

Executive Summary and Recommendations

1. This report identifies the characteristics which most shape the security concerns of small states, particularly those that render them vulnerable: openness, insularity or 'enclaveness', resilience, weakness and dependence. Consideration is given to the economic, environmental and geopolitical dimensions of small state security. The report examines measures small states can take to improve their national capacity and international presence. Small states have a population of 1.5 million or less. There are 32 small states in the Commonwealth.

2. Small states have a susceptibility to risks and threats set at a relatively lower threshold than for larger states. The major threats faced by small states are to their territorial integrity and security; political independence and security; economic security; environmental sustainability; and social cohesion. Some of them are acutely vulnerable, others moderately so. Small states are neither among the wealthiest nor the poorest states. They are in a position to offset vulnerability in some cases, although their small size gives them less margin for coping than in larger states.

3. Small states' security starts at home. Social cohesion in most small states is a major resource which adds to resilience and lessens internal insecurity. Small states exhibit an enviable record of political stability. While this is to be welcomed there is no room for complacency since if order does break down in small states, conflict can quickly escalate beyond the survival of any particular regime to the survival of the core values of the society itself. Of most concern are economic threats linked to the globalisation of trade, investment, finance and production; environmental threats relating to the increased incidence and scale of natural disasters and the mounting damage of global warming; and threats to the fabric of society contained in the spread of transnational values. Expanding transnational activity has encouraged the growth of international crime which small states have found difficult to counter.

4. Small states are disadvantaged in international financial markets, finding it difficult to access private capital or concessional finance, to develop successful domestic capital markets or attract foreign direct investment. The implementation of the UR heralds the prospective ending of trade preferences which will put substantial pressure on many small states. The WTO is emerging as a major player in world affairs. Small states should therefore seek to become active in the

WTO, in responding to new regional economic arrangements and in facing prospective changes to the Lomé Convention. Advantages enjoyed by small states under the special protocols for sugar, bananas, and beef are likely to be eroded with damaging consequences for many of the Commonwealth's small states.

5. Small states are exposed to serious environmental risks such as natural disasters; vulnerability to sea-level rise, which threatens the physical existence of several small states and the viability of some others; marine pollution, which is increasing in scale and severity; deforestation, as a result of under-valuation of forest resources; desertification and soil erosion, caused by a combination of natural and human action; overfishing, by both small states and distant water fishing nations; and limited availability of fresh water.

6. Small states are not given any special recognition by the international system. While they have had some successes, the ability of small states to influence global affairs is limited. They should focus on specific issues of particular importance to them and where they may be able to shape outcomes.

7. Small states stand to gain from an international system in which regimes and institutions are central to the conduct of international affairs. They should help develop existing regimes, and promote others which directly contribute to their interests.

8. There is much small states can do themselves, collectively and individually, to ensure that most threats are met and overcome. They will continue to need external support to meet some threats especially through regional co-operation.

9. The UN is the most important international organisation for all small states. A properly working UN can do much to guarantee their security and advance their development. Small states should be active in the reform of the UN and seek to develop initiatives within it which can advance their interests.

10. The Commonwealth has contributed to the security and development of small states, acting as a global advocate of their interests. The part played by the Commonwealth in supporting small states is not matched by any other international organisation. Its programmes and interventions are to be welcomed and expanded. The Ministerial Group on Small States (MGSS) provides a suitable forum for the Commonwealth to keep a focus on small states' concerns.

Recommendations

11. The report's recommendations are grouped here and set out at the three levels at which they would be implemented: national, regional

and international. At each of the three levels, the recommendations are clustered sectorally, by economic, environmental and political issues. Many of the recommendations may be tackled at more than one level; regional co-operation would provide the key for success of most of the national and international-level recommendations concerning economic and environmental matters. Recommendations involving action by the Commonwealth are presented separately. The recommendations are mostly listed in order of appearance in the report, with numbers in brackets indicating the paragraphs where they are discussed.

National

Economic

12. The Uruguay Round agreements and other changes in the international system pose major transitional challenges. To benefit from them small states will need to re-orient their economies and diversify their production base (6.32).

13. In the field of trade policy, small states will need to introduce changes which stimulate and encourage the private sector and the government to identify and vigorously pursue new trading opportunities in the international system (6.33; 6.34).

14. Governments will need to introduce new measures to encourage optimum use of existing preferences under the Lomé Convention and to counter-balance the erosion of preferences for particular product groups. Product diversification and improved competitiveness must be a priority (6.34).

15. In respect of new issues in the Uruguay Round, small states should seek to develop trade and labour-intensive services; establish policy and institutional frameworks to attract foreign investment; and promote accession to the WTO by small states who are currently not members (6.35).

16. To fully exploit trading opportunities a proactive marketing policy by the government and the private sector through well-financed joint government–private sector programmes should be encouraged (6.39).

17. The mobilisation of domestic and foreign resources is essential. Governments should make a strong case to donors for assured flows of overseas development assistance during a transition phase in which they will need to introduce policies that encourage private investment, both foreign and domestic (6.42).

18. Small states that have yet to embark on reforms to liberalise the economy need to do so as a matter of urgency. Among measures to be

taken are changes in fiscal policy; acceleration of the pace of privatisation; the strengthening of the private sector; and seeking external support for transitional arrangements to cushion the cost of reforms (6.36; 6.46; 6.47).

19. An appropriate technology policy is vital. Small states should actively pursue initiatives at national, regional and international levels to develop technology which will enhance competitiveness and contribute to sustainable development (11.26).

Environmental

20. To reduce environmental vulnerabilities, small states need to implement strategies which address their most urgent environmental problems and integrate environmental considerations into the earliest stages of economic policy-making (8.50).

21. Small states should investigate and encourage innovative approaches to insurance in disaster-prone areas. Urgent consideration should be given to the introduction of an international insurance scheme for small states (8.56).

22. Market-based economic instruments should be encouraged and measures taken to apply such instruments to the tourism, energy, and fishing sectors as well as in fresh water provision (8.57).

23. Environmental thinking must be incorporated into macroeconomic management. 'Green national accounting' could be adopted. Measures must be taken to strengthen capacity in policy formation and implementation for biodiversity monitoring and assessment; sustainable forest management; improving water supply; combating desertification and drought; improving the surveillance and monitoring of exclusive economic zones (EEZs); and coastal zone management (8.58).

Political

24. Small state defence forces need to be configured to take on a variety of tasks. They should liaise closely with other government agencies and acquire a range of paramilitary skills (10.31).

25. Small states, while being mindful of the position of global powers, should seek security assistance from them in areas where there are overlapping interests, such as combating global crime, subject to safeguards concerning national sovereignty (10.32).

26. Efforts to develop information networks and, in securing international assistance and training, to enhance self-reliant defence efforts should remain a priority of small states (10.35).

27. Small states have a vested interest in ensuring their domestic regimes are politically acceptable, apart from the intrinsic value of maintaining democratic and accountable government in accordance with the principles of the Harare Declaration. They must ensure that mechanisms are in place to limit would-be dictators and to support democratic processes (10.32; 10.33).

Social

28. In tertiary education, small states should as an urgent priority undertake efforts to widen the curriculum, support technical training and, where possible, promote institutions to foster research and development (11.7).

29. In society as a whole, affirmative action should be taken to enable women and girls to access education, markets, credit, jobs, health care, legal services, decision-making fora, shelter, good sanitation and other resources. Human security requires policies of participation, empowerment and social integration. There is an urgent need for governments to create sufficient opportunities for productive employment and an onus on them to provide the appropriate environment for active citizenship to ensure that all groups are drawn into the conduct of public affairs (11.14; 11.17; 11.20).

Regional

Economic

30. Special regional development funds should be established and supported by international donors to identify emerging trade opportunities for goods and services produced in small states. They could also be used to facilitate the transfer of production technology, marketing skills and trade promotion (6.37).

31. Joint intergovernmental trade representation at the regional level would reduce costs in marketing and promotion for products common to small countries in that region (6.40).

32. Measures promoting trade and co-operation amongst a region's entrepreneurs should be encouraged as these are likely to have a positive impact on strengthening the private sector (6.47).

Environmental

33. Small states should be given appropriate regional assistance to identify and negotiate innovative sources of finance at the international level for environmental exploitation and conservation. Regional support

should also be sought to strengthen capacity in environmental policy formation and implementation (8.56; 8.58).

Political

34. Small states should supplement efforts to combat international crime at regional level with appropriate international action (10.36).

International

Economic

35. Small states should seek to persuade developed countries with which they have preferential trading arrangements of the benefits to small states of providing external support for economic reform programmes. Among measures that could be taken by developed countries are ones encouraging flows of foreign direct investment, increased imports of tropical products and more permissive 'rules of origin' (6.36).

36. Developed countries need to be reminded of their obligation to provide assistance to net-food importing countries should it be needed (6.38).

37. Bilateral and multilateral donor agencies should be urged to earmark and augment resources to support product and market diversification in small states (6.41).

38. In determining eligibility to concessional finance, bilateral and multilateral donors should recognise the special position of small states by taking account of a broader set of criteria other than per capita income (6.43).

39. International programmes of assistance should be directed at capacity-building, both in terms of infrastructure and the development of human capital. A combination of capital and technical assistance should be targeted towards meeting the goals and objectives of the Barbados Programme of Action (6.45).

Environmental

40. Small states should promote the full and effective implementation of the environmental conventions and agreements to which they are party (8.51).

41. In the light of the review of environmental issues at the Rio+5 Special Session of the UN General Assembly, small states need to take urgent action in a number of areas. Among them are promoting an effective agreement to reduce greenhouse gas emissions; ratification and implementation of the Convention on Desertification; seeking

support for measures to enhance the management of EEZs and promote sustainable fishing (e.g. through a possible Commonwealth Fisheries Protection Agreement); and accelerating implementation of the information network and technical assistance programmes agreed for small island developing states in the Barbados Programme of Action (8.52).

42. Small states should seek to persuade donor countries of the need to reverse the decline in overseas development assistance which has been a major constraint in implementing international environmental agreements. The Global Environment Facility should be adequately replenished and further streamlined to improve its operational scope and efficiency (8.53).

43. Small states should seek the establishment of a compensatory financing scheme within the UN system to provide funds for rehabilitation and reconstruction following natural disasters which affect them (8.54).

44. The international community, in close collaboration with small states, should develop effective instruments and arrangements concerning the transboundary movement of hazardous and nuclear waste (8.15; 8.51).

Political

45. Small states should use their number and in many cases their good example to strengthen multilateral co-operation as the basis for developing a more humane and equitable global order (12.31).

46. Small states should be proactive in promoting international law and international regimes in a number of areas. A study should be undertaken to determine which international regimes are of particular importance to small state security with a view to early ratification (12.32).

47. Small states must be supportive of reform of the UN and its emergence as the central institution of global governance. On the growing economic, environmental and humanitarian agendas, small states should ensure that they are at the centre of discussion and proposals for reform (12.33).

Commonwealth

Economic

48. Commonwealth Ministers are requested to urge the World Bank and the Inter-American Development Bank to review their graduation policies and establish multiple criteria, which take into account the

special vulnerabilities and costs of its smallest borrowing members (6.43).

49. To assist international consideration of the special problems of small states and to improve their eligibility for concessional finance, the development of a robust vulnerability index is essential and should receive the highest priority in the Commonwealth Secretariat (6.44).

Environmental

50. The Commonwealth should play an active role in the review of the Barbados Programme of Action scheduled for 1999 (8.52).

51. Commonwealth and non-Commonwealth donors are urged to provide support for the innovative and exemplary Iwokrama International Rainforest Programme in Guyana (8.59).

Political

52. In recognition of the special role the Commonwealth can play in combating international crime, priority should be given by the Commonwealth Secretariat to practical measures to help small states combat drug trafficking and money laundering at national, regional and international levels (10.37).

53. We recommend that Commonwealth small states not permanently present at the UN should examine the benefit of joining the Joint Office (12.33).

54. The Commonwealth is well placed to promote good governance and, where necessary, provide practical advice to small states to prevent or resolve conflict as an addition to other measures being undertaken (11.23).

Social

55. Distance learning is an approach which should be encouraged and supported, where necessary, with funds and support from other Commonwealth states (11.8).

Institutional

56. There is a need to strengthen present arrangements within the Commonwealth Secretariat to co-ordinate programmes of assistance to small states, including developing relations with non-governmental organisations (12.34).

Commonwealth small states

Of Commonwealth's 54 members, 32 are classified as small states



