Week 12 - Security Cooperation

Lisa Martin, "Institutions and Cooperation: Sanctions During the Falkland Islands Conflict," International Security, vol. 16 #4 (1992), pp. 143-178.

Martin explains Britain's ability to gain cooperation from European Economic Community (EEC) member states in imposing economic sanctions on Argentina during the 1982 Falkland Islands conflict. She purports to refute realist accounts of sanctions by "providing micro-level evidence that decisions made by the EEC directly influenced the foreign policy decisions of its members, even when governments faced political and economic incentives to defect from the sanctions effort" (p. 144).

Background: In March 1982, U.N. negotiations between Britain and Argentine over the Falkland Islands (controlled by Britain) broke down. In response to the landing of an Argentine scrap metal ship on the nearby island of South Georgia, Britain sent the *HMS Endurance* to South Georgia from the Falkland Islands. Argentina read this as provocation and invaded the Falkland Islands and South Georgia on April 1. The following day, under British pressure the U:N. Security Council passed Resolution 502, condemning Argentina’s actions and demanding its withdrawal. Britain imposed economic sanctions on Argentina on April 3, lobbying other states to join the sanctions. On April 8, Britain announced a blockade around the Falklands, and fighting broke out on May 1. On the night of May 2-3, the British sank the Argentine cruiser *General Belgrano* outside of the declared exclusion zone, killing over 300 Argentine sailors, and thereby sparking international backlash. Argentine forces surrendered on June 14 and the Argentine military junta fell soon thereafter.

Martin divides the case of the EEC sanctions into three phases.

1) At first, EEC states viewed sanctions as an alternative to military action, and therefore had an interest in supporting Britain. The strategic situation was characterized as an assurance game, with states willing to cooperate as long as sanctions were multilateral (although Italy and Ireland would bear more of the redistributive costs). States viewed the sanctions as temporary (passing a four-week import ban), and believed that a broad ban on Argentine imports would force the junta to back down.

2) Once military action broke out and especially after the *General Belgrano* sinking, EEC members became more reluctant to impose sanctions (and preferences also became more asymmetric). The strategic situation was a cooperation game, with members preferring to defect rather than continue with multilateral sanctions. Members cooperated because the EEC as a whole did not withdraw sanctions (see e.g., Ireland (facing domestic pressure to withdraw sanctions but avowing publicly not to do so unilaterally, in anticipation of losing EEC benefits)) and Britain exerted significant pressure to maintain sanctions.

3) Intensive negotiations in mid-May revealed that issue linkage between budget contributions, farm prices, and the Falklands conflict facilitated the renewal of EEC sanctions. Given the unanticipated length of the conflict (and consequent costs), without side-payments from Britain, most members would have preferred no sanctions at all. Martin argues that Britain turned a blind eye towards the EEC's override of the farm price veto (abandoning the Luxembourg Compromise allowing vetoes of farm pricing policies) and accepted a lower budget rebate in exchange for continued support of the sanctions. Moreover, the EEC structure lowered transaction costs to negotiating, by enabling multilateral negotiation in lieu of ad hoc bilateral bargains.

Martin argues that common interests alone cannot explain cooperation regarding the Falkland Islands conflict, thereby showing the relevance of liberal institutionalism vis-à-vis realism. The institution of the EEC facilitated cooperation by (a) reducing transaction costs, and (b) making tactical issue linkage credible. Despite a decrease in common interests across time, the institution retained importance in structuring the bargaining process.