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Argentina, a New U.S. Non-Nato Ally Significance and Expectations

Commander Federico Luis Larrinaga, Argentine Navy

LIKE MANY OTHER SURPRISING CHANGES taking place at the end of the twentieth century, the emergence of Argentina as a formal ally of the United States attracted the attention of the world. How could the United States shift so decisively its policy toward a nation whose stance had until very recently been characterized by nonalignment, neutralism, and even rivalry?

President William J. Clinton made the official announcement on 16 October 1997, during a visit to Buenos Aires; in it he designated Argentina as a “major non-Nato ally,” in recognition for its uniquely close cooperation with the United States on politico-security issues in the hemisphere and around the globe.¹ This political status has been granted to only seven other countries: Australia, Egypt, Israel, Japan, Jordan, New Zealand, and South Korea. Argentina is the first nation since the end of the Cold War, and the first Latin American state, to enjoy this distinction.

It was not only international policy makers who were taken by surprise.² Even Argentina, though it had been conscious of unprecedented warmth in its relations with the United States and was aware that some kind of recognition was to be conferred, had never expected to be categorized as a U.S. ally. For this southern country it meant a historic achievement: a new image and new prestige in the international arena.³

But as the celebration ended, questions arose. What does this designation mean? What does it really involve? What should be done to take advantage of this remarkable opportunity for partnership with the world’s leading nation? What will the United States expect from Argentina, and what should Argentina expect in return? In addition, this new status caused concern among Argentina’s neighbors,

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particularly Brazil and Chile. How should Argentina and the United States proceed so as not to disturb regional stability and Pan-American economic integration?⁴

Since President Carlos S. Menem adopted the concept of "prosperity through involvement and a distinguished national role in the world," Argentina has gone through a major change, a shift reflected not only in foreign policy and international alignments but within the country. The dramatic shift from military rule to democracy, the consolidation of stability and civilian control of the military, and the adoption of a free market economy, were all achieved in nine years.

The United States found this transformation a positive one, both in principle and in three particular respects. First, Argentina's leadership and cooperation in the field of international peacekeeping had become important, primarily in Haiti, the Peru-Ecuador conflict, Rwanda, Mozambique, Cyprus, and the former Yugoslavia.⁵ Second, it offered an opportunity to reenergize American involvement in the increasingly important MERCOSUR, the Southern Cone Common Market;⁶ relatedly, it held out the prospect of new support for President Clinton's proposal for a Free Trade Area of the Americas by 2005.⁷ Third, it seemed likely to motivate other countries to follow Argentina's example in working toward cooperation and international responsibility.⁸ Ultimately, conferment of the status of major

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non-Nato ally, or MNNA, was the American response, and it represents a very important message from the United States—the beginning of an alliance of values with Argentina.⁹ These values embody not only solidarity against threats to peace and security but also commitment to the core principles of freedom and democracy, open markets, education, and the preservation of the environment.¹⁰

Yet common values, though very important, are not a sufficient basis upon which to formalize and preserve an alliance. History shows that agreements last only if they address specific national interests. Economic security and political support are perhaps the main interests in both countries affected by the new relationship. Implications for the future should be assessed and expectations adjusted so as to make them compatible with social-political factors on each side. The gap in the wealth of the two countries is still too wide to allow direct economic integration; although aligned with the United States, Argentina still has to finish a difficult process of internal reorganization. Nevertheless, a range of opportunities presents itself for both nations: for the United States, to increase political cohesion and hemispheric integration, and to share international responsibility with a new partner; for Argentina, to assume a more preeminent role in the world.

Alliances must be confirmed by specific actions by both sides that indicate commitment to the partnership and acknowledge its usefulness. In this instance, how can each country strengthen this new relationship, in the framework of its own interests? What are the real expectations, on both sides, and which of them are feasible? How should they be prioritized?

Why Argentina?

There is a popular saying, “Nothing is free.” This certainly applies to Argentina’s historical relationship with the United States. The improvements in that relationship of the last decade have come at the price of unprecedented changes in Argentina; it was on 9 July 1989, when President Menem’s administration began, that those changes truly began. Argentina had rarely involved itself in international security arrangements, maintaining instead a purely national focus. National security needs forced the country to direct its efforts toward preventing infiltration by communist organizations to foment

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insurgency; the culmination of that effort was the so-called “dirty war” of 1976–79, which defeated domestic terrorism. Externally, the national objective was simply to secure its borders and territorial claims, including the South Atlantic islands and a slice of the Antarctic continent. Argentina’s presence in multinational collective-security organizations was minimal (only twenty-one nationals were involved, seventeen of them in UN missions).¹¹ President Raúl Alfonsín, Menem’s predecessor (1983–89), had recognized the necessity to change the country’s isolationist stance, which had been aggravated by the military governments, the “dirty war,” and the Malvinas/Falkland conflict; however, he had been able to change little in foreign affairs.

The Political Shift. President Menem understood from the very beginning of his administration that it was crucial for the country’s well-being in the post–Cold War era to adopt an active global role, to show a positive shift—or at least legitimate intentions of one—toward internationalism. Objectives were set in the areas of peace and global security affairs.¹² In February 1990 Menem began a new foreign policy agenda with a commitment of armed forces to UN peacekeeping and monitoring on a larger scale than previously. Argentina provided four fast patrol boats to support the UN Observer Mission in Central America (ONUCA), becoming the first UN member to employ naval forces in this type of mission.¹³ The most important consequence of this operation was that it sent the international community the first clear signal that Argentina was shifting its foreign policy in support of the evolving “New World Order,” that it was going to back up this new commitment with substantial resources.

Shortly afterward, Argentina sent a destroyer, a frigate, and several air force cargo planes to support the United States–led DESERT SHIELD/DESERT STORM operation. As the only Latin American country to commit forces in the Gulf War, Argentina stood out.¹⁴

On 15 February 1992, President Menem announced a major contribution of ground forces to the UN peacekeeping operation in Bosnia-Herzegovina and Croatia. The Army would provide one of the twelve infantry battalions to be deployed as UNPROFOR (the UN Protection Force), a battalion consisting of nine hundred personnel and capable of operating independently. Despite the Army’s lack of experience in overseas operations, a severely constrained budget,

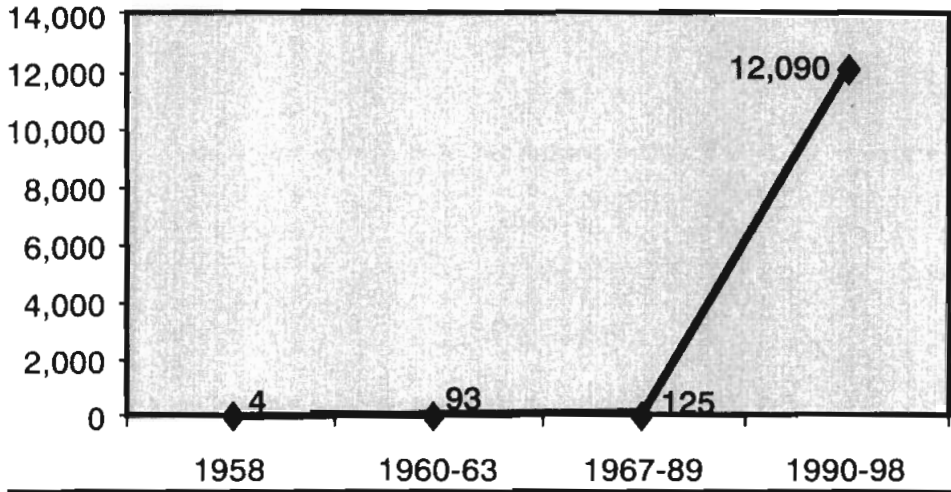
and very demanding standards for assignment to this unit, in May 1992 the 865-man Argentine Army Battalion (BEA, in the Spanish initials) was fully deployed in Western Slovenia, Croatia. The BEA remained in place until the end of 1995, rotating its personnel every six months.

Meanwhile, in April 1993, Argentina began a second major deployment in support of UN peacekeeping: a group of 390 army and marine corps personnel and air force helicopter pilots would be sent to Cyprus. Moreover, on 17 February 1997 it was announced that an Argentine army general, General Evergisto De Vergara, would be the commander of the UN peacekeeping force on Cyprus. When he took command in March 1997, it was the first time that an entire UN "blue helmet" mission force had been placed under an Argentine officer.¹⁵

Following the initial commitment, the country made other significant troop contributions to international peace operations as well: in 1995, a 115-man contingent to the UN mission in Haiti and fifty-seven military engineers to the UN mission in Kuwait (a commitment that continues to the present); in 1995–98, a seventy-three-man reconnaissance unit to UNTAES, the UN temporary administrative mission in Eastern Slovenia, and sixty-two civilian police personnel (of the Gendarmeria Nacional) as a Multinational Special Unit of the Nato International Police Task Group stabilization force in Bosnia-Herzegovina. In 1995, when hostilities broke out on the Peruvian-Ecuadorian border, Argentina sent a small contingent to join a non-UN group known as the Military Observer Mission Ecuador-Peru. MOMEP, with representatives from the United States, Brazil, Chile, and Argentina, acted as guarantor of a 1942 treaty on the territory claimed by the belligerents. Since 1995, twenty-nine observers have participated in MINUGUA (the UN Human Rights Verification Mission) in Guatemala. Even more recently, President Menem offered to support an international military coalition to be formed to force Saddam Hussein to accept the UNSCOM program.

The evolution of Argentina's involvement in UN operations can be observed in Figure 1: a total of 12,312 personnel, ranging from four men in 1958 to 12,090 in the 1990–98 period. Fifteen Argentine servicemen lost their lives in protecting international peace. Today Argentina is involved in many of the "blue helmet" missions around the world, currently contributing 785 men (524 troops, 261

Figure 1
Argentina's UN Involvement



policemen), as can be seen in Table 1. Of the seventy-seven countries that were contributing troops to peacekeeping operations as of 30 November 1998, Argentina was ranked eighth, with 664 men (Table 2). President Menem's initiative of global reach, then, was a success, and it became a constant element of the international scene. The United States sought new ways to recognize the Argentine

Table 1
Current "Blue Helmet" Missions: Argentine Contribution

Belgium (ICC-SHAPE)	1	U.S. (UN-PKO)	1
Bosnia (UNMIBH-IPTF)	32	Guatemala (MINUGUA)	8
Bosnia (SFOR)	77	Haiti (MIPONUH)	144
Cyprus (UNFICYP)	410	Kuwait (UNIKOM)	87
Croatia (UNMOP)	1	Middle East (UNTSO)	3
Denmark (SHIRBRIG)	1	Western Sahara (MINURSO)	1
Ecuador-Peru (MOMEPE)	13	Honduras-Nicaragua (MARMINCA)	4
UN Headquarters	1	White Helmets	1
Macedonia (UNPREDEP) lifted 22 March 1999.			

Source: Argentine Ministry of Defense, 31 March 1999

Table 2
Selected Troop Contributors to UN Peacekeeping
 (30 November 1998)

1. Poland	1,053	13. United Kingdom	416
2. India	919	14. Canada	297
3. Bangladesh	888	15. Pakistan	291
4. Finland	787	16. Côte D'Ivoire	233
5. Ghana	780	17. Sweden	209
6. Austria	772	19. Russian Fed.	199
7. Ireland	716	20. Germany	190
8. Argentina	664	43. Japan	44
9. France	664	47. Chile	38
10. Nepal	649	49. China	35
11. Fiji	611	50. Australia	32
12. USA	583	54. Brazil	19

Source: Department of UN Peacekeeping Operations, Military Advisor's Office.

contributions, perceiving in them evidence of shared values, substantial effort in support of multinational goals, and a new national direction.

Furthermore, Argentina's example began to motivate regional participation and integration. On 27 June 1995, the Argentina Joint Peacekeeping Operations Training Center (CAECOPAZ) was inaugurated by President Menem. At the same time, five countries (Argentina, Brazil, Paraguay, Uruguay, and the United States) joined forces in a peacekeeping exercise, FUERZAS UNIDAS 95. Since then, multinational training and exercises have started in different countries. In the present environment, defense agreements within the structure of MERCOSUR are likely to succeed, particularly in the fields of peacekeeping, environmental protection, and humanitarian relief (search and rescue, for instance).¹⁶ At the hemispheric level, Argentina hosted on 23–24 November 1998 the Second Specialized Inter-American Conference on Terrorism, organized by the OAS; at that conference an Inter-American Committee against Terrorism (CICTE, in Spanish) was created to develop cooperation against terrorist acts.

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Argentina and the United States are assessing the possibility of an international antiterrorist/antidrug force and working to solve the sovereignty concerns regarding its employment.¹⁷ In these ways, Argentina's peacekeeping efforts have changed perspectives on security at the regional and hemispheric level. Its foreign deployments have given way to bilateral and multilateral defense cooperation and a policy of close ties with neighbors.

A remarkable aspect of the policy shift has been the improvement in relations between Argentina and Chile. Chile has long been the major external security concern of Argentina, mainly because of territorial disputes. Today, all but one of the border issues have been solved. An agreement over the last one (a zone in the Andes known as the Continental Ice Fields) was signed by both presidents in December 1998 and is likely to be approved soon by the respective congresses.¹⁸ Also, whereas Chile had been in the past a rather conservative contributor to overseas multilateral missions, in August 1997 the Argentine minister of defense announced that Chilean officers were to join the Argentine-commanded peacekeeping forces on Cyprus, together with Brazilian and Uruguayan officers, after being trained at CAECOPAZ.¹⁹ Finally, an unquestionable example of regional integration was the total support that President Menem expressed to President Eduardo Frei regarding the detention of General Augusto Pinochet in London, even though Chilean "assistance" to Great Britain during the Malvinas/Falkland conflict had just become public.²⁰ The Chilean government responded with support for Argentine claims of sovereignty over the Malvinas/Falklands.²¹ Relations between the two countries are now the warmest ever.

All these circumstances converge with the government's overall strategy of political alignment with the United States and of economic liberalism. Manifestations of that strategy have included the cancellation of the Condor missile project and a general realignment toward nonmilitary goals, especially relative to health and production. As regards weapons proliferation, Buenos Aires has established an exports-control regime for chemical, nuclear, bacteriological, and missile-related items; joined the Missile Technologies Control Regime and other organizations for the control of sensitive-technologies transfer; signed of the Chemical Weapons Convention; adhered to the Nuclear Weapon Non-Proliferation Treaty; suspended nuclear exports to Iran; supported the inter-American commission for illegal

arms traffic; reported data to the UN Defense Issues Transactions registry; and declared a unilateral moratorium on the manufacture of antipersonnel mines. Regionally, Argentina has joined with Brazil in creating a Nuclear Material and Policy Control Agency; with the Southern Cone Common Market nations in declaring MERCOSUR a “peace zone”; and with Brazil and Chile in forming confidence-building-measures committees on combined exercises, defense and security issues analysis, and information sharing on new weapons.

Further, President Menem has achieved, by a visit to London in October 1998, reconciliation with the United Kingdom regarding the Malvinas/Falklands conflict, joining in a bilateral declaration of commitment to the resolution of sovereignty claims by peaceful means only. Argentina is now an active participant in the Organization of American States in the area of hemispheric security issues—confidence-building measures, inter-American defense roles, and new threats. Finally, the nation is energetic, through the United Nations, in the defense of international law and the promotion of democratic regimes and human rights.

President Clinton’s words in Buenos Aires eloquently summarized the reasons for conferring MNNA status on Argentina: “We accorded the major non-NATO ally status to Argentina because of the truly extraordinary efforts that have happened just in the 1990’s. . . . There is hardly a country in the world that has anything approaching the record of the Argentine military in being willing to stand up for the cause of peace. We believe that we should be sending a signal that this is the policy that other countries should follow.”²²

The Economic Shift. The return of governmental power to civil Argentine authority in 1983 was the first, necessary step toward economic stabilization and prosperity. The nation had possessed a booming economy at the turn of the last century, but its potential had begun to wane during the 1930s, and in the 1950s it dropped off the roster of prosperous nations, becoming instead one of the developing countries. Most economists agree that the main mistake had been looking inward and deprecating international involvement. The Menem administration began in 1989 to gain control in the economic sphere. Reducing the military budget by half, privatizing defense industries, and abolishing universal conscription served to put the armed forces under largely effective civilian control.

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A strict development policy, which the country had lacked for too long, then began. The overall framework was one of privatization,

In recognition of your country's extraordinary contributions to international peacekeeping, I have notified our Congress of my intention to designate Argentina as a major non-NATO ally under our laws.

*President William J. Clinton
Wreath-laying ceremony in Buenos Aires, 16 October 1997*

deregulation, decentralization, open markets, and policies designed to achieve economic stability. The Convertibility Law, which went into effect in April 1991 and established a currency board to control the Argentine money supply, formed the core of Argentina's new policy. Its provisions were designed to stabilize Argentine finances and make them more transparent, providing greater confidence to both national and international investors. Since 1992, parity has been maintained—one peso to one U.S. dollar, freely convertible. Every peso is backed with hard currency from the nation's central bank reserves.

Given this open market policy, foreign funds slowly began to flow into the country (fifty-four billion dollars between 1992 and 1997).²³ Increased exports and capital investment, along with greater consumer demand and credit availability, stimulated the whole economic process. Macroeconomic indicators signaled the changes that resulted. For instance, inflation (as measured by the consumer price index), which had reached 4,923.6 percent in 1989, grew just 1.6 percent in 1995 and 0.3 percent in 1997. Gross domestic product increased 51.2 percent between 1990 and 1997. The annual average growth in GDP for the period 1990–95 was 6.2 percent; in 1996 it was 4.8 percent and in 1997, 8.6—even after the effects of the “Tequila crisis,” the Mexican economic breakdown.²⁴ (However, IMF predictions for 1999 came true, as the Asian and Brazilian downturns slowed Argentine GDP growth significantly.) The financial system also improved in 1991, registering a growth in supply of credit, together with banking deposits, of 401 percent. Although the public debt remains a major concern (currently ten billion U.S. dollars), it has been rescheduled in a manageable way.

Still, the most significant component of Argentina's economic reform has been the enormous level of privatization, extending to most formerly state-run firms. It represents an absolute about-face after decades of state-owned public enterprises. The sale of transportation networks, electrical-power and telephone companies, oil refineries, and so on has played a critical role in the government's economic stabilization and modernization plans. Between 1989 and 1994, fully one-third of the Argentine economy was transferred from the public sector to the private. This transfer resulted in a massive infusion of new money from both overseas investors and Argentines, who in many cases retrieved funds they had sent abroad during the previous decade. Overall, the government raised substantially more than U.S. \$26 billion by selling controlling interest in about 150 companies.²⁵

However, privatization and systemic restructuring has been a harsh reality for the people and for some domestic industries. The unemployment rate in May 1997 was stubbornly high, 16.1 percent.²⁶ Although the rate is dropping, job creation through modernization has been disproportionately slow, and as more highly skilled jobs do appear, significant retraining of the workforce is needed. The position of the middle class, traditionally an outstanding strength in the country, has started to erode due to setbacks arising from labor reform, corruption, and the cost of health care and education; that erosion is today the biggest concern of the government.

Internationally, Argentina has been a member of a variety of international associations (including the United Nations, the Organization of American States, the International Monetary Fund, the International Bank for Reconstruction and Development, the Latin American Integration Association, and the Inter-American Development Bank), and it adheres to most international conventions (the General Agreement on Tariffs and Trade and the World Trade Organization, among others).²⁷ It has formed an agreement with Canada and the European Union. Nonetheless, the country has played its most notable role on the regional level, especially with the creation in 1990 of the Southern Cone Common Market. This free trade zone and customs union today includes Argentina, Brazil, Paraguay, and Uruguay. MERCOSUR is having a major effect on market-based development: the economies of member countries are beginning to grow and complement each other in trade and industry.²⁸ Other important regional agreements have been made with Chile and Bolivia

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(as adherent members of MERCOSUR); also, Argentina has observer status in the five-member Andean Community of Nations. All of these agreements are congruent with President Clinton's Miami Summit of the Americas in 1994, which stressed hemispheric integration and foresaw the consolidation in 2005 of a free trade zone from Alaska to Tierra del Fuego, the southernmost part of Argentina.

These structural reforms demonstrate that the country has taken some crucial first steps toward its goals of sustainable economic growth and democratically led political stability. Argentina's challenge for the immediate future and beyond will be to consolidate the gains of recent years, institutionalizing these presidential policies and then building on this foundation over the longer term.

The Other MNNAs. The notion of "major non-Nato allies" of the United States first appeared in 1989, with the addition of language entitled "Cooperative Agreements with Allies" (Section 2350a) to Title 10 of the U.S. Code. Thereafter, until Argentina, MNNA status was always granted according to restrictive political criteria related to national-security strategic goals.

Of the prior MNNA nations, the U.S. interests in Israel, Egypt, and Jordan were and are obvious: to help the parties in the Middle East and North Africa achieve a comprehensive Arab-Israeli peace, ensuring regional stability and security.²⁹ In the Asia-Pacific region, Japan and South Korea are key countries in the U.S. efforts to strengthen alliances through forward presence, support constructive relations with major powers, and ensure peace in a historically unstable area.³⁰ Finally, Australia and New Zealand have traditionally shared American values (democracy, free trade, human rights), and they have supported sustained U.S. presence and security activity (training, force projection capabilities, etc.) in a region of great strategic weight.³¹

Argentina does not offer the same strategic leverage to the United States as any of these previous non-Nato allies; indeed, there are no outstanding geopolitical security problems in the region. The same distinction has been granted Argentina, but under a different rationale: as a confirmation of common values and a recognition of congruence in political decisions regarding U.S. interests. Argentina's circumstances as an MNNA differ, then, from those of its predecessors.

However, enough similarities can be noted with one of them, Australia, to allow a useful comparison. Both countries have shown

commitment to the preservation of similar values, and they have somewhat comparable geopolitical and economic situations. Both are in the Southern Hemisphere, though on opposite sides of the globe, and close to Antarctica (Argentina is less than five hundred nautical miles away). Both have large territorial expanses and populations that are of low density and have strong European roots. The coastlines of both are extensive, and their natural resources are ample. In both nations economic expansion is taking place, more re-

. . . There is no exact definition of what it means to be a "non-Nato ally"—and perhaps it is not even important when compared with the possible benefits that could be obtained. In fact, ambiguity represents an opportunity. . . .

cently in the case of Argentina. Finally, both Australia and Argentina follow policies of cooperation with the United States. Still, there are two significant differences: the geostrategic context and the time factor. There is not much Argentina can do about the first issue; the Southern Cone is a relatively peaceful area, and it does not currently represent high strategic interests. The time factor refers to the respective longevity of the relationships involved. Australia's ties with the United States are of long standing and have been frequently tested; Argentina is a new partner, and its relationship with the United States must be confirmed and defined in practice.

Consequently, what aspects of Australia's healthy and durable relations with the United States should Argentina consider as the keys to taking advantage of this unique opportunity? What benefits and liabilities are to be expected?

Perhaps the most valuable characteristic of Australia from the American point of view has been its stability and historical reliability as an ally in a highly volatile area. This was reflected in the speech given by Australia's minister of foreign affairs on 5 March 1998: "Australia sees its alliance to the United States as making a contribution to regional security."³² Australia is a predictable partner. The long list of bilateral treaties between Australia and the United States since 1815 testifies to the fruitfulness of the relation. Mutual defense assistance, atomic energy, space, communications, weapons development, scientific and technical cooperation, logistical

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support, education and cultural exchanges, and air transportation are among the subjects of the more than 170 treaties.³³ As a result, Australia has preferential access to the Foreign Operations Program of the U.S. Department of State; that program includes commercial exports of defense articles services and technical data licensed under the Arms Export Control Act (or AECA, Public Law 90-269) and the Foreign Assistance Act of 1961 (FAA, Public Law 87-195), leased defense articles, excess defense articles, and foreign military sales, among other valuable opportunities.³⁴

In the case of Argentina, sustaining present policies would be of paramount importance in building a reliable relationship with the United States and benefiting from it. Political coherence through successive administrations will make Argentina as reliable an ally as Australia has been, paving the way to real partnership and sustained mutual support.

MNNA: Meaning and Implications

The MNNA status given to Argentina was largely symbolic and unrelated to strategic concerns. Does it in fact signify any major change?

As we have seen, the announcement was meant to recognize Argentina's stature in international peacekeeping and promote its efforts toward economic reform and hemispheric integration.³⁵ But the real value and significance of MNNA status is that it reflects an unprecedented degree of mutual confidence and congruity of policy; as such, it opens a new set of rules between the two countries. Opportunities will open at all levels as acknowledgment of the new alliance grows.

In the defense realm, MNNA status implies a close working relationship with American forces. It does not establish any mutual defense obligation, imply special access to advanced weaponry, or carry the kind of security guarantees afforded to members of Nato. Nevertheless, it offers some benefits in the foreign-assistance process that could be substantial. The legal bases for that process and the role in it of MNNA status are section 517 of the Foreign Assistance Act of 1961, as amended, and the Arms Export Control Act.³⁶

Argentina would be eligible by law for priority delivery of excess defense articles, access to stockpiles of U.S. defense articles,

Figure 2
Security Assistance Programs
Applicable to Argentina as an MNNA

- **Foreign Military Sales (FMS)**—FAA, Section 524: government-to-government sales of defense articles, training and services (during 1997 Argentina was granted \$18,981,000)
- **Direct Commercial Sales (DCS)**—AECA, Sections 21–40A: sales of defense articles, services, and training from private companies with export licenses from the Department of State; negotiated directly between the foreign government and the U.S. arms manufacturer (in 1997 Argentina was granted \$208,464,576, second-largest grant in the region after Brazil, but only \$3,283,000 was delivered)
- **Foreign Military Financing (FMF)**—AECA, Section 23: grants and loans for defense articles, training, and services
- **Excess Defense Articles (EDA)**—FAA, Section 516: used and surplus arms and equipment of the U.S. armed forces, ranging from rations and uniforms to vehicles, cargo aircraft, and ships; most transferred at no cost but may be sold, loaned, or leased; coordinated by Security Assistance Organizations (SAOs) at U.S. embassies; maximum EDA to a foreign government per fiscal year is \$350 million, current value (Argentina was offered \$23,352,000 in 1997, more than any other country in Latin America and the Caribbean)
- **Leases**—AECA, Sections 61–64: defense articles leased by the U.S. government
- **International Military Education and Training (IMET)**—FAA, Sections 541–6: funding for courses given in the United States and in-country by U.S. personnel (Argentina was the region's second largest recipient in 1996 and the third largest in 1997 with \$603,000 and 179 students; the 1999 figure was \$600,000)
- **Expanded IMET**—subset of IMET for noncombatant training (Argentina was second in the region during 1996 and fourth in 1997)
- **International Narcotics Control (INC)**—FAA, Sections 481–90: funding for equipment, training, crop eradication, and other programs of the State Department's Bureau for International Narcotics and Law Enforcement; aid granted is shared within South America
- **Section 1004 Counterdrug**: training, equipment upgrades, and other services provided by the Department of Defense for counternarcotics (\$261,000 approved for Argentina in 1998)
- **School of the Americas**—Fort Benning, Ga.: U.S. Army Spanish-language training school for Latin American militaries (eighteen Argentine students in 1997)
- **Inter-American Air Forces Academy**—Lackland Air Force Base, Tex.: U.S. Air Force Spanish-language training school for Latin American militaries
- **Center for Hemispheric Defense Studies**—National Defense University, Fort McNair, Washington, D.C.: to improve planning and management skills of civilians
- **U.S. service academies**
- **Foreign Military Interaction (FMI)**: also known as military-to-military contact
- **Excess property**: nonlethal equipment provided by the Department of Defense for humanitarian purposes
- **Special Operations Forces Training**: includes the Joint Combined Exchange Training (JCET) program
- **Deployments for Training (DFT)**
- **Humanitarian and Civic Assistance (HCA)**
- **Exercises**: UNITAS, CABANAS; counterdrug, peacekeeping, skills-exchange exercises

FAA	Foreign Assistance Act
AECA	Arms Export Control Act

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purchase of depleted-uranium antitank rounds, participation in cooperative research and development programs, and advanced training. The programs that are governed by the FAA and the AECA (traditionally known as "security assistance") and by the Defense Department for which Argentina would be not only eligible but favored under the new status are given in Figure 2. In addition, Argentina has received an aid grant of \$1,250,000, to be used during the next five years in multinational training (CAECOPAZ) and operations.

However, the Defense Export Loan Guarantee (DELG) program, which insures private lenders who finance sales of defense articles (authorized by section 2540 of Title X, U.S. Code), permits the participation only of countries that were major non-Nato allies as of 31 March 1995; it cannot be used by Argentina. Western Hemisphere countries generally cannot currently participate in the DELG program, for reasons that might not be valid today; a small change in the law (the time limit) would make Argentina and future MNNAs eligible. This program would be particularly beneficial to Argentina, because of its highly constrained defense budget. Foreign military sales and excess-defense-articles acquisitions have been limited by Argentine budget restrictions.³⁷

Aside from foreign assistance, defense relations between the United States and Argentina have notably improved since the designation was made. Visits of high-ranking authorities (including defense ministers) are leading the way to defense agreements, enhanced military-to-military contacts, better integration of multinational forces throughout the hemisphere, and increased Argentine responsibility in planning and organizing multinational exercises, UNITAS, and regional combined activities. Some specific achievements of these bilateral security meetings are listed in Figure 3.

But still, from an Argentinean perspective, the implications of MNA status should extend far beyond security issues. Even though it was granted for no evident strategic interest, it must surely carry significant political leverage. Although relations with third parties are not affected directly, they might be influenced. By the same token, increased stability and security are likely to enhance economic relations and present opportunities. In these realms, there is much that could be achieved.

Figure 3
Bilateral U.S./Argentine Defense Achievements

- **Consolidation of a Bilateral Working Group (BWG)**—organized in six subgroups: military cooperation, security assistance, peacekeeping operations, civilians' defense education, science and technology, and environment protection cooperation (the fourth meeting took place in Buenos Aires in October 1998)
- **Master Information Exchange Agreement (MIEA)**—between the U.S. Department of Defense and the Argentina's Ministry of Defense to conduct reciprocal, balanced exchanges of research and development information of mutual interest to the parties in order to improve conventional defense capabilities through standardization, rationalization and interoperability (signed 22 July 1998)
- **Information Security Bilateral Agreement**—on military interoperability and scientific-technological cooperation (Signed 11 January 1999)
- **Acquisition Cross Services Agreement (ACSA)**—concerning responsibilities in logistics, transportation and equipment (under negotiation in the U.S. Department of State)
- **Agreement of Defense-Related Environmental Cooperation** (under negotiation in U.S. Defense Department)

Source: Argentina Ministry of Defense, Military Affairs Secretariat

Regionally, Argentina is doing its best to solve discrepancies and promote integration. MERCOSUR is on its way to merger with the North American Free Trade Association to produce a hemispheric free market. Relations with Chile have never been so steady. The Falkland/Malvinas issue is the only unsolved foreign issue, and President Menem has given top priority to the improvement of relations with the United Kingdom and the islanders, pursuing various kinds of negotiations. The United States, as Britain's closest ally, could contribute to the solution of this controversy, which involves Argentina's vital interests.³⁸

Today, in the third year of this new relationship, things have not changed very much in terms of tangible results. Even in security assistance issues, Argentina has been unable to meet its needs. Buenos Aires is looking for greater consideration as an MNNA in order to sustain its capacities and uphold its commitment to peacekeeping and multinational efforts.

There being no preconceptions and established patterns to limit the scope and benefits of the MNNA designation given to Argentina, regional concerns and stability should be the only perceived limits in bilateral analysis of the possibilities. It is now time to turn a unilateral declaration into more profitable bilateral relations, exploring all possible areas and establishing a doctrine of a compatible cooperation.

Concerns, Opportunities, and Disadvantages

From a national perspective, the Menem administration has been criticized for implementing extreme economic measures without taking full account of social consequences. Most macroeconomic improvements were achieved at high social cost. Deregulation and the privatization boom caused, as we have noted, unemployment and income insecurity among the middle class. Today, a political reaction is evident.³⁹ Important figures of the country are demanding that globalization and free trade be supported only to the extent that they are compatible with domestic social and political stability. In this view, international integration might lead to social disintegration if globalization is not rationalized with respect to the industrial culture, sophistication, and wealth of the nation.⁴⁰ Economists in Argentina argue that the economic process is being retarded essentially because of a “social exclusion effect” (unemployment and lower wages) caused by its rigidity and by mismanagement of the human dimension.⁴¹

A high priority for social stability, then, will be critical if Argentina is to be able to sustain its current policies. Related to this problem is the need to minimize corruption, which is still extensive and impedes economic improvement. Although that fact is largely acknowledged throughout the country (which is actually a good sign), the question is how decisively the presidential administration will respond—how it handles the elements of national power that bear upon the social burden, particularly the organizational-administrative element, which has been the most troublesome throughout the history of the country and appears to be the key to the nation’s future performance as a whole.⁴²

The historical trends of the various political parties indicate that foreign policies will be maintained on a “quid pro quo” basis (contributions proportional to achievements). In general, Argentina will remain globally proactive as long as social improvements can be achieved, and as long as external relations are fair and reciprocal.

External relations include, particularly, those with the other nations of the region. The official announcement of the new status granted to Argentina caused surprise and consternation among its neighbors. No such proposal had ever been offered to any nation in the Western Hemisphere; the designation produced negative reactions, due to the uncertainty of its meaning and scope. Brazil was

concerned especially about the economic implications of greater U.S. influence in the region; a former Brazilian president, José Sarney, argued that the move was an attempt by the United States to destabilize relations among MERCOSUR members. Argentina was also generally criticized as having, supposedly, won its new status by demeaning itself, bending to Washington's whims and disregarding its sovereignty.

On the other side of the country, Chile focused on regional security, being annoyed by the possibility of an American military alliance.⁴³ Chilean officials claimed that Argentina's new status was unnecessary and would cause friction, undermining the regional military balance.⁴⁴ Chile's minister of foreign affairs traveled to Washington to request an explanation; the secretary of state assured him that the status did not involve security but "recognize[d] symbolically a country's relationship with the United States, and it is open to other countries"—implying that Chile could achieve the same status.⁴⁵

The record shows that the United States did in fact have regional balance and stability primarily in mind: not only had Washington lifted its arms embargo on South America prior to the designation but it had, above all, observed regional cooperative achievements and trends.⁴⁶ The designation was also meant, as we have noted, to be supportive of MERCOSUR as a step to broader hemispheric economic integration.

Nevertheless, legitimate arguments are being raised regionally, pointing out the risks of asymmetric globalization and the dilemma between international involvement and loss of sovereignty.⁴⁷ Every actor playing a role in globalization has particular considerations in terms of relative power and competitive advantage. To open to globalization a developing market without the needed social infrastructure or regulations is very likely to increase existing inequalities and exclusions within a country and region. Each nation has its own rhythms of evolution and consequently of integration, and their interactions with globalization are always difficult to predict.⁴⁸ Stronger economies, for their part, can be expected to consider the social dimension of their new economic partners from an ethical perspective. The willingness of each nation to integrate globally, and its real capacity to do so, should be measured in terms of proportionality and relative capacity.⁴⁹

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The United Kingdom, due to its persisting South Atlantic disputes with Argentina, may well have privately raised objections to the granting of MNNA status. As the closest ally of the United States, it had been informed prior to the designation, and the Americans had discussed the issue with British authorities.⁵⁰ Acknowledging Argentina's maturity in foreign affairs and politico-economic accomplishments may have been London's main reason for agreeing to the new alliance. However, it seems prudent to assume that the United Kingdom demanded as a precondition that the United States not interfere in the Falklands/Malvinas dispute.

In any case, relations since then between Argentina and the United Kingdom have improved significantly. The queen received President Menem in October 1998, and Prince Charles, the heir to the British throne, visited Argentina in March 1999.⁵¹ In addition, the British arms embargo has been lifted, and military contacts were established in 1999 to plan future combined exercises, probably starting with naval forces.

As for the Falkland/Malvinas affair, discrepancies about sovereignty prevail: Argentina claims the islands as a legitimate part of its national territory, and the United Kingdom defends the islanders' right of self-determination. For Argentina, the Malvinas represent a high national interest. There are not many issues that unite Argentine popular opinion, but this is one of them. Nevertheless, Argentina is committed to solving the dispute diplomatically through the United Nations, and its main concern is to sustain an open dialogue until a solution is found. Buenos Aires is willing to support the islanders' aspirations and is reopening relations to gain their confidence, but it argues that they do not have the status of a third negotiating party. The solution should be reached between the United Kingdom and Argentina exclusively, to avoid misperceptions.

Presently, therefore, Argentina's MNNA status can be helpful in only an indirect way;⁵² the United States and Argentina have agreed that the former should not interfere with these negotiations. However, during a January 1999 visit of President Menem to Washington, he requested "support" from President Clinton, not that he act as a mediator but that he "stimulate" the dialogue.⁵³ The same plea was made to the Secretary-General of the United Nations by Argentina's foreign minister in connection with UN Resolution 2065, which urges both parties to find a prompt solution.⁵⁴

A Unique Historical Opportunity

There has been a political and economic sea change in Argentina over the past decade. That its active role in global security issues, hemispheric cooperation, and determination to solve disputes by negotiation have held constant throughout the decade proves the nation's responsibility and commitment to common values.

It is consistent with the U.S. interest and security strategy to become a partner with such nations, which can shoulder the burdens of the security and expansion of democracy.⁵⁵ MNNA status is highly symbolic, but nobody can deny its political implications. The bilateral opportunities that this moment offers are vast, extending far beyond security to economic, financial, scientific, educational, environmental, and commercial areas. Responsibility and ethical implications mark the real limits. Already, government leaders, lawyers, investors and entrepreneurs, educators, scientists, workers, and students are breaking down tariff, legal, and cultural barriers. Dynamic regional markets are poised for even greater growth, which the United States might help shape and take valuable advantage of.⁵⁶ What in fact do the two nations hope to achieve?

There is no doubt that the differences in national power and global roles between Argentina and the United States affect their mutual expectations. Realism would indicate that the United States, as the world's only superpower, represents a great deal to Argentina; what does Argentina mean to the United States? Comparative advantages are vast on one side; are there any on the other? The result of this imbalance is that the attention of the southern country is highly focused in this new relationship. Simply speaking, Argentina has very high expectations from this partnership; it expects a substantial degree of integration with the United States.

Before exploring such issues, it is necessary to set the two nations' interests and strategies against the background of global transformation. It is widely accepted that the future is being shaped by certain irreversible trends, which might be seen as opportunities or threats, depending on one's perspective. The most influential trends appear to be globalization and economic interdependence (which influence competitive advantage and denationalization) and technological networking (involving information, communications, and transportation). A critical effect of these driving forces is the reconfiguration of

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interstate and transnational organizations, under redefined rule sets.⁵⁷ We may add to these what might be the biggest problem of the new millennium: overgrowth of population in relation to the production and distribution of food and water.⁵⁸

U.S. Expectations. To the American people, Argentina is a little-known developing country in the Southern Hemisphere, one with which the United States has had cultural differences and a conflictual past. To businessmen and officials, it is a state achieving substantial change in terms of international involvement and regional cooperation, as well as slow if steady economic growth—but having little strategic importance.

It would seem incumbent, then, upon Argentina to attract the attention of its new and powerful ally. What can Argentina offer? What can it do that would meet American expectations of a useful partner?

The United States intends to maintain its leadership in the global community, promoting its basic national interests:⁶⁴ protection of its security and vital geopolitical interests (implying a need to secure peace, deter aggression, prevent crises or otherwise defuse and manage them, cooperate with allies, build structures, further arms control and disarmament, and deal with the threat of weapons of mass destruction); promotion of American prosperity (of which 35 percent is related to international business, making the global marketplace more important than ever to the domestic economy, and accordingly the stability and promotion of open markets and free trade); protection of U.S. citizens abroad; safeguarding of the nation's borders (especially through enforcing immigration policies); shielding of the nation from narcotics trafficking, terrorism, and other international crimes; promotion of American values, including democracy, human rights, and the rule of law (in particular through developmental assistance to reform faulty judicial systems and to help train parliamentarians); humanitarian assistance to those in greatest need; global challenges of excessive population growth, contagious disease, and environmental degradation; and finally, for carrying out the nation's foreign policies, the maintenance of a strong international presence.⁵⁹

It is in this combined context of worldwide trends and global American interests that the United States will look to Argentina, and

in which Argentina might very well represent useful opportunities to the United States. In general, "to promote the consolidation of the political and economic progress and close bilateral relationship, the U.S. calls for a steady and broad engagement with Argentine leaders and civil society."⁶⁰ More specifically, American objectives regarding Argentina include: consolidating Argentina's progress toward a stable democratic order and open economy; assuring high levels of U.S. exports to Argentina; establishing a secure environment for U.S. investment and for intellectual-property rights holders; strengthening U.S.-Argentine security ties; encouraging continued Argentine participation in international peacekeeping and regional confidence-building activities; supporting a strong Argentine antiterrorism and law enforcement capability; and fostering Argentine leadership as it prepares to host the Fourth Conference of Parties on Climate Change.⁶¹

In addition, Washington might usefully choose to apply itself to a number of issues specific to Argentina's circumstances: market-based solutions for climate change; use of various foreign-assistance resources to improve the capabilities of Argentine armed forces, which cannot themselves at a time of great budgetary stringency achieve the improved interoperability with U.S. and Nato forces that becomes increasingly important as Argentina expands its worldwide peacekeeping activities; and antiterrorism and anticrime assistance against transnational threats to Argentine society and to regional peace and security.

From a practical point of view, what might the United States expect from Argentina? To carry on its overall national strategy of global involvement, Washington needs greater contributions from responsive partners.⁶² There appear to be three major areas where Argentina can contribute. The first is timely political coverage, in terms of legitimacy. This is highly valued, particularly in situations that demand rapid response, or in which the UN becomes immobilized or for reason of its charter cannot act. Preventive strategies and crisis-response prearrangements, as examples, would provide a useful time advantage. The second is international involvement, supporting U.S. efforts to defend common interests and norms. Shouldering responsibility in a proportional manner means not only sharing costs but earning the right to share in future benefits. In this sense, involvement triggers global cooperation "by example." For Argentina, this could involve strengthening its diplomatic and

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military tools to address global challenges such as crisis prevention, peacekeeping, humanitarian response, human health assistance, environment protection, and actions against illegal drugs, international terrorism, and crime. The third promising area is economic security. This most important goal involves providing and supporting the necessary conditions to increase global economic growth. These would include national and regional stability, open markets and free trade, cultural exchanges, control of natural resources, and food and water production and distribution.

The United States, however, might well perceive a number of issues that could diminish the value to it of the new relationship. One is in the arena of reputation and international perception, which are vital in sustaining a comfortable relationship. Although Argentina is undergoing a process of positive changes, it has politico-economic concerns that need to be decisively addressed. These concerns are focused on political-social development and economic stability, necessary conditions for international involvement and growth. First, Argentina will make itself less useful as a partner in American eyes, and in turn will derive less benefit from its non-Nato ally status, if it cannot muster the coherence and reliability necessary to institutionalize the policies that the United States wished to recognize in the first place. The recent radical changes in politics and economics must survive the succession of administrations. Second, it must solve domestic social disparities.⁶³ Progress in unemployment and regressive income distribution, health care and education, as well as other microeconomic problems, is necessary to the social stability that, in turn, underpins the activism that has made Argentina attractive as an ally. Third, Argentine society must reduce corruption.⁶⁴ The present level of corruption is perceived internationally as unacceptable, affecting the reputation of the country and impeding relationships and businesses. Finally, the Argentine judiciary system, which at present causes apprehension with respect to its efficiency, must be enhanced.⁶⁵

Argentina's Expectations. Leadership implies capability of the leader and acceptance by the led. There is no question that the United States is the most powerful nation today; however, the consensus fluctuates as to its stature as a global leader. The United States will be unable to sustain a leading position unless it provides other

countries the means necessary to work with it. It must support international coordinating systems (the UN, Organization of American States, and so on) focused on upholding peace, but it must also address the economic issues in which most problems are rooted.

The Western Hemisphere is the most peaceful region in the world today, but that should not necessarily entail a low priority. This now-democratic hemisphere should, for the benefit of all its nations, become a productive one as a whole. What happens here will have a major impact on the United States. Although in 1998 almost 45 percent of U.S. exports went to the Americas, the general feeling is that the powerful North American nation is not giving this region a proportionate level of interest, effort, and commitment toward greater openness and integration.⁶⁶

Nevertheless, the United States does have a positive approach, reflected in presidential visits and more integrative policies—such as agreement to a Free Trade Area of the Americas by 2005. However, in view of the facts that conditions for expanding U.S. markets in Latin America are inadequate and that the region lacks resources to undertake major economic and social programs needed to carry out its positive intentions, the United States should emphasize developmental assistance prior to further demands for globalization and free trade. Argentina, as a new ally, looks most of all for a real partnership, fair and equitable for both parties. Fairness would imply a mutuality of gains—based on proportionality and reciprocity in terms of national power and national will, and limited only by the partners' legitimate concerns.

Argentina sees this alliance, granted perhaps for symbolic reasons but fairly and genuinely earned, as an achievement to be proud of, a historical opportunity that opens the way to several options. Above all, it is willing to do its share. But as Argentine authorities brainstorm the real meaning and future implications of the new status, their focus should be not in its theoretical significance but in its practical opportunities.

Significance is ambiguous—there is no exact definition of what it means to be a “non-Nato ally”—and perhaps it is not even important when compared with the possible benefits that could be obtained. In fact, ambiguity itself represents an opportunity, an opportunity for choices and accomplishments that will, in the end, establish significance. But what are the options?

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Defining concrete options is not the purpose of this article (though we will offer some possibilities below, some suggested by interviews with knowledgeable analysts, both American and Argentine). They are numerous and varied, depending on the missions and goals of the stakeholders involved. The bilateral working groups (officials from the departments of state and defense of both countries) created when President Clinton visited Argentina in 1997 appear adequate to explore, select, and coordinate options, as long as they are kept fully aware of the needs, changes, and opportunities of the parties. But first of all, these groups need to inform and motivate the respective stakeholders about the possibilities. Those on the Argentine side can be expected to consider a number of particular areas feasible in terms of common interests and comparative advantages.

The first of these is increased economical involvement, basically assistance in creating an environment and infrastructure in which business can thrive. Argentina's new status recognizes that it has established the level of security mandatory for economic enterprise. The country's main comparative advantages are related to its geography: its size (it is the seventh-largest nation in the world); its natural resources—including its arable land and the living and nonliving resources of its huge continental shelf (3,300,000 square kilometers); and its geostrategic situation (access to Antarctica and throughout the South Atlantic). Through MERCOSUR, Argentina looks forward to becoming a global food exporter. Agriculture represents one of its most important potentials; because conditions for production are favorable and demand is growing, it can be competitive without subsidization.⁶⁷ Argentina strongly supports U.S. objectives regarding free and open agricultural markets. As a matter of fact, and due to the growing global importance of agricultural products, a consulting committee was created in 1998 to strengthen bilateral relations in this area.

Second, the United States is expected to continue to represent the main source of foreign investments in Argentina. Since 1991, direct U.S. investment has grown 245 percent; by 1997 it had reached almost ten billion dollars. Commercial exchange between the countries during 1997 amounted to \$8.02 billion. However, the trade balance was in that year markedly favorable to the United States, one of the most competitive countries in the world; its exports increased 392 percent (mainly machinery, electronics, fertilizers, soybeans,

and herbicides), while Argentine exports increased only by 46 percent (mostly oil, leather, and food). It is difficult for Argentina to compete with the United States in a free market-type economy; Argentina, as a formal ally, looks in this initial stage for a degree of preferential treatment in its commerce with the United States. Specifically, the restoration of "fast track" authority in such matters to the U.S. executive branch would promote growth-creating trade agreements and facilitate the opening of foreign markets for American exporters. Increased economic involvement should also include research-and-development information exchanges and increased opportunity for participation in U.S. science and technology programs.

A second major arena of Argentine expectations is defense interaction. Buenos Aires holds as a major goal the deepening of interoperability with U.S. forces, especially through grants and affordable defense assistance. As we have seen, Argentine defense policy is directed toward cooperative engagement; the country has displayed commitment to global security issues in support of the UN and the United States. However, Argentine armed forces today are being pushed by their budgets to downsize and focus more narrowly on their core missions. If present capabilities are to be sustained, training and equipment upgrades are top-priority needs. Argentina expects the United States to see professional engagement and interoperability not only as ways to enhance skills and expand training opportunities but as imperatives for future out-of-area, combined operations.⁶⁸

Today, in a context of commitment and alliance with the United States, and with the former British arms embargo and U.S. veto both lifted, Argentina needs to advance its defense systems to the state of the art and to interact with the best role models. It wishes to proceed in two broad areas: personnel contacts, training, and communications (especially command and control interoperability; mutual exchanges such as naval "ship riders"; regional training opportunities; academic and operational courses of instruction; war gaming at the regional-strategic level; meetings to address organizational, administrative, and doctrinal issues; combined regional and out-of-area operations; and multinational doctrinal development); and the transfer of defense equipment and infrastructure on affordable terms (in particular, operational networking capacity, advanced technology and

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Internet-based systems, priority delivery of defense articles, and affordable financial programs).

If American expectations of Argentina as an ally are tempered by perceptions of that nation's weaknesses, from the Argentine point of view the United States has problems of its own. It is often perceived as disregarding hemispheric concerns, and prioritizing East-West relations over North-South ones. As a result, the true extent of U.S. hemispheric involvement and responsibility might be considered uncertain by many nations, including Argentina. Historically, the United States has been primarily committed to Europe. If today the Western Hemisphere offers an opportunity of economic integration in which the United States is interested, to take advantage of it that nation will have to take consistent account of the ethical implications of commitment to free trade and globalization.

Options and Outlook

Notwithstanding the complexities and uncertainties, there are a number of specific initiatives that might be pursued, some of them mentioned or implicit in the analysis above. These possibilities meet the criteria of expectation, need, willingness, and capability; they represent opportunities from which both parties could benefit; and taken together, they would supply actual content to the heretofore undefined and largely symbolic concept of "major non-Nato U.S. ally." The suggestions fall into three broad groups, of which the first is military cooperation:

- More affordable acquisition programs
- Command and control to support long-range maritime search and rescue in the South Atlantic area
- Enhanced regional air control systems (the Southern Hemisphere already properly covered)
- Improved command-and control interoperability and networking (for information warfare, space and electronic warfare, and regional and out-of-area operations)
- Multinational doctrinal development and training (for naval expeditionary warfare, military operations other than war, and other diverse scenarios)

- A South Atlantic logistical site for the support of both Argentine and deployed U.S. forces
- Combined littoral warfare training (land-based air attacks, submarines/shallow-water warfare, mine warfare).

The second is that of hemispheric security: integrating satellite information systems (networking security agencies), humanitarian assistance cooperation and training (risk assessment and disaster preparedness, early warning, regional and international coordination), environmental protection programs, combatting drug trafficking and terrorism, and research and development in such common programs as the environment, oceanography, and Antarctica. The third is political and economic integration. It would embrace such initiatives as consolidating and promoting the “new American vision” of increased politico-economic integration and broadly based development proposed in 1999 by the Argentine ambassador to the United States.⁶⁹ Under this heading one could also suggest increasing interagency (foreign and defense ministry) consultations within the framework of the existing bilateral working groups, “fast track” negotiation authority in hemispheric economic negotiations, gradual agreements aimed at proceeding from NAFTA and MERCOSUR toward a Free Trade Area of the Americas, and promoting bilateral micro-enterprise programs.

President Clinton’s conferral upon Argentina of the status of “major non-Nato ally” represented an unprecedented message from the United States about a new perception of Argentina. A communion of values had been achieved, and it established an appropriate context for new opportunities at almost every level. Though Argentina does not have the same strategic leverage as the other seven MNNA, it can still achieve benefits. This relation opened a new set of rules and opportunities; the very fact that these rules and opportunities are as yet undefined in practical terms implies that they can be expanded at all levels as experience of the new alliance grows.

The MNNA designation basically implies a close working relationship between the two countries’ defense forces, particularly eligibility and (in certain cases) priority under U.S. foreign-assistance legislation. Legally, it does not establish defense obligations, imply access to advanced weaponry, or offer mutual defense or security

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guarantees. To date, the most significant achievements have been a number of defense-related agreements, enhanced military-to-military contacts, and improved integration of multinational forces through combined exercises.

Nevertheless, the Argentine view is that, as of its third year as a major non-Nato ally, not much has been achieved in terms of tangible results, and not enough benefit has accrued to Argentina to allow it to sustain its capabilities and commitment to peacekeeping and multinational involvement—the very capabilities and commitment by which it earned its new status. The new status, and the radical changes implemented by President Menem's administration in furtherance of it, have generated domestic and regional difficulties, all related to the possible implications of broader U.S. influence: economic destabilization, undermining of the regional military balance, and social unrest caused by rapid progress toward an extreme free-market economy without the necessary infrastructure in place.

When it was conferred, Argentina's new status as a major non-Nato ally of the United States had little concrete, specific meaning in terms of precedent, procedure, or law. In such respects, its significance is still unclear. That ambiguity, however, is not a problem but an opportunity—to take initiatives, achieve innovations, stretch boundaries, and define the concept through accomplishments. Integrity, open dialogue, and a mutual will to match interests and expectations will lead the way to a mature partnership.

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