

COMMENT

# REVISITING THE FALKLANDS

BETWEEN THE STATUS QUO AND FUTURE CHALLENGES



**ATHENALAB**  
International relations • Security • Defense  
CHILE

May 2024

Cover: Photograph by Paul Carroll. Pebble Island, Falkland Islands. January 2023. Licensed by Unsplash.

The comments and opinions expressed in this document represent the views of the authors, not necessarily those of the institution.

# REVISITING THE FALKLANDS

## BETWEEN THE STATUS QUO AND FUTURE CHALLENGES

AthenaLab Team

Comment | May 2024



**Index**

Introduction ..... 7

The Milei administration: between rhetoric and pragmatism..... 8

Future challenges: connectivity and energy ..... 10

Military presence on the islands and strategic development..... 13

Position and interests of Chile ..... 14

Final considerations ..... 15



## 0.1

---

### Introduction

At the end of April, an AthenaLab team carried out a working visit to the Falkland Islands<sup>1</sup>, in the South Atlantic, where they met with local civil and military authorities for an on-the-ground look at the geopolitical situation of the southern tip of South America.

In these meetings, delegates discussed the current political situation following the arrival of President Javier Milei to the Casa Rosada, and future development projects for the British overseas territory, which Argentina claims as its own, in the context of a dispute that dates back to 1833 and led to a brief war in 1982.

In addition, they held meetings with representatives of local civil society, including organisations dedicated to environmental protection.

---

<sup>1</sup> The archipelago is known as “Islas Malvinas” by Argentina.

## 0.2

---

### The Milei administration: between rhetoric and pragmatism

The arrival of Javier Milei to the presidency is disruptive for Argentina from different points of view, and the field of foreign policy is no exception. For example, in his campaign he promised measures that would be difficult to execute, such as breaking relations with China and quickly leaving Mercosur, as well as vehemently criticised neighbouring left-ist leaders.

But once in power, his agenda has instead focused on rapprochements with the United States, especially in terms of defence, and with Israel, though rather symbolically. Regarding the Falkland Islands, this open admirer of former Prime Minister Margaret Thatcher has had different approaches depending, apparently, on the audience he is addressing.

“The best tribute to those who gave their lives for our country, is to defend the unwavering claim for the sovereignty of the Malvinas Islands”,<sup>2</sup> Milei said on the anniversary of the invasion launched on April 2nd 1982 by the Military Junta. This was a clear message to the Armed Forces, now essential in consolidating his administration as it implements a tough economic adjustment.

He admitted that Argentinians are tired of the politicians who “beat their chests without a single result to show” after years. “For our claim to sovereignty to be heard and respected, it is a necessary condition, first, that the country and its leadership be respected, since no one would take the claim

seriously from corrupt, serial ‘defaulters’, who are defending a business model”, he added.

Later, in an interview with the BBC, Milei better specified his position: “We are not going to give up our sovereignty and we are not going to have a conflict with the United Kingdom either.”<sup>3</sup> As he explained, his diplomatic commitment lies in long-term negotiation in a context of peace. Furthermore, he de-dramatized Foreign Minister David Cameron’s visit to the islands, since “that territory is today in the hands of the United Kingdom.”

Although the islanders did not like Milei’s statements, they recognise that it is a well-known script, since the 1994 Argentine Constitution establishes that the recovery of the South Atlantic territories is “a permanent and inalienable objective of the Argentine people.” Even the Foreign Office was allegedly informed about the president’s speech.

Cameron, after his visit to the islands, maintained that the islanders are part of the “British family” and that, in this regard, London and Buenos Aires “would agree to disagree, and do so politely.”<sup>4</sup>

What is clear after both countries revealed their hands is that a rather pragmatic logic will be applied regarding the complex issue of the Falklands, a big difference in relation to the administrations of the Kirchners (2003-2015) and Alberto Fernández (2019-2023).

---

2 La Nación (4 February 2024). “42 años de Malvinas: Milei convocó a una ‘nueva era’ de reconciliación con las Fuerzas Armadas”. Available at: <https://www.lanacion.com.ar/politica/milei-participa-del-acto-por-los-42-anos-de-malvinas-nid02042024/>.

3 BBC (6 May 2024). “Falklands dispute may last decades-Argentina president.” Available at: [www.bbc.com/news/articles/ce43zv3qIn9o](http://www.bbc.com/news/articles/ce43zv3qIn9o).

4 Associated Press (19 February 2024): “Britain’s top diplomat says he hopes the Falkland Islands will wish to stay in the UK family forever.” Available at: <https://apnews.com/article/uk-falklands-argentina-david-cameron-visit-9aca29123c09ef2ac78f466b0a4bc7ca>.



Since the return to democracy in Argentina in 1983, two approaches to this issue have prevailed. On the one hand, some administrations (including the aforementioned) have “emphasised a multipolar vision of the world and a concern for advancing regional integration,” placing the dispute over the islands as the axis of their relationship with the United Kingdom. On the other hand are the administrations that have prioritised a direct alignment with the international policy of the United States and the United Kingdom, where the demand for sovereignty was secondary to the bilateral relationship with London over “practical matters”, especially fishing and hydrocarbons. Carlos Menem (1989-1999), Fernando de la Rúa (1999-2001) and Mauricio Macri (2015-2019) are included in this group.<sup>5</sup>

It is evident that the current Argentine administration understands very well that the priorities of the United Kingdom and its allies today are to limit Chinese and Russian expansion in every area of the world, to which the South Atlantic is not immune, especially due to its current relatively stable condition and its projection towards Antarctica.

What is optimal for London is to maintain a firm position, without it being an obstacle to seeking points of cooperation on matters of common interest with Buenos Aires, such as fishing management in the area. But it is recognised that this possibility is remote, considering the existence of “Malvinist” factions within the Milei administration itself, led by Vice President Victoria Villarruel, whose father was a military veteran of the Falklands war.

As a local authority ironically declares, the worst thing that could happen to them is to have a “reasonable” administration in the Casa Rosada that would not only appeal to friendly diplomacy, but also recover the enormous potential of the country and thus its attractiveness, today faded by decades of hostile declarations, high inflation and corruption.

For the UK, Milei represents an opportunity to improve bilateral relations in a much more challenging international environment, with open fronts in Europe and the Middle East that demand attention and military resources. The mere idea that Argentina’s “place” is in the West is an incentive that should not be overlooked.

It is true that in the past the Menem and Macri administrations tried pragmatic approaches to the Falklands issue; similar to what Milei is expected to attempt. Their main effect was, above all, to relax relations with the United Kingdom, but ultimately it did not change the decision of the islanders to follow their own path of development on these remote South Atlantic islands.

---

5 Filmus D. and Erlich U. (2022). “La política exterior argentina hacia las islas Malvinas”, in *Manual de la política exterior argentina*, compiled by Juan Pablo Laporte. Buenos Aires: Eudeba, p. 336.

## 0.3

---

### Future challenges: connectivity and energy

480 kilometres from the coast of South America and 13,000 kilometres from Great Britain, the Falklands islands have always had to deal with the tyranny of distance, the need to generate resources to sustain themselves, and the constant claims by Argentina, which translate into a series of measures that hinder development.

In particular, Decree No. 256/2010 establishes (in contradiction to the United Nations Convention on the Law of the Sea) that any ship that intends to cross Argentine jurisdictional waters in the direction of the ports located in the “Malvinas, South Georgia and South Sandwich islands”, or to load goods to be transported directly or indirectly, “must request prior authorization issued by the competent national authority.”

Faced with this situation, the island government has determined in its 2022-2026 development plan that the main priority is the construction of a deepwater port, followed by a power station. In this context, general infrastructure improvement began to be implemented, which is already beginning to be seen in new residential areas in Port Stanley and inland roads. Investments are estimated at £268 million over 10 years, including the maritime terminal.

According to official statistics from the local government, the economy of the islands of 3,600 residents is mainly supported by fishing activities and royalties, which generate more than two-thirds of the gross domestic product. The average value of exports between 2010 and 2019 was £144 million a year, and the European Union accounted for 83% of seafood exports 2016-2019. Given that the operational cost is £97 million per year and the income is £110 million, the Falklands present a constant fiscal surplus which allows them to finance

their own projects, in addition to an A+ credit rating according to S&P Global Ratings.

A big – although not new – venture is the extraction of offshore hydrocarbons<sup>6</sup> after years of prospecting determined that there might be more than one billion barrels of oil in the area, although figures vary. At the end of this year, the Israeli oil company Navitas Petroleum and Production, which controls the Sea Lion field (65%) along with UK’s Rockhopper (35%),<sup>7</sup> is expected to make a final investment decision. The estimated production could initially be 80,000 barrels per day, which would significantly impact the islands’ economy. As one local authority admits, it is the closest they have come to seeing crude oil flow to the surface after decades of speculation.

Among the islands’ future challenges, those related with its economy have to do with the impact of climate change on marine resources, and fishing fleets that act illegally.

Starting in 2023, the island government incorporated a modern maritime surveillance patrol vessel for its coastal waters and the exclusive economic zone.

Regarding oil, the questions that should be asked are, on the one hand, how the islands will capitalise on the new income and face the demand for labour and, on the other, what would be the new claims that this activity could trigger in Argentina.

---

6 The Times (23 July 2022). “Falkland’s black gold rush might at last be a reality”, Dominic O’Connell. <https://www.thetimes.co.uk/article/falklands-black-gold-rush-might-at-last-be-a-reality-s0g3jww7p>.

7 Rockhopper Exploration PLC, official site, <https://rockhopperexploration.co.uk/operations/falkland-islands/north-falkland-basin/sea-lion/>.



In addition to the challenge of maritime infrastructure connectivity having apparently been identified (especially taking into account the proximity to Antarctica) the opening of regular flights to and from São Paulo, Brazil is also being considered, since the regular airline routes currently include only the United Kingdom and Chile.

At the geopolitical level, it is not foreseen that the traditional dispute with Argentina will disappear, but rather that, as different administrations come and go, it will continue to vary in intensity and oscillate between the two aforementioned approaches: the sovereigntist and the pragmatic. However, a greater presence of extra-regional stakeholders in the triangle made up of Port Stanley (Falklands/United Kingdom), Ushuaia (Argentina) and Punta Arenas (Chile), with the purpose of expedited access to Antarctica, could alter the status quo in force since 1982.

“The lack of resolution on the sovereignty dispute over the Malvinas Islands, the new role of China and Russia, and the growing presence of extra-regional powers in Antarctica present a series of

concerning challenges for the future of the South Atlantic,” says Argentine analyst Ariel González.<sup>8</sup>

Without a doubt, there could be new rapprochements between the traditional actors, as well as conjunctural alignments with those that begin to appear more recurrently in an area that, until now, has remained stable. China, for example, has repeatedly expressed its support for Argentina over its territorial claims in United Nations committees.<sup>9</sup> Meanwhile, the United Kingdom’s decisive support for Kiev with the delivery of military equip-

8 González Levaggi, A. (2022). “Del Indo-Pacífico al Atlántico Sur: Estrategias marítimas de las grandes potencias en el siglo XXI”. Buenos Aires: Instituto de Publicaciones Navales, p. 240.

9 La Nación (21 June 2023). “China apoyó a la Argentina por Malvinas en la ONU: el mensaje velado que envió a Estados Unidos”. Available at: <https://www.lanacion.com.ar/el-mundo/china-apoyo-a-la-argentina-por-malvinas-en-la-onu-el-mensaje-velado-que-envio-a-estados-unidos-nid21062023/>.



ment has angered Russia, which even threatened to attack military targets in Ukraine and “beyond”.<sup>10</sup>

Although today the priority theatres of strategic competition are in Europe and the Indo-Pacific, the remote and sparsely populated Falklands have also been part of global events, as in the First and Second World Wars (when they served as the scene for battles, or starting points for deployments) or what happened 42 years ago.

Therefore, we think the islanders must prepare for a challenging future, in which projected oil revenues could help to pay a greater share for their Defence so that the bill does not fall so heavily on the United Kingdom. The latter has ratified its commitment that the so-called overseas territories be “free from coercion” and “protected from harm”.<sup>11</sup> Furthermore, the Falkland Islands Government will have to continue identifying spaces in South America where it can work and open diplomatic channels beyond Argentine pressure, as is currently the case with Uruguay, considering the region’s high political fragmentation.

10 ABC (6 May 2024). “Rusia amenaza con atacar objetivos militares de Reino Unido en Ucrania ‘y más allá’”. Available at: <https://www.abc.es/internacional/rusia-amenaza-atacar-objetivos-militares-reino-unido-20240506200558-nt.html>.

11 HM Government (2023). Integrated Review Refresh 2023: Responding to a more contested and volatile world, p.16. Available at: [https://assets.publishing.service.gov.uk/media/641d72f45155a2000c6ad5d5/11857435\\_NS\\_IR\\_Refresh\\_2023\\_Supply\\_AllPages\\_Revision\\_7\\_WEB\\_PDF.pdf](https://assets.publishing.service.gov.uk/media/641d72f45155a2000c6ad5d5/11857435_NS_IR_Refresh_2023_Supply_AllPages_Revision_7_WEB_PDF.pdf).

## 0.4

---

### Military presence on the islands and strategic development

After the 1982 war, the United Kingdom significantly increased its military presence on the islands. Whereas before the execution of “Operation Rosario” – the name of the Argentine military action to take control of the islands – the British military garrison was less than a hundred troops, today the Mount Pleasant military base has a staff of almost 1,000, in addition to another thousand civilians who work in its facilities.

The base, inaugurated in 1985, has resources from the British Army, Royal Navy and Royal Air Force.<sup>12</sup> From the Army, units of the Royal Artillery and the Corps of Royal Engineers are currently deployed.<sup>13</sup> For its part, the Royal Navy<sup>14</sup> permanently maintains the ocean patrol vessel (OPV) “Forth” and the research vessel “Sir David Attenborough”, as well as a frigate or destroyer on a six-month rotating deployment. In addition, there is a fishing surveillance vessel, particular to the islands. Finally, the Royal Air Force has permanently deployed four Typhoon Tranche 1 fighter aircraft (soon to be replaced by more modern versions 2 or 3), a Voyager tanker aircraft, and an Atlas C1 (A400M) transport aircraft.<sup>15</sup>

Argentina, on the other hand, has gradually lost its strategic capabilities, beyond the material casualties that resulted from the 1982 war, which renders a major operation so far from its coasts unthinkable. Today the active resources of the Argentine Navy do not exceed five operational warships —

and no submarines. As for combat aircraft, the inventory contains 16 Super Étendard, none of them in condition for immediate use. The situation of the Argentine Air Force is not much better, since it is estimated that they only have 10 A-4 Skyhawks (different versions).<sup>16</sup>

Within the last ten years, the main system acquisitions for the armed forces focused on transport helicopters and aircraft of different types; ten Italian 105mm howitzers (2013); five Super Étendard Modernisé combat aircraft (France, 2017), included in the 16 mentioned above; and four OPVs of French origin (2018).

However, the intention to strengthen its military forces has recently been expressed – in particular by the current administration. Until now, only the ongoing acquisition of 24 F-16 fighter jets of US origin, offered by the Danish government, is known. Although this would represent an important leap in capabilities for the air force, it is not enough to represent a real threat to the sovereignty of the Falkland Islands.

Furthermore, the fact that Argentina has chosen to acquire equipment from the United States in order to recover its air combat inventory in lieu of offers from China or Russia, benefits the UK’s interest rather than weakening it.

---

12 <https://www.raf.mod.uk/our-organisation/stations/mount-pleasant-complex/>.

13 <https://www.army.mod.uk/deployments/south-atlantic-islands/>.

14 <https://www.royalnavy.mod.uk/news-and-latest-activity/operations/south-atlantic/atlantic-patrol-tasking-south>.

15 <https://www.raf.mod.uk/our-organisation/stations/mount-pleasant-complex/>.

---

16 The International Institute for Strategic Studies, “The Military Balance”, 2022, pp. 392-394.

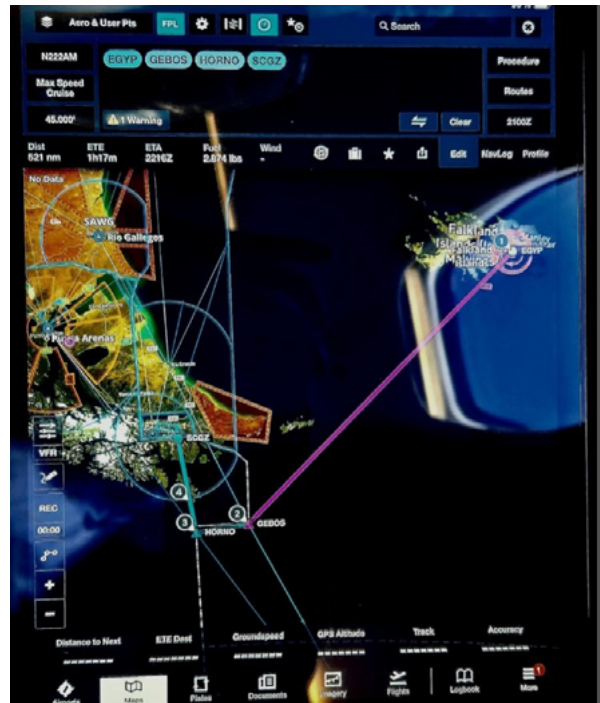
## 0.5

### Position and interests of Chile

Our country has supported Argentina's claim of sovereignty over the Falkland Islands for decades, and has even expressed its solidarity in different regional and global forums. Although the above could be a State policy that has transcended governments of different political orientations, or friendly treatment towards a neighbouring country, doubts arise about how this is integrated into (and if it is really convenient for) our national interests.

This concern derives from a series of actions carried out by Argentina that are at odds with international law – or plainly illegal. Recently, a Chilean-flagged tugboat was stopped by the Argentine Naval Prefecture in international waters on the grounds of aforementioned Decree No. 256/2010, since said ship had landed on the islands. The problem is that the Chilean merchant ship was outside Argentina's territorial sea and exclusive economic zone, and therefore Argentine authorities lacked the power to interfere. What is most questionable of all is that the Chilean authorities were mere spectators to these actions.

At the same time, Buenos Aires objects to any flight going to or from the Falkland Islands. Therefore, their air control requires every plane to ask for permission, especially if said plane enters Argentina's air control zone – not to mention its airspace. In fact, the aircraft that transported the AthenaLab research group from the Mount Pleasant Base to Puerto Williams, had to fly a longer route in order to avoid brushes with Argentine authorities (image below).



From these examples, the concern arises as to why Chile accepts this arbitrariness. It is not about opening unnecessary spaces of conflict, but about safeguarding the interests of the Chilean state and its citizens in accordance with international legislation. By recognising de facto the decisions of Buenos Aires on maritime and air traffic, Chile would be accepting a false jurisdiction, which could even affect national interests in the future, both in the Southern Ocean and in the Chilean Antarctic Territory.

Furthermore, it is difficult to understand why Chile supports a foreign State in its sovereignty claims, considering said State has territorial claims on Chilean soil, both continental and Antarctic.

## 0.6

---

### Final considerations

- ✦ The strategic situation in the South Atlantic is projected to remain stable in the medium and long term.
- ✦ Effective sovereignty over the islands appears to be linked to the United Kingdom in the future; at least as long as the inhabitants of said enclave so determine.
- ✦ The recovery of Argentine strategic capabilities, for now, does not represent a threat or risk for the United Kingdom.
- ✦ Chile must seek spaces of common interest, both with Argentina and the United Kingdom, regarding activities in the southern zone. Some of them may be the control of illegal fishing and the conservation of the marine environment.
- ✦ Notwithstanding the need to maintain good relations with Argentina, Chile must remain alert to actions carried out by the authorities in Buenos Aires and act clearly and decisively when the national interests of both Chilean citizens and companies are at risk. In this sense, Argentine internal policies that affect or contradict international law must be reviewed. Failure to do so may be interpreted as acceptance.

Av. El Bosque Norte 0177, oficina 1101, Las Condes, Santiago, Chile  
[www.athenalab.org](http://www.athenalab.org) | [contacto@athenalab.org](mailto:contacto@athenalab.org)



