it is somewhat difficult to think of an example of a war in the modern era that did not include a dispute over territory as a primary or proximate cause. Political scientist John Vasquez has conducted numerous quantitative studies that indicate states that are involved in territorial disputes are significantly more likely to go to war than states that are involved in disputes for non-territorial issues.<sup>3</sup>

### **1. Prior Research**

Numerous authors have written about the twin phenomena of territorial disputes and war. Huth points to “the strategic location of bordering territory.”<sup>4</sup> Similarly, Rasler and Thompson illustrate the importance of territory that “promotes access to a place that is useful for attacking or defending a homeland area or trade route.”<sup>5</sup> Vasquez and Thies

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<sup>3</sup> For example, see: John A. Vasquez. “Distinguishing Rivals That Go to War from Those That Do Not: A Quantitative Comparative Case Study of the Two Paths to War.” *International Studies Quarterly*, Vol. 40, Issue 4, (December 1996), 531–558.

John A. Vasquez, “The Probability of War, 1816–1992.” *International Studies Quarterly*, Vol. 48, No. 1 (March 2004), 1–27.

John A. Vasquez. “Mapping the Probability of War and Analyzing the Possibility of Peace: the Role of Territorial Disputes.” *Conflict Management and Peace Science*, Vol. 18, No. 2, 2001. 145–174.

<sup>4</sup> Paul K. Huth, 1996. “Enduring Rivalries and Territorial Disputes, 1950–1990.” *Conflict Management and Peace Science*, Vol. 15, No. 1 (Spring 1996), 16.

<sup>5</sup> Karen A. Rasler and William R. Thompson. 2006. “Contested Territory, Strategic Rivalries, and Conflict Escalation.” *International Studies Quarterly* (Vol. 50, No. 1, March), 146.

have both concluded that states that are contiguous are much more likely to resort to violence.<sup>6</sup> Simmons states “territory involving resources is especially difficult to relinquish.”<sup>7</sup>

Hensel makes the unique observation that “although other issue types may be salient for their tangible attributes (e.g., economic or resource issues) or for their intangible dimension (e.g., prestige or influence), few issues besides territory appear likely to take on high values on both dimensions.”<sup>8</sup> Kocs identifies that violence is more likely in situations in which the sides involved have never previously reached an agreement but have instead formally and consistently disputed the territory.<sup>9</sup> Finally, Huth identifies that the lack of democratic leadership is a key indicator of conflicts that progress to violence.<sup>10</sup>

Geopolitical thinking has deep roots in Latin America, and especially in the southern cone. Although geopolitics has fallen out of favor in Europe and other areas of the world following World War II, it has persisted and even thrived in Argentina, Brazil, and Chile. Brazilian theorists developed the concept of the “living frontier” by which a state functions like a living organism that can grow and expand. In a continent where the vast majority of the population lives near the coastal perimeter, there is a sizable amount of “empty space” in the sparsely populated interior. This has naturally prompted expansion, especially in remote regions where borders are not clearly defined. Brazil has traditionally been focused on its quest to become the continental superpower, and has obtained much interior land at the expense of its neighbors since achieving its

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6 Vasquez, *Distinguishing Rivals*, 555.

Cameron G. Thies. 2001. “Territorial Nationalism in Spatial Rivalries: An Institutionalist Account of the Argentine-Chilean Rivalry.” *International Interactions* Vol. 27, Issue 4, 425.

7 Beth A. Simmons. 2002. “Capacity, Commitment, and Compliance: International Institutions and Territorial Disputes.” *Journal of Conflict Resolution* (Vol. 46, No. 6, December), 846.

8 Paul R. Hensel. 2001. “Contentious Issues and World Politics: The Management of Territorial Claims in the Americas, 1816–1992.” *International Studies Quarterly* (Vol. 45, No. 1, March 2001), 85.

9 Steven A. Kocs. 1995. “Territorial Disputes and Interstate War, 1945–1987.” *The Journal of Politics* (Vol. 57, No. 1, February 1995), 163.

10 Huth, *Enduring Rivalries*, 15.

independence. As the primary historic rival to Brazilian growth and power, Argentina has been especially wary of Brazilian territorial expansion, as well as their Chilean neighbors.<sup>11</sup>

## **2. Islands**

Islands offer an especially prevalent lightning rod for territorial disputes all over the world. They can serve as an anchor for extensive maritime claims, which can bring economic gains through control over fishing zones and the potential for undersea natural resources. Islands that are strategically located can also create natural choke points, which can be utilized for naval defense or to control trade. Some of the most virulent disputes that are still hotly contested today are those involving islands. Most people around the world are familiar with at least a few of the following examples of islands whose status is still disputed: Senkaku, Liancourt (Dokdo, Takeshima), San Andres y Providencia, Serranilla, Sapodilla, Navassa, Rockall, Spratly, Paracels, Kurils, Calero, Conejo, South Georgia, South Sandwich, and the Falklands.

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<sup>11</sup> Jack Child. 1985. *Geopolitics and Conflict in South America: Quarrels Among Neighbors*. N.Y: Praeger, 23, 36–39.

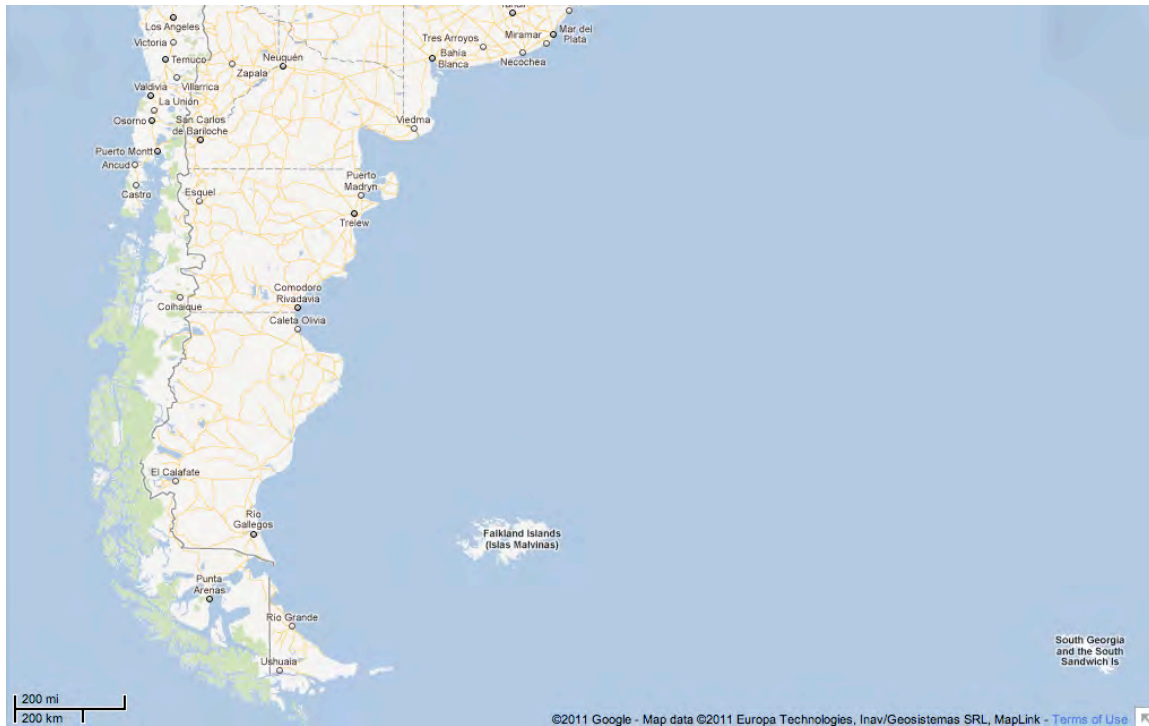


Figure 1. Southern Cone of South America, including Falkland Islands and South Georgia Island. (From Google Maps, 2011)<sup>12</sup>

## C. TERRITORIAL DISPUTES IN LATIN AMERICA

### 1. Colonial Roots

After the discovery of the Americas in the late fifteenth century, Spain took on the enormous endeavor of conquering and governing an entire continent. To approach this monumental challenge of administration, Spain divided up the new territories into large viceroalties, which were then ruled by a regally appointed viceroy. However, the scanty amount of actual exploration that had been conducted, as well as technological limitations of the time, meant that the borders between the viceroalties were not always precisely delineated.

To a degree, this was not considered particularly important, because all the territory in the New World besides Brazil initially belonged to Spain, regardless of which

<sup>12</sup> Google Maps, <http://maps.google.com>, accessed 14 September 2011.

viceroyalty it was in. The Spanish added new viceroyalties as they continued their expansion through South America, and the boundaries became more precise. However, in areas that were especially inhospitable or inaccessible, such as the Andes mountain range or the Amazon jungle, lines were still rather arbitrary and nebulous at best.

## **2. Post Independence**

This created difficulties after the wave of Latin American revolution and independence in the early nineteenth century, because now new nation-states were being formed whose international borders were not clearly established. Most of the new countries had some portion of their borders that consisted of thick jungle or towering mountains, making it difficult to determine where respective sovereignty began and ended.

The general consensus among the new nation-states was to use the principle of *uti possidetis* to allow the dividing lines between the former Spanish viceroyalties to become the new international boundaries. Generally speaking, this budding international norm simplified the problem of borders, avoided most pitfalls of *terra nullius*, and likely prevented a great deal of conflict and disputes over borders. However, it was still of limited use in the inaccessible areas, and therefore some degree of *terra nullius* did still exist.<sup>13</sup>

This became a source of conflict in nearly every part of the New World that had been controlled by Spain and Portugal, from Mexico to Patagonia. Many of the disputes were quite bloody and enduring; portions of the mountainous border between Peru and Ecuador were not resolved until 1995, after the two countries had already come to blows over the territory three times. As in countless other parts of the world, islands were a never-ending source of conflict and overlapping claims.

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<sup>13</sup> Thies, *Territorial Nationalism*, 409.

### 3. The Patagonian Quarrel

Of particular relevance to relations between Argentina and Chile was the question of Patagonia, the sparsely populated and inhospitable area of southernmost South America. Both countries claimed the whole of the region, and it was not until 1881 that they agreed that Argentina would possess the larger portion east of the Andes, while Chile would be left with the smaller western portion. Argentina was able to achieve this geopolitical success through an excellent example of hard-nosed and timely negotiations. Chile was fully engaged in fighting the War of the Pacific against the combined forces of Peru and Bolivia, and Argentina compelled Chile to renounce all claims to eastern Patagonia in exchange for an agreement not to join the alliance. Chile could not have maintained a two-front war against the three other nations, and felt they had no choice but to acquiesce. Nevertheless, a feeling that Argentina had stolen territory that should rightfully be Chilean would persist for some time thereafter.<sup>14</sup>

The Treaty of 1881 made provisions to split the large island of Tierra del Fuego, which lies off the southern tip of the South American mainland. Chile was given possession of the western half while Argentina retained possession of the eastern half. The treaty also endeavored to resolve all territorial disputes at the extreme southern end of the continent by agreeing that all islands that lie to the south of the Beagle Channel belong to Chile. This granted to Chile a number of islands such as Navarino, Hoste, and a variety of smaller islands extending all the way south to the famous but incredibly inhospitable *Cabo de Hornos* (Cape Horn).<sup>15</sup>

Despite the agreement over Patagonia and Tierra del Fuego, many territorial disputes still existed between Argentina and Chile, especially along the 3,300 mile serpentine border (third longest in the world) formed by the Andes along nearly the entire length of both countries. Fortunately for prospects of peace in the southern cone, the groundbreaking *Pactos de Mayo* of 1902 resolved a large number of these disputes,

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<sup>14</sup> David R. Mares. 2001. *Violent Peace: Militarized Interstate Bargaining in Latin America*. New York. Columbia University Press, 133; Child, 78.

<sup>15</sup> Thomas E. Prinsen. 1988. *Intermediary intervention: A model of intervention and a study of the Beagle Channel case*. Cambridge, MA. Harvard University, 101–102.

especially along the central mountain range. Even more encouragingly, they agreed upon a mechanism by which they would resolve future conflicts. The terms of the agreement were that the British Crown, who was assumed to be a neutral third party in such matters, would arbitrate any further territorial disputes between the two countries. Presumably, this would eliminate any further threat of war over the question of territory, since the method of legal and peaceful resolution was clearly established.<sup>16</sup>

The *Pactos de Mayo* also contained the first official mention of the so-called “bioceanic principle,” which was (and is) the centerpiece of Argentina’s foreign policy towards Chile. This statement represents Argentina’s belief that they are, by their very nature, an Atlantic nation, while Chile, likewise by nature, is a Pacific nation. Although this is merely a general statement and not legally binding in any specific sense, Argentina has attempted to use it as a foundation for their claims in territorial disputes with Chile.<sup>17</sup>

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<sup>16</sup> Mares, *Violent Peace*, 133; Thies, *Territorial Nationalism*, 415.

<sup>17</sup> David R. Mares. 1998. “The Historical Utility of an Ambiguous Concept.” *Strategic Balance and Confidence Building Measures in the Americas*. Joseph S. Tulchin, Francisco Rojas Aravena, and Ralph Espach (eds). Washington, DC; Stanford, Calif: Woodrow Wilson Center Press; Stanford University Press, 148.



Figure 2. Beagle Channel and nearby islands (From Google Earth, 2011)<sup>18</sup>

#### D. THE BEAGLE CHANNEL CONFLICT

The Beagle Channel is a body of water that separates the Argentine portion of the large island of Tierra del Fuego from Chile's Navarino Island, as seen in Figure 2. It continues west to the Pacific and provides a narrow connection between the two oceans, but its most important function is to delineate the southeastern border between the countries as per the terms of the Treaty of 1881. The Treaty clearly states that all islands south of the Beagle Channel belong to Chile, and Argentina has never challenged that. They do, however, challenge what the actual path of the Beagle Channel is.<sup>19</sup>

<sup>18</sup> Google Earth software application, utilized 14 September 2011.

<sup>19</sup> David R. Struthers. 1985. *The Beagle Channel Dispute Between Argentina and Chile: An Historical Analysis*. Defense Intelligence College: Washington, D.C. Defense Technical Information Center Press, 34.

As seen in Figure 3, the three islands named Picton, Nueva, and Lennox (PNL) lie at the eastern mouth of the Beagle Channel as it opens into the Atlantic Ocean. Chile interpreted the Treaty of 1881 to mean that the Beagle Channel continues its path to the east past the PNL islands to Cape San Pio, meaning that the islands would lie south of the channel and belong to Chile. Argentina countered with the rather bizarre claim that the course of the channel actually bends sharply to the south after passing Navarino Island, leaving the PNL islands to the east, meaning that they would belong to Argentina.<sup>20</sup> To understand why Argentina would go to such cartographic contortions for the sake of three small, uninhabited islands at the end of the world, it is necessary to explain the potential implications that possession of the PNL islands would have.

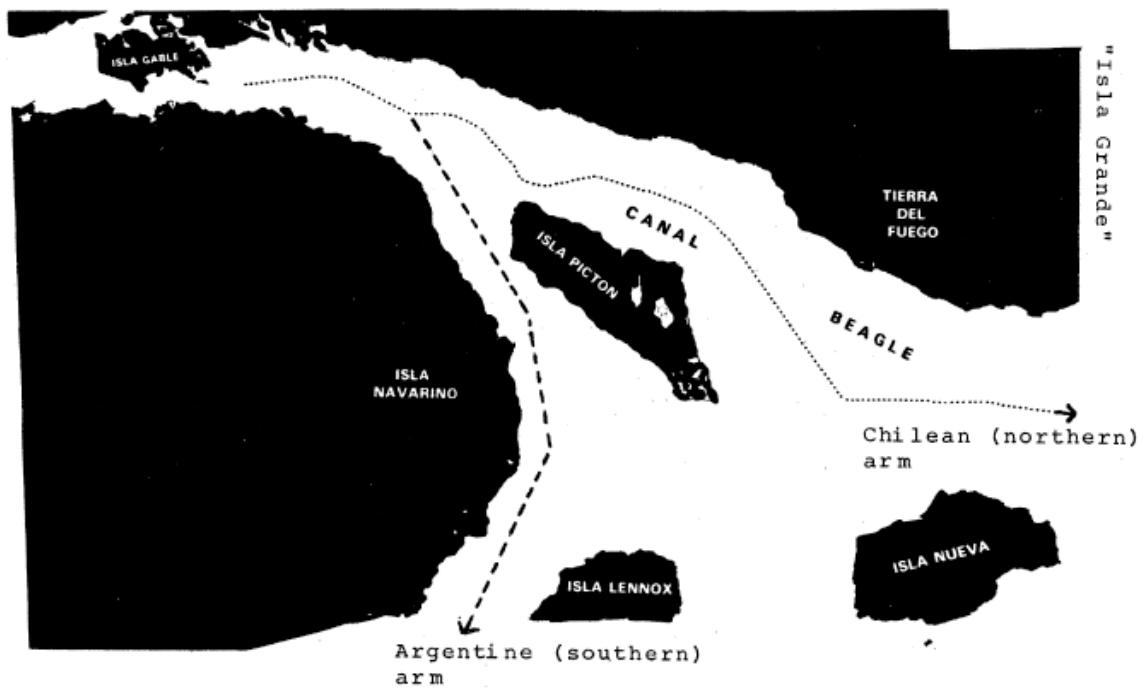


Figure 3. Differing Interpretations of the Path of the Beagle Channel (From Struthers, 1985)<sup>21</sup>

<sup>20</sup> Princen, *Intermediary intervention*, 103.

<sup>21</sup> Struthers, *Beagle Channel Dispute*, 26.

## 1. The Lure of the South Atlantic

To geopolitically-minded Argentines, the South Atlantic should rightfully be their private lake, and anything in or under it should, likewise, be their property. Ever since the British took possession of the Falkland Islands in 1833, Argentina has burned at the indignity of losing these lands a mere 250 miles off their coast, and continually vows to recover them.<sup>22</sup> This has also made them rather sensitive to any other potential threat to their sovereignty in the South Atlantic or any challenge to their role as the “keeper of the doorway” between the Atlantic and the Pacific.<sup>23</sup> This historic vision has been updated by resource issues. The South Atlantic is rich in fish and krill, and it was believed that large offshore oil deposits could exist there as well.<sup>24</sup> Their claims in the South Atlantic are also the main basis for their claim to a segment of Antarctica, so losing the first could also eliminate the second.

This is where the PNL islands become significant. Before the United Nations Convention on the Law of the Sea (UNCLOS) was finalized in 1982, there was no universally recognized limit to the maritime possession zone that a country could claim from its landmass. A country could potentially claim 200 miles of territorial waters from even a small island.<sup>25</sup> Therefore, if Chile had undisputed possession of the PNL islands, they could claim a large stretch of the South Atlantic, cutting a wide swath through Argentina’s aspirations of control and putting a wall between them and Antarctica. Clearly, this eventuality was entirely unacceptable to Argentina, and they felt they needed to do whatever they could to prevent it.<sup>26</sup>

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<sup>22</sup> Thies, *Territorial Nationalism*, 409.

<sup>23</sup> Child, *Geopolitics and Conflict*, 45.

<sup>24</sup> J. L. Garrett. 1985. “The Beagle Channel Dispute: Confrontation and Negotiation in the Southern Cone.” *Journal of International American Studies* (Vol. 27, Issue 3), 84.

<sup>25</sup> Thies, *Territorial Nationalism*, 416.

<sup>26</sup> Garrett, *Beagle Channel Dispute*, 84.

## 2. Arbitration

Argentina attempted bilateral negotiations with Chile, but the countries were unable to resolve their differences. Chile refused to accept Argentina's proposed course change of the Beagle Channel that would leave the PNL islands on the Argentine side.<sup>27</sup> Therefore, in accordance with the terms of the *Pactos de Mayo*, they submitted the matter to arbitration by the British crown in 1971, with one alteration. By that time, Argentina was feeling less inclined to trust the impartiality of Britain, due to the increasing strain placed on their relationship by the Falklands/Malvinas dispute. Both countries consequently agreed for the judgment to be made by five jurists from the UN International Court of Justice (ICJ) who would form a special Court of Arbitration, with the British Queen only able to accept or reject their findings, but not modify them in any way.<sup>28</sup>



Figure 4. The Falkland Islands (From Google Maps, 2011)<sup>29</sup>

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<sup>27</sup> Struthers, *Beagle Channel Dispute*, 61.

<sup>28</sup> Child, *Geopolitics and Conflict*, 80.

<sup>29</sup> Google Maps, <http://maps.google.com>, accessed 14 September 2011.

## **E. HISTORICAL BACKGROUND OF THE FALKLANDS/MALVINAS**

The Falkland/Malvinas Islands are a small archipelago in the South Atlantic that lie approximately 250 miles from the coast of Argentina. They are very desolate and isolated, and nothing remains of any indigenous inhabitants. Although the first recorded sighting was in 1540, there were no attempts to colonize the islands until the French established the settlement of Port Louis in 1764. The British founded their own settlement at Saunders Island two years later. The French soon agreed to cede their claim to their Spanish allies, and militarized conflict arose between the Spanish and British over conflicting claims. The European powers stopped short of going to war, and eventually both countries abandoned their settlements—the British in 1774 and the Spanish in 1811. However, both countries maintained their claim to the islands and left behind plaques asserting their respective sovereignty.<sup>30</sup>

When Argentina achieved independence from Spain in 1816, they claimed all territorial rights of Spain in the area. Clearly, Britain and Argentina differed in opinion as to whether this included the Falklands or not, but the matter did not generate much attention until 1829. The British were prompted to lodge a formal protest when Argentina established an outpost on the islands and even named an official governor, but took no action against them and did not appear likely to do so at the time.<sup>31</sup>

### **1. The Islands Are Lost**

Unfortunately for Argentine sovereignty claims, the appointed governor, Louis Vernet, was perhaps overly vigorous in his efforts to establish recognition of Argentine sovereignty in the area. He began to use the military presence of the outpost to assert Argentine rights over the fishing areas, and in 1831 seized three American fishing vessels when he deemed that they were violating Argentine fishing rights. The United States did not take kindly to this action against their citizens, and the captain of warship *USS Lexington*, which happened to be nearby, took it upon himself to launch a punitive

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<sup>30</sup> Lawrence Freedman. 2005. *The Official History of the Falklands Campaign. Vol 1: The Origins of the Falklands War*. New York, NY. Taylor & Francis, Inc., 5–6.

<sup>31</sup> Freedman, *Official History*, 7.

expedition. The *Lexington* destroyed the outpost, seized all trade goods, and arrested the Argentines. They sailed away and left the islands uninhabited, declaring them *res nullius*, lands not under control of any state.<sup>32</sup>

Seizing the opportunity, the British quickly sent two warships to reclaim the islands and establish a new colony in 1833, and they have maintained physical control of the islands from that point forward. Argentina has vigorously protested this state of affairs ever since, but did not militarily contest British control until 1982. Nevertheless, the loss of the islands has not ceased to rankle, and the indignity of their violated sovereignty still burns fiercely. Generations of Argentine schoolchildren have grown up being taught that *las Islas Malvinas* are rightfully Argentine, and that one day they will be reclaimed from the foreign oppressor.

## **2. A Powerful Symbol**

Argentina has spent many years attempting to rally global support for their claim to the Falklands, generally by portraying them as a holdover of the colonial era that should be returned to the country from which they were stolen. They achieved some success with this approach, especially during the widespread anti-colonial sentiment that pervaded the world following World War II. In fact, in 1964, the United Nations added the Falkland Islands to their list of “Territories that Ought to be Decolonized.”<sup>33</sup> Britain initially used the islands as coaling stations for their navy, but since naval propulsion technology has progressed beyond the need for coal, the islands are not the valuable outposts that they once were. Questions have been raised in the British halls of government of whether or not these distant and sparsely populated islands with few natural resources are worth the sizable expense of maintaining and administering them.

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<sup>32</sup> Fritz L. Hoffman and Olga Mingo Hoffman. 1984. *Sovereignty in Dispute: The Falklands/Malvinas, 1493–1982*. Boulder, CO: Westview Press, 72–74.

<sup>33</sup> Lawrence Freedman and Virginia Gamba-Stonehouse. 1991. *Signals of War: The Falklands Conflict of 1982*. Princeton, N.J.: Princeton University Press, 7.

## F. ARGENTINE POLITICS FOLLOWING WORLD WAR II

Irredentism is very strong in Argentina. Despite the country's territorial gains at the expense of Paraguay in 1870 and Chile in 1881, the sense of a geopolitical victim mentality still persists. This has played a major role in domestic Argentine politics, as presidential candidates and military juntas alike have been able to "play the Malvinas card" in their speeches to stir up nationalism in the population.

In 1966, the government of Argentina was overthrown by a military coup, their fifth in the twentieth century.<sup>34</sup> Successful military coups in 1930, 1943, 1955, and 1962 (as well as a handful that failed because they were only conducted by a small segment of the military) had set a clear precedent for military intervention. General Juan Carlos Onganía led the 1966 *Revolución Argentina* coup that toppled the civilian government of Arturo Illia, only to be ousted in turn after he failed to control the strikes and general unrest that was beginning to rear its head. With Perón exiled and his *Partido Justicialista* (PJ) party banned, a sizable percentage of Argentines found themselves without a sanctioned political voice, and therefore they expressed their frustrations in unsanctioned ways. General Roberto Levingston took over as President in 1970, offered no improvement, and was promptly overthrown in turn by General Alejandro Lanusse in 1971.<sup>35</sup>

Lanusse prepared to continue the military-civilian cycle by preparing for a new round of elections, but attempted to appease the unrest and increase the legitimacy of the electoral process by publically acknowledging that *peronismo* was an unavoidable reality of Argentine politics. Lanusse made way for another return to democracy in 1973, and Perón and the PJ regained control of the *Casa Rosada*.<sup>36</sup> However, this stretch was even more short-lived and tumultuous than usual, with the country cycling through four civilian presidents in three years. By the time the utterly unqualified Isabel Perón, a

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<sup>34</sup> Deborah L. Norden. 1996. *Military Rebellion in Argentina: Between Coups and Consolidation*. Lincoln: University of Nebraska Press, 39.

<sup>35</sup> Juan Carlos Torre and Liliana de Riz. "Argentina since 1946." Translated by Elizabeth Ladd. In *Argentina Since Independence*, ed. Leslie Bethell, (Cambridge, Cambridge University Press, 1993), 299–310.

<sup>36</sup> Torre and de Riz, *Argentina since 1946*, 310-314

former cabaret dancer who took office upon her husband Juan Perón's death, had nearly run the country into the ground, the nation was actually grateful when the military retook control in March 1976.<sup>37</sup>

General Jorge Videla led the PRN military junta until March 1981 and relinquished power to General Roberto Viola. Any real stability appeared to leave office with Videla, however, as Viola was ousted after only nine months in office. After some shuffling and the short interim presidency of Admiral Carlos Lacoste, General Leopoldo Galtieri was able to outmaneuver his military rivals and obtain the seat of power in late December 1981.<sup>38</sup>

### **1. Relative Security**

Despite Argentina's long pattern of contentious and intermittent military rule, the PRN junta attained reasonably regime security in the early years of their rule. When the PRN took power, violent guerrilla movements gripped the country, and the military took all available measures to counter them. The late 1970s witnessed the most horrific atrocities of the *Guerra Sucia* (Dirty War), as the military government tortured and killed thousands of suspected subversives. The guerrilla movements could not withstand the onslaught of the state's repressive organs, and were all but eradicated by 1977. After the guerrilla threat was crushed, the regime began to receive a great deal of domestic and international pressure over their human rights abuses, but it did not appear that any movement was capable of removing the military from power.<sup>39</sup>

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<sup>37</sup> Daniel Poneman. 1987. *Argentina: Democracy on Trial*. New York, NY: Paragon House, 32–33.  
Nathan A. Haverstock. 2008. "Leading Ladies of Latin America." *Americas* (Vol. 60, No. 6, November–December 2008), 48.

<sup>38</sup> Paul H. Lewis. 2002. *Guerrillas and Generals: The "Dirty War" in Argentina*. Westport, CT. Praeger Publishers, 181.

<sup>39</sup> Lewis, *Guerrillas and Generals*, 159–161; Norden, *Military Rebellion*, 68.

## G. LITERATURE REVIEW

Garrett and Mares<sup>40</sup> provide a thorough diplomatic history leading up to the Beagle Channel conflict, with Child, Thies, Dominguez<sup>41</sup>, and Meza<sup>42</sup> also highlighting key background elements. Garrett describes the Chilean-Argentine Treaty of 1855, in which both countries agreed to abide by the original Spanish boundaries between the former colonies, in accordance with the frequently invoked principal of *uti possedetis*. Since everyone was aware that the Spanish had been occasionally lax with their maps and the demarcations were not always clear, both parties also agreed to submit all territorial disputes to third-party arbitration and not attempt to resolve them militarily. Garrett and Mares both discuss the Treaty of 1881, in which Argentina was successful in negotiating the undisputed possession of eastern Patagonia in exchange for non-interference in the War of the Pacific, which Chile was fighting against Peru and Bolivia.

Garrett, Child, Thies, Meza, and Mares all emphasize the groundbreaking *Pactos de Mayo* of 1902, which resolved all territorial disputes along their extensive Andean border, and specifically named the British crown as official arbiter of all unresolved disputes. This was a key clause because quite a number of disputes still remained in the sparsely populated extreme south of the continent. Additionally, the *Pactos* included an arms limitation treaty that halted a warship race between the neighbors, and contained the first mention of the oft-quoted “bioceanic principal,” namely, “Chile belongs in the Pacific, and Argentina belongs in the Atlantic.” The problem, as Child illustrates, is that, because both countries see themselves as the “keeper of the doorway” between Atlantic and Pacific, the Beagle Channel is a point of friction. Thies points out that both countries also share a self-perception of victimization through previous territorial losses, especially

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40 Mares, *Historical Utility*, 139–157.

41 Jorge I. Dominguez. 2007. “International Cooperation in Latin America: The Design of Regional Institutions by Slow Accretion.” *Crafting Cooperation: Regional International Institutions in Comparative Perspectives*. Amitav Acharya, Alastair Iain Johnston (eds) Cambridge and New York: Cambridge University Press. 83–128.

42 Miguel Navarro Meza. 1998. “A Chilean Perspective on Strategic Balance.” *Strategic Balance and Confidence Building Measures in the Americas*. Joseph S. Tulchin, Francisco Rojas Aravena, and Ralph Espach (eds). Washington, D.C; Stanford, Calif: Woodrow Wilson Center Press; Stanford University Press. 24–46.

Chile's aforementioned "loss" of eastern Patagonia, and what Argentina views as Britain's blatant colonial seizure of the Falklands in 1833. The fact that both countries also acquired major territories from northern neighbors following nineteenth century wars did little to salve their wounded national pride.

The importance of the PNL islands is described by Child, Neville<sup>43</sup>, Garrett, Rasler and Thompson, and Infante Caffi.<sup>44</sup> By themselves, the PNL islands were just three small uninhabited and inhospitable rocks near the southern tip of the world, but their position outside the eastern end of the Beagle Channel meant that whichever country owned them could potentially claim a 200 mile maritime possession zone around them. If Chile (who was already in *de facto* possession of the islands) made such a claim official, it would slice deep through the middle of Argentina's claims in the South Atlantic and Antarctic, which was profoundly unacceptable.

Alternatively, Poneman believes that the PNL islands were not particularly significant, and that the Argentine public never had the strong nationalist feelings toward them as they did towards the Falklands. Even many Argentine maps showed the PNL islands as belonging to Chile, and he quotes President Juan Peron as saying a decade earlier that the islands "were not worth fighting for and might just as well be dynamited."<sup>45</sup>

In either case, Argentina had been ruled by a hard-line military junta since 1976, and when the result of third-party arbitration by the Queen ruled in favor of Chile in 1977, Argentina rejected the arbitration and made preparations for an invasion to seize the contested islands. On December 22, 1978, Argentina launched *Operación Soberanía* (Operation Sovereignty) to seize multiple Chilean-held islands in the area, only to call off the assault before any of the forces reached their destinations. The reason they did so has various interpretations.

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<sup>43</sup> Santiago Ricardo Neville. *Potential for Conflict in South America* (Masters' thesis, Naval Postgraduate School, 1988) Monterey, Calif: Naval Postgraduate School.

<sup>44</sup> Maria Teresa Infante Caffi. 1984. "Argentina y Chile: Percepciones del conflicto de la zona del Beagle." *Estudios Internacionales*, Vol.17, Issue 67 (July–September 1984): 337–358.

<sup>45</sup> Poneman, *Democracy on Trial*, 144.

Waisman states “an attempt to trigger a conflict with Chile in ‘78 was thwarted by international pressure.”<sup>46</sup> Mares points out that Chile had clearly expressed their willingness to fight to retain the islands, and that their formidable Navy was well-prepared and positioned in the region. Aravena credits the political-military dialogue of the military presidents Pinochet and Videla for opening enough space for the last minute offer of mediation by the Pope to be accepted, also adding that “rationality prevailed.”<sup>47</sup> Garrett believes that the Argentine junta did not originally plan to attack, but did not feel that they could back down from their bellicose threats once negotiations and arbitration failed to resolve the dispute. Fortunately, the Pope’s urgent offer to mediate gave the junta a diplomatic off-ramp without losing face in the eyes of the Chileans or (more importantly) their own population.

Less than four years later, Argentina launched a surprise invasion of the long-coveted Falkland Islands. Faced with a rapidly deteriorating economy and a public that was growing increasingly discontent with military rule after the excesses of the *Guerra Sucia*, the junta was in a difficult position and badly needed a dramatic unifying event to boost their domestic popularity. Waisman believes that the junta had learned from the Beagle Channel dispute that the prospect of “liberating” a claimed national territory was the best possible way to do this.<sup>48</sup>

Several other factors made the Falklands a more inviting target than the PNL islands. Norden points out that ever since the 1940s, all Argentines have been taught from childhood that the Falklands are theirs by inalienable right and that someday they will be returned to the mother country.<sup>49</sup> The Falklands are in a highly strategic location, and their possession would enable Argentina to lay claim to a vast expanse of the resource-rich South Atlantic; Simmons’ study identifies that territories rich in natural resources

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<sup>46</sup> Carlos H. Waisman. 1987. *Reversal of Development in Argentina: Postwar Counterrevolutionary Policies and their Structural Consequences*. Princeton, N.J: Princeton University Press, 282.

<sup>47</sup> Francisco Rojas Aravena. “La construcción de una Alianza Estratégica: El caso de Chile y Argentina.” *Pensamiento Propio*, Issue 14 (July–December 2001), 69–70.

<sup>48</sup> Waisman, *Reversal of Development*, 282.

<sup>49</sup> Deborah L. Norden 1996. *Military Rebellion in Argentina: Between Coups and Consolidation*. Lincoln: University of Nebraska Press. 69.

naturally incite the most conflict.<sup>50</sup> However, Hensel describes the “intangible” value of lands that are seen as “a part of the national identity,” and that the psychological significance of the Falklands to Argentina strongly outweighs any desire for their resources.<sup>51</sup>

Another advantage to making a play for the Falklands was that they were commonly perceived worldwide as a holdover from the colonial era. General Galtieri, the leader of the junta from December 1981 until June 1982, therefore believed that as long as the invasion was successfully completed with minimal casualties, the UN would treat it as a *fait accompli*, strongly decry any further military action, and demand concessions from both sides. In another misjudgment that seems incredibly naïve in retrospect, there is significant evidence that Galtieri believed that Washington would support an Argentine seizure of the Falklands, or at least remain neutral.<sup>52</sup> Alternatively, Bidegaín claims that some Argentines believed that the U.S. and Great Britain had plans to declare the Falkland Islands as an independent state, and then to install a large military base on the islands.<sup>53</sup>

Perhaps the largest incentive that led the junta to choose to invade the Falklands was the commonly held belief that Britain would not send their military to fight back. This assumption pervaded every level of the Argentine planning for the invasion, and it would cost them dearly. In their defense, this was not an entirely unreasonable thought; there were numerous reasons why a British military response was not assured. Norden suggests that the islands were of limited value to Britain, and discusses the enormous expense required to assemble a suitable task force to retake the islands so far distant from home waters. However, Wynia points out the strong domestic opposition to relinquishing the islands that that British government faced.<sup>54</sup> Regardless of their actual material value,

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<sup>50</sup> Simmons, *Capacity, Commitment, and Compliance*, 846.

<sup>51</sup> Hensel, *Contentious Issues and World Politics*, 85.

<sup>52</sup> Hoffman and Hoffman, *Sovereignty in Dispute*, 163; Norden, *Military Rebellion*, 73.

<sup>53</sup> Ana María Bidegaín. 1983. *Nacionalismo, Militarismo, y Dominación en América Latina*. Universidad de los Andes, Bogotá, Colombia. 75.

<sup>54</sup> Gary W. Wynia. 1990. *The Politics of Latin American Development*. 3rd ed. Cambridge England; New York: Cambridge University Press. 268.

they were considered to be sovereign British territory, and they were extremely reluctant to abandon them, especially to an antidemocratic military regime with a very poor human rights record.

Nietzel gives a very comprehensive comparison of the military forces involved, which can be summarized by saying that Argentine ground troops were markedly inferior to their British equivalents, but that Argentina possessed a reasonable local naval parity and a notable air superiority, at least by number of available fixed wing combat aircraft. Fighting the war off their own coast also gave Argentina many logistical and tactical advantages. Additionally, the junta anticipated complete moral, political, and logistical support from all Western Hemisphere countries via the Organization of American States (OAS) and the Rio Treaty of Joint Interamerican Defense.

All of these factors seemed to add up in the junta's favor (although many of their assumptions would later prove to be disastrously inaccurate), and convinced them that an operation to retake the Falklands would be successful, and that it was just the thing to unite their heavily fractured population and maintain their own political power. It did have several advantages over a war with Chile over the PNL islands. First, although Britain had a more powerful military overall than Chile, the combination of British forces dispersed throughout the world and the tyranny of distance virtually guaranteed that even if they chose to fight, Argentina would ultimately be facing a small percentage of Britain's full strength. Second, Chile had made it very clear that they were fully prepared and committed to defending the PNL islands, whereas Britain's commitment was less easily ascertained. And finally, the desire to reclaim the Falklands is so deeply ingrained into every Argentine that regardless of any level of internal strife or discord, they would unite in a heartbeat behind any leader who was able to obtain them.

In contrast, invading the PNL islands also had some factors in its favor. Chile has always been a significantly weaker military power than Britain, and the comparatively low value of the uninhabited small rocky islands might decrease the chances of a counter-invasion. Likewise, one of the strongest arguments that Britain has consistently been able to offer in defense of their retention of the Falklands is the desire of the inhabitants, who have indicated by more than one referendum that they prefer to remain part of the United

Kingdom.<sup>55</sup> The PNL islands are free from this unwanted complication precisely because they have no inhabitants. Finally, an impartial observer would find it difficult to realistically believe that the United States would not support its strongest NATO ally in any military conflict.

A quantitative comparative case study performed by Vasquez indicates “it is rare for major states whose core territory is noncontiguous to fight a war one on one.”<sup>56</sup> While noncontiguous wars certainly do occur, they tend to be wars fought between allied coalitions, not strictly one-on-one affairs. In order for noncontiguous states to engage in serious warfare, either one or both must possess a substantial expeditionary capacity. Neither Argentina nor Chile possesses this capability, but Britain does (albeit in a somewhat atrophied state). Based on this study, it would be far more likely for Argentina to fight a war with Chile, a major contiguous rival, than with Britain, who is not exactly a rival and is certainly not contiguous. However, a key consideration in this case is that Argentina chose to invade the Falklands precisely because they were not expecting to have to fight a war at all.

Mares discusses the concept of “using military force as a bargaining tactic rather than a decision to settle an interstate dispute through war.”<sup>57</sup> This has direct relevance in explaining the acts of the Argentine junta when confronting Chile and Britain, and he even devotes a chapter to militarized interstate bargaining in the case of the Beagle Channel islands.

Also of interest, there is a sharp contrast between the aftermaths of both incidents; the dispute over the Falklands still rankles between Argentina and Britain today, but Argentina and Chile established excellent relations in the early 1990s when Chile returned to democracy. In fact, both governments made it a priority to eliminate any potential triggers for future wars based on territory, and through negotiation were able to resolve all 24 remaining border disputes that had persisted since their independence.

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<sup>55</sup> Freedman, *Official History*, 34–5.

<sup>56</sup> Vasquez, *Distinguishing Rivals*, 555.

<sup>57</sup> Mares, *Violent Peace*, 7.

## **II. THE BEAGLE CHANNEL CONFLICT**

### **A. INTRODUCTION**

The longstanding dissension over the rightful ownership of the Beagle Channel islands is a perfect case study of territorial conflict that developed into a full-fledged Militarized Interstate Dispute (MID) out of all proportion to the apparent value of the territory under dispute. It is also an excellent example of a territorial conflict that was saved from the brink of war when it had appeared inevitable. It was perhaps the closest that South American nations had come to a major interstate war since the conclusion of the Chaco War in 1935. Both Chile and Argentina were under military rule, and both were aware that their continued legitimacy was dependent upon the perception of strength and commitment to the homeland. The Argentine junta came extremely close to culminating a military invasion of the disputed islands, but opted to pull back at the last minute. Chapter II will show that according to prospect theory, the junta in 1978 saw themselves in the domain of gains, and therefore were less willing to take the risk of a military land grab.

This chapter will first discuss the arbitration results of the Beagle Channel dispute, along with a brief explanation of how the new junta came to be in power. Next will be a progression of events and escalation of the Beagle Channel crisis, and a description of the reasons why the junta chose to make the critical decisions that they did. Finally, this chapter will show how prospect theory can accurately explain these decisions, and close with a summary of how the conflict was ultimately resolved.

#### **1. Arbitration Considerations**

As discussed in Chapter I, both governments had agreed in 1971 to submit their dispute over the Beagle Channel islands to a special Court of Arbitration made up of five jurists from the UN International Court of Justice (ICJ). Queen Elizabeth II of England, as official arbiter, would deliver the final verdict. Under the terms of the arbitration, she was given the authority to approve or reject the findings of the court, but not to alter them

in any way. At the time of submitting the dispute for arbitration, Argentina was under the control of General Alejandro Lanusse and the *Revolución Argentina* junta, while Chile had just elected the Socialist president Salvador Allende.<sup>58</sup> Both countries submitted mountains of historical documents and maps in an attempt to bolster their legal arguments for ownership.

Figure 5 shows an example of a map from an Argentine source in 1985 that details what they believe the proper ownership of the extreme southern islands should be, claiming that the Beagle Channel ends before reaching the eastern shore of Navarino Island. The caption is very indicative of the views of the geopolitically minded Argentines, who were fearful of a Chilean foothold on the Atlantic. It reads:

Given that the Beagle Channel ends at Point Navarro, the islands Picton, Lennox, Nueva, Terhalten, Sesambre, Evout, Barnevelt, Deceit, as well as Freycinet, Wollaston, and the Atlantic side of Herschel and Cape Horn, are all Argentine, since *they do not lie 'to the south'* of the aforementioned Channel. Additionally, they are Argentine because they are '*bordering the Atlantic.*' The respective territorial seas and interior waters are also Argentine.<sup>59</sup>

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<sup>58</sup> Craig L. Arceneaux. 2001. *Bounded Missions: Military Regimes and Democratization in the Southern Cone and Brazil*. (University Park, PA. Pennsylvania State University Press), 65, 72.

<sup>59</sup> Mario Strubbia. 1985. *Soberanía y justicia al este del Beagle*. Talleres Gráficos Raul Fernandez, Rosario de Santa Fe, Argentina. 7 (my translation).



The court considered numerous facets of the competing arguments. Primary emphasis was given to the description given in the Treaty of 1881, which both countries agreed was the document that governed the rightful placement of the border, and hence rightful ownership of the islands. Neither side challenged the legitimacy or authority of the Treaty of 1881, which specified that all islands to the south of the Beagle Channel belonged to Chile. The only matter that was disputed was what the exact course of the Beagle Channel was (see Figure 3). If the court ruled that the Beagle Channel continues its easterly course until it reaches the Atlantic, the islands would be Chilean. But if they could be swayed to believe that the channel bends sharply to the south after passing Navarino Island, the islands would belong to Argentina.

Argentina had conducted advanced hydrological studies to measure the flow of water along both branches, as well as mapping the contours of the bottom. They had gone to great lengths to attempt to find modern evidence to support their position, but none of these studies convinced the ICJ judges. Instead, the court was more interested in the intent of the drafters and signers of the Treaty of 1881, with the knowledge of the geography and technology available at the time. Ultimately, they decided that since the writers of the treaty had not precisely specified what the exact path of the channel was, they would have intended for it to be interpreted in the most self-evident manner. Had they actually intended that the boundary would include a sharp turn that was not intuitive, they would surely have specified that in detail. Since they did not, it seemed reasonable to assume that the belief of the framers was that the channel continued east in the most obvious manner. It also did not help Buenos Aires' case that maps drawn by the Argentine government prior to 1891 plainly showed the islands as Chilean.<sup>61</sup>

## **2. The Verdict**

In 1977, Queen Elizabeth II had approved their verdict of the panel of ICJ judges that all three islands rightfully belonged to Chile.<sup>62</sup> Chileans rejoiced, although General Augusto Pinochet was placed in the slightly awkward position of commending the

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<sup>61</sup> Struthers, *Beagle Channel Dispute*, 46.

<sup>62</sup> Garrett, *Beagle Channel Dispute*, 93.

wisdom of the former president Allende, who he had helped to oust from power. The new Argentine military government, led by General Jorge Videla, was shocked. Despite the rather flimsy legal nature of their claim, they had expected that at worst, a compromise would be handed down that would award them at least one of the islands.<sup>63</sup> This validation of Chile's position put Argentina squarely back in their original predicament of having their claims to the South Atlantic jeopardized. Faced with a prospect that they considered to be a violation of the bioceanic principle and their national rights, the junta made the surprising decision to reject the legally binding arbitration, which naturally prompted Chilean protests.<sup>64</sup>

This act of governmental petulance sent the dispute back to square one, or possibly worse. Now Chile was convinced that Argentina had no intention whatsoever of honoring any agreements unless all results came out in their favor. Argentina attempted to restart bilateral negotiations, but very little progress was made. Chile rather understandably saw no need to make concessions or negotiate for something that had just been officially confirmed to be rightfully theirs.

## **B. BACKGROUND OF THE ARGENTINE PRN JUNTA**

It is difficult to overstate the horrendous condition of the Argentine political situation in 1975–76. The country had just held popular elections in 1973 and returned to civilian rule after the seven years of military government during the *Revolución Argentina*. For the first time since 1955, the *Partido Justicialista* (PJ), the Peronist party and the most popular in the country, was allowed to compete.<sup>65</sup> Juan Perón predictably returned to the presidency, but for reasons that are still debated, he selected his third wife, María Estela “Isabel” Martínez de Perón, as his choice of running mate and subsequent

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<sup>63</sup> Garrett, *Beagle Channel Dispute*, 93.

<sup>64</sup> Dominguez, *International Cooperation*, 98–99; Infante Caffi, *Argentina y Chile*, 339.

<sup>65</sup> María José Moyano. 1995. *Argentina's Lost Patrol: Armed Struggle, 1969–1979*. (New Haven and London; Yale University Press), 12–14, 30.

Vice President.<sup>66</sup> This sowed the seeds of future disaster.<sup>67</sup> The kindest thing to say about the new Mrs. Perón is that she had no significant political experience.<sup>68</sup>

Clearly, few among those who voted for Juan Perón ever seriously considered that Isabel might actually have to take on the presidential duties. Yet that is exactly what occurred when Juan Perón died on July 1, 1974. The Argentine economy and the physical security of the nation, which had been going downhill throughout the 1970s, took an even worse turn after Perón's death, and the country seemed to be descending into chaos and lawlessness.<sup>69</sup> Public calls for the military to intervene were quick in coming, and a carefully planned coup removed the hapless Isabel from power on March 24, 1976, to widespread relief.<sup>70</sup>

### 1. A Welcome Coup

The new junta, which labeled this era of military rule the *Proceso de Reorganización Nacional* (PRN, National Reorganization Process), therefore began their undefined period of governance with a credible popular mandate to cure the nation's ills. The highest priorities were to defeat the armed left-wing guerrillas who had been conducting a campaign of violence against the military since 1970,<sup>71</sup> and also to remedy the dire state of the economy. In the first instance, the military only had to escalate the *Guerra Sucia* against the subversives begun by Isabel Perón and her extreme right-wing advisor José López Rega in 1975.<sup>72</sup>

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<sup>66</sup> One theory is that Perón did not feel there was anyone else in his party that he could fully trust to not use the Vice Presidency as a springboard to higher office. Another is that she was a compromise choice that would not upset any particular faction of Perón's highly varied supporter groups.

<sup>67</sup> Glen Biglaiser. 2002. *Guardians of the Nation? Economists, Generals, and Economic Reform in Latin America*. (Notre Dame, IN: University of Notre Dame Press), 34.

<sup>68</sup> She met Juan Perón during his years in exile, while she was working as a cabaret dancer.

<sup>69</sup> Biglaiser, *Guardians of the Nation*, 104.

<sup>70</sup> Norden, *Military Rebellion*, 50.

<sup>71</sup> *Ibid.*, 57.

<sup>72</sup> *Ibid.*, 48.

Economic success proved to be more elusive, although the junta registered some early, if temporary, success against rampant inflation.<sup>73</sup> While no evident progress was being made towards holding elections as a prelude to a transition back to civilian governance, recent memories of political malfeasance had temporarily cured Argentines of any nostalgia for elected leadership. Taken as a whole, then, the military seemed to be in a reasonably solid position when the conflict with Chile over the Beagle Channel islands heated up in 1977. The junta members were still in the early phase of their rule. The guerrilla problem was being brought under control,<sup>74</sup> public unrest was minimal, and the junta did not appear to be at any significant risk of losing political power. According to prospect theory, this suggests that they would be less willing to take a risk by choosing to escalate their territorial dispute with Chile into open warfare.

### **C. THE DISPUTE INTENSIFIES**

When arbitration went against it, Argentina attempted to restart direct bilateral negotiations. Numerous meetings and summits with the Chilean leadership with proposed compromises to divide possession of the islands were rebuffed by Santiago because the Chileans simply saw no reason to negotiate bilaterally for something they already had.<sup>75</sup> Chile proposed submitting their case directly to the UN ICJ, but Argentina refused, probably because they anticipated an identical decision, since the jurists who made the arbitration ruling had come from the ICJ.<sup>76</sup>

The hardliners in the junta, such as Admiral Emilio Massera, the head of the Argentine Navy, began to step up their war rhetoric and advocated for an invasion to take the islands by force.<sup>77</sup> Chile, under the firm control of General Pinochet, clearly stated their utmost determination to defend their sovereign territory rather than submit to

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<sup>73</sup> Remmer, *Military Rule*, 91; Norden, *Military Rebellion*, 66.

<sup>74</sup> Although by using highly repressive and illegal means that would have profound long-lasting effects on the military as a whole, as well as personal consequences for the leaders themselves.

<sup>75</sup> Princen, *Intermediary intervention*, 109.

<sup>76</sup> *Ibid.*, 104.

<sup>77</sup> *Ibid.*, 110.

Argentine intimidation and saber rattling.<sup>78</sup> Both nations made preparations to deploy forces to the southern region. The two nations were reasonably matched militarily; Argentina probably had the edge in ground and air forces, but Chile was a stronger naval power, and they had the advantage of defending difficult terrain.<sup>79</sup>

### **1. Videla Marginalized**

With the threat of war looming, the hardliners in the junta began to take more control, and Army chief and de facto President Videla, a moderate within the strongly right-wing junta, was no longer included in all decisions.<sup>80</sup> Videla no doubt realized that any sign of hesitation or weakness on his part would promptly lead to him becoming the next casualty of the Argentine presidential revolving door. Provocative and ultra-nationalistic statements made by the junta members succeeded in arousing public sentiment, and also inconveniently distracted them from economic difficulties and the state-sponsored internal violence of the *Guerra Sucia*.<sup>81</sup> Inflammatory appeals were made to the Argentine myth of their perpetual territorial victimhood, exhorting the people to resist the threat of the motherland being dismembered once again. But despite these feelings of nationalism, only the hardliners in the government really believed that the islands were worth going to war over. Those who watched the conflict brewing were in disbelief that in this modern era, two countries were poised to go to war over these tiny and seemingly insignificant islands. However, having created an international situation through an appeal to jingoistic patriotism, the junta found it difficult to back down.<sup>82</sup>

Feeling itself to be out of options, the junta issued secret orders to prepare for a military invasion of the PNL islands to take place on December 21, 1978.<sup>83</sup> Seeking to inspire patriotic fervor in the troops, it was named *Operación Soberanía* (Operation

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<sup>78</sup> Mares, *Violent Peace*, 148.

<sup>79</sup> Struthers, *Beagle Channel Dispute*, 141.

<sup>80</sup> Princen, *Intermediary intervention*, 116–7, 188.

<sup>81</sup> Norden, *Military Rebellion*, 69.

<sup>82</sup> *Ibid.*, 129.

<sup>83</sup> Garrett, *Beagle Channel Dispute*, 97.

Sovereignty). Both countries deployed squadrons of warships to the disputed area, although bad weather prevented them from coming into contact with each other.<sup>84</sup> Argentina began deporting Chilean citizens from Patagonia.<sup>85</sup> Tensions were rising to dangerous levels.

#### **D. ESCALATION CONTINUES**

As 1978 drew towards a close, antagonism over the PNL islands continued to mount on both sides of the Andes. Although General Videla, as President, was nominally in control of the country, his authority was limited and insecure. Beginning in August 1978, the position of president was separated from the junta, resulting in four top military leaders instead of three.<sup>86</sup> The president could theoretically come from any service, but the Army's preeminence meant that they were able to hold on to the presidency throughout the course of the PRN. Additionally, the precedent had been set for the heads of the three services that made up the junta to remove the president at any time with a unanimous vote.<sup>87</sup> The junta in late 1978 consisted of General Roberto Viola from the Army, Admiral Armando Lambruschini from the Navy, and General Omar Graffigna from the Air Force.<sup>88</sup>

University of Maryland IR theorist Paul Huth characterized the dilemmas faced by state leaders as<sup>89</sup>

...balance(ing) two critical political roles: (1) they are held accountable for preserving the national security of their country, and (2) they are politicians who seek to remain in power and thus are concerned with political opposition from counter-elites.

This fits very well the difficult position that Videla found himself in. The rising tide of rhetoric and fervor was inexorably pushing him towards a war that he did not

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<sup>84</sup> Garrett, *Beagle Channel Dispute*, 96.

<sup>85</sup> Struthers, *Beagle Channel Dispute*, 124.

<sup>86</sup> Arceneaux, *Bounded Missions*, 112.

<sup>87</sup> *Ibid.*, 111.

<sup>88</sup> *Ibid.*, 114.

<sup>89</sup> Huth, *Enduring Rivalries*, 9.

really want. Once the PNL islands were presented to the public as vital to Argentina's national security and prestige, it was very difficult to back down. Not only would he have lost face and risked public unrest, but he almost certainly would have been quickly removed from power by the right-wing hardliners in the junta. He was trapped, and could see no way to deescalate the crisis without being deposed and replaced by someone more willing to pursue war.<sup>90</sup>

### 1. *Desautorizado*

Then, on December 12, it appeared as though a breakthrough had been made. Hernan Cubillos of Chile and Brigadier General Carlos Pastor of Argentina, the two respective Foreign Ministers, met in Buenos Aires and agreed to submit a request for mediation to Pope John Paul II.<sup>91</sup> It seemed that all that remained was to sign the official paperwork and the war would be averted. However, in a strange development, upon receiving report of the verbal agreement made by the Foreign Ministers, the junta responded by revoking Pastor's authorization to perform the functions of his position.<sup>92</sup> The reason they did this is unclear. Perhaps some members felt that taking this action of their own volition conveyed the impression that they were not serious about obtaining the PNL islands. Regardless of the motivation, it seemed that the last chance to avoid war had just been snatched away. After Cubillos reported what had transpired, the Chilean government began to raise the red flag of alarm to the world. They requested an emergency meeting of the Organization of American States (OAS) to deter Argentine aggression and notified any and all parties with any influence in Latin America that Argentina was on the cusp of starting a war.<sup>93</sup>

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<sup>90</sup> Mares, *Violent Peace*, 146.

<sup>91</sup> Princen, *Intermediary intervention*, 116.

<sup>92</sup> Ibid., 117.

<sup>93</sup> Struthers, *Beagle Channel Dispute*, 129.

## E. AN OFF-RAMP AT LAST

The Argentine junta gave the final orders to launch *Operación Soberanía* on December 21, 1978, which would be a full attack on the disputed islands as well as other key positions in southern Chile.<sup>94</sup> But just when the Argentine fleet was closing in on the position of the Chilean fleet and war seemed imminent, a fierce South Atlantic storm swept through the area and made combat temporarily impractical. The attack was delayed, but rescheduled for the following day.

This time, just when the attack was about to be launched, orders were given to stand down and return home.<sup>95</sup> Even though the Pope had not been formally requested to mediate the dispute, he was being kept well abreast of the state of affairs by the Vatican's nuncios in Buenos Aires and Santiago. On December 22, the rescheduled day of Argentina's invasion, the Pope personally called the Presidents of both countries and asked them to refrain from attempting to resolve their differences through violence.<sup>96</sup> He offered the services of the Vatican to mediate their dispute, and to send his personal representative Cardinal Antonio Samoré to meet with them.<sup>97</sup>

This gave Argentina the off-ramp that they needed in order to call off the invasion without losing face or their hold on power. Because the Pope had made this direct request of them, they would not be backing down from weakness or because Chile had called their bluff, they would be respecting the wishes of the Holy Father in Rome. The high level of prestige and respect for the Holy See in Latin America made this a fully acceptable option for their populations. However, regardless of due respect for the Pope, the fact that even the right-wing nationalist junta members agreed to withdraw most likely indicates their lack of conviction that the risks of the island grab were worth the

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<sup>94</sup> Garrett, *Beagle Channel Dispute*, 97.

<sup>95</sup> Norden, *Military Rebellion*, 68.

<sup>96</sup> Princen, *Intermediary invention*, 119.

<sup>97</sup> Struthers, *Beagle Channel Dispute*, 130.

potential return. As will be described later in this chapter, this process of assessing risk in relation to the stability of their political position is crucial to explaining the actions of the junta.

## **F. DOMESTIC POLITICS**

Although the deep desire for control of the South Atlantic and their claimed section of Antarctica was important, the main factor that drove this conflict to the brink of war was the domestic politics of Argentina. The military had presented a thoroughly united front when they launched their heralded coup in 1976. Detailed discussion and planning had enabled them to preemptively address and solve many of the organizational problems that a new government always faces. They had already designated people who would assume key governmental positions and decided which branch of the military would have responsibility for each of the ministries.<sup>98</sup>

### **1. Factionalism**

However, once the junta was established in power and began to go about the business of actually running the country, it was not long before tensions and factionalism grew and blossomed. The Ministry of the Economy was the single ministry that had been left under civilian control, although naturally under the watchful eye of the military. The new minister, José Martínez de Hoz, was given approval to conduct drastic neoliberal reforms of the sort that had proven effective for Chile.<sup>99</sup> However, unlike Chile, where Pinochet was able to consolidate power in himself, the Argentine military government quickly began to fragment and squabble amongst themselves over policy. Service rivalries and the desires of individuals to protect their own ministries and departments from the painful neoliberal reforms meant that Martínez de Hoz faced stubborn

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<sup>98</sup> Norden, *Military Rebellion*, 64.

<sup>99</sup> Ibid., 66.

opposition with nearly every new policy he attempted to enact. The end result was a half-enacted reform that contributed to severe loss of regime cohesion and eventually led to economic disaster.<sup>100</sup>

## **2. Regime Factors**

Duke University Latin American expert Karen Remmer groups all military regimes in South America into four fairly self-explanatory categories; monarchical, oligarchic, sultanistic, and feudal. She then adds up the years that each regime remained in power, and calculates the average durability of each type of regime.<sup>101</sup> Argentina's PRN rule is classified as a feudal military regime, which have an average durability of 6.5 years, the lowest of the four types of structures. For comparison, the average durability of a sultanistic military regime (such as those of Pinochet and Stroessner) is 25.1 years.

Remmer believes that institutional factors at work in feudal military regimes cause them to produce greater military factionalism than other regime types. She also provides examples that show that the level of military unity or factionalism when taking power is not a guarantee of what type of regime will be established. The militaries of Chile and Argentina were both highly unified when they launched their coups in 1973 and 1976, respectively. Nevertheless, largely because of the strength of the individuals involved in government, Chile developed into a sultanistic regime while Argentina became a feudal regime. Based on this study, the causal factor that led to the divisive factionalism of the Argentine military government was the lack of a powerful enough figure to consolidate his personal rule of the military and the state.<sup>102</sup> This factionalism and pervasive service rivalries would have a detrimental effect on the junta's ability to govern throughout their rule, and this weakness would contribute to the lack of regime security in the later years of the junta.

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<sup>100</sup> Remmer, *Military Rule*, 120.

<sup>101</sup> Ibid., 41.

<sup>102</sup> Ibid., 40–42.

### **3. The Role of Parity**

The relative military parity between Chile and Argentina also contributed to the development of the confrontation. Political scientists and policy makers who examine this case for future lessons would do well to consider the words of Vasquez. “If leaders of two relatively equal states attempt to deal with territorial disputes by engaging in power politics, they will likely find themselves at war.”<sup>103</sup> This is a result of both sides feeling that they are able match the military power of their opponent and therefore have no reason to back down or accept unfavorable terms. The power politics and nationalistic rhetoric of the junta backed them into a corner, because Chile did not fear Argentine military strength and therefore was not intimidated into relinquishing the PNL islands.

#### **G. WHY DID DE-ESCALATION OCCUR?**

The operative question is why the Argentine junta decided to call off *Operación Soberanía* and return to the negotiating table. What factor caused them to calculate that the potential gains from the operation were not worth the probable costs? The Chileans were in physical possession of the disputed islands and had not shown any indication of wavering in their resolve to defend them with all available resources, so that facet of the confrontation was not in any doubt.

Both countries were under military rule and featured governments that were only moderately accountable to their domestic constituency. There were some rumblings from the population over the seemingly disproportionate military response at great cost of lives and money to the actual value of the tiny and inhospitable islands, but any serious objections seemed to be drowned out by the surge of nationalism that the governments had stirred up by presenting the issue as one of sovereignty, rights and respect, and national pride.

The Argentine junta had reason to feel reasonably secure in their position of power. The civilian government they had overthrown in 1976 had most likely been the

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<sup>103</sup> John A. Vasquez. 2003. *The War Puzzle*. Cambridge Studies in International Relations: New York, N.Y. Cambridge University Press. 295.

worst in recent memory, and significant progress had been made in the war against the internal subversives that had plagued the country for over 8 years. Even more importantly, the full extent of the inhumane and illegal means that the government was using to conduct this war had not yet become public knowledge.

### **1. The Junta's Choice**

To apply prospect theory to this situation, the junta was presented with a choice of two options. Since Chile was not backing down, the Argentine government had to conduct an analysis of the potential benefits and costs of an attempt to back up their claims with military force. Launching an invasion carried the possibility of gaining physical possession of the islands, even if the action would not have garnered any international recognition of the territory. This would also have assuaged Argentine geopolitical fears that Chile sought to use the PNL islands as the basis of a claim on South Atlantic waters.

However, this move carried significant risks. A military clash against well-trained Chilean forces defending rugged terrain in severe weather would be practically guaranteed to produce a sizable amount of Argentine casualties. Chile had also dispatched nearly their entire naval fleet to the inhospitable southern region, which indicated that an indeterminate number of Argentine ships and crew would also not be likely to survive any hostile encounter.<sup>104</sup> A military attack was by no means doomed to failure, but it did seem certain that even if the Argentine forces were victorious and succeeded in seizing the disputed territory, they would pay a heavy price in lives and equipment to do so.<sup>105</sup> Additionally, even if the island grab met with success, they would undoubtedly suffer numerous political consequences in the international arena, such as sanctions and general condemnation. Finally, and perhaps most importantly, a military defeat would have likely had grave consequences on the junta's ability to remain in control of the nation. Therefore, a military escalation of the dispute to open war would be

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<sup>104</sup> The Chilean Navy was highly regarded and generally considered to be superior to their Argentine counterpart. Struthers, *Beagle Channel Dispute*, 141.

<sup>105</sup> Mares, *Violent Peace*, 141–142.

a significant and risky gamble by the junta, with significant costs even if it succeeded and a potential ousting from power if it failed.

## **2. The Domain of Gains**

Alternatively, refraining from a military invasion of the PNL islands was the less risky option. They would face a slight loss of face and a certain measure of domestic criticism, but would be unlikely to incur a regime-threatening reaction. Prospect theory indicates that people are more likely to behave in a risk-averse manner when they are weighing the costs and benefits of a potential gain (in the domain of gains) than when they are analyzing costs and benefits of an imminent loss (in the domain of losses). Therefore, a person who feels himself to be in the domain of losses is more likely to take a risky gamble to attempt to avoid the looming losses and “break even.” Conversely, a person who feels himself to be in the domain of gains will be more cautious and less inclined to risk what they already possess in an attempt to acquire more.

Since the junta still felt relatively secure in 1978, they were operating in the domain of gains, and therefore less likely to take a gamble by launching an invasion of the PNL islands. Although the Argentine junta had allowed themselves to be backed into a corner by the wave of nationalism that they themselves had stirred up, when the opportunity arose to back down and allow the Pope to mediate while saving face domestically, it was a relatively simple decision to cancel their attack and hold on to what they already possessed.

## **H. FINAL RESOLUTION**

It is probable that the Argentine leadership privately knew their legal claim to the PNL islands was weak. Even Argentina’s own maps in the nineteenth century showed that the islands belonged to Chile.<sup>106</sup> However, belatedly claiming the PNL islands was the best solution they could think of to prevent Chile from extending their maritime sovereignty into the South Atlantic, which they were desperate to avoid at all costs.

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<sup>106</sup> Struthers, *Beagle Channel Dispute*, 46.

Fortunately for the future of Argentine-Chilean relations, Cardinal Samoré and the other Vatican negotiators made the realization that the key to resolving the matter was Argentine fears about control of the South Atlantic. Therefore, in 1980 the Pope invited the Foreign Ministers of both countries to the Vatican and gave them his answer. He proposed a compromise wherein Chile would keep possession of all three islands, but only claim 12 miles of territorial waters around them instead of 200.<sup>107</sup> This would allow Argentina to preserve their notions of Atlantic sovereignty without requiring Chile to surrender any land.

Chile indicated that it was willing to make this concession, but even so, the hardliners in the Argentine military were reluctant to agree to any change from the position that they had convinced themselves was right. With the junta still in charge and nationalist sentiment holding sway, more moderate officers who may have been inclined to accept the compromise were unable to come forward in favor of the compromise without appearing unpatriotic. It was not until military rule had collapsed as a result of the Falklands disaster in 1982 that there seemed to be a real potential for the Pope's proposal to be accepted.<sup>108</sup>

### **1. Alfonsín Settles the Matter**

Raúl Alfonsín, Argentina's first civilian president since Isabel Perón, was more than ready to accept the Pope's ruling so that the nation could move on to more important matters.<sup>109</sup> However, he was very aware of the fragility of Argentine democracy, and how accustomed the military was to taking over if they believed civilian rule was threatening national interests. Therefore, in July 1984, he very cleverly devised a means to mitigate the risk from the military hardliners. He simply consulted the people by means of a non-binding voluntary public referendum.<sup>110</sup> The fact that there was no provision in Argentine law for such a referendum was conveniently overlooked. Seventy

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<sup>107</sup> Struthers, *Beagle Channel Dispute*, 142.

<sup>108</sup> Garrett, *Beagle Channel Dispute*, 85–86.

<sup>109</sup> Struthers, *Beagle Channel Dispute*, 154.

<sup>110</sup> Garrett, *Beagle Channel Dispute*, 99.

percent of all eligible voters participated, and seventy-one percent of them voted in favor of accepting the Pope's compromise. Despite the fact that the referendum had no constitutional basis and carried no legal weight, when faced with such a strong demonstration of the will of the people, the hardliners felt they had no choice but to accept Alfonsín's desire to resolve the issue once and for all.<sup>111</sup> Once the papal mediation had reduced the maritime claim surrounding the islands from 200 to 12 miles, which limited Chile's ability to make claims to the South Atlantic, it was not worthwhile to object further.

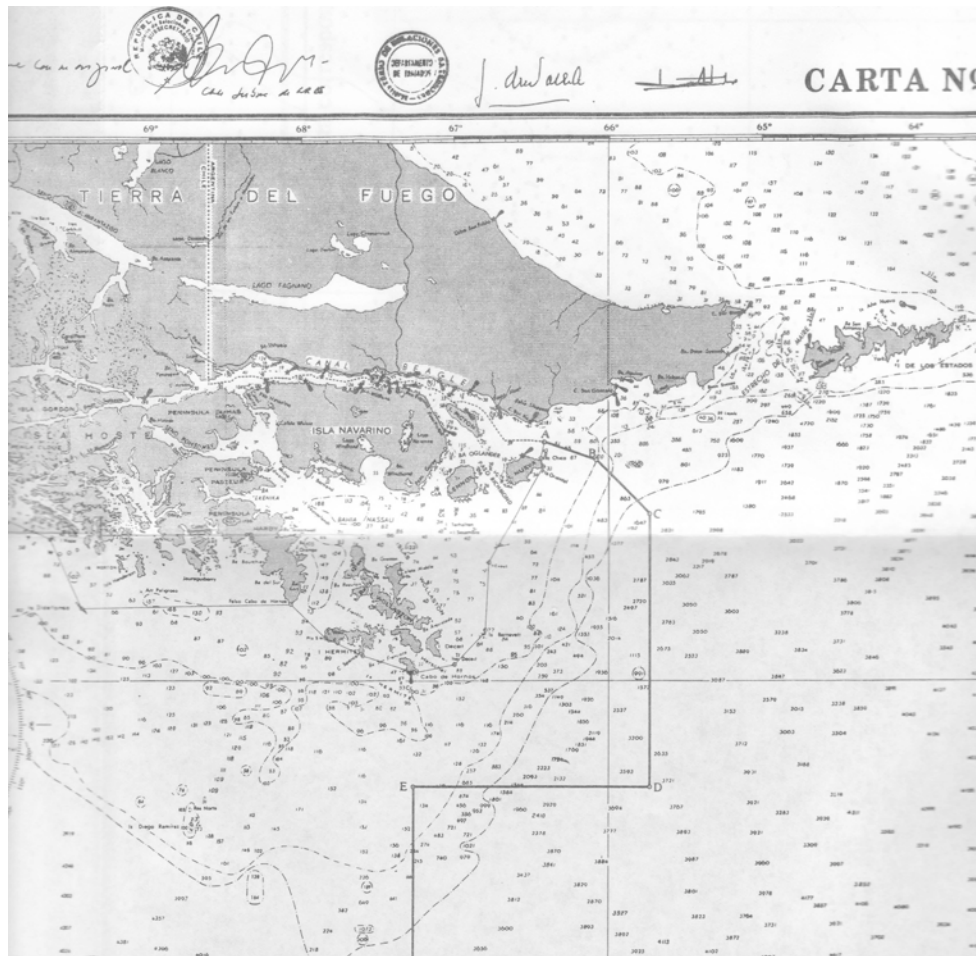


Figure 6. Final Agreement of the Boundary (From Lagos Carmona, 1985)<sup>112</sup>

<sup>111</sup> Garrett, *Beagle Channel Dispute*, 100.

<sup>112</sup> Guillermo Lagos Carmona. 1985. *La delimitación marítima austral y el Tratado de paz y amistad entre Chile y Argentina*. Editorial Juridica de Chile, Santiago, Chile. Supplemental material.

### **III. THE FALKLANDS/MALVINAS WAR**

#### **A. INTRODUCTION**

As discussed in Chapter II, the Argentine junta elected not to invade the Chilean-held PNL islands in 1978 because they felt themselves to be solidly in control of the country, and were unwilling to risk the political consequences of a military setback. However, the junta was in a much shakier political position by 1982. They had failed to restore prosperity and had proven inept at governing. Domestic and international outrage at the human rights abuses of the *Guerra Sucia* was building rapidly. Their days in the presidential palace appeared to be numbered. Therefore, they saw themselves to be in the domain of losses, and were much more willing to take a bold risk with the promise of “breaking even.” They sought a dramatic act that would cause Argentines to overlook their failings, unite the nation, and legitimize their rule. Seizing the long coveted Falkland/Malvinas Islands seemed to offer an opportunity for military and political success—Argentines would rejoice over the recovery of what they saw as national territory, while London seemed too distant to react militarily to a junta-orchestrated *fait accompli*.

This chapter will first discuss the junta’s political situation in 1982 and the factors that made the Falklands an attractive target. It will then detail the predictions and numerous misperceptions of the junta, and then the various British obstacles to action, as well as international factors. The next section will describe the original plan of the island grab, followed by the situation in South Georgia Island which influenced the junta to accelerate their plans, leading to their disastrous defeat. The final section will show how prospect theory accurately explains the decisions of the junta, who were operating deeply in the domain of losses.

#### **B. THE JUNTA’S PRECARIOUS POSITION**

In contrast to 1976–78, by 1982 the junta was presiding over a rapidly sinking ship, and they knew it. Their efforts to boost the economy and restore confidence in the

Argentine peso had failed, and rampant inflation had returned. The brutal repression and shocking human rights violations of the *Guerra Sucia* were drawing condemnation from all over the world and turning Argentina into a global pariah. Domestic protests, such as the *Madres de la Plaza de Mayo*, and coordinated labor strikes were gaining momentum and nearing the point when they could exceed the state's capacity for repression. Although U.S. President Ronald Reagan expressed some anti-communist sympathy to the junta members in 1981, the U.S. Congress under the Carter Administration had already passed bills that terminated all arms sales and military aid to Argentina and barred Argentine officers from receiving any training given by the United States.<sup>113</sup> The regime was under heavy pressure from within and from without, isolated from former allies, and mired soundly in the domain of losses. The junta was therefore highly disposed to consider a risky venture that carried the promise of potentially breaking even. Unsurprisingly, to a group of lifelong military officers, a military conquest seemed like the perfect solution.

After the intense anti-subversive campaign following the 1976 coup had successfully brought guerrilla violence down to minimal levels, the military had been growing restless and searching for a new mission. The junta members also realized that if they embarked on a military campaign that would ignite patriotic fervor in the population, feelings of nationalism and unity might overcome anger at the military leaders and fear about the economy.<sup>114</sup> However, military action would also carry significant risk. If it ended in failure and defeat, it would amplify their current predicament and practically guarantee a swift expulsion from power on unfavorable terms.

### **1. Internal Pressure**

Once again, the domestic politics of the government played a dominant role. General Jorge Videla had been ousted in an internal coup in March of 1981, and his more moderate successor, General Roberto Viola, attempted to create greater political opening in the government by naming more civilians to governmental positions and attempting to

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<sup>113</sup> Lewis, *Guerrillas and Generals*, 189–90.

<sup>114</sup> Freedman, *Official History*, 187.

mend fences with the political left.<sup>115</sup> Unfortunately for him, the hardliners still wielded the majority of the power, and General Leopoldo Galtieri orchestrated his own internal coup a mere nine months later, using Viola's poor health as a pretext.<sup>116</sup> By that time, Argentina's economy was in complete shambles and the truth about the brutal repression of the *Guerra Sucia* was beginning to emerge. For this reason, Galtieri suspected that he and the rest of the junta might not be long in the seat of power if he did not take substantial action soon.<sup>117</sup> In a meeting on 5 January 1982, the junta decided that a favorable resolution of the Falkland Islands dispute with the government of Great Britain would be their dominant objective for the coming year. They also resolved to create a secret plan for military action if negotiations failed.<sup>118</sup>

## **2. New Composition of the Junta**

In early 1982, the junta consisted of General Galtieri from the Army, Admiral Jorge Anaya from the Navy, and General Basilio Lami-Dozo from the Air Force.<sup>119</sup> Galtieri had also established himself as President when he seized power from General Viola on December 22, 1981. In a break with prior practice among Argentine juntas, he had not given up his position as commander in chief of the Army, which meant that he simultaneously held two of the four key positions of power in the government.<sup>120</sup> Thanks in large part to the support of Anaya, Galtieri had been able to successfully launch his coup. Therefore, Anaya possessed a significant amount of leverage over the new President, and used it to press for action in the South Atlantic disputes. The Argentine Navy has traditionally been influenced by geopolitical thinking with its concomitant expansive views of national sovereignty, and Anaya certainly fit that mold. For his own

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<sup>115</sup> Lewis, *Guerrillas and Generals*, 180.

<sup>116</sup> Arceneaux, *Bounded Missions*, 128–9.

<sup>117</sup> Mares, *Violent Peace*, 152.

<sup>118</sup> Freedman, *Official History*, 153.

<sup>119</sup> Arceneaux, *Bounded Missions*, 114.

<sup>120</sup> Hoffman and Hoffman, *Sovereignty in Dispute*, 147.

part, Lami-Dozo seems to have rarely made statements or expressed his opinions publically, and he does not appear to have challenged the policies of Galtieri in any significant way.

## **C. THE FALKLANDS/MALVINAS ISLANDS**

Argentina had rejected the Pope's mediated compromise settlement concerning the PNL islands in 1980, and full resolution would not come until 1984.<sup>121</sup> Tensions were therefore still high with Chile, and the PNL islands may have been once again been considered as a target of invasion. But the downside of that prospect was that there were no illusions regarding the Chilean willingness to defend the islands, nor was it clear that Argentina would win. Even if they were successful, the endeavor was nearly certain to be highly costly and to produce a large number of casualties.

### **1. A Matter of National Pride**

On the other hand, the Falklands were an even more inviting target, and a much more valuable prize. Not only were they inhabited and of some actual value, but also they had once belonged to Argentina in the early 1800s before Great Britain occupied them. Consequently, every Argentine schoolchild has learned that the *Islas Malvinas* are rightfully theirs and will be reclaimed when the time is right.<sup>122</sup> Argentina also claims the even more remote and desolate South Georgia and South Sandwich Islands, which are generally seen as dependencies of the Falklands, but also provide another link in the island chain that stretches to the coveted Antarctic. For the beleaguered junta, the time was most definitely right to play their trump card. No true Argentine would ever speak or act against the state while it was fighting to restore the nation's birthright and banish the last physical vestige of colonialism from the motherland, they reasoned.<sup>123</sup>

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<sup>121</sup> Beth A. Simmons. 1999. "Territorial Disputes and Their Resolution: The Case of Ecuador and Peru." *Peaceworks*, (No. 27, April 1999; United States Institute of Peace, Washington, DC), 6.

<sup>122</sup> Norden, *Military Rebellion*, 55.

<sup>123</sup> Hoffman and Hoffman, *Sovereignty in Dispute*, 161.

## 2. Other Advantages

Several other factors made the Falklands and its dependencies a more inviting target than the PNL islands, beginning with the fact that they are in a highly strategic location, and their possession would enable Argentina to lay claim to a vast expanse of the resource-rich South Atlantic; that territories rich in natural resources naturally incite the most conflict.<sup>124</sup> However, American political scientist Paul Hensel believes that the “intangible” value and psychological significance of lands seen as “a part of the national identity” strongly outweighs considerations based resources.<sup>125</sup> Interestingly, American sociologist Carlos Waisman believes that the junta had learned from the Beagle Channel dispute that the prospect of “liberating” a claimed national territory was the best possible way to rally the nation.<sup>126</sup>

Another advantage to making a play for the Falklands was that Britain’s occupation was commonly perceived globally as a holdover from the colonial era. As the Argentine leadership had hoped, the unfavorable report from the UN Committee on Decolonization brought the sovereignty issue to the forefront.<sup>127</sup> Galtieri therefore believed that as long as the invasion was successfully completed with minimal casualties, the UN would treat it as a *fait accompli*, strongly discourage any further military action, and demand concessions from both sides.<sup>128</sup>

## 3. Origins of the Misperception

Once the junta was prepared to consider a risky action, the largest incentive to invade the Falklands followed from the belief that Britain would not retaliate. This assumption, which pervaded every level of the Argentine planning for the invasion,

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<sup>124</sup> Beth Simmons argues that territories rich in natural resources are more likely to become sources of international conflict. Simmons, *Capacity, Commitment, and Compliance*, 846.

<sup>125</sup> Hensel, *Contentious Issues and World Politics*, 85.

<sup>126</sup> Waisman, *Reversal of Development*, 130.

<sup>127</sup> Scott C. Nietzel and Naval Postgraduate School. 2007. *The Falklands War: Understanding the Power of Context in Shaping Argentine Strategic Decisions*. Monterey, CA: Naval Postgraduate School, 7.

<sup>128</sup> Wynia, *Politics of Latin American Development*, 268.

would cost them dearly.<sup>129</sup> In their defense, this was not an entirely unreasonable hypothesis for several reasons. Freedman points out that the context of the settlement of the Rhodesian affair in 1981 may have given the impression that Britain was seeking to reduce her overseas commitments.<sup>130</sup> Of course, Rhodesia, where a minority white government ruled a majority black population, was very different from the situation in the Falklands. Norden suggests that the islands were of limited value to Britain, and discusses the enormous expense required to assemble a suitable task force to retake the islands so far distant from home waters.<sup>131</sup> However, Wynia points out the strong domestic opposition to relinquishing the islands that the British government faced. Regardless of their actual material value, they considered them to be sovereign British territory, and they were extremely reluctant to abandon them, especially to an authoritarian military regime with a very poor human rights record.<sup>132</sup>

#### **4. Argentine Advantages**

Nietzel gives a comprehensive comparison of the military forces involved, which can be summarized by saying that Argentine ground troops were markedly inferior to their British equivalents, but that Argentina enjoyed a reasonable local naval parity and a marked air superiority, at least by number of available fixed wing combat aircraft.<sup>133</sup> Fighting the war practically in their backyard also gave Argentina many logistical and tactical advantages. Additionally, the junta anticipated complete moral, political, and logistical support from all Western Hemisphere countries via the Organization of American States and the Rio Treaty of Joint Interamerican Defense.<sup>134</sup>

All of these factors seemed to tilt the balance in favor of an invasion (although many of their assumptions would later prove to be disastrously inaccurate), and

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<sup>129</sup> Wynia, *Politics of Latin American Development*, 268; Norden, *Military Rebellion*, 77; Nietzel, *Falklands War*, 59–61.

<sup>130</sup> Freedman, *Official History*, 153.

<sup>131</sup> Norden, *Military Rebellion*, 74.

<sup>132</sup> Wynia, *Politics of Latin American Development*, 267.

<sup>133</sup> Nietzel, *Falklands War*, 18–25.

<sup>134</sup> Norden, *Military Rebellion*, 73.

convinced Buenos Aires of the high probability of success that would unite their heavily fractured population and maintain their hold on political power.<sup>135</sup> It also offered several advantages over provoking a war with Chile over the PNL islands. First, although Britain had a more powerful military overall than Chile, the combination of British forces dispersed throughout the world and the tyranny of distance virtually guaranteed that even if London chose to fight, Argentina would ultimately be facing only a small percentage of Britain's full strength. Second, Chile had made it very clear that it was fully prepared and committed to defending the PNL islands, whereas Britain's resolve was less easy to gage.<sup>136</sup> And finally, the desire to reclaim the Falklands is so deeply ingrained into every Argentine that regardless of any level of internal strife or discord, they would unite in a heartbeat behind any leader able to recapture them.

#### **D. THE ARGENTINE PREDICTIONS**

As the military junta of Argentina developed their secretive plan to seize and occupy the Falklands/Malvinas Islands, they devoted a great deal of thought to how Great Britain and the global community would respond. After much analysis and discussion, they came to the conclusion that overall global response would be restrained, and that most states in the Western Hemisphere would actually support the seizure as a blow of liberation against colonialism. The junta also planned to invoke the hemispheric defense pact signed in 1947 and known as the Rio Treaty, which specifies that an attack on any of the signatory states will be treated as an attack on all.

##### **1. Erroneous Predictions**

Taking into consideration all of these factors and signals, the junta decided that Britain lacked the resolve and the political will to respond to a seizure of the Falklands with enough force to recover them. Certainly some official protest and complaints were to be expected, and perhaps some diplomatic and economic consequences would follow. They also anticipated that Britain would dispatch submarines to the area to gather

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<sup>135</sup> Child, *Geopolitics and Conflict*, 52; Norden, *Military Rebellion*, 67; Nietzel, *Falklands War*, 45.

<sup>136</sup> Mares, *Violent Peace*, 146.

information, but likely not for the purpose of attacking any ships. The Argentine forces that seized the islands were also following strict orders to avoid inflicting any casualties, so that British passions and international outrage would not be stirred up by bloodshed.<sup>137</sup>

On the global stage, the junta believed that the general response to the seizure would be tacit acceptance, or at worst, mild disapproval. The primary reason for this optimism was the prevalent feeling in the world that the British occupation of the Falklands was a vestige of European colonialism, and should be relinquished. Because of this, the junta expected that any country that had suffered from colonialism and its aftermath would identify with Argentina and put pressure on the British to negotiate a settlement with no further use of force. The junta members were not entirely mistaken about the anti-colonialism sentiments that were common throughout the world and especially in Latin America, but one of the main downfalls of this line of thought is that they seemed to be unaware of how unfavorable their international reputation was. Recurring military coups and a woeful human rights record including untold thousands of *desaparecidos* meant that the surprise military invasion was not universally viewed as a shining example of justice, as the junta had anticipated.<sup>138</sup>

## **2. The Downside of Secrecy**

Unfortunately for the junta, they had kept the planning for the invasion so secret that they had not even informed their own intelligence service in order to have their assistance in predicting the reactions of other states. When the junta did finally brief knowledgeable representatives of the military intelligence service and ask for their assessment, their predictions were not as encouraging. But by that point, the islands had already been seized, and the die was cast.<sup>139</sup>

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<sup>137</sup> Hoffman and Hoffman, *Sovereignty in Dispute*, 163.

Rubén O. Moro. 1989. *The History of the South Atlantic Conflict: The War for the Malvinas*. New York, Praeger Publishers. 26.

<sup>138</sup> Hoffman and Hoffman, *Sovereignty in Dispute*, 177.

<sup>139</sup> Robert L. Scheina. 1987. *Latin America: A Naval History 1810–1987*, U.S. Naval Institute, Annapolis. 243–244.

## **E. THE BRITISH OBSTACLES**

The profusion of impediments to any campaign to reoccupy the Falklands began with the fact that the archipelago lay almost 7,000 nautical miles from the British home islands, with only open ocean in between. Britain did not possess any other territory with a suitable airfield anywhere within 3,000 nautical miles, meaning that on-scene air support/cover would be limited to carrier-based aircraft.<sup>140</sup>

### **1. Downsizing**

Britain was in the process of significantly downsizing the Royal Navy's amphibious ships, based on prevailing assumptions that the days of amphibious landings were past. Aircraft carriers were also deemed to be outdated in the age of long-range aircraft. For this reason, the *HMS Hermes* was scheduled for decommissioning, while the *HMS Invincible* was to be sold to Australia. Britain also planned to decommission the ice patrol vessel *HMS Endurance*, which was the only Royal Navy ship that still maintained any regular presence in the South Atlantic. The decommissioning of all these key ships sent a clear signal to the junta that Britain's will and capacity to engage in far-ranging naval combat was fast waning.<sup>141</sup>

Nor, in the eyes of the junta, did the Falklands have any strategic value to Britain. Originally occupied by Britain for use as a coaling station, modern naval propulsion technology meant that they no longer imparted the same logistical value. Rocky and inhospitable with a brutal climate, they were very sparsely populated and used primarily for raising sheep. On the political side, Prime Minister Margaret Thatcher was then seen as a weak leader who led a nation in poor economic shape and with a full plate of other domestic issues, such as strikes. However, the junta failed to anticipate a similar "rally round the flag" tactic by Thatcher, harnessing public outrage over the attack on British sovereignty in order to quell dissent and disunity in her government.

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<sup>140</sup> Freedman, *Official History*, 149, 165.

<sup>141</sup> *Ibid.*, 97–8, 149–50.

## **2. Seemingly Impossible Odds**

In summary, from the Argentine perspective, a weak female head of state with a budget crisis and a restless populace would have to order a major naval amphibious task force (mostly from ships already scheduled for decommissioning) to commence a very expensive logistical nightmare of a mission to the far side of the earth in some of the roughest seas and worst weather on the planet. As if that were not enough, after sailing 7,000 nautical miles to try to recover a few windswept rocks of little actual value, they would have to assault a numerically superior and firmly entrenched occupying force that, by comparison, would practically be fighting in their own backyard.

### **F. THE AMERICAN ASPECT**

In another crucial misjudgment, there is significant evidence that Galtieri believed the U.S. would support an Argentine seizure of the Falklands, or at least remain neutral.<sup>142</sup> When Galtieri met with President Reagan in Washington D.C. in early 1982, he somehow came away with the impression that in the event of a conflict over the Falklands, America would side with Argentina against Britain. He seemed to believe that even in the worst case, the U.S. would remain neutral and not provide any assistance to either side.<sup>143</sup>

In fairness, the message that Washington had been sending to Latin America through most of the 1970s was that any concerns regarding democracy and human rights were much less important than preventing the spread of communism. The junta may not have had a stellar human rights record, but its anti-communist credentials were spotless. The Argentine military had even been doing a great service for the United States by deploying to Central America and training anti-communist groups such as the Contra rebels in Nicaragua.<sup>144</sup>

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<sup>142</sup> Child, *Geopolitics and Conflict*, 82; Norden, *Military Rebellion*, 74.

<sup>143</sup> Norden, *Military Rebellion*, 73; Hoffman and Hoffman, *Sovereignty in Dispute*, 163.

<sup>144</sup> Norden, *Military Rebellion*, 74.

Nevertheless, the idea that the United States would back Argentine aggression against their strongest NATO ally does seem surprisingly naïve. It was also completely incorrect. When the seizure occurred, not only did the United States lead the passing of a U.N. resolution strongly condemning the assault, but they also assisted Britain with significant war materiel, including advanced Sidewinder air-to-air missiles that would take a heavy toll on Argentine aircraft.<sup>145</sup> Additionally, they facilitated the British use of Ascension Island as an airbase and way station, which was especially crucial to the success of the amphibious task force.<sup>146</sup>

## **G. THE ORIGINAL PLAN**

### **1. Isolation Tactic Discarded**

In previous disagreements between Argentina and Great Britain over the status of the islands, Argentina had threatened to reduce or sever the economic and transportation ties between the Falklands and the South American mainland, which all pass through Argentina. This would have resulted in isolation and deprivation for the Falklanders and put a tremendous amount of pressure on Britain to replace the lost services, which would be massively expensive and logistically challenging. Britain therefore assumed that any stirrings of serious trouble from Argentina would begin with similar threats or actions to isolate the islands. However, the junta was wary of possible agreements between Chile and Britain to replace any severed mainland connections, and therefore decided to jump straight to direct military action without warning.<sup>147</sup>

### **2. A Matter of Timing**

Secret military planning quickly began for *Operación Rosario*, the military seizure of the Falklands.<sup>148</sup> Once the junta had decided to gamble on a grab for the

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<sup>145</sup> Nietzel, *Falklands War*, 19.

<sup>146</sup> Julian Thompson. 1991. *The Lifeblood of War: Logistics in Armed Conflict*. Brassey's, London, 259.

<sup>147</sup> Freedman, *Official History*, 142, 150–2, 220.

<sup>148</sup> Norden, *Military Rebellion*, 71.

Falklands and other associated islands, they proceeded with their planning in utmost secrecy, probably informing no more than an estimated nine people of the invasion plan. They calculated correctly that although a British operation to retake the Falklands would be challenging at any time of the year, it would be nearly impossible between July and October, when the powerful storms and frigid temperatures of the South Atlantic winter render the area barely navigable.<sup>149</sup> Any attempts to conduct at-sea refueling or any sort of flight operations in those conditions would be practically impossible. Therefore, if the Argentine forces could launch a surprise invasion on the lightly garrisoned islands and consolidate their control in time for their forces to bunker in for the winter, Britain would be forced to wait until spring to take any kind of significant military action. By that time, Argentine possession would be more firmly established, international condemnation would have faded into the background, and Britain's ability to muster the political momentum to take military action would have been more difficult.

## **H. JUMPING THE GUN**

### **1. The Davidoff Affair and Project Alpha**

However, the junta chose to drastically accelerate their invasion plans because of events that were taking place on South Georgia Island. An Argentine businessman named Constantino Davidoff had been granted a contract to scrap a long-abandoned whaling station on South Georgia. Diplomatic tension began to rise in December 1981 when he visited the islands in an Argentine-flagged vessel and failed to follow the established procedure of first making a courtesy landing at the British outpost at Grytviken before proceeding to the whaling station site at Leith. Davidoff apologized and the incident seemed minor, until similar occurrences in March 1982 aroused British concerns that Argentina was testing the waters and seeking to inch closer to asserting their claimed sovereignty over the island, along with the South Sandwich Islands.<sup>150</sup>

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<sup>149</sup> Max Hastings and Simon Jenkins. 1983. *The Battle for the Falklands*. New York, NY. Norton Press. 48.

<sup>150</sup> Hoffman and Hoffman, *Sovereignty in Dispute*, 152–5.

Indeed, the Argentine Navy had seized what seemed to be the perfect opportunity to advance Argentine claims on South Georgia. “Project Alpha” consisted of the insertion of Argentine Marines in civilian clothing into the supposed working party that landed at Leith. Unsubtly, they carried weapons ashore, occupied the uninhabited buildings, hauled down the Union Jack, and raised the Argentine flag. Naturally, on such a small island, this did not escape the notice of the British at Grytviken. Messages began to fly, diplomatic protests were promptly made, and the suspicions of the British Ministry of Defense (MoD) were fully aroused. Ironically, Project Alpha turned out to be counterproductive because it focused British attention on the South Atlantic.<sup>151</sup>

## **2. Secrecy Compromised**

The MoD had originally believed that Argentina was highly unlikely to take any significant action against any of the disputed islands, and that even if they did, it would not happen before the merciless South Atlantic winter ended in October. But in light of the apparent Argentine military involvement in the South Georgian landings, MoD laid the groundwork to shift more military assets to the South Atlantic to defend their interests and head off any potential trouble. The junta became aware of this, and decided that their window of opportunity for a quick and unopposed invasion was swiftly vanishing. Therefore they dramatically accelerated the invasion timeline, moving the date of the first amphibious landing on the Falklands from May to the beginning of April. This forced the ill-prepared Argentine forces to operate under severe logistical constraints.<sup>152</sup>

As previously mentioned, the plans were still being formulated in great secrecy, which meant that many key personnel with specific knowledge who might have assisted in the planning process were not informed or consulted. Because of this, the junta was making decisions with incomplete or inaccurate information, most notably on the projected reactions of the British government and the major countries in the Western

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<sup>151</sup> Freedman, *Official History*, 169–174; Hastings and Jenkins, *Battle for the Falklands*, 55–6.

<sup>152</sup> John Arquilla and María Moyano Rasmussen. 2001. “The Origins of the South Atlantic War.” *Journal of Latin American Studies*, Vol. 33, 748; Hastings and Jenkins, *Sovereignty in Dispute*, 59.

Hemisphere. A more accurate appreciation of the situation might have changed their approach to the islands, but whether it would have deterred the invasion is impossible to know.

### **3. Resounding Defeat**

The junta's planning proved to be as faulty as their predictions. No plan had ever been formulated to defend the Falklands from a British counterattack, and the different military services proved incapable of working together and coordinating their respective actions to work towards an advantageous outcome. Essentially, the Argentine Army, Navy, and Air Force each fought a separate war against the British task force, and none of them wanted to expose their best assets to danger. The Army kept their best troops guarding the border with Chile and sent poorly equipped raw conscripts from Argentina's jungle climate to occupy the frozen windswept islands. After the Argentine cruiser *A.R.A. General Belgrano* was sunk by a British submarine, the entire Argentine fleet returned to ports on the mainland and did not venture out for the remainder of the war. The Air Force decided to keep all of their fixed-wing combat aircraft safely based on the mainland and not to shift any of them to airstrips and runways on the Falklands. This added at least an extra 600 miles to every combat flight and severely reduced the aircraft on-station time.

When Britain promptly responded to the invasion with a sizable task force, the Argentine military was completely unprepared to wage a coordinated and effective war to defend the islands, and they paid heavily. By squandering the advantages they possessed due to their proximity to the islands and their control over the invasion timeline, they created obstacles for themselves that proved to be insurmountable against an experienced and capable British force. After retaking South Georgia on 25 April, the first amphibious landings were made on East Falkland on 21 May, and by 14 June all Argentine forces in the Falklands had surrendered.<sup>153</sup>

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<sup>153</sup> Hoffman and Hoffman, *Sovereignty in Dispute*, 181.

## **I. WHY DID THE JUNTA TAKE THE GAMBLE?**

Argentina launched an invasion of the disputed Falklands Islands based primarily on the perception that Britain did not have the military capability or the political will to retake the islands from the occupying Argentine force at that time. Based on all of these factors, key Argentine decision-makers assumed that possession would present Margaret Thatcher and the world with a *fait accompli*. After a few British declarations of outrage, the issue would eventually be resolved at the negotiating table. For this reason, the junta never expected to fight a war, and proved totally unprepared when combat began.

### **1. Underestimating the British**

The role of the Argentine misperception is a crucial one. Jack Levy described the phenomenon very aptly in his work entitled *Misperception and the Causes of War*. “Military overconfidence deriving from underestimation of the adversary’s capabilities or overestimation of one’s own capabilities is an important form of misperception leading to war.”<sup>154</sup> Put another way, states do not generally initiate wars unless they believe they will win. If Argentina had been able to predict that Britain would react with speed and strength, it is hard to imagine that they would have chosen to initiate the conflict. Of course, they did not consider themselves to be preparing for a war. They merely envisioned a swift bloodless seizure followed by an occupation. This overarching assumption that Britain would not fight to retake the islands influenced Argentine planning at every level. This led to countless flawed decisions, which ultimately led to a resounding Argentine defeat.

### **2. The Domain of Losses**

As in the Beagle Channel conflict, the operative question is why did the junta choose to take the gamble of making a grab for the Falkland Islands instead of playing it safe? Prospect theory indicates that typical human beings are more willing to accept higher levels of risk when they believe that they are operating in the domain of losses –

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<sup>154</sup> Jack S. Levy. 1983. “Misperception and the Causes of War: Theoretical Linkages and Analytical Problems.” *World Politics*, (Vol. 36, No. 1, October 1983), 82.

that is, their position is deteriorating and they are facing a losing situation. The members of Argentine junta were textbook examples of people who were very willing to gamble in the hopes of reversing their current misfortunes and “breaking even.” The junta badly misjudged the British reaction, but for them to be willing to take the gamble in the first place, it was essential that they see themselves in the domain of losses. Had they been in a more stable economic and political situation, they probably would have been less likely to take the gamble of invading a British territory. But because they were so deeply in the domain of losses, any course of action that offered a glimmer of redemption became more appealing. Unlike *Operación Soberanía*, if the Pope had called the day before the launch of *Operación Rosario* to request that they refrain from violence, it seems likely that Galtieri and the junta would have pressed on regardless, with many apologies to the Holy Father. A clean, glorious reclamation of the beloved *Islas Malvinas* was their only chance to dig themselves out of the hole they were in with any sense of credibility and legitimacy.

### **3. Lack of Resolution**

Unlike the Beagle Channel dispute between Argentina and Chile, the governments of Argentina and Great Britain have not been able to resolve the territorial dispute over the Falkland Islands, South Georgia Islands, and the South Sandwich Islands. Both sides remain unwilling to negotiate their dominant positions—Argentina is not interested in discussing any resolution that does not progress towards a transfer of sovereignty, and Britain continues to insist that wishes of the Falkland islanders are paramount. Rancor over the war has not fully healed, and speculation continues regarding undersea natural resources in the area. The dispute persists and lingers, and there appears to be little reason to expect any positive change in the near future.

## IV. CONCLUSION

### A. WHY SEIZE THE FALKLANDS AND NOT THE PNL ISLANDS?

In the previous two chapters, we have seen that in the span of a mere four years, the military junta that ruled Argentina was faced with two critical decisions regarding disputed islands that they claimed but did not occupy. These two cases make for an excellent study because few confounding variables stand in the way of a comparative analysis. Both cases focus on the decisions made by the Argentine government as they evaluated potential actions to be taken towards nearby islands that they claimed but which were under control of another country. The cases also take place in the same time period and under military rule. The only differing factors were the personnel composition of the junta, the proximity and military strength of the potential opponents, and the nature of the islands under dispute.

The popularity of the Argentine military junta declined considerably between 1976 and 1983. Because the civilian government that fell to the 1976 coup was one of the most incompetent and ineffective on record, many Argentines were greatly relieved when the military finally took charge.<sup>155</sup> The country was being ravaged by internal conflict with groups of armed guerrillas conducting bombings, kidnappings, and murders.<sup>156</sup> Even after his death, the shadow of Juan Perón and his political party caused significant polarization throughout the nation. In addition, the economy was in complete disarray with no prospect of improvement.<sup>157</sup> The military could plausibly claim to have a popular mandate to vanquish the domestic enemies, enact economic recovery, and restore Argentina's unity and honor.

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<sup>155</sup> Poneman, *Democracy on Trial*, 22–23.

<sup>156</sup> Remmer, *Military Rule*, 28.

<sup>157</sup> *Ibid.*, 77.

### **1. The Falklands Option**

There were certainly considerations that made a grab for the Falkland Islands appear low risk and high reward. The Falklands are more embedded in the national consciousness than are the isolated and unpopulated PNL islands. Also, when sizing up an aggressive move for the Falklands, the potential opponent is a distant, former colonial power who may possess neither the logistical capability nor the political will to contest an Argentine *fait accompli*. Chile may not possess Britain's residual military power, but Chilean forces are in theater, and they have made their resolve to defend the islands very clear. Britain's resolve for a military response was much more difficult to anticipate.

### **2. The PNL Option**

In contrast, invading the PNL islands also had some factors in its favor. Chile has always been a significantly weaker military power than Britain, and the comparatively low value of the uninhabited small rocky islands might reduce the odds of escalation. Also, while the Falkland islanders have made it perfectly clear that they prefer to remain part of the United Kingdom, the uninhabited PNL islands are free from this unwanted complication.<sup>158</sup> Finally, if you are seeking to avoid U.S. involvement, starting a fight with Washington's strongest NATO ally is not a good tactic.

### **3. The Utility of Prospect Theory**

Prospect theory performs well in explaining the choices of the junta. In 1978, the junta members did not consider themselves in great danger of losing power, and therefore they saw themselves to be in the domain of gains. Taking possession of the PNL islands would be a pure gain, while refraining from military invasion would likely have no adverse effects. Therefore, they were not as inclined to undertake a risky action such as an island grab, given the potential negative consequences of an unsuccessful attempt.

Conversely, when the junta members were weighing their options in 1982, they most definitely felt that they were in danger of losing their hold on power, and therefore

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<sup>158</sup> Freedman, *Official History*, 34–35.

saw themselves as operating in the domain of losses. Their popularity seemed to be in a downward political spiral that could only end in regime transition. Although it would be a gamble, a successful seizure of the Falkland Islands would halt that decline and preserve their power.

Prospect theory is most persuasive in situations where traditional methods of evaluating human decision-making fail to explain actions taken. Rational choice theory assumes that the decision-makers base their decisions on a rational cost/benefit analysis. It does not do an adequate job of explaining why Argentina would elect to start a fight with Great Britain instead of Chile. Despite the potential benefits that could have resulted, launching an invasion of the Falklands was not a rational act. Intentionally tweaking the tail of the British tiger in a highly public manner carries tremendous risk. A rational, calculated thinker would likely conclude that the potential costs of any aggressive islands grabs exceeded the potential gains. This was not a purely rational act, but rather a gamble taken in the hopes of salvaging a precarious political situation.

## **B. ALTERNATE EXPLANATIONS**

### **1. Diversionary War Theory**

Other theories that help to explain the decision of the junta to launch an invasion of the Falkland Islands include diversionary war theory, which proposes that the junta seized the Falklands solely to distract their own population from the *Guerra Sucia* and the nation's economic woes. According to this theory, the primary cause of the war was not the misperception of the British reaction, but rather the growing political instability of Argentina and the need of the junta to provide a distraction from the domestic issues. While it contains a degree of truth, this explanation fails to capture the whole story.

Jack Levy has written an article entitled "Domestic Politics and War" that highlights the appeal of a diversionary war to a beleaguered government. He discusses various studies that seem to indicate a link between higher levels of domestic instability

and unrest with more frequent outbreaks of wars and bellicose state behavior.<sup>159</sup> While it is certainly true that the junta benefited politically from the massive upwelling of patriotism that accompanied the “liberation” of the islands, this does not explain why they believed that an invasion of British territory would buy more than short-term popularity. No matter how desperately a government is looking for an external distraction from domestic strife, it is clearly counterproductive to begin an external war against a stronger power. If the junta had been searching for a purely diversionary war, they would have chosen a weaker adversary than Great Britain.

## **2. Miscalculation**

Many explanations of the conflict also highlight the junta’s miscalculation of international reaction to their seizure of the Falklands. While miscalculation played a crucial role, it alone cannot explain the war. The junta first needed a reason to consider a military action in the Falklands before they would progress to the level of evaluating potential reactions. Also, as Arquilla and Rasmussen point out, there was plenty of time between the Argentine seizure of the Falklands on 2 April and the first British military action on 25 April on South Georgia, and even longer before the first military action on the Falklands themselves, which took place on 1 May (a Vulcan bombing run on the Port Stanley airfield). British troops did not land on the Falklands until 21 May. If the junta had so desired, this long lull in combat action gave them plenty of chances to back down and withdrawn their forces. The optimal moment to take this step may have been after the British had retaken South Georgia, because then both sides could deflect any domestic criticism by pointing to a minor face-saving military victory.<sup>160</sup>

If the junta had been gambling that Thatcher would not respond militarily, their bluff was called when Britain demonstrated their resolve by sending the task force. Had they chosen to pull back from their gamble (to “cash in their chips”), they certainly had

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<sup>159</sup> Jack S. Levy. 1988. “Domestic Politics and War.” *Journal of Interdisciplinary History*, Vol. 18, No. 4, The Origin and Prevention of Major Wars (Spring, 1988). 653–673.

<sup>160</sup> Arquilla and Rasmussen, *Origins of the South Atlantic War*, 752–753. The authors also believe that the military institution had too much influence over the junta members, resulting in both a push for war and an unwillingness to negotiate and withdraw after the British task force was launched. Service rivalries also played a disruptive role.

the opportunity to do so. The junta could have claimed that they had conducted the invasion to draw global attention to the colonial injustice, and to pull the recalcitrant British back to the negotiating table. Once their point had been made, they could assert their commitment to a peaceful resolution and withdraw from the islands of their own accord. This would demonstrate that their decision to invade had been made with a rational cost/benefit analysis, and they were altering their plan once their analysis was proven incorrect and the costs significantly increased. Miscalculation therefore does not answer the question of why the junta did not amend their decision to occupy the Falklands after Britain had demonstrated the gravity of the junta's misperception by dispatching their naval task force to the islands.

### **3. Comparative Security**

The counter-argument could also be made that the junta should have felt less secure in 1978 than in 1982, because the internal guerrilla threat posed by the *Montoneros* and the *Ejército Revolucionario del Pueblo* (ERP) was still high in the late 1970s, but had been wiped out by 1982. This would suggest that the junta should have been more disposed to gamble in 1978, which would have led to an invasion of the PNL islands instead of the Falklands. However, while individuals in the military may have been in more physical personal danger in 1978, the military as an institution was not in serious peril of losing its hold on power. The guerrillas caused significant deaths and injuries, mostly to military and law enforcement personnel and their families, but they did not have the force required to topple the junta.<sup>161</sup>

### **4. Power Retained?**

As a counterfactual, Arquilla and Rasmussen believe that the junta was in solid control of the country because of the extensive repression of the dirty war. Had they not launched the Falklands invasion, they would have remained in power.<sup>162</sup> However, considering the level of pressure against the junta that was building on both the domestic

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<sup>161</sup> Moyano, *Lost Patrol*, 152-155.

<sup>162</sup> Arquilla and Rasmussen, *Origins of the South Atlantic War*, 747-8.

and international fronts, this is debatable, but impossible to discount completely. Regardless, the key component for this application of prospect theory is not the actual situation of the decision-makers, but rather the position that they believe themselves to be in. The question of whether the junta would have been forced out of power is less relevant than the question of whether the junta members **felt** that they were in danger of losing power. It seems reasonably safe to say that by the spring of 1982, facing the rapidly self-destructing economy and a widespread upwelling of outrage over the *Guerra Sucia*, the junta members felt that there was a significant risk that they would be ousted from power, either by another internal coup or by a mass uprising of the people.

## **5. The Need for Prospect Theory**

Neither diversionary war theory nor the junta's critical misperception can independently explain the full spectrum of their actions. Arguments claiming less political security in 1978 or the junta's strong grasp on power in 1982 are unconvincing. It is necessary to apply prospect theory to the scenarios in order to fully explain junta decisions.

## **C. APPLICABILITY**

There have been very few major interstate wars in Latin America after the dawn of the twentieth century. Using Singer and Small's generally accepted criteria of 1,000 combat-related deaths, only the Chaco War between Paraguay and Bolivia from 1932–1935 met the definition of a true interstate war. The Falklands War was therefore the first real occurrence of interstate war in South America in fifty years, and provides a unique modern example. With no recent experience in waging external war, the junta did not seem to be capable of accurately estimating the costs of the conflict. Also, as has been discussed, a complete lack of interoperability between the military services was absolutely crippling to their combat effectiveness. Examining the causes of the war can give some useful insights that may help to explain why interstate war is so infrequent in the region.

## **1. Modern Territorial Conflicts**

Despite the relatively peaceful nature of modern international affairs,<sup>163</sup> there are a significant number of unresolved territorial conflicts throughout the world, including several significant disputes in the Western Hemisphere. How could the lessons learned from this comparative case study of the Beagle Channel Conflict and the Falklands War be applicable to a broader range of territorial disputes?

Could it be used to analyze and predict the likelihood of war in ongoing and future conflicts? Even such amicable neighbors as the United States and Canada have a number of unresolved disagreements regarding their mutual border, although the likelihood of any of these escalating into a MID is functionally non-existent. The question then becomes: are there similar situations that exist today to which the lessons of prospect theory in territorial disputes could be applied? According to prospect theory as applied to territorial disputes, the most critical factor to analyze would be whether the key decision-makers in a government feel that they are operating in the domain of gains or the domain of losses. Governments that seem to be operating in the domain of losses should be considered greater risks to take action against their territorial rivals.

## **2. Accessible Information**

The greatest obstacle to this method of analysis lies in the fact that it can be highly difficult to accurately ascertain the actual mindset and thought process of key decision-makers without reliable first-hand knowledge. These powerful leaders typically feel that they would not benefit from full disclosure and transparency of their actions and intentions, which creates the desire for secrecy in governmental decision-making. Even the retelling of accounts well after the events in question can be suspect, since the people who are recounting the story generally have a vested interest in presenting themselves in a favorable light. This handicap does not render analysis impossible, but it does markedly increase the degree of difficulty.

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<sup>163</sup> As measured by number of major interstate wars in Correlates of War, <http://www.correlatesofwar.org>. Accessed 7 September, 2011.

Therefore, studies such as this can only be conducted effectively for other territorial disputes if a reasonable amount of information regarding the decision-making process of key governmental leaders is available. If such information is obtainable, prospect theory could have significant explanatory value when examining historical conflicts, and also potentially assist in predicting the likelihood of other disputes escalating into war in the future.

#### **D. FURTHER STUDY**

This comparative study analyzed two cases of decisions made by a military junta. Due to the different factors in play, the characteristics of the decision-making process performed by a military junta may differ from what is undertaken by a government that is democratically elected. An interesting question for further study might be how prospect theory could be applied to cases in which a democratically elected government is weighing the potential gamble of a land grab. In any case, further study is needed to analyze the impact of prospect theory on territorial conflicts leading to militarized interstate disputes.

Prospect theory should be strongly considered for future studies that seek to analyze the decision-making processes of governmental leaders. Because it is based on scientific studies in cognitive psychology, it can help to explain decisions that do not seem to fit the framework of rational choice. Human beings do not always act rationally, and those who occupy positions of power are no exception. Prospect theory can assist in efforts to determine why an action was taken, when a strictly rational analysis may have predicted another outcome.

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