

The Threat Scenario

3.1 The end of the Cold War has introduced new uncertainties into international relations, while globalisation has introduced new threats and opportunities for all states. For small states, the changes introduced have impacted on them largely in terms of degree rather than kind. That is, the threats they have faced have not been specific to them, although it is argued that in some cases they have impacted on them with greater force than for many other states. The number of threats have also multiplied and changed their relative weighting, with economic and environmental threats assuming greater significance in the security agendas of small states. This, in turn, implies a broader definition of security than existed during the Cold War. This chapter offers such a definition and then sets out the range of security threats typically, but not exclusively, facing small states.

The Definition of Threat and National Security

3.2 The 1985 *Vulnerability* report provided a working definition of national security as 'the absence of threat to the capacity to govern, protect, preserve and advance the state and its peoples consistent with the principle of respect for the sovereignty and territorial integrity of other states'. While reservations were expressed as to the correctness of the definition, particularly with respect to 'peoples', this definition has the merit of pointing out the acute vulnerability of small states insofar as in specifying the 'absence of threat' it makes the point that the absolute security of a small state can, in the last resort, only be guaranteed when there is no threat at all. At the same time, it is also clear that all states are to some measure relatively insecure. The degree of security available to small states is thus the important element to determine. It is reasonable to infer that this will be much less in small states than in large states, but not entirely absent.

3.3 Another issue arising from the definition in the *Vulnerability* report is the origin of the definition. It is clearly derived from the classic literature on the need to preserve and protect the core values of a nation. Again this has merit, but does not sufficiently capture the expanding domain of security in the post-Cold War world. Security now embraces human, economic and environmental dimensions and

involves actors other than the state. Accordingly, a wider definition of threat is required, particularly as the report drew attention to the salience of economic threats from a variety of governmental and non-governmental sources.

3.4 The working definition of threat is taken from Ullman (1983): 'A threat to national security is an action or a sequence of events that (1) threatens drastically and over a relatively brief period of time to degrade the quality of life for the inhabitants of a state, or (2) threatens significantly to narrow the range of policy choices available to a state or to private non-governmental entities (persons, groups, corporations) within the state'. This definition incorporates economic and environmental concerns, a range of actors, and highlights vulnerability. It is not a definition 'mainstream' security theorists would embrace but it is essential in specifying the particular circumstances facing small states.

3.5 Finally, the definition in the *Vulnerability* report rightly draws attention to the obligation of a state to meet threats and advance interests consistent with respect for the purposes and principles of the UN Charter. These remain the cornerstone of the international system. At the same time the norms, rights and duties of states have expanded in recent years to take account of growing interdependence. In turn, this has emphasised the importance of international regimes, global governance and above all international law. These provide important elements of security for small states and need to be nurtured by them.

3.6 To give expression to the above points the new working definition of security is therefore 'the ability to manage threats to the capacity to govern, protect, preserve and advance the state and its people consistent with the principles of international law'. Threats are understood as including vulnerabilities as set out in 3.4. It is this consideration which is all important and distinguishes the high level of insecurity of small states as against larger ones.

The Range of Security Threats to Small States

3.7 The *Vulnerability* report identified three major categories of threats to security: threats to territorial security; threats to political security; and threats to economic security. These remain, although the experience since 1985 suggests some new threats have arisen or acquired prominence, particularly in relation to the environment and to social cohesion.

Threats to territorial security

3.8 The military threats included direct aggression and/or invasion by forces of another state or other agencies; establishment of foreign

bases; and island states and secession. The incidence of these threats have been low. Since 1985, small states, with the significant exception of Kuwait, have not been prey to other states. At the same time the risk remains, particularly in respect of secession where new developments related to globalisation and to governance provide opportunity and grievance.

3.9 Non-military threats have mushroomed. Piracy, international criminal conspiracy and trespass of exclusive economic zones have all increased world-wide. The major threat has come from the drug trade but the other threats remain pertinent elsewhere and need to be addressed, particularly in SIDS.

Threats to political security

3.10 These threats remain imprecise. As identified in the *Vulnerability* report they include political and economic pressure for policy changes exercised by large states; destabilisation or subversion attempts resulting from political objectives of larger powers, or externally-based dissidents; spill-over effects of policy changes in member countries of a region; adverse impact of hostile or unsympathetic reporting by foreign media; and attempts at extra-territorial jurisdiction.

3.11 The identification of such threats and their incidence arise directly from an international politics based on national interest and power. Insofar as these remain important determinants of foreign policy they are endemic to the system. However, post-Cold War changes suggest a changing agenda and incidence of risk. The privileging of geo-economics in the interests of the great powers provides a situation where competition among them is increasingly based on economic criteria not geo-political rivalry. In this situation the principal concerns of small states are not the unwanted attentions of the great powers but the fear of being marginalised. Whilst military instruments continue to be used, economic measures are being increasingly applied by great powers to achieve their ends.

3.12 The acceleration of interdependence in the last decade also has had the effect of further blurring the distinction between foreign and domestic policy. It is now widely accepted that a distinction between the two is difficult to sustain and the emergence of issues such as human rights to international prominence have identified strong linkages between the internal politics of states and the international system. This points to the need to identify one additional political feature omitted from the *Vulnerability* report except by inference: regime instability as a trigger for intervention directed at changing or preserving the structure of political authority. The need to do so arises from the

broader definition of threat adopted here. It also reflects the fact that most analyses of 'crises' in small states, especially those leading to intervention, identify internal threats to the political regime as the most significant precipitating factor.

3.13 Small states continue to be exposed to the whole range of political threats. At the same time changes within the international system have reduced the number of direct threats and increased the number of indirect threats. The general effect has been to increase the political insecurity of small states, particularly since such threats are nebulous and difficult to respond to in any precise way.

Threats to economic security

3.14 Economic threats are closely linked to the vulnerabilities of small states. As with many political threats it is difficult to identify when an economic threat begins and ends, how much it is latent or manifest, and how general or specific its effect will be. Nevertheless, there is a widespread consensus among the majority of leaders of small states that economic threats have increased in significance in recent years to the point where they constitute the single largest category of threats with the potential to impose the most harm.

3.15 Most of these fears pertain to the effects of globalisation and the belief that small, less developed states will be at a particular disadvantage. But it also corresponds to the increased use of economic policy in the foreign policies of states and to the growth of intergovernmental and transnational economic activity in the international system. The move to a volatile global economic system in which competition and bargaining constitute the essential framework within which policy is developed exposes the weakness of small states in a number of areas, earlier identified as economic hazards in the *Vulnerability* report. In particular, those associated with the exercise of undue political and economic influence by foreign business interests and an inadequate capacity to monitor and police EEZs can be flagged.

3.16 Another set of threats which have acquired prominence relate to the growth of money laundering and other economic crimes which impact negatively on the economy and undermine the financial integrity of the state. The removal of exchange and capital controls in recent years has led to a phenomenal growth in financial markets with daily global foreign exchange market turnover reaching an average of US\$ 1,190 billion in early 1995. The growth of these markets is contributing to globalisation and is providing opportunities for many countries to establish offshore centres which offer a range of legitimate financial services. Among the more active in developing such centres

have been small states and dependent territories which provide a variety of banking, insurance and business services in conditions of strict confidentiality. While such facilities are attractive to many corporations in the course of their business activities they also offer opportunities for tax evasion and for international criminals to launder money.

3.17 Money laundering is the process by which the proceeds of criminal activities such as drug trafficking, arms trafficking, financial fraud and organised crime are turned into apparently legitimate resources. The scope and scale of such activities have grown and now reach some US\$ 500 billion globally each year. In small states, more than other states, the inflows and outflows of laundered money can have serious effects including distorting macroeconomic policy formation and implementation; introducing elements of volatility and imbalance into exchange rates; and compromising legitimate institutions in the financial sector leading to loss of financial confidence in the state by local savers as well as by international companies and institutions. Unchecked, money laundering increases the economic and financial power of international criminal syndicates, undermining democratic systems and respect for the rule of law through corruption, violence and undue influence in government. The adoption of effective measures to curb money laundering, while retaining the benefits of deregulated financial services, is a complex and politically sensitive subject which requires careful consideration.

3.18 However, by far the greatest threat is that of economic exclusion. The architecture of the new economic order is being built without the effective participation of small states. There is a formidable asymmetry of power, attention and representation within international organisations and agencies dealing primarily with economic issues. The lobbying networks which have grown to serve them serve those who can command the financial resources or the political muscle to get their views heard. Small states have little to offer individually in such an arena in which economic sovereignty is seen as simply something to trade, not to preserve. The consequences are far reaching, demanding a different strategy of response and a wider vision of threats than set out in the *Vulnerability* report.

Environmental threats

3.19 The single greatest threat to a small state is a natural disaster. They include cyclone, drought, desertification, earthquake, flood, hurricane, landslide, storm, tsunami, typhoon and volcano. Their number have significantly increased in frequency and magnitude over the last thirty years. Their impact is massive and affects not only infra-

structure but also residential and commercial property on land and water, human health and life, transport, agriculture, livestock and business activities generally. The cost of recovery from such disasters adds to public expenditure and government indebtedness, both domestic and foreign as overseas financial assistance is often required. The cumulative effect of a series of disasters year on year can be especially debilitating, particularly for the poor and socially disadvantaged who suffer the most.

3.20 Other threats are not so dramatic but remain significant in their effects. They include plant and animal diseases which often relate to past practices of land use and animal husbandry and have caused serious damage to local ecosystems as well as putting the welfare of farmers and pastoralists at risk. There is also the question of human health. Small states find it difficult to provide the infrastructure and expertise to deliver a comprehensive range of health services and among the least developed there is a serious underprovision of medical personnel and hospital facilities. Access to safe water supplies is also unacceptably low in some states and AIDS remains an important issue in several countries where the rates of infection are particularly high and the capacity to screen and to respond to situations difficult.

3.21 While there is little that can be directly done to avoid some of these threats others are the product of human action and therefore can be controlled. The most serious are the adverse implications of climate change and sea-level rise due to global warming. Small island states are particularly at risk and as with natural disasters the effects are numerous and costly. With increasing scientific evidence that human activities are having a discernible influence on the world's climate, the need for an agreement, under the 1992 Convention on Climate Change, on significant reductions in greenhouse gas emissions has become more urgent. Since a certain degree of sea-level rise is in any case inevitable due to past emissions, the most vulnerable small islands will have to start protecting themselves against, and adapting to, its impacts, with assistance from the international community.

3.22 Coastal, marine and forest resources have also come under threat. Much of this is related to opportunities for economic development. But some relates to external resource piracy as in the unlicensed exploitation of fishing stocks or unsustainable forestry practices, and others to the effects of pollution or damage from the passage of tankers and cruise ships. Finally, there is a generalised risk of environmental deterioration from a number of sources including the transport and dumping of nuclear or other hazardous waste, the incidence of which has significantly increased in recent years, and the continuing effects of past nuclear testing in the South Pacific.

Threats to social cohesion

3.23 One of the strengths of many small countries is the relative degree of social homogeneity that prevails. Events or circumstances which undermine this constitute a threat. They can be transmitted via a number of channels. One which is very common is cultural penetration through the media. Small states depend on foreign broadcasting and are particularly open to foreign influences. This can undermine identity, tradition and custom leading to dissatisfaction and a sense of alienation, particularly among the young. Another is the backwash effect from the increased incidence of international travel. While there are considerable benefits and tangible rewards associated with international travel, the openness of small states provides fertile soil in which imported and different life-styles can flourish and which can be especially corrupting and destabilising when associated with drugs, leading to the weakening of social values which underpin the political system.

3.24 A number of small states are multi-ethnic, multi-religious and multi-cultural. While this can be a source of strength it can also be a source of weakness when divisions are highlighted or fostered for political advantage. This can come from outside the state and be the result of deliberate policy, or it can be more diffuse leading to an increased perception of those within the state as to their differences. When it occurs, the practice of accommodation between groups is put in jeopardy and political fears and tensions heightened, leading in some cases to armed action. While it is not the only example of such a threat the growth of religious fundamentalism in international politics has the potential to be particularly destabilising in such circumstances.

3.25 Unemployment levels in some small states are too high. While traditional extended family support systems and the habit of migration have ameliorated the immediate affects, changes internally and externally are making these more severe. Internally, the breakup of traditional systems and rapid urbanisation in small states have reduced the level and likelihood of support, whilst externally the flows of remittances back home are steadily reducing in volume and value over time. There is also a question over the future of emigration as an option as host states come under increasing pressure from their population to limit it. This is adding to the social costs of structural adjustment which some states have undergone. The unintended effect of many such programmes has been the growth of an 'informal' economic sector, thriving in the 'grey' area between legality and illegality, and living off services rendered in respect of money laundering, capital flight, exchange rate manipulation, corruption and unethical business and professional practice. More directly, crime has been encouraged through larceny, drug abuse and prostitution.

Threats and Vulnerability

3.26 While small states may be subjected to such threats it does not follow that any state will necessarily meet all of them, although it is our contention that the majority of small states will meet some, if not most of them, at some time or another. The principal determining factor will be the security environment in which they are located. While this has international and national elements the most important element for small states is the region. The setting of the various regions and their particular security threats are discussed in detail in Chapter 9.

3.27 It is also evident that threats will be perceived differently by small states, even within the same region, and that the impact of threats will vary considerably from state to state. The key element here is the individual circumstance of each state. This raises again the issue of vulnerability and underlines the proposition that what distinguishes small states from larger states is not the specificity of the threat they face but that should a threat become an actuality it is likely to be more difficult to resist and is likely to cause more harm than in other states.