



VULNERABILITY

Small States in the Global Society

Report of a Commonwealth Consultative Group



Commonwealth Secretariat

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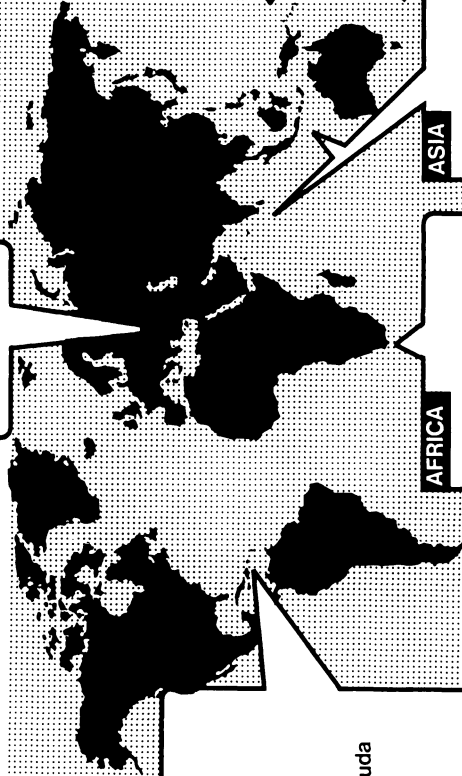
Commonwealth Secretariat, Marlborough House,
London SW1Y 5HX.

The small states

Of Commonwealth's 49 members,
27 have populations under
one million

EUROPE

Under 1m
Cyprus
Malta



CARIBBEAN

Under 1m
Guyana
Barbados
Bahamas
Belize
Under 200,000
Antigua & Barbuda
St. Lucia
Grenada
St. Vincent
Dominica
Under 100,000
St. Kitts-Nevis

AFRICA

Under 1m
Mauritius
Botswana
Gambia
Swaziland
Seychelles

ASIA

Under 300,000
Brunei
Maldives

PACIFIC

Under 1m
Fiji
Under 300,000
Solomon Islands
Western Samoa
Vanuatu
Tonga
Under 100,000
Kiribati
Tuvalu
Nauru

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Foreword by the Commonwealth Secretary-General

When they met in New Delhi in October 1983, Commonwealth Heads of Government were deeply concerned about the precarious state of the international situation. They reflected this concern in their Goa Declaration of International Security. But, while their anxieties encompassed the global situation, they were at the time acutely aware of the peculiar vulnerability of small states which had been brought so dramatically to the world's attention over the preceding month with events in Grenada. It was against this backdrop that they called for a study of the special needs of small states, including their security needs.

Since the New Delhi meeting the international situation has not improved significantly, in terms of world security. More particularly, small states continue to be buffeted politically, economically and socially from both internal and external forces, with the world community taking little heed of their special needs. That this is so is hardly surprising: recent years have not been propitious ones for a creative internationalism. In fact, the level of international co-operation over a wide field has actually declined. The problem of developing countries, once high on the global agenda, has lost its agreed primacy as the interest of developed countries has waned in the post-decolonisation period. The upsurge in bilateralism and 'spheres-of-influence' politics has been at the expense of international institutional development. Taken all together, for dozens of small states, the global environment into which they emerged over the past twenty years has worsened steadily through stages of bemusement, indifference, neglect and disadvantage.

Yet the last two years have seen, particularly at regional levels, an emerging awareness of the reality of small states and some recognition of their special needs. This has resulted both from the initiative of small states themselves and from the policies of countries in their respective regions. These developments reflect, for the first time, a serious and growing concern with security. Among both the Caribbean and the Pacific island states, for instance, serious thought is being given currently

to regional security 'arrangements'. Significant new alignments and commitments, both bilateral and regional, are emerging. The time of 'innocence' of the world's smallest states is quickly passing. For the small states themselves this has also brought awareness that the primary responsibility for security rests at the domestic level, and the development of a new realism and emphasis on self-reliance. This too is hardly surprising. When recognition of vulnerability parallels a decline in internationalism, the need to be scrupulous about 'security' arrangements is both obvious and urgent.

I was specially pleased, therefore, that in responding to the mandate of Commonwealth Heads of Government at New Delhi, it was possible to bring together such an impressive group of Commonwealth personalities who had substantial personal experience of the issues involved, either within small states themselves or at the highest levels of international affairs. As is traditional with Commonwealth consultative groups, members prepared and signed the Report in their individual capacities and not as representatives of the governments, countries or organisations to which they belong. The publication of the Report does not imply that it necessarily represents the views of Commonwealth governments.

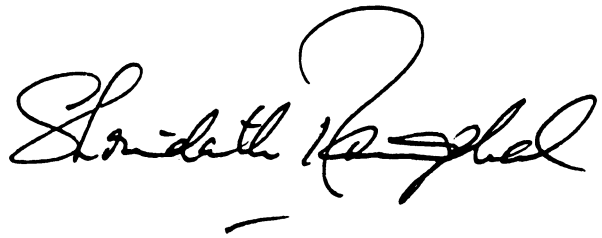
The Group has made a particular point of examining the economic underpinnings of security and has stressed the link between deprivation, vulnerability and defencelessness. In recent years, Commonwealth consultative and expert Groups have produced a number of studies focusing on various aspects of the world economic situation and it will be noted that the findings of this Report mesh well with, and support the conclusions of earlier studies. The recommendations, if implemented in this respect alone, could have significant effects in enlarging the security of small states and strengthening confidence among themselves, in their regions and in the wider world community.

It is particularly true of small states that many of the special measures which they need cannot be undertaken by themselves acting in isolation. International co-operation, starting at the regional level, is crucial to the process of reducing their vulnerability. Small states are as equal and as sovereign as larger states and every effort must be taken to ensure that they are not given a second class status in world affairs. Indeed, over the past two decades, a significant number of small states have assumed their full role in world affairs and have made individual contributions of much distinction to important international issues. They have demonstrated that they have a valid part to play in the evolution of world society. It is therefore imperative that the international system be so organised that these states are enabled not only to exist, but to prosper and themselves to contribute to international harmony. In the pursuit of that goal of enhanced international co-operation there surely must be progress

towards strengthening the global system of collective security. It would be fitting if the 40th year of the United Nations could be marked by a series of steps which ensured a safer and more prosperous future for the smallest members of the world community.

The members of the Consultative Group set themselves practical and manageable objectives and have produced a Report with proposals which are achievable. They have envisaged goals for action at the national, regional and international levels including, of course, the Commonwealth. At the national level they have placed a particular emphasis on the need for small states to adopt measures that are appropriate to their actual economic and military security requirements; at the international level they have stressed the need to bolster the role of the United Nations as a guardian of the weak; they have given pride of place to the regional level as being the arena most suitable for enhancing the security of small states. In all this, they have remained faithful to the mandate of Commonwealth Heads of Government that their examination of the special needs of small states should be “consonant with the right of sovereignty and territorial integrity that they share with all nations”.

It is my hope that this Report will be of assistance in the evolution of the views of Commonwealth governments and will be of value to the wider international community. I commend it to the consideration of Commonwealth countries and the attention of all states—small and large.

A handwritten signature in black ink, reading "Shridath S. Ramphal". The signature is written in a cursive, flowing style with a large, prominent loop at the end of the name.

Shridath S. Ramphal

Letter of Presentation

London
2nd August 1985

H.E. Mr Shridath S. Ramphal
Commonwealth Secretary-General
Marlborough House
Pall Mall
LONDON SW1

Dear Secretary-General

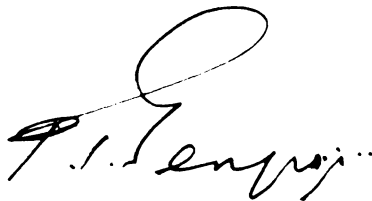
You appointed us to serve as a Consultative Group on the Special Needs of Small States following the mandate given you by Commonwealth Heads of Government at their Meeting in New Delhi in November 1983.

We transmit herewith our Report which represents the unanimous conclusions and recommendations of the Group. In accordance with the terms of our appointment we have signed our Report in our personal capacities and not as representatives of governments, institutions or countries.

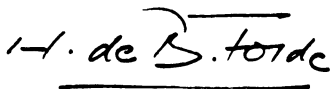
We should like to express our thanks to you for the confidence and trust in appointing us and subsequently the support and encouragement you gave us in the course of our work. In addition, the Secretariat provided us with unfailing assistance and we would like, through you, to express our gratitude to all concerned. It is our earnest hope that the outcome of our deliberations will help in focusing attention on the unique situation of small countries in the world community and to inspire initiatives from all quarters to enhance the prospects of their well-being and security.

We appreciate that the implementation of the recommendations we have made in the Commonwealth section could have considerable financial and institutional implications. We of course assume that you will wish at the appropriate time to put forward, for the attention of member governments, the costs of translating those recommendations into practical programmes of action through the Secretariat.

Please accept, Secretary-General, the expression of our highest consideration.



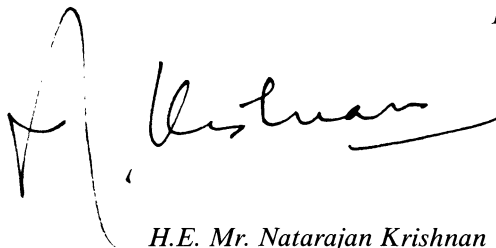
The Hon. Mr. Justice P.T. Georges



Hon. Henry de B. Forde, QC, MP



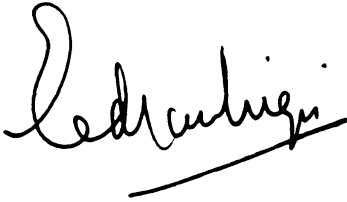
Hon. Fathulla Jameel



H.E. Mr. Natarajan Krishnan



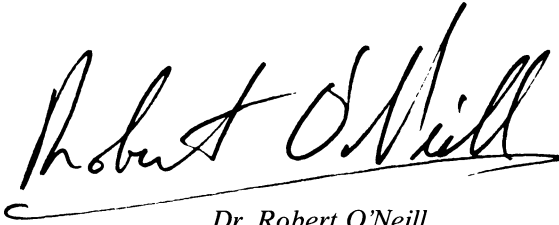
Professor Elisabeth Mann Borgese



Dr. Edgar Mizzi



Mr. Lebang Mpotokwane



Dr. Robert O'Neill



H.E. Mr. Olara A. Otunnu



Sir Anthony Parsons



Mr. Geoffrey Pearson

Lloyd Searwar

Mr. Lloyd Searwar

Taniela H. Tufui

Mr. Taniela H. Tufui

Ata T. Teotai

Mr. Ata T. Teotai

Part I

Focus of the Study

Introduction

1. This study is the result of a decision by Commonwealth Heads of Government at their 1983 Meeting in New Delhi, following their discussion of the situation created by the military intervention in Grenada in October of that year. However, although the study was requested in the context of the security implications of the Grenada crisis, it was also conceived in the wider framework of the Commonwealth's long-standing concern with the special economic problems of its very many small member countries.

2. Commonwealth concern with 'small states' was first given formal expression at the meeting of Finance Ministers in 1977 in Barbados. Having noted the special characteristics of small island economies, particularly their extreme dependence on exports and imports, high dependence on capital inflows, and in some cases their lack of natural resources, the Ministers urged the international community to adopt a more flexible approach to the requirements of these countries as well as special measures to assist them. The following year, at their first regional Meeting, Commonwealth Heads of Government from the Asia/Pacific region asked the Secretary-General to seek support for Commonwealth-wide programmes to counteract the particular difficulties that beset the growing number of small members, particularly the island developing countries.

3. In response, the Secretariat prepared a programme designed to assist in overcoming "the disadvantages of small size, isolation and scarce resources which severely limit the capacity of such countries to achieve their development objectives or to pursue their national interests in a wider international context". This was endorsed by Commonwealth Heads of Government at their 1979 Meeting held in Lusaka and its importance was reaffirmed at their 1981 Meeting held in Melbourne. Since that time it has continued to be expanded on a pragmatic basis; a small states perspective now informs the work of all of the Secretariat's functional Divisions.

4. Meeting in New Delhi in November 1983, with the political repercussions of events in Grenada still resonant, Commonwealth leaders felt that the problems of small states “deserved consideration on a wider basis, including that of national security”. They accordingly requested the Secretary-General, drawing as necessary on the resources of member states, to undertake a study of the special needs of small states “consonant with the right to sovereignty and territorial integrity that they shared with all nations”. It was in pursuance of this that the Secretary-General established our Consultative Group whose 14 members, drawn from both large and small member countries, have carried out the study requested.

5. At our first meeting, held in London in July 1984, we reviewed the scope of the study within the terms of reference set out in the New Delhi Communiqué and agreed our procedure of work. In view of the sensitive nature of the subject and its complexity, we felt we should supplement our own deliberations by drawing as widely as possible not only on the views of Commonwealth governments but also on informed opinion in member countries. To facilitate this, we invited the Secretariat to convene three regional colloquia, with both governmental and non-governmental participation, each attended by some members of our Group.

6. All the colloquia had the support of both governments and non-governmental sectors in the countries belonging to the regions involved and were characterised by a wide-ranging discussion of the main issues of regional concern. The first one, covering the South Pacific, was held in New Zealand in August 1984. The other two took place early in 1985: the African/Indian Ocean colloquium in Seychelles in January, and the Caribbean colloquium in The Bahamas in February. We held our second meeting, again in London, at the beginning of March. After considering the views expressed at the three colloquia, we agreed on the substance and the main themes of our Report, which we finalised at our last meeting in London at the end of July 1985.

7. We note that a number of important non-governmental institutions, including the Commonwealth Parliamentary Association, have prepared their own studies on the subject. As we proceeded with our work we were much impressed by the widespread interest the whole issue of the vulnerability of small states has generated.

Terms of reference

8. When requesting this study Heads of Government had a number of considerations in mind which were set out in paragraph 11 of the New Delhi Communiqué. Since these form part of our overall terms of reference, we quote the paragraph in full:

“Time and again in their discussions, Commonwealth leaders were recalled to the special needs of small states, not only in the Caribbean but elsewhere in the Commonwealth. They recognised that the Commonwealth itself had given some attention to these needs in the context of economic development but felt that the matter deserved consideration on a wider basis, including that of national security. Recalling the particular dangers faced in the past by small Commonwealth countries, they requested the Secretary-General to undertake a study, drawing as necessary on the resources and experience of Commonwealth countries of the special needs of such states consonant with the right to sovereignty and territorial integrity that they shared with all nations.”

9. In addition, we felt we needed to take into account certain related considerations expressed in the following paragraph from the Goa Declaration on International Security which accompanied the New Delhi Communiqué:

“We are particularly concerned at the vulnerability of small states to external attack and interference in their affairs. These countries are members of the international community which must respect their independence and, at the very least has a moral obligation to provide effectively for their territorial integrity. We have separately agreed on an urgent study of these issues. Additionally, however, we will play our part in helping the international community to make an appropriate response to the UN Secretary-General’s call for strengthening of collective security in keeping with the Charter.”

Scope of the mandate

10. Heads of Government thus gave us an essentially unrestricted mandate: we were to examine the special needs of small states on a wider basis than that of economic development alone and include specifically issues relating to national security. Accordingly, the relevant questions were: Should national security be regarded merely as one element among many others to be taken into account, as *primus inter pares* in other words? Or should it be seen as the key element to which everything else should be related? And, since the Secretariat had already carried out an intensive analysis of small states’ special economic needs, how much emphasis should be placed on this aspect in the present study? In arriving at an agreed interpretation of our mandate we were greatly assisted by the Secretary-General. His inaugural address, which we have appended to our Report, provided valuable pointers to guide our deliberations.

11. We have proceeded on the basis that Commonwealth Heads of Government intended the ‘vulnerability’ of small states to be the essential

concept informing the enquiry; that issues of national security were of primary relevance; but that economic factors were also of direct concern both as elements of vulnerability in their own right and as contributing to national security problems. We feel, moreover, that security and development are necessarily interrelated, given that development may be seen as a widely based process encompassing the improvement of all aspects of a nation's capacity to perform effectively.

12. Recognition of the link between security and development inevitably brought us face to face with the much more sensitive question of how far it would be legitimate within our mandate to take account of the internal political difficulties of small states. We discussed at some length the implications of the fact that in many cases military intervention in Third World states, whether large or small, is triggered by an unstable situation which a neighbouring country may genuinely perceive as creating a threat to its own security or else cynically use as a pretext for initiating either direct or indirect military operations. Since it seemed to us that visible signs of internal unrest, or even the absence of a strongly projected sense of national cultural and social identity, could well have the effect of actively encouraging intervention, we concluded that it would be desirable to include recommendations designed to assist small states to strengthen their inner cohesion.

13. In the light of the above, it was clear to us that the concept of vulnerability should not be interpreted in a strictly military sense. We decided to adopt a comprehensive approach to the special needs of small states and to consider their 'vulnerability' in all its relevant aspects—military, political, economic, technical, social and cultural.

Underlying principles of the Study

14. The reference in the New Delhi Communiqué to small states' right to sovereignty and territorial integrity which "they share with all nations" implicitly touches on a fundamental principle of contemporary international relations as defined under the Charter of the United Nations. This is the principle of the sovereign equality of all nations in terms of their legal rights as independent members of the Organisation. In other words, Commonwealth leaders were signalling their own collective recognition that the accepted international precept of respect for national sovereignty, territorial integrity and political independence, underwritten in the United Nations Charter, is no less applicable to small states than to larger nations more capable of defending the vital attributes of their sovereignty. At the same time, in the Goa Declaration, they went out of their way to stress the view that the international community has the moral obligation to provide effectively for the territorial integrity of

small states, thereby tacitly acknowledging that small states are inherently less able to defend their integrity themselves.

15. Prior to the establishment of the United Nations the answer to the question whether the capacity for self-defence should not itself be regarded as a necessary characteristic of sovereign statehood would almost certainly have had to be “yes”. The United Nations Charter, however, outlaws war. It also stipulates, under Article 51, that nothing “shall impair the inherent right of individual and collective self defence if an armed attack occurs against a member state, *until the Security Council has taken measures necessary to maintain international peace and security*”. (italics added.) Article 51, moreover, goes on to state that measures taken by United Nations’ members in exercise of this right “shall not in any way affect the authority and responsibility of the Security Council to take such action as it deems necessary in order to maintain or restore international peace and security”. The significance of this qualification on the right of self defence is that Article 51 is placed at the end of Chapter VII of the Charter which provides for the establishment of a United Nations collective security system, including possible enforcement measures, precisely in order to safeguard individual nations against attack and thus eliminate the need for each state to look to its own defence.

16. Some might argue that when it became apparent, only a few years after the United Nations’ inception, that the Charter’s collective security system would in all probability never be fully implemented, steps should have been taken then to discourage the decolonisation of very small territories which would obviously be unable to defend themselves militarily. This is not a contention we could accept, or even countenance. The decolonisation process, inevitably and rightly, increased in momentum down the years. Particularly after the adoption in 1960 of the United Nations Declaration on the Granting of Independence to Colonial Countries and Peoples, it came to be seen as clearly applicable to all territories wishing to exercise this option. Moreover, the United Nations Charter itself does not provide for any limitation on admission to membership relating to size.

17. It is true that during the sixties, when it was realised that the number of very small newly independent states was likely to increase substantially, consideration was given to ideas for creating a special membership status for them. It is significant, however, that their vulnerability in security terms did not feature prominently in those discussions, which were more concerned with economic viability and the political issue of giving ‘mini-states’ equal voting rights in the General Assembly. In the event, the whole debate was abandoned before the end of the decade, not least

because of the difficulty of legally accommodating a special association status within the provisions of the Charter.

18. It is relevant to recall that British policy supportive of the right to self-determination played a major role in making the modern Commonwealth possible. During the sixties the Commonwealth itself considered proposals for creating a special category of associate membership applicable to very small states. Since, unlike the United Nations, the Commonwealth did not have to reconcile new membership procedures with the provisions of a written constitution, it would have been possible to devise a new class of membership without major difficulty. Nevertheless, it was decided that the Commonwealth should not impose a special membership status on small countries that wished to become full members. Instead, the option of special membership was left open to all eligible newly independent countries wishing to avail themselves of it. To date, only four countries (Republic of Maldives, Nauru, St. Vincent and the Grenadines, and Tuvalu), all of them very small, have chosen to do so and two of them (Republic of Maldives and St. Vincent and the Grenadines) have recently applied for and been granted full membership.

19. The history of these limited endeavours to offer small states a less than full political status within the international community underscores the recognition by Commonwealth leaders of the international community's moral obligation to provide for the territorial integrity of small states. This obligation rests on the fact that these defenceless countries have been welcomed into the community by all its members, including the major powers principally responsible for the failure to implement the collective security system for which the United Nations Charter provides.

20. It is also pertinent to observe that, in practice, no nation ever seeks to defend itself entirely unaided. Even the two super powers have deemed it necessary to build up military alliance systems supplemented by a network of other 'friendly' nations on whose goodwill and active support they feel they would need to rely if the moment arrived when they had to defend their territory. The truth is, as every government will recognise, that in an interdependent world no nation "can be sufficient and entire unto itself"—in the military sphere, no less than the economic. Even so, it is clear that the extraordinary degree to which small states must rely on assistance from other countries as well as international bodies for preserving their security does put them into a quite separate category. The awareness of their extreme dependence inevitably engenders in small states a much deeper sense of vulnerability than is experienced by larger nations.

21. We have, therefore, been set a difficult task: that of reconciling the acknowledged 'specialness' of small states with the recognition of their

equality as sovereign members of the international community. We have done our best to achieve this by trying to ensure that our recommendations not only avoid implications that might diminish the sovereign status of small states but also give due expression to the accepted international principle of non-intervention in the internal affairs of nations. To assist us in this endeavour we formulated a working definition of national security as “the absence of threat to the exercise of 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”.

Part II

Dimensions of the Problem

Chapter 1

The Characteristics of Smallness

WHICH COMMONWEALTH COUNTRIES ARE “SMALL STATES”?

1.1 The dismantling of the various colonial empires that had been consolidated during the 19th century or even earlier has been one of the most significant developments of the post World War II era, transforming the political map by bringing close to 90 newly independent states into the international community within the space of 40 years. It was not, however, until the seventies that decolonisation started to be applied extensively to territories with only a few hundred thousand people. Among British colonial territories, for example, only 12 such countries had become independent by 1969; whereas, with the exception of three states, all of the 20 countries that have become independent members of the Commonwealth since 1970 possess small populations.

1.2 While there is clearly more than one criterion for defining a small state, we have taken population as the basis for determining which Commonwealth countries should be encompassed within our study. By so doing we are following what seems to have become general international practice. For although composite criteria combining population with other indicators like total national income or land area have sometimes been used in the various attempts made over the years to delineate a special grouping of small states for economic purposes, no accepted classification on this composite basis has emerged. Population is the one indicator common to all such definitions. It was also the sole criterion employed to determine the number of countries covered in the formative study on the “Status and Problems of Very Small States and Territories” by the United Nations Institute for Training and Research

(UNITAR) in 1969, which remains one of the most comprehensive examinations of the subject so far undertaken.

1.3 In using population as the key indicator of smallness—while conceding that this might perhaps ideally be too narrow a conception—the UNITAR study fixed an upper limit of around one million. This cut-off point of one million also appears to have gained a wide currency for the very good pragmatic reason that almost all states within this limit tend to experience the special problems particularly associated with small size. There is clear evidence that severely restricted human resources can be a crucial constraint on a country's overall capacity to function effectively as an independent member of the international community. All cut-off points are by their nature arbitrary, and may seem unfair to those just outside the limit. Certainly, from the standpoint of national security, many Third World states with much larger populations tend to confront a similar range of difficulties. But, equally, there is little doubt that these difficulties can become noticeably more acute when the population falls below the one million mark.

1.4 The one million limit is moreover of particular relevance in the Commonwealth context. Since Britain possessed the largest colonial empire at the end of World War II, it is not surprising to find that of the world's current total of 44 independent states with populations of around one million or less, 29 are Commonwealth members. Even more pertinently perhaps, no fewer than 15 of these 29 states have populations of under 200,000; and within this latter category of what might be termed 'mini-states', seven are 'micro-states' with populations of 100,000 or less.

1.5 This distribution of population in our view amply justified the Commonwealth Secretariat's decision, when launching its special programme for small and other specially disadvantaged states in 1979, to set an upper limit of around one million in identifying the small states which would benefit from the programme. We therefore had no hesitation in adopting the same cut-off point. However, since security issues constitute a major perspective of the study, we agreed it would be essential also to bring in both Jamaica (population over two million) and Papua New Guinea (population over three million), because they share many characteristics and also maintain integral links with all the small states in their respective regions. The 31 countries covered in our study are listed on the next page.¹

¹ The desirability of extending our study to include small territories that are currently dependencies of larger Commonwealth members was briefly considered, but it was felt that Heads' of Government unmistakable emphasis on the importance of respect for sovereignty and independence in effect precluded this option.

POPULATION OF SMALL STATES INCLUDED IN THE STUDY

Population (1983)

CARIBBEAN

Antigua & Barbuda	78,000
Bahamas	222,000
Barbados	260,000
Belize	153,000
Dominica	81,000
Grenada	114,000
Guyana	801,000
St. Kitts-Nevis	53,000
St. Lucia	125,000
St. Vincent & the Grenadines	102,000
Trinidad & Tobago	1,140,000
Jamaica	2,264,000

SOUTH PACIFIC

Fiji	670,000
Kiribati	61,000
Nauru	8,000
Solomon Islands	254,000
Tonga	104,000
Tuvalu	7,000
Vanuatu	127,000
Western Samoa	161,000
Papua New Guinea	3,197,000

AFRICA

Botswana	998,000
Gambia	697,000
Lesotho	1,437,000
Swaziland	688,000

INDIAN OCEAN

Maldives	168,000
Mauritius	999,000
Seychelles	65,000

MEDITERRANEAN

Cyprus	653,000
Malta	354,000

ASIA

Brunei	209,000
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Sources: *The World Bank 1985, "The World Bank Atlas" Washington, D.C.; United Nations, 1984, "Population and Vital Statistics Report" New York.*

GEOGRAPHICAL SETTING OF COMMONWEALTH SMALL STATES

1.6 Although small states all share the characteristic of extremely limited human resources, the particular difficulties each country faces in the context of national security are significantly determined by a combination of two sets of factors: certain types of physical features and the geopolitical consequences of their location within their respective regions. It is therefore essential first to try to identify the most important common and distinguishing geographical features that are likely to have a direct bearing on their vulnerability. The most obvious starting point is to divide the 31 countries into two groups: small states that are situated next to other countries on land masses, and those that are separated from other countries by being islands.

(i) *The continental states*

1.7 Only seven Commonwealth small states belong to the first group. In the **Caribbean** region, Belize is situated on the east coast of the central American peninsula with Guatemala and Mexico as neighbours on either side, while Guyana, on the north-east coast of South America, is flanked by Venezuela and Suriname with Brazil to the south. In **Africa**, The Gambia extending inland from the west coast for some 320 km. on both sides of a major river, is a narrow strip of terrain which, except at the coast, is entirely surrounded by Senegal. Botswana, Lesotho and Swaziland are situated in the heart of Southern Africa, all of them lacking any access to the sea and one an enclave within the territory of the Republic of South Africa. Lastly, in **Asia** Brunei is located on the north-western tip of the island of Borneo, flanked by two states that are part of the Federation of Malaysia.

1.8 The key factor common to all seven countries is shared borders with at least one other much larger contiguous state, while for three of them the most important geographical disadvantage is their landlocked situation. It might also be worth noting that Botswana is roughly the size of France and therefore considerably bigger than any of the few other Commonwealth small states, whether continental or island, that have a fairly substantial land area.

(ii) *The island states*

1.9 The 24 Commonwealth small island states are both too numerous and too diverse in nature to characterise individually. Only a very few of them are single- or even two-island states. The majority are multi-island entities, in some the component islands are dispersed over vast distances

whereas in others they are relatively close together; and in several—The Bahamas, Maldives and Fiji, for example—the islands number in their hundreds. As might be expected, in most of these multi-island states there is a considerable variation in population density among the component islands, many of which may have never been inhabited. Variables of this kind can be highly relevant in assessing the geopolitical implications of the island states' regional setting and the different types of external security threats that may be associated with a particular region.

1.10 In the most numerous regional group, the significant geographical feature of the ten **Caribbean** island states is their distribution, over some 1,600 km., on a curve in the waters separating the United States' Florida peninsula from the northern tip of South America. The Bahamas at the northern end of this chain is no more than about 288 km. from Miami, while Trinidad and Tobago at the southern end is less than 28.8 km. from the coast of Venezuela, and the islands on the Atlantic edge of the curve—Antigua, Barbuda and Barbados—lie at a maximum distance of some 1,600 km. east of the mainland. Most of the islands fall within the seasonal hurricane belt and are therefore prone to a type of natural disaster that can do enormous damage to their economies.

1.11 The geographical situation of the **South Pacific** island countries provides a considerable contrast in a number of respects. Generally speaking, they are more remote from larger population centres. The distance of these island states from their nearest larger neighbours, Australia and New Zealand, is roughly twice that separating the Caribbean islands from the Americas. Papua New Guinea,² the most westerly state of the group, is closest to Australia, but 800 km. or so from the nearest coastal point, while Western Samoa, the group's outermost state in the South Pacific Ocean, is over 4,320 km. away; almost exactly the same distance separates Kiribati, the northernmost state, from the nearest point on the New Zealand coast.

1.12 Many of the South Pacific states are made up of widely scattered component islands. In consequence, although the capital islands are separated from each other by an average of upwards of 1,120 km., in several cases the outlying islands of two states may be less than 400 nautical miles apart. This can give rise to problems of the delimitation of their respective 200-mile exclusive economic zones (EEZs) as defined by the 1982 Law of the Sea Convention and recognised by customary international law. Nevertheless, compared with the Caribbean countries,

² Although Papua New Guinea is usually designated as, and indeed considers itself to be, an island state, by far the largest sector of its extensive terrain lies on the eastern half of the huge land mass of New Guinea, the western half being the territory of Irian Jaya which is part of Indonesia. Thus it constitutes a paradoxical and unique case of an island state that is at the same time contiguous with a much larger nation.

the wider dispersal of the South Pacific island states as a group ensures that each has a much less restricted sovereign access to the valuable resources of their surrounding waters.

1.13 The three **Indian Ocean** island states likewise experience the advantages and disadvantages of geographical isolation, even though they are situated in an area that is of primary strategic importance for so many major powers, including the two super powers. The Republic of Maldives is some 800 km. from Sri Lanka; Mauritius lies over 3,200 km. to the south, close to the small island territory of Réunion and only 224 km. from Madagascar; at roughly the midway point is Seychelles, situated literally almost 1,600 km. from any other country in every direction. Given the vast distances separating the three nations, they form a regional grouping only in a nominal sense. As is shown later, in the absence of geographical cohesion, each has tended to pursue its own individual course in establishing economic and political relationships with other countries.

1.14 The geographical situation of the two **Mediterranean** island states of Cyprus and Malta, the former located close to the Turkish and Syrian coasts and the latter close to Sicily, clearly does not resemble that of any of the other Commonwealth island countries. In both cases their access to the 200-mile EEZ is significantly more restricted. As against this, neither of them faces the difficulties of having to administer and safeguard a complex of component islands; Malta comprises only three adjacent islands and Cyprus is one of the few single-island states.

Chapter 2

The Vagaries of Vulnerability

INHERENT VULNERABILITY OF SMALL STATES TO EXTERNAL INTERFERENCE

2.1 A distinction is often made between a 'weak state' and a 'weak power'. In line with this distinction, a state, because of its great size, considerable economic resources and large population, may be rated as a strong power capable of mustering considerable military might. But, due to internal factors such as a weak institutional structure, lack of a strong sense of nationhood or the existence of unassimilated ethnic minorities or poorly defined borders, it may at the same time be a weak state. Conversely a state with few resources and/or a very small population is clearly a weak power but at the same time, because of widely shared values among its people, firmly based institutions and long recognised borders, it can be a strong state.

2.2 The distinction throws light on a problem which has otherwise been identified as puzzling, namely, the fact that many small states survive and even thrive when it might have been reasonable to expect them to have been incorporated into larger neighbours. Their survival cannot be attributed to an international system which unflinchingly protects the territorial integrity and sovereignty of its weakest members. Their internal cohesion and strength has therefore to be seen as a principal factor in their durability.

2.3 A well-known maxim defines the security of the state as the absence of threat to its minimum core values. But deeper reflection leads to the perception that security is a matter not only of the absence of threats but of the absence of vulnerability. In short, the question can be approached from both sides—the elimination of threats or of vulnerability. This

perception serves importantly to put the question of military power in perspective. The small state does not, by definition, have the means to deter threats or to repulse an attack. Indeed, this approach to the security of small states must inevitably lead to a sense of hopelessness or to the conviction that security can only lie in protection by a major power. On the other hand, it is within the competence of the small state to diminish its vulnerabilities and thus enhance its security.

2.4 It is, moreover, increasingly doubtful whether in the contemporary international system the military option is ever wholly the key to security. Threats are very often political, rather than military, in nature. It is not surprising, therefore, that the state that is weak in institutional structure, or whose people lack national identity with their state, should prove prime targets for threats. It is arguable that the strong state, even though weak as a power, can, by diminishing its vulnerabilities, enhance its security.

2.5 Although the specific security problems and needs of individual Commonwealth small states inevitably vary with their particular geopolitical circumstances, it is nevertheless possible to discern certain common elements of an inherent vulnerability. On the one hand, their populations provide too limited a human resource base to meet essential security needs at a variety of levels; on the other, almost all of them lack the economic capacity not only to take countervailing measures but even to purchase necessary security-related materiel.

2.6 At the most obvious practical level of military or paramilitary needs, the combined lack of human and financial resources means that most small states are unable to muster the requisite forces adequately equipped and trained to guard their borders or their air and maritime space effectively. But there are other more subtle security requirements which also have to be met by any nation wishing to preserve its independent status. It must safeguard its national integrity, internal cohesion and core values against external political interference or attempts at dominance. By their nature small states are particularly susceptible to this type of non-military security threat. They can also be all too easily penetrated by foreign social and cultural influences, especially as purveyed through the media, which can impact on small states disproportionately.

2.7 A small state is, therefore, inherently vulnerable largely because it can be seen as a potentially easy victim for external aggression in all its guises. It is true there have been only a few instances to date of a small state being subjected to military attack or invasion. But, there have been some and this underscores their essential vulnerability to territorial incursions, especially since these may be mounted not only by

government forces but by mercenaries in the pay of governments or, for that matter, of externally based groups. In terms of actual experience, the majority of small states have, in fact, been subject more often to non-military aggression. Indeed, their very smallness can be said to have acted almost as a positive incentive, attracting efforts to interfere and exploit, which may be initiated by an alarmingly wide variety of private sources, from multinationals to the media, as well as by other states.

ECONOMIC VULNERABILITY

2.8 With few exceptions the states in our study are not only small in population, they also tend to be small in terms of land area—absolutely and in relation to population size. Because of small population and small land size these states are often subject to significant economic constraints. As well, many small states are islands—25 in our list of 31. In many island states easy international access and favourable climatic factors have encouraged early settlement, and inward migration in the past has led to both relatively dense populations and ethnic diversity. Ten countries in our list have population densities exceeding 200 per sq.km., a figure which would exceed the average of most countries. France, for instance, has a density of 100 per sq.km. Two other geographical attributes of some small states—their archipelagic character and remoteness—have already been noted.

2.9 The fact that small states are not very unfavourably placed among developing countries in respect of per capita income has hindered due recognition of their special economic problems by the international community. Per capita income is not, in any case, a very refined indicator of level of development or living standards, and it is especially inappropriate when applied to small states. In many such countries, per capita income estimates are bolstered by the exceptionally high earnings of expatriate or other small groups. Its significance is often further reduced by the high taxation necessitated by the costs of administration. In the Eastern Caribbean states over 20 per cent of gross domestic product (GDP) is absorbed in taxes—an unusually high tax ratio for developing countries. For small states especially, per capita income can give the wrong impression of the level of economic transformation or economic self-reliance achieved. In many cases relatively high per capita incomes occur in association with a narrow and fragile economic structure. This results from the particular constraints faced in their efforts to industrialise, an objective which is crucial to achieve a diversified economic structure. Thus, to regard income levels as an indicator of their economic advancement is to use a flawed measurement.

2.10 A fairly common feature of small states is a narrow resource base. The land area of 14 countries in our list of 31 is under 750 sq.km. Small land area restricts mineral endowment, while undifferentiated climatic conditions and soil resources offer poor prospects for agricultural development. Relatively high population density often worsens per capita resource endowment. However, in specific instances the generally inadequate resource situation may be relieved by good mineral endowment relative to population, for example oil in Brunei and phosphates in Nauru, by a climatic and physical environment favouring tourism development, or by the enlarged access to marine resources resulting from the acquisition of a 200-mile EEZ.

2.11 The normally undiversified economic structures of small states are influenced not only by limited resources but also by the inability to benefit from economies of scale, which are particularly important in the manufacturing sector. Substantial progress has been achieved in some cases in manufacturing, food production for the domestic market, fisheries, tourism and off-shore financial services, to complement traditional mineral and agricultural export industries. However, industrialisation is constrained by a combination of factors: the small size of domestic markets, difficulties in penetrating foreign markets, the absence of a favourable industrial environment, lack of an indigenous technological base, and inadequate supplies of local raw material for processing industries. These pose major obstacles where population size is below one million and seemingly insurmountable barriers for the mini-states.

2.12 A characteristic feature of small economies is their relative openness. Limited domestic markets and extensive exposure to the outside world have encouraged this outward economic orientation. The ratio of imports to GDP, which averages about 20 per cent for all oil-importing developing countries, is about three times as high for states with populations of less than one million. Moreover, because of scale and resource considerations, this greater reliance on international trade is characterised by a tendency in the export sector towards both product and market concentration—a few products going to a small number of countries. Five commodity groups account for nearly half the exports of small states, with sugar being the most important. For countries such as Mauritius, Botswana, Barbados, St. Lucia, Kiribati and Tonga, no more than two or three commodity groups are responsible for more than 80 per cent of exports. The United Kingdom is a dominant market for sugar and bananas from the Caribbean and Australia and New Zealand for exports from the South Pacific.

2.13 Another economic feature is the high per capita cost of installing and maintaining infrastructure such as ports, harbours and airports which

are vital to economic progress. Such costs also apply to other public service activities and to public administration generally, including the use of some high-level skills, thus imposing great strains on national budgets. Because of these problems many small countries have persistent budget deficits which during colonial times and even now in some cases are financed by external grants. This has contributed to a legacy of relatively high official bilateral financial assistance, on a per capita basis.

2.14 Remoteness is another problem. Some island states in the Pacific and in other areas are a long distance not only from continents but also from each other. Remoteness is reinforced by the difficulty of establishing viable transport and communication links. Nine countries in our list are more than 1,500 km. from the nearest continent. While new technology is easing the communications problem, efforts to improve transport links have sometimes been impeded by the increasing use of container vessels and wide-bodied aircraft, which require larger volumes of traffic. Some parts of large states are sometimes similarly isolated. However, in terms of total effect and the number of states affected, remoteness is a significant problem mainly for small island states. It encourages persistence of a subsistence economy. By contrast, modernisation and outward orientation have come early to island states, more favourably located on sea routes or nearer to other states and continents.

2.15 Apart from small economic size, weakness is increased by the nature of small economies and their structures. The high dependence on external trade, while providing enlarged economic opportunities, results in greater exposure to external vicissitudes. The problem is compounded by the fact that many of their exports are of either agricultural or mineral origin, for which unstable world prices are normal. In the period 1980-82 nominal export earnings fell by 38 per cent in Tonga, 34 per cent in Vanuatu, 27 per cent in Guyana, 25 per cent in Papua New Guinea, 24 per cent in Western Samoa and 15 per cent in Lesotho. Diversification into manufacturing, tourism, financial services and food production does assist in promoting stable development but some of these non-traditional sectors, e.g. tourism and financial services, have themselves elements of fragility. Dramatic falls in tourist earnings are not unknown, for example Jamaica in 1977.

2.16 Many small states, in their heavy reliance on external markets and service industries, have neglected domestic food production. Between 1970 and 1982 per capita food production declined in 12 of the 31 countries. Some large developing countries are facing more serious food problems, but on the whole in a potential sense, the constraints seem to be stronger in small states. Dependence on external sources for food, and especially food aid, contributes to economic insecurity. Vulnerability is increased when periods of world grain shortage and high prices bring the

risk of exposure to political influence from food donors. Similar problems are created for many small states by their high dependence on external sources for energy supplies. Some small states, for example Mauritius, spend an unusually high proportion of their export earnings on energy imports.

2.17 Other circumstances also contribute to economic vulnerability. Many small island states are in typhoon or hurricane regions and it is not unknown for storm damage to their economies to be pervasive. St. Lucia lost 60 per cent of its coconut and 75 per cent of its banana output from a hurricane in 1980; and Mauritius lost one-third of its sugar output in 1974 and 1975 and again in 1979 and 1980 from natural calamities. In Grenada a single hotel fire in 1981 destroyed half of its hotel capacity. In 1979, 73 per cent of the population of Dominica was rendered homeless by a hurricane, and banana exports fell by 80 per cent in 1980 from the 1978 level after two major hurricanes in 1979 and 1980. Extensive agricultural loss can also result from plant diseases and pests not only because of country-wide incidence but also because of the tendency towards monoculture.

2.18 Land-locked small countries also have special problems of vulnerability arising from their geographical situation. Apart from the general problems arising from excessive transit, transport and trans-shipment costs, those in Southern Africa have added transportation and financial burdens because of the very disturbed political situation in that region.

2.19 Small states do not have ready access to international capital markets. The creditworthiness of many of them is affected by their inability to service commercial loans and further difficulties arise from the cost of raising small loans and their insufficient expertise and administrative capacity to make effective use of these markets. These states will therefore continue to depend heavily on official flows and particularly on concessional resources in order to be able to afford crucial development infrastructure and meet high per capita administration costs. St. Lucia, Belize, Botswana and Vanuatu for example, relied on official development assistance (ODA) for approximately 85 per cent of their net external capital receipts in the three years 1981-83, and in the case of Belize even the balance came from other official flows.

2.20 The major multilateral institutions have not been sufficiently responsive to the special problems faced by small states in securing access to private external finance. The World Bank¹ adopts an informal

¹ The World Bank group comprises the International Bank for Reconstruction and Development (IBRD), the International Development Association (IDA), its soft loan affiliate, and the International Finance Corporation (IFC), which provides finance for projects in the private sector.

system of ceilings for loan allocations to individual countries which is mainly determined by population and per capita income—a wholly inappropriate indicator of small states' capital needs. It also tends to avoid making small loans because of the high overhead costs involved. Over the last decade there has been a greatly increased reliance by developing countries on commercial banks to provide much-needed external capital. But the recent debt problem has now caused the commercial banks to cut down sharply on lending to developing countries. As no compensating expansion has taken place in provisions by the International Monetary Fund (IMF) and the World Bank, an emerging danger is that, with the greater reliance of the major indebted countries on these two institutions, the demands on their limited resources could make access to them by the small states even more inadequate than it is at present.

2.21 The difficulties faced by small states in their access to the World Bank are looming larger. A number of these countries, notably in the Caribbean, have attained the per capita income level fixed by both the IBRD and IDA for graduating member states out of their lending operations. In the case of the former, an element of flexibility exists through the requirement that decisions on graduation must be confirmed by the Executive Board, but in the case of IDA the application of the cut-off point is automatic. This means that some small states in great need of development assistance will not be able to look for help to the World Bank. They cannot get what they can afford, and are forced to tap sources which they cannot afford.

2.22 Decentralisation of development banking through regional, sub-regional and national banks has enabled a better response to be made to the capital needs of small states and has somewhat alleviated their problems of access to the major institutions. The sub-regional Caribbean Development Bank has, for instance, greatly helped to increase resource flows to Commonwealth Caribbean states, especially the smaller states of the Organisation of Eastern Caribbean States (OECS). No similar institution exists in the South Pacific, and small states in some other regions are also not similarly served.

2.23 As regards bilateral flows the per capita provision for small Commonwealth states compares favourably with that for other developing countries. This results from their close traditional ties with individual donor countries, for example, with Australia and New Zealand in the case of the South Pacific islands and with Britain and Canada for the Caribbean countries. Traditional donors have shown a better appreciation of the external financing problems of these states.

2.24 Small states do not generally face similar disadvantages in securing foreign equity capital as they do in the case of loan capital. However,

equity capital comes mainly through transnational corporations, whose size and economic power pose difficulties for small states in their relations with them. In terms of bargaining power, negotiating skills and access to relevant information, small states are usually seriously disadvantaged in dealing with these firms. Their economic strength tends to give the corporations considerable political influence which in some instances they have used in order to wrest special concessions, for example, favourable adjustment in tax regulations.

2.25 Problems of this nature are not confined to relations with larger transnational corporations. Mini-states can find themselves at a similar disadvantage when dealing with smaller businesses and they face problems of a different kind when the foreign investor is a group or individual whose motives are predatory rather than genuinely commercial.

2.26 Small states have endeavoured to alleviate some of the constraints of size through regional co-operation. In the Caribbean, Southern Africa and South Pacific a number of these states participate in regional arrangements which extend beyond economic co-operation. In recent times, the serious payments problems faced by many developing countries have put strains on regional trading arrangements and this has led to some disenchantment, both at the national level and internationally, with regional economic co-operation. However, much has been achieved; beyond development banking and trade expansion, contributions to economic progress have come from co-operation in such areas as transport and communications, shipping, civil aviation, research and development, education and health. Regional co-operation still has much to offer in helping to meet the needs of small states.

FROM VULNERABILITY TO THREAT

2.27 In analysing the range of potential threats which small states face, it is important to enter two caveats. The first is that the threats identified neither exclusively relate to small states nor are they less applicable to almost all Third World countries, regardless of size. The principal concern is rather that if small states do become a target for any of these threats, they are fundamentally less capable than other countries of offering adequate resistance and some may even be totally defenceless. Moreover, should a threat materialise into an actual intervention, whether of a military or non-military character, it is far more likely to seriously damage the core values of a small state.

2.28 The second caveat is the need to draw a clear distinction between a small state's general vulnerability and the existence of a specific threat to

its security. Although we have expressed the view that a small state is vulnerable because its very smallness can serve as an open invitation to external interference, it is not our contention that all small states exist under permanent siege from one threat or another. We are not by any means making a case for an automatic cause and effect relationship. But their inherent vulnerability is obviously a major additional element in attracting interference.

2.29 The extent to which a given small state is subject to an actual threat of external intervention is determined by a number of other factors besides its inherent vulnerability. Most important among these are the distinctive geopolitical realities pertaining to a particular region, that give rise to the specific threats which may confront the particular states in our study. As part of our examination of the different types of threats to which any small state may be vulnerable we have included a survey of the historical incidence of threats to individual countries that have so far occurred within the context of the geopolitical circumstances prevailing in the respective regions.

Chapter 3

The Threat Scenario

The range of security threats to small states

3.1 With the 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”, a threat to security can be legitimately interpreted as any type of specific action or situation which could damage national integrity. However, in offering this interpretation, it should be acknowledged that no government, not even of the most powerful states, is able to function entirely free of some form of external constraint. Certain constraints, for example, automatically flow from the fact that membership of an international community is founded upon agreed principles of conduct, including the principle of non-intervention itself. But do small states face external constraints both qualitatively and quantitatively different from those that are general to all states by virtue of their membership of an interdependent international community? We believe they do.

3.2 The special position of small states is borne out in all three major categories of threats to security: threats to territorial security resulting from incursions to both military and non-military sources; threats to political security, which can involve a broad range of actions that are deliberately intended to influence, and in some cases bring about a specific change in the threatened state’s national policies; and threats to economic security, involving action that can have the effect of undermining a state’s economic welfare and which, additionally, can also be used as an instrument for political interference.

3.3 In our outline of small states’ economic characteristics, we noted that many islands were particularly prone to natural disasters like hurricanes and typhoons. The catastrophic effects of such non-man-made events on

a small country are such that we have felt it right to include them within the general category of serious threats to economic security.

THREATS TO TERRITORIAL SECURITY

(i) Military threats

3.4 A notable peculiarity of small states is that, principally because of their size, a military attack on a part of the state, if it takes the form of an actual occupation is automatically a threat to the whole state given the proximity of the invading forces to the rest of the country. This is true even in multi-island states if the attack is directed at the island or islands where population, administration and business centres are concentrated.

Direct aggression and/or invasion by forces of another state or other agencies

3.5 Such territorial violations can arise from historic territorial claims or the pursuit of hegemonial ambitions or spheres of influence by a super-power/major power/neighbouring power. The goal need not be annexation, but may be punitive or to ensure a particular political outcome. The incursion could also come from foreign-based national dissident elements seeking to overthrow the government, major operators trading in arms or drugs, or from mercenaries. Criminal elements are usually linked to one or other of the two preceding categories; there have been instances when they have actually attempted to seize an outlying island of a small island state as a permanent location for their activities. There are also occasional acts of piracy within a maritime zone.

Establishment of foreign bases

3.6 Security problems can also arise when military bases and naval facilities are provided to major countries by small states. This would be so particularly if the facility serves a nuclear purpose in some way. While the ultimate threat of being in a nuclear combat zone would only occur in wartime, there is the possibility in normal times of subversive activities by domestic groups hostile to the presence of such facilities.

Island states and secession

3.7 Multi-island small states are particularly prone to attempts at secession and external as well as internal forces may sometimes be used to foster such secession. (Where the threat is non-military in character the conflict can be long drawn-out and debilitating both politically and economically.)

(ii) Non-military threats

3.8 Non-military threats to territorial integrity are usually instigated by private non-governmental sources and they occur far more frequently than the military threats.

3.9 Small states have experienced like other states an increase in the activities of arms, drugs and other types of smugglers. Islands are particularly favoured as way-stations in arms and drugs trading and, when located off-shore of a continent, are even used, illegally, for the production of lucrative drug crops. For example the Prime Minister of Belize recently described this problem as a very serious threat to the security of his country of even greater significance currently than the Guatemalan claim to Belizean territory. The drug threat can also have devastating social effects when a substantial proportion of a small country's youth population becomes addicted and/or a considerable section of its adult population becomes involved in the trade and is ready to support it with arms if felt necessary.

Trespass of economic zones

3.10 A widespread and very disturbing practice is the trespass of small states' EEZs by foreign fishing vessels. This is an extremely serious threat, not only because of the major economic loss but because the incursions are often by vessels of the major world maritime nations and a small state cannot usually effectively police its vast sea holdings.

THREATS TO POLITICAL SECURITY

3.11 Threats to a nation's political security, can assume many guises.

Political and economic pressure for policy changes exercised by large states

3.12 Such pressure can be applied directly or indirectly, in the context of bilateral and multilateral relations. Small states located close to a great/super power are especially vulnerable and can even be coerced into agreements, alliances, or formal economic relations; for example, the relationships established between South Africa and its neighbours, including the large states. Attempts may also be made to co-opt a small state into major global military geopolitical arenas either by its agreement to provide facilities for bases or by its open commitment to a sphere of influence. Moreover, in regional bodies which include great/super powers and in international economic and financial institutions small states can be pressured to the will of the states with economic and military leverage.

Destabilisation or subversion attempts resulting from political objectives of larger powers, or externally-based dissidents

3.13 International politics since 1945 is replete with examples of these types of political security threat. Their incidence has been greatly facilitated by the continuing expansion of new forms of travel and communications techniques, which have had the effect of increasing the openness of small states to the outside world. If they choose it is also relatively easy for major states to threaten the core social, cultural and political values of small societies by influencing the media and the non-formal education system, co-opting sectors of the elites, or forming alliances in particular with the business sector, trade unions or elements of the military. Overseas-based national dissidents can often be very effective abroad, because of their increased access to media, publicity, arms and funds as well as the clandestine political support which they often receive from official or private sources in the metropolises.

Spill-over political effects of major policy changes in member countries of a region

3.14 The spread of ideological conflict between the super powers has caused serious intraregional dissension when one state in an hitherto politically uniform or tolerantly pluralistic region becomes virtually a standard-bearer for a specific political ideology, as was the case with the effects of Grenada's change of policy on the rest of the Caribbean. Furthermore there is now an increasing danger that the same phenomenon could occur as the result of the spread of fundamentalist religious ideologies. Small states are also very sensitive to the efforts of extra-regional powers seeking to extend their influence to new areas, or to any attempt by powers traditionally operating in the region to increase the level of their influence. There have also been cases of a small state feeling its sense of security seriously threatened by a flood of political or economic refugees fleeing to it in order to escape the consequences of the internal policies of a neighbouring country.

Adverse impact of hostile or unsympathetic reporting by foreign media

3.15 This is a particular danger of our time given the pervasiveness and effectiveness of the media. It is likely to become a matter for even more concern as technology improves satellite broadcast techniques, thus permitting penetration without dependence on a national connection. Also, since the media of a small country usually depends heavily on the international news agencies, its society can be very vulnerable to externally-generated information. News and rumour travel quickly in a small state, and governments can be at a disadvantage in countering any subversive effects of news which has the imprimatur of an international agency.

Attempts at extra-territorial jurisdiction

3.16 This is a very subtle type of threat which can be wielded only by the largest powers. Such a country may insist that its own laws and regulations applicable to companies operating within its boundaries must also apply to their subsidiaries operating in other states. The commercial activities of these subsidiary companies can thus be seriously restricted and this can act to the detriment of the small state in which they operate.

Undermining of social and cultural identity

3.17 While small states like other states stand to benefit from interaction with the rest of the international community their integrity and stability can sometimes be threatened by deliberate and aggressive penetration of their culture and core values. Such penetration is sometimes designed to change lifestyles and create new consumer markets without respect for local priorities. It can influence the young particularly and alienate them from their own society, encourage discontent because of aroused but frustrated ambitions, and have serious negative effects on national cohesion and loyalty.

Importance of the Geopolitical Factor

3.18 It must be borne in mind that threat-perception varies not only over time but also within a region. Even within states, the perceptions of threat by decision makers does not necessarily reflect those of the people.

3.19 The small states we have identified as the subject of our study exist in a wide range of locations and circumstances and their history, experiences and level of development vary markedly. Thus, while they have been categorised and given some unity in our definition, the problems of vulnerability which they face are often very different. Although it was not feasible for the Group to examine the specific threat-situations for each of the 31 countries under survey, we found it essential to distinguish the most significant regional geopolitical factors that directly affect their security.

(a) In the Caribbean

3.20 From the geopolitical perspective, relative proximity to one of the world's two super powers has been a key factor for all the Commonwealth Caribbean countries, and is seen by them as having both advantages and disadvantages. Their proximity to continental Latin American nations, as well as to each other, has rendered many of them vulnerable to illegal immigration and a variety of externally based and controlled illicit operations like smuggling, the drug trade and piracy. On the other hand, the fact that the islands are separated by comparatively short distances

has proved a decided advantage in helping them to build on the natural links flowing from ethnic ties and a similar colonial development. This sense of a distinctive Commonwealth Caribbean identity, initially fostered by the establishment of The University of West Indies in the 1940s during the colonial period, has manifested itself in the creation of a number of important regional bodies: CARICOM, the CDB and the OECS.

3.21 In the Western hemisphere the concept and practice of spheres of influence has been entrenched for a century. The fact that its dominant great power has since become a super power has created a special dynamic which has distinctly shaped regional foreign relations and increased the political and economic pressures. By the end of the sixties with the passing of British rule from most of the region the United States moved to take an even more active role in regional affairs. The United States has in any case always conceived of the Caribbean as *mare nostrum* an 'American lake' as it has been called. Strategic trade routes pass through the region. The United States has bases there in its own territories, for example Puerto Rico and its investment in and trade with the region is very high. The Caribbean is a major location of oil refineries serving the American market.

3.22 The spread of the East/West ideological conflict to the wider region initially came about because of the Cuban revolution. Thus, in the seventies, because they were viewed by Washington as left-leaning, Jamaica and Guyana felt the weight of American disapproval, both directly in their bilateral relations with the United States and in the attitude adopted towards them by international agencies under American influence. Charges of United States-inspired destabilisation were made by both Governments.

3.23 The region, while historically pro-Western, had generally sought to hold to a non-aligned position on Cold War issues. In the eighties, however, the perception of the region as an area of major strategic interest with consequent super power competition, the events in Grenada and the development by some states of close links with Cuba and Eastern Europe led to an increasing pressure on the Caribbean states to declare their alignment with one side or the other. Nevertheless this same period witnessed the growth of non-alignment in the region.

3.24 The level of development of the region plus the proximity to the United States mean that the media, local and overseas, operates with great freedom and concern has been expressed that, over the last two decades, it often distorts and exaggerates situations, affecting public issues and opinions both internally and externally and leading indirectly to destabilisation.

3.25 Belize and Guyana, the two CARICOM countries on the mainland each have territorial disputes with a larger neighbour, Guatemala and Venezuela respectively, and have been subject to political pressure and territorial incursions by them. Each has been unable to join the regional agency, the Organisation of American States (OAS), because its Latin neighbour has objected to its entry until the territorial dispute is settled.

3.26 Concern has been expressed in The Bahamas, that the neighbouring super power has attempted to exercise extra-territorial jurisdiction by compelling Bahamas-based corporate financial entities with branches in the United States to disclose information on their commercial operations, contrary to the banking laws of The Bahamas and in open breach of accepted concepts of national sovereignty. Banking is such a central segment of The Bahamas' economy that such actions could constitute a threat to the continued survival of its role as an off-shore banker.

3.27 The Grenada events of 1983 are the most dramatic demonstration of the problems inherent in the location of small states near to a dominant power. They also provide an example of the use of forceful pre-emptive action because of the fear, warranted or not, that the competing super power might co-opt a hemisphere regional state into its geopolitical network and establish a military base.

3.28 The region has also experienced other types of incursions. Given that most island states consist of several, and in one case even hundreds of islands, there is the phenomenon of incursion into territorial waters in cases of hot pursuit into outer islands of criminal or dissident elements. For the states with land borders there have also been cases of deliberate military incursion by a neighbouring state. Political and economic refugees have also moved into neighbouring small states, both land-based and island, in sufficient numbers to be considered a minor social, if not economic, threat by 'host' countries, especially because of the strong cultural differences of the migrants, e.g. Guyanese into Suriname, Haitians into The Bahamas.

3.29 Secessionist ambitions are constantly below the surface in regional politics and are capable of becoming actual threats particularly at times of economic stress, e.g. Antigua and Barbuda, St. Christopher and Nevis.

3.30 As a region of small states sharing the same language and having long-established historical links with the neighbouring super power, the Caribbean is particularly concerned about its extreme permeability to the values and social movements of the larger society and the constant cultural erosion which it experiences as a consequence.

(b) In the Pacific

3.31 Despite the obstacles of vast distances and the high costs of inter-Pacific flights, these Commonwealth countries have, like their Caribbean counterparts, been able to build on closely related ethnic stock and a common colonial heritage to create their own sense of regional identity. They also have the advantage of traditionally close co-operative links with both Australia and New Zealand dating back to pre-independence days, which led to the establishment of the South Pacific Forum (SPF) and its secretariat, the South Pacific Bureau for Economic Co-operation (SPEC), as joint ventures. Their other main advantage is that so far the South Pacific has not become a strategic arena in the East-West struggle.

3.32 In this region there is no strong sense of immediate political and military threat. But as against this, a major security issue of concern is the use of certain neighbouring small island countries as sites for French and United States nuclear tests and of the Pacific Ocean as a general dumping area for nuclear waste. Given the close relations with Australia and New Zealand and the pro-Western tradition of the area, it has been said, at the South Pacific regional colloquium, for instance, that their greatest 'threat' could in the long run be from the activities of their friends. These small states feel vulnerable, and think their sense of sovereignty is infringed, whenever any other state in their region makes a sudden change in security or economic policies without consultation with them. This is particularly so in respect of policies related to nuclear matters.

3.33 The gradual build-up of super power rivalry in the South Pacific is also coming to be seen as being a source of potential threat. There is also rising awareness of the possibility that certain middle powers from outside the region could extend their influence to embrace the area.

3.34 There are a number of local issues which are perceived as having a potentially disruptive impact on the whole region. A major case is the border problem between Indonesia and Papua New Guinea. The lingering colonial issue of the political evolution of New Caledonia is also causing concern as developments there could lead to serious domestic physical conflict. The potential threat lies in the possibility that the region could become involved because of close ethnic and political links. Another concern is the secessionist threat—a significant issue in Papua New Guinea in 1976 and for Vanuatu in 1979.

(c) In the Indian Ocean

3.35 The strategic location of the Indian Ocean states has meant that they are the subject of super power rivalry, particularly in respect of the desire to co-opt them into the global strategic network by way of their

hosting bases. The prospect of an expansion of the nuclear presence in the Indian Ocean is also a primary concern. Unlike in the Caribbean and the Pacific, they have not constituted themselves into a distinctive geopolitical group.

3.36 These states are even more isolated than those of the South Pacific. However, an advantage of isolation is that in certain circumstances separation from other nations by larger tracts of ocean can offer a small state a natural element of protection by discouraging external security threats. But by the same token that very isolation can in other circumstances be used to advantage by those who may be determined to instigate such a threat. And, of course, distance from other countries as well as between component islands, especially when a small state also happens to be removed from the main global communications and transportation links, can also be a serious impediment to development.

3.37 The Republic of Maldives' northerly position close to the Indian subcontinent has set it apart, both geographically and politically, from the other two small states. It has, therefore, very naturally focused on establishing links of co-operation with its more immediate neighbours and is participating in talks on the formation of a South Asian Regional Co-operation Association (SARC), likely to include three other Commonwealth countries, Bangladesh, India and Sri Lanka. Mauritius and Seychelles on the other hand share a similar colonial history, having both been French territories before coming under British rule. For their part, they value the strengthening of links with the neighbouring French-speaking countries of Réunion and Madagascar, for example, through the Indian Ocean Commission (IOC); and both are also members of the Organisation for African Unity (OAU). Mauritius has developed firm, if controversial, economic links with South Africa.

3.38 The isolation of these states makes them specially vulnerable to attacks by mercenaries and dissidents as has been demonstrated in the case of the Republic of Maldives, Seychelles and the Comoros. Such politically motivated incursions are usually planned and financed abroad and thus the activities of dissidents based overseas, particularly in metropolitan countries, with designs on overthrowing their governments, are seen as a potential threat. Related to this there is a strong concern over the destabilising impact of foreign-based media reporting on the policies of these small, isolated countries, which on the other hand are seldom able to get adequate international media exposure for the views of their own governments.

(d) In Africa

3.39 The translation from the geographical to the geopolitical situation is self-evident in the case of the three landlocked African small states,

Botswana, Lesotho and Swaziland. For them the overwhelming physical proximity of South Africa is the dominant political reality in respect of their national security. It was precisely the recognition of this reality that led them to join with five other African states in setting up the Southern African Development Co-ordination Conference (SADCC) in 1980, as a means of strengthening their capacity to reduce their economic dependence on South Africa.

3.40 The situation in Southern Africa is a classic case of a stronger power seeking to dominate its borderlands in the political, strategic and economic spheres. This manifests itself in a variety of forms which impact not only on the security and economic progress of the smaller states of the region but also on the larger neighbours. Using its strategic and economic advantages South Africa is in a position to apply a stranglehold on the development of its neighbours, in particular by means of the control of the commercial, financial, industrial, transport and skilled-manpower sectors. The commercial heritage through pre-independence links with South Africa ties these small states into an import-export lifeline that serves to sustain Pretoria's control over vital sectors of their economies and limits their prospects of economic independence.

3.41 The long-standing threat in the region has been intensified in recent years by the determination of South Africa to continue its apartheid policy by intimidating and destabilising all its neighbouring states, both large and small, which are opposed to apartheid. It pursues this through a constant exercise of coercive bilateral diplomatic and economic pressure. Its apartheid policy has also created a substantial flow of refugees to its neighbours whose presence is not only an economic problem for the host country but provides opportunity for South African intervention. Thus, latterly, emboldened by the United States' recent advocacy of a policy of 'constructive engagement' South Africa has consistently harassed the countries bordering it both through direct military incursion and through a range of subversive and destabilising techniques.

3.42 The threat thus posed by South Africa to the small states in the region, and for that matter to the larger neighbouring states, is of a special and unique nature. It is not just political or territorial but also cultural inasmuch as it is designed to ensure the retention of the majority black population as a permanent under-class.

3.43 The Gambia's geopolitical situation on the west coast of Africa seems rather less threatening. Although it is surrounded on three sides by its larger neighbour Senegal, the two states have managed to maintain harmonious relations, particularly through the special Confederation Pact known as Sene-Gambia. And through its membership of the Economic Community of West African States (ECOWAS), it has also

established co-operative links with other countries in West Africa, including the three Commonwealth countries of Ghana, Nigeria and Sierra Leone.

(e) In other regions

3.44 For the two Mediterranean island states, Cyprus and Malta, close proximity to powerful mainland countries has historically been by far the dominating geopolitical influence. Cyprus' proximity to Greece and Turkey, traditional rival nations, has resulted in the division of its people into two ethnic communities, and its position almost off-shore from the Turkish coast was an additional encouragement to Turkey to invade the northern part of the island in 1974. It is in many respects a classic case of a small state defenceless before a powerful interested neighbour and caught up helplessly in the power game of major political and military forces in the world.

3.45 Malta's location midway between Sicily and the north coast of Africa has meant that for centuries it has been treated as a vital sea-lane control point; although its strategic importance in this respect may recently have diminished with the revolutionary development of modern warfare technology, it remains potentially in a highly vulnerable position.

3.46 Both these countries derive certain benefits from being able to participate in various European regional organisations. But they also suffer the disadvantage of having to operate on an individual basis as very small states within these bodies, since they have no national ties linking them with each other and there are no other newly independent developing small nations in the region with which they could form a geopolitical grouping sharing similar interests.

3.47 Brunei is the only Commonwealth small state in South East Asia. Despite having more adequate natural resources than most other small states, Brunei is nevertheless subject to prevailing regional pressures. However, its security concerns would appear to have been considerably alleviated since its admission, on gaining independence, to the influential Association of South East Asian Nations (ASEAN). This body comprises Brunei's two closest neighbouring states, Malaysia and Indonesia, as well as three other major regional countries, Singapore, Philippines and Thailand.

THE ECONOMIC HAZARDS

3.48 Threats to economic security seldom take overt forms. They are mostly concerned with the ever-present dangers for economic indepen-

dence, economic stability and economic progress arising from weakness and vulnerability and from exposure to a wider variety of relatively strong external economic forces.

Narrow economic structures increase exposure to external and internal shocks

3.49 Small size is usually associated with undiversified economic structures and a tendency to concentrate on industries with unstable external demand—thus enhancing exposure to external economic shocks. In many cases, high dependence on external sources for strategic supplies such as food and energy widen this exposure. Internal shocks also tend to be severe. Pervasive economic damage results from time to time from cyclones, volcanic eruptions, farm diseases and pests.

The erosion of multilateral co-operation increases exposure to external influences and control

3.50 A further threat to economic independence and security arises from the rise of bilateralism in international trading and financial arrangements at the expense of multilateral co-operation, which is being eroded. Multilateral co-operation is of special value to small states, whose weakness becomes more exposed in bilateral relations.

Economic co-operation arrangements with major states may pose risks for long-term economic independence

3.51 The need to have predictable concessional resources and assured markets have led many small states to seek and maintain economic co-operation arrangements with major countries. The major powers themselves may have strategic and commercial interests in such arrangements. In today's world of tight aid budgets and restrictive trade access, in terms of the options available such bilateral or regional arrangements have a significant importance to the development of small states. The Caribbean Basin Initiative (CBI) and the South Pacific Regional Trade and Economic Co-operation Agreement (SPARTECA) are examples of such arrangements. However, small states would need to ensure that their interests are fully protected in negotiating such arrangements and that over time the arrangements do not compromise their security and their regional and wider economic interests.

The economic advantages of foreign military bases and naval facilities could pose risks for long-term independence and security.

3.52 The provision of facilities for military and naval bases has economic attractions for small states. They can, however, have socially damaging effects, particularly in small communities. Although the attractions of such bases are becoming less, the desire to retain a particular base on the part of a major country may encourage it to exercise political influence in the host country and the presence of foreign bases can generate internal

dissensions and external pressures. This is another case where an arrangement voluntarily entered into could lead to long-term adverse political and social consequences to the weak partner, who may later find it difficult, for economic reasons as well, to end the relationship. Conversely foreign bases can be hostages to fortune, both regarding the domestic politics of the host country and the nature of the bilateral relationship with the external power. The host state may have some leverage over the external; it may nonetheless become caught up in a complex web of domestic and international politics over which it has little control and which ultimately causes more problems than it solves.

Undue political and economic influence exercised by foreign business interests can have harmful consequences for security and progress

3.53 Another threat is from unscrupulous foreign business firms and 'adventurers' that are attracted to the tourist industry and off-shore financial activities on which small states increasingly rely to secure economic progress. The heart of the problem is the weak power and administration of small states and the encouragement these economic activities give to corruption, fraud, commercial crime, drug trafficking, prostitution and political interference. There is an increasing incidence of criminal intent in foreign business ventures in small states and besides the administrative, economic and political problems this causes, it carries serious security implications.

Inadequate capacity to monitor and police the EEZ could encourage intrusion and conflict

3.54 Small states do not have the administrative and security capacity to delineate and monitor effectively their EEZs and to deter foreign intrusion. Many of them have thus not been able to prevent illegal exploitation by foreign deep-sea fishing fleets.

Chapter 4

External Threat and Internal Security

4.1 The stability and well-being of a society are necessary prerequisites for domestic security. In reality, domestic security and external security are to some extent interdependent. In many cases, the greater the degree of domestic security, the less is the vulnerability to external threat. We have therefore looked at the question of internal problems and their possible links to external security threats in small states.

4.2 Internal strife can come from a variety of causes or situations, such as militant political contentions, secessionist ambitions, economic deprivation due to national disasters or government inability to cope with economic problems, the effects of influxes of migrant labour or of political refugees and major issues of human rights.

4.3 Small states do not differ significantly from larger Third World countries in the core social, political and economic demands of their populations. The needs and expectations of the citizens of the newly independent states often have a certain urgency about them. Faced with such demands and often unable to meet them, states have been known, in their search for order, to increase the level of coercion with possible consequences for the weakening of democratic institutions. This, regrettably, can happen more easily in very small states where governmental control is often far more pervasive than in larger entities.

4.4 Dissension, whatever its immediate causes, ultimately stems from the difficulties faced by governments in delivering political, social and economic benefits in such a way as to steadily enhance the quality of life, while satisfying the sense of order and of justice within the society. In our contemporary interdependent world much of this capacity for domestic cohesion and stability necessarily depends, at least in part, on a favourable international arena. It may well be that, for small states, the

immediate regional environment is the one which matters most, and if that environment is harmonious and sustaining, their vulnerability is considerably reduced.

4.5 There is plenty of evidence that the vulnerability of a small state is likely to increase when internal dissension is at such a level that it comes to the notice of other countries. In the current world of instant communication, that point is very quickly reached.

4.6 Moreover, the link between internal difficulties and external security threats has a chain effect. States which have domestic dissension are far more vulnerable to external interference and exploitation of those situations, and that in turn can escalate them to such a level as to facilitate overt external involvement. Grenada, Lesotho and Seychelles are examples. Breakdown within a small state can render it more susceptible to direct interference or intervention by a larger neighbour or a regional hegemonial state since there is usually no counter power in the international system to prevent this. Some examples of internal situations which could be used as an excuse for external interference are: persistent violations of human rights, the physical spill-over of domestic unrest or of refugees into the territory of a larger neighbour and the harbouring of politically active dissidents from a larger neighbour state.

4.7 On the other hand, political tensions in the external environment can exacerbate otherwise minor domestic problems. Thus, in recent years, the Cold War echoes in the Indian Ocean and the Caribbean have heightened political dissension in Seychelles and deepened political divisions in Jamaica respectively. The international economic environment is also of great importance for the well-being of small states and the inhospitable global economic setting with which they have had to contend over the past decade has compounded their difficulties in establishing or maintaining domestic order.

4.8 It is also very relevant that we are in a phase of international history marked by vast and rapid changes at all levels of human activity, including important changes in technology and modes of organisation. All states, large and small, developed and developing, find difficulty in coping with them. But they pose almost inordinate challenges for the small.

4.9 A consciousness of the realities of the interaction between the domestic and international arenas has therefore underlined our examination of measures which could contribute to enhancing the security of small states.

Part III

Reducing Vulnerability

Chapter 5

Strengthening National Defence Capability

The need for a multi-dimensional approach

5.1 Although security is an absolute concept, governments necessarily have to accept that in practice it can be achieved only in relative or partial terms, determined by the conditions limiting each nation's capabilities. This means that they are compelled to rely, in varying degrees, on a strategy of deterrence whereby each nation seeks to demonstrate to others that the military and political price of any attempted attack either on its territory or its sovereign status is likely to be too high. Deterrence is normally discussed in the purely military context. However, since it was our view that the concept of security had a multi-dimensional character, it is necessary to conceive of deterrence strategy in a similar manner.

5.2 From the earlier discussion on their vulnerability, it is evident that compared with other nations, most small states possess only a minimal deterrent capacity in virtually all spheres. They thus require substantial assistance not just initially to acquire vital self-help techniques but semi-permanent support provided both on a bilateral basis and multilaterally through institutions like the United Nations and the Commonwealth. In addition, we believe small states should recognise the enormous value of sustained and sharply focused effort to foster programmes of political and technical co-operation with other small states in the same geopolitical grouping.

5.3 A wide range of options are available to small states to deter the different kinds of threats to which they may be subject. We have explored most of the possibilities which seem at least theoretically desirable, though on closer scrutiny some of them turn out to involve hidden drawbacks or else to be politically impracticable in present circumstances.

5.4 Although virtually all the options we recommend would require some measure of positive support from other members of the international community, we believe that the initiatives must inevitably be taken, and the decisions made, by the small states themselves. Small states can easily find their sovereignty jeopardised through dependence upon advice on their security problems from other countries, agencies or even individuals. Effective security cannot be established principally on the basis of external support or intervention. While external assistance can play a useful role in reducing the vulnerability of small states, it is provident to regard such assistance as supplementary.

5.5 The range of measures are presented in Chapter 9 for action by the international community as a whole, in order to discharge its obligation to assist in safeguarding the security of its smaller member states. A clear demonstration by small states of their determination to do what they can to promote their own security will encourage the world community more readily to assume its obligations towards them.

5.6 It is our conviction that any satisfactory approach to tackling the problem of small states' security requires a series of complementary measures relating to all the key aspects of security-building, to be initiated at the national, regional and international levels.

CAPACITY TO MEET SECURITY NEEDS

5.7 Perhaps the most basic element in shaping the security policy of a state is its ability to analyse its interests and security problems, and readiness to use its resources to the greatest effect to uphold national and international security. A nation's security must begin in the minds of its citizens. Exclusive reliance on external advice and assistance can eventually have shortcomings apart from being to the detriment of developing their own expertise and capabilities. Every state, no matter how small, must assess its own interests and how to protect them. Small states should not use size to avoid the responsibilities of sovereignty—they should make the most effective use of their possibilities within their limited resources. A nation which takes security seriously not only feels more confident but is in fact better equipped to cope with international hazards. Many small states can do more for themselves than has been recognised so far. Small does not necessarily mean helpless.

National defence security establishment

5.8 Given their scarce resources and the many demands on them, small states need to be circumspect in deciding on the scale and range of a national security establishment. While for most Third World states the

minimum goal is a military apparatus appropriate to the defence needs, small states cannot always achieve this, particularly as many of them are island states and none of them can possibly afford really adequate maritime or air protection. In practice the goal therefore becomes development and maintenance of a satisfactory level of comparative deterrent capacity.

5.9 Setting that level poses a difficult question for small states. Some indeed feel that no regular full-time military establishment is necessary, e.g. most small Pacific islands. The decision is necessarily tied to the assessment of the national interest and, as with all states, small states have to determine, within their limitations and with due account being taken of the international environment, what defence establishment is needed.

5.10 Since the United Nations came into being there have been few external attempts to take over a small state by force, this is not only because they are rarely the objects of political ambition but also probably because of the location of some islands. It would, therefore, be judicious for small states to bolster their security by taking those steps which would increase the disadvantages for an attacker and thus discourage adventurers.

Security costs

5.11 The cost of an appropriate and relevant security establishment is normally a strain on the economy of a small state since few are as fortunately endowed as, say, Brunei. Where a security establishment pre-empts an exclusive share of resources, development suffers and this could have untoward domestic effects which could even impact adversely on security. The size of the security budget obviously requires careful decision, and there is no rule of thumb as to the appropriate level in each case. To be over-ambitious may enlarge economic vulnerability as well as raise suspicion among neighbours. It may even be counter-productive in internal security terms. As a consequence for small states there is a strong case for restricting the military establishments to a minimum.

5.12 In practice, small states' domestic security establishments have ranged from a conventional police force, for example in Kiribati, through a more usual combination of a police force, a small army and a coastal patrol as in Fiji, to a many-layered system as in Guyana, which has a police force, a sizeable army, a large paramilitary force, national service units, plus small marine and air arms.

5.13 The national security establishment covers not only the forces associated with territorial defence but all services which contribute to the

maintenance of law and order internally and externally. It would include military and paramilitary forces, the coast guard, the police, intelligence services, specialist units for fisheries protection and, in some cases, the customs.

5.14 Once the national security forces are decided upon, they must be established with as high a level of training and equipment as is appropriate and maintained with a high level of motivation and morale. Paramilitary skills would appear to be suited to the needs of most small states. It is also important that the military be disciplined and able to win public esteem; the latter is encouraged if members of the security forces, whose combat skills will rarely be required, engage in public works and community service.

5.15 The Group is of the view that, for small states, security forces should be as multi-purpose as possible and not just limited to conventional military or police roles. Thus they should be employed to carry out a diversity of functions including disaster and famine relief operations. A flexible force is especially important when a state only has a police service which might well be given paramilitary training. Where a maritime service is needed, this should, apart from having a function *vis-à-vis* political threats, be capable of dealing with smuggling, piracy, drug and arms trafficking, and of undertaking monitoring and surveillance of EEZs e.g. protection of off-shore installations, and prevention of illegal fishing and sea-bed mining.

5.16 Apart from professional forces, a few small states have exercised the option of having self-defence forces composed of citizens volunteering for part-time service. The training of ordinary citizens in the defensive use of arms, may not appeal to many small states but for those whose history, national cohesion and circumstances make it appropriate, it provides a useful additional safeguard if it has wide popular acceptance. There are many approaches to the creation of a military reserve and all require a firm political will plus organisational ability, but the very exercise itself brings benefits of discipline and enhanced administrative capacity to the society. Such reserves can be drawn from the traditional part-time militia or the newer types of national youth services or from short-term conscripts, depending on the perceived needs of the individual countries.

5.17 These citizen forces or volunteer reserves are advocated as being particularly useful as back-up to the regular forces and their ability to make life uncomfortable for an occupying force can be of considerable deterrent value if their numbers are significant and morale is high. A particular advantage in countries with very small populations is that

reserves can include an older age group than the regular military. Their training might also be, to some extent, multi-purpose. With such reserve forces, the regular force can be kept down to a smaller number than otherwise. Citizen forces can also be useful as a countervailing factor in an informal balancing system within the security network designed to prevent any one sector becoming all powerful.

DEFENCE ARRANGEMENTS WITH OTHER STATES

5.18 When discussing approaches to enhancing security from military attack, the three regional colloquia tended to reach rather different conclusions, which reflected their different geopolitical circumstances in the three regions. In the South Pacific, for example, where no such attacks have so far occurred, the risk of external attack was rated low and no immediate need for formal region-wide defence arrangements was felt. By contrast, the small states in Southern Africa had an acute sense of being under a permanent threat to their security from a single source, namely South Africa. Their chief concern at the meeting was however with the need to persuade the major Western powers to bring coercive pressure to bear on the Republic rather than with action they could themselves undertake. In the Caribbean, on the other hand, there was both a high level of threat perception and a greater willingness to contemplate the possibility of consolidating the collective defence arrangements.

5.19 Despite such differing attitudes, the Group felt it would be valuable to examine the full range of the different types of security arrangements which might theoretically seem to be available to small states.

(i) Bilateral arrangements

5.20 In the era of decolonisation it might perhaps have been expected that the colonial powers would have sought to establish defence pacts, or other perhaps less formal arrangements, with their territories which were emerging into independence. In general, though, this has not been the course that Britain itself has chosen. As a consequence only a very few of the Commonwealth small states have continued to be protected by the security umbrella formerly provided by them as dependencies.

5.21 It would therefore be true to say that the majority found themselves in a security vacuum, though in the South Pacific this was partially filled by initiatives on the part of Australia and New Zealand to set up regional co-operation programmes aimed at delivering general defence aid and technical assistance in the military sphere.

5.22 The relative merits and drawbacks of small states entering into formal bilateral defence arrangements with a major power—not necessarily from within the Commonwealth—were considered at length in the Group, bearing in mind that some of the states had already adopted this option. In particular we recognised the fact that in the past many foreign powers sought a quid pro quo in the form of permission to establish military or related facilities. We felt that the decision by a small state to host such facilities could sometimes have a disturbing impact on the other states in the region and on the domestic situation in the host state itself. On the other hand we appreciate that small states might have no choice but to offer an inducement of this nature, and that in certain instances the people themselves see the permanent military presence of a larger power as reassuring evidence that their security will be adequately safeguarded against an attack from a predatory neighbour. Belize, whose Government had specifically asked for a continuing British military presence after independence in order to deter Guatemala from trying to make good its territorial claim by force, is a case in point.

5.23 We felt, therefore, that it is necessary to distinguish between defence arrangements which are primarily intended to serve the interest of a foreign power and those that are genuinely initiated at the request of a small state for its own protection. Nevertheless we agreed that bilateral defence arrangements involving a foreign power, with or without a requirement for base installations, can have inherent dangers not only for the sovereignty of the small state directly concerned but also for the security of neighbouring states throughout the region. For this reason, although we fully accept that every independent nation has the sovereign right to enter into such arrangements, it is not a choice that we can unreservedly advocate. Instead we see this as an option of the last resort to be exercised only when a small state is under a real military threat from an identifiable enemy. Even in these circumstances we feel that the governments of small states should carefully weigh the possible repercussions within their region when reaching their decision.

5.24 Another type of arrangement for deterring military attack is a close political association with a neighbouring power which then looks after most of the small state's external affairs as well as its security needs. This was the option that was exercised prior to World War II by five established European micro-states—Andorra, Liechtenstein, Monaco, San Marino and the Holy See. In the post World War II era it has been chosen by two Commonwealth countries at the time of becoming self-governing, Cook Islands and Niue, which both entered into association with New Zealand. Outside the Commonwealth, Guam is an example of a small state opting for this solution, through association with the United States.

5.25 The difficulty here is that the exercise of this option appears in all cases to have been accompanied by an acceptance by the small country concerned of virtual, albeit self-imposed, exclusion from formal political participation in the international community. Although many of these countries are members of selected bodies within the United Nations system, none of them has sought membership of the United Nations itself. It seems doubtful whether this degree of political withdrawal would be regarded as desirable by those states that have already enjoyed several years of independence, and clearly indicated their wish to participate in the international community as fully as their capacities permit. It could however be a suitable option for consideration by some of the remaining small colonial territories that might be offered independence in the foreseeable future. Its practicable viability, though, necessarily depends on the willingness either of the former colonial power or of a friendly regional power, preferably one with which the territory has already established a fruitful working relationship, to enter into such an association agreement.

(ii) Special multilateral arrangements

5.26 The possibility of some small states seeking a formal neutrality status guaranteed through a treaty with a number of major powers, on the Swiss and Austrian models, was also considered. But while such treaties appear to have been highly effective in both these instances, it should not be forgotten that several European neutrality treaties concluded before World War II proved to be worthless when Hitler's Germany simply decided it was no longer convenient to abide by what until then had been regarded as a mutually beneficial 'hands-off' agreement it had signed with the other major powers in the region. Thus Belgium, Holland, Luxembourg, Norway and Denmark all in turn became occupied countries. Switzerland and Sweden were the only two nations to survive the war with their neutrality intact and almost certainly there were special strategic reasons to account for this. Austria furthermore appears to be the one example of a neutrality agreement having been concluded in the post World War II era. Again this is very much a special case since the agreement was built into the 1955 Austrian State Treaty and was seen principally as a means of allowing the four World War II allies occupying the territory of their former enemy to withdraw and the nation itself to resume its status as a member of the international community.

5.27 Since neutrality treaties are usually founded on the mutual self-interest principle, it is only realistic to question whether major powers today would have sufficient incentive to enter into such agreements with much smaller states, many of them in a comparatively isolated location. At this period when both super powers are continually expanding the geographical reach of their respective military presence,

there certainly could be some advantage to each of them in concluding agreements ensuring that the more remotely located small states do not allow their territory to be used as a base by the other. But novel agreements of this nature would require a willingness on their part to embark on a phase of political detente that is not evident at the moment. It is also not clear whether, were such neutrality agreements to be guaranteed by the super powers, they would necessarily safeguard the small state concerned from attack by, say, a larger regional power not party to the agreement.

5.28 A more viable related alternative might be for small states to consider formally declaring their own neutrality status and seeking to have this at least officially recognised by neighbouring countries, if there were no possibility of having it underwritten in an actual agreement. This was the course that Malta, for example, chose after the British military presence was withdrawn at its own request from its territory in 1979, and its neutrality declaration has indeed been duly recognised not only by the neighbouring states but also by the Conference on Security Co-operation in Europe (CSCE). While it cannot be contended that recognition alone provides adequate safeguards against possible attack, it could serve as a useful deterrent, particularly if it is acknowledged at the regional institutional level. In the later section on political action at the United Nations we discuss the prospects for official recognition of such declarations by the Security Council.

(iii) Regional arrangements

5.29 Theoretically at least it might be thought helpful for small states to consider trying to join one of the regional defence pacts that have already been established by larger nations. At the present time five pacts of this nature exist in regions applicable to Commonwealth members: the North Atlantic Treaty Organisation (NATO) in Western Europe, established in 1949; the tripartite ANZUS Treaty between Australia, New Zealand and the United States dating from 1951; the Five Power Defence Agreement set up in 1971 comprising Britain, Australia, New Zealand, Malaysia and Singapore; the earliest, the 1947 Inter-American Treaty for Reciprocal Assistance, popularly known as the Rio Pact, which is currently composed of the United States, 19 Latin American states and two Caribbean states; and the mutual security arrangements provided for in 1981 under the Economic Community of West African States (ECOWAS).

5.30 Their chief drawback is that the primary objective of all these arrangements is to serve as an instrument of collective defence against a common enemy, mainly though not always consistently identifiable within the cold war or East-West context; with the exception of the Rio Pact, they contain no provisions for safeguarding the security of one

member country from aggression by another member country. As such they would seem to have limited relevance to the immediate security needs of very small states. Moreover, the existing members of these pacts would be unwilling to contemplate admitting tiny countries that are unable to make a significant military contribution, especially if they also lack a similar political commitment against the common enemy. The exception is again the Rio Pact, where terms specifically provide for accession of any country that later becomes a member of the OAS. As it happens, though, the majority of Caribbean states have so far declined the option of joining the Rio Pact principally because of solidarity with Guyana and Belize in their exclusion from the OAS.

5.31 On the other hand in regions where small states form a distinctive geopolitical group, it might well be appropriate for them to consider establishing their own regional security pacts, as the members of the OECS have done in the Caribbean. When established in 1981 the Organisation contained provision for initiating future collective security arrangements, which came into force the following year. We do not feel it necessary to recapitulate the history of the Grenada episode or to pass judgement on the merits or demerits of how the arrangements worked in that event. What is relevant for our purpose is to use the OECS experience in order to assess the potential value of similar collective security arrangements for other groups of small states.

5.32 It seems self evident that such security defence pacts, especially if they are restricted to the mini- or micro-states, could not by themselves muster adequate forces or materiel to create an effective military deterrent against aggression from a larger external power. But they could undoubtedly perform a practical role in countering attempted military or paramilitary incursions into member states, or other types of security threat, emanating from non-governmental external sources.

5.33 We are aware, from the deliberations of the colloquia, that there are differences of view on the need for small states to establish their own collective security arrangements. This is an issue which the states of each region will obviously have to decide for themselves. We ourselves wish merely to draw attention to some of the advantages of the political spin-off from pacts of this nature. One of the principal benefits is that these arrangements could provide an institutional structure for formalising procedures for requesting within the framework of international law or accepted international practice such financial or military assistance as the member countries may agree to seek at a moment of crisis, either from a major power or from an international body like the United Nations or the Commonwealth.

5.34 If used in this manner, regional collective security arrangements could immediately acquire a much enhanced overall deterrent capacity,

sufficient to make a would-be aggressor at least pause for a second thought. As a consequence, the individual countries would be in a position to pursue their relationships with the rest of the international community with much greater confidence. The establishment of security arrangements would, moreover, give a boost to the general drive towards the more intensive regional co-operation we have been consistently advocating in respect of those geographical areas where this is a practical possibility. At the same time, we feel we should stress the caveat that the option of introducing regional defence arrangements should only be taken up by groups of states that are essentially 'like-minded', have an appreciation of each other's special individual interests and are prepared to exercise mutual restraint in the conduct of their interrelationships.

INFORMATION NETWORKS

5.35 For effective government and general development, small states need to have the widest possible range of relevant internal, regional and international information. An efficient information service is crucial and it is the view of the Group that this is an area where regional co-operation and international linkages including international organisations, governmental and non-governmental, could make a significant contribution. We also note the concern in the regional colloquia which led to a call on governments to discourage politically inspired misinformation activities which are against the interests of small and fragile states, and an appeal to the Commonwealth Press Union (CPU) about the concern of Commonwealth states over the adverse effects on vulnerable small states of the often insensitive and irresponsible reporting of the media.

5.36 Some measures which could be considered are the establishment of regional networks, documentation centres, data banks and other facilities for collecting and disseminating information; and increased governmental and international support—financial, technical and training—for the development of regional media facilities, like the Caribbean News Agency (CANA), the Pan-African News Agency (PANA). We advocate increased use of a range of information material already available at the United Nations and the Commonwealth Secretariat. We also note here the following suggestion from one of the regional colloquia: the wish that the possibilities should be explored of developing a service unit at the Commonwealth Secretariat to facilitate, specifically for small states, an exchange of information across regions. It would seem however that small states' difficulties, in this regard, could perhaps be adequately and more cost-effectively met through the development of bilateral information exchange arrangements between member countries.

(i) Security information

5.37 Small states should have access to a wide variety of information on development and views relating to security issues. They cannot form policies without wide and detailed knowledge. They must see to the development of their own internal information systems, particularly via their police and other organs of government such as immigration authorities. They must also develop regular systems for the procurement and analysis of information from abroad, particularly of a diplomatic and military nature, but they should not be wholly or largely dependent on information from any one external source. They must build up information networks and study how to assess the significance from their own points of view of what they learn. While some of the information required will be sensitive and classified, states can benefit greatly from the mass of publicly available information if they know where to look and how to marshal what they find. Their diplomacy and foreign representation should be designed with these requirements in mind. Small states within the Commonwealth should be encouraged to develop information exchange relationships with other Commonwealth members, not least so that they do not become too dependent on information which derives from one or the other of the super powers and can thereby more easily raise fears of external manipulation. Of course Commonwealth co-operation in itself does not remove the danger of external manipulation but at least there is a basis of commonality of interest and confidence between Commonwealth members which serves to reduce such risks considerably.

5.38 Any government requires professional security policy advisers, spanning the fields of foreign, defence, economic and general internal policies. They must understand the broad range of current international issues as well as the more traditional elements of security. They are frequently civilian because their responsibilities are broader than those normally associated with military aspects of security, but in special circumstances the military may be the only source of such advisers. It matters less where advisers are located within the governmental structure than that they should be people of high calibre, trained broadly and flexibly, so that they may advance along a developing career path which is bound to take them at various stages into other areas of government service. Some small states may have separate foreign and defence ministries while others may not. In some, the most appropriate location for these advisers will be within the office of the Head of Government. In others, it is more appropriate that they should be in a cabinet office, foreign ministry or, more rarely, defence ministry. Location depends largely on which minister or ministers bear real responsibility for overall security policy. In most cases, the number of persons involved in the provision of high-level advice on security policy will be quite small, ranging from one or two to no more than a dozen.

5.39 Because of the importance of security issues and the scarcity of really good advisers, states should be careful to develop the most efficient organisational structure to harness their services. It is all too easy to employ advisers ineffectively, particularly by attempting to imitate the bureaucratic structure of large states. The advisers themselves should be diverse in their capabilities, partly because small states cannot afford much specialisation and partly because the advisers will need to work in other fields from time to time in order to have a full working career in government service. They must have a realistic sense of the extent and limitations of their own knowledge and experience, and familiarity with the best sources of supplementary advice and assistance. They must also be aware of the dangers of politicisation, particularly in the internal security context, and make a conscious effort to remain apolitical.

(ii) Intelligence gathering

5.40 Every state, large or small, requires intelligence information for its own security. It is particularly important for small states located near a super power or in the traditional sphere of influence of a large regional state as, in some cases, crises tend to come frequently in such areas, e.g. in the Caribbean. Small states have to be very selective in the way in which they use their own meagre intelligence resources but, because of their relative impotence in terms of military power, their needs for intelligence are perhaps even greater than those of larger powers in relative terms. The consequences of ignorance of an intended coup or even major criminal activity can include serious loss of life, widespread suffering and administrative chaos, both for the individual small state primarily concerned and for its regional partners.

5.41 Information processing and analysis has been greatly facilitated by the development of computer systems but small state governments may be reluctant to enter this field if they do not appreciate that relatively simple electronic systems can improve their capabilities. The vast array of systems available provides options which could be afforded even by the smallest state. Analysis cannot depend wholly upon electronic means, of course, and where manpower resources permit, special training should be devoted to improving analytical techniques and skills in the fields of both public and intelligence information. Small states should be assisted in the process of analysis by regional and wider international organisations. Countries which are able to work together on a basis of confidence should develop systems for exchanging information and assessments.

(iii) Regional co-operation

5.42 It is only sensible that small states, like large, should co-operate in the employment of their intelligence resources, working principally with

other friendly small and medium powers with common security interests. Almost invariably these other partners will be neighbours, or at least in the same region. The establishment of regional intelligence networks is an important step towards the consolidation of both regional and national security for small states.

5.43 Such networks should not attempt to be supra-national to any significant degree or they will forfeit the confidence of the governments on which they depend. They may, in special circumstances, be given wider powers than simply serving as a meeting of national intelligence representatives but generally they cannot function effectively without being under the firm political control of the national governments forming the network.

5.44 The types of information with which such regional networks will be concerned are essentially threefold: information on the activities and policies of external actors, both national and sub-national, with implications for the region; information on international relations, both official and unofficial, within the region; and information on internal problems of member states of the region which have broader implications for either the region at large or some part of it.

5.45 The principal means of collecting such information should be wholly in the hands of the national governments. Some intelligence may be received from extra-regional sources, but it must always be evaluated carefully, even sceptically in bilateral circumstances, to guard against external attempts to manipulate regional policies by controlling the flow of information to the governments of the region. Even pooled regional intelligence must be treated with some caution for similar reasons but the consequences of regional disapproval in cases of misuse of information provide some deterrence against blatant manipulation of intelligence by any one regional state or sub-group of such states.

5.46 Regional co-operation can assist in the gathering of intelligence through a local division of labour, utilising special national resources, experience and aptitudes for the common good. States on the periphery of a region are likely to have a particular capacity for providing intelligence on relevant extra-regional activities. Centrally located states may have a better contact within the region as a whole. Island states should be able to contribute information on their maritime environments. A division of labour may be struck simply to make the task affordable in financial terms and feasible in terms of human and other resources.

5.47 The sources of relevant intelligence for regional networks include publicly available information and analysis, the very collection of which is a major and specialised business. Other sources will be private

governmental information, whether clandestinely derived or not, and confidential commercial and financial information such as on the activities and practices of multinational corporations. Also important will be the routine collection of intelligence on regional maritime activities, especially fisheries, smuggling, illegal immigration and commercial use of the sea-bed. The centralised information system developed for fisheries information in the South Pacific, based at Honiara, is an outstanding example of what can be achieved. Surveillance of air and land movements and of the movements of individuals who could pose a security threat will also be important to the region as a whole.

5.48 The means of analysis of intelligence are generally best left in the hands of national governments, but regional initiatives will be desirable where national resources are insufficient or where there is a special regional interest in some matter which is of only slight immediate interest to some individual national governments. Regional analysis can be implemented by special conferences on priority topics and by regular liaison visits, made either bilaterally or multilaterally.

5.49 The means of distribution may best be provided by a regional agency or secretariat, particularly in the case of routine, non-urgent intelligence. A regional distribution system should not pose any threat to the sovereign rights of constituent regional states in the way that regional collection and analysis agencies might. Nonetheless such a system would need to be carefully planned and subjected to firm political oversight by the national governments of the region.

5.50 Regional intelligence networks will have their problems, both in policy and operational terms. They will require judicious and sensitive management and they cannot function at all without being founded on a basis of regional trust. But, despite the pitfalls, they can play a uniquely effective role in promoting regional security and in strengthening regional co-operation generally. It is a poor sort of region which cannot conduct some intelligence co-operation. It will almost certainly be an insecure one, vulnerable to the ever-present pressures of external powers and agencies.

EXTERNAL ASSISTANCE AND TRAINING

5.51 There is a considerable role for external assistance to enhance the self-reliant defence efforts of a small state provided it does not cause a disproportionate military imbalance within the region. Apart from meeting training and intelligence needs the major areas for external assistance lie in the provision of security related technical assistance and

of the necessary 'hardware'. We are conscious that defence co-operation is a politically sensitive area and urge states to be very careful about the agreements they make. Caution is particularly necessary in respect of agreements with states whose ideological position on foreign policy is likely to cause regional disharmony. Bilateral assistance can be particularly relevant in helping to provide equipment, logistics facilities and infrastructure and can be crucial in maritime matters where equipment is particularly costly.¹

5.52 Where practicable, the secondment of metropolitan military police or other security personnel to local forces for actual service should be severely restricted in numbers and in term. In rare cases, as in Brunei, this is done on a significant scale but the circumstances would have to be very special and the receiving state quite wealthy unless the arrangement is paid for by the donor, which itself would be a problematic situation. The Group is not convinced that the security services provided by commercial agencies are a credible option save on a minor scale.

5.53 At the bilateral and multilateral level there is wide scope and the need for external co-operation in non-military areas such as smuggling and surveillance of the seas. The recent joint operations by the United States and The Bahamas re. drug control in The Bahamas is an example of what can be done, although we must reiterate that caution should be exercised in entering into such agreements bilaterally, if the activity is of security importance to the larger state.

5.54 At the Commonwealth level, we note that the Commonwealth Fund for Technical Co-operation (CFTC) cannot at present fund projects directly related to security, but feel that there is a merit in the suggestion from one of the regional colloquia that the position should be reviewed particularly in respect of training and of consultancy on security needs. Security is a basic requirement for national development and the link should be appreciated by the Fund. We feel, for instance, that such a link is overlooked when, as in one case cited, approval was given for a tourism adviser but not for a proposal related to the security needs of the tourism project.

5.55 Technical and administrative efficiency is particularly relevant in areas directly related to political and military security and thus the training function is of paramount importance for small states with limited resources. The training requirements would vary, of course, according to the type of security establishment. Apart from military and paramilitary skills there is need for training in multipurpose functions such as disaster

¹ Adequate patrol of a maritime zone would require both aircraft and sea vessels capable of surveillance up to 200 nautical miles and fast armed craft for interception and arrests.

relief, famine operations, smuggling, drug and arms trafficking, and the monitoring and surveillance of EEZs. In respect of the latter we would like to endorse the training recommendations of the Secretariat Report on Ocean Management² to which we earlier referred. The Training Programmes on the Management and Conservation of Marine Resources for civil servants from developing countries, organised by the International Ocean Institute in Malta and Canada and supported by the CFTC, should also be mentioned in this context. There is thus a great need for help from external sources. Assistance, particularly from the metropolitan and larger countries of the Commonwealth, would also be required for the training of security advisers and the intelligence services.

5.56 The provision of such training is an obvious area where larger powers, and the Commonwealth can assist. While it should necessarily include both the secondment of metropolitan experts to small states and the exposure of small states' personnel to the institutions and establishments of larger states, the development of local training institutions for the police, perhaps at the regional level, is desirable. Training in security related skills is also an area for regional co-operation as has recently been demonstrated in the Caribbean where the forces of the OECS states have been undergoing an upgrading of their skills, on the ground in the region, through the assistance of friendly powers. A considerable amount of bilateral military and police training is conducted in the Commonwealth and we urge that this be continued and expanded as required. In this connection we are mindful of the comment at one of the colloquia that in security matters, if there is to be training by outsiders, preference should be given to nationals from countries with the democratic tradition, characteristic of the Commonwealth, of the non-political role of the military.

² See Ocean Management: a Regional Perspective The Prospects for Commonwealth Maritime Co-operation in Asia and the Pacific: Commonwealth Secretariat 1984.

Chapter 6

Underpinning Economic Growth

6.1 In considering the economic problems of small states the issue of viability inevitably arises. Now that independent small states are a reality in the international system, the question has become less prominent. Nevertheless, it remains important since many states are finding it difficult to overcome the constraints smallness places in their way and reach reasonable levels of prosperity.

6.2 A few small states have achieved high levels of industrialisation despite the narrowness of their economic base and other handicaps. However, for most small states, especially those with populations of less than one million, even though good living standards and high levels of administration have been achieved in some cases, problems of vulnerability and economic insecurity persist. We believe, however, that there is good scope for better performance from improved development strategies. The experience of those small states which have been able to provide their people with a good living standard could be particularly useful in this connection.

6.3 Although the constraints are many, there are also relatively significant external opportunities to be exploited. For most small states even a minute penetration of the markets of one or more major countries could generate much economic activity. Exports of manufactured goods and trade in services have been key factors in the success of those small states which have made great economic strides and remain the major hope for others. An open and thriving world economic environment is essential for small states to achieve economic viability. What could be detrimental to the whole future of these states is a retreat in the world towards inwardness and an increase in barriers to economic intercourse.

6.4 But however propitious the external environment, for one group of small states—mini-states with little natural resources—viability is likely to remain a problem. Even where reasonable per capita incomes have been achieved, budgetary and other forms of assistance are likely to be a continuing necessity and weakness and vulnerability a continuing problem. Nevertheless, these states will continue to exist and for them also the objective must be, to the extent possible, to promote stable economic development.

NATIONAL POLICIES

6.5 While smallness provides a continuing limitation on the extent to which the economic capacity of a state can increase, economic progress could help substantially in reducing economic weakness and insecurity especially to the extent that it produces economic resilience. Development efforts must therefore be concerned not only with promoting growth but also with overcoming the constraints of size and promoting self-reliance.

6.6 Diversified economic development must continue to be an important objective of small states however difficult its achievement and however limited its scope in mini-states. Despite the difficulties in achieving such development, small states should not be too quick to resort to 'softer' options. Too much can be made of the benefits of such activities as tax-haven facilities and casinos. The need to improve living standards and create job opportunities is often so urgent that many small states feel they cannot be too restrictive about the kind of activities they wish to attract or are ready to permit. In some cases, non-traditional activities like tourism and financial services, may well be appropriate choices in relation to the opportunities available. There are, however, risks that several undesirable activities may spring up in association with legitimate 'service' activities—for example, money laundering, drug trafficking, fraud, prostitution, corruption, and gangsterism. Weak states in particular are being increasingly subjected to blandishments from foreign operators wishing to establish businesses which are a cover for criminal activities, or have adverse security, cultural and social consequences for them.

6.7 High standards of administration and economic management are required to prevent or minimise such adverse consequences and to ensure that even where the economic benefits are large, these 'soft' options do not impede more sturdy development, and distract attention and resources away from investment opportunities in such fields as export manufacturing, domestic food production, fisheries and aquaculture development. Part of the problem of economic management is

inadequate information and lack of the necessary negotiating skills to deal with foreign business concerns, including transnational corporations, which operate not only in these 'new' industries but also in traditional sectors such as primary products.

6.8 One of the main problems confronting the very small states, especially those not richly endowed with natural resources, is the difficulty in attracting the interest of transnational corporations. Even when this objective is achieved, small states can experience new difficulties, first in negotiating terms satisfactory to themselves and second in controlling the companies' activities once they have become operational. During our discussions a case was cited of one small island state which incurred serious budgetary and employment problems when a transnational corporation pulled out of the country without notice.

6.9 While relations with transnational corporations pose special difficulties for weak states, this is not a sufficient reason for rejecting them and foregoing the contribution they can make in providing much needed capital, technology and market outlets. In general Third World states tend to be in a disadvantageous position in their relations with transnational corporations through inadequacies in negotiating skills and access to information, and with their slender human resources, small states are in an even weaker position than other developing countries. In many cases the agreements transnational corporations draw up may be said to resemble those 'unequal treaties' that imperialist powers used to impose in earlier centuries upon weaker nations. The crucial issue for small states is to avoid inequitable contractual arrangements and political interference. We take up later the question of regional action and international assistance to avoid these pitfalls.

6.10 However successful a small state might be in attracting foreign investment, a major role in economic development must be played by domestic entrepreneurs. Much attention must therefore be paid to improving the management of private and public enterprises and to securing the emergence of a vigorous indigenous private sector which is not only crucial for self-reliant development but could also through its dominant role in economic activity and through opportunities for joint ventures reduce dangers that may be posed by transnational corporations.

6.11 A particular problem of small states is the development of an indigenous technological capability. It is not only a case of retaining high level research personnel but also of affording research facilities and securing adequate returns from research and development expenditure, gains from which could only be spread over a small population. While regional co-operation could assist in some areas of research and development, e.g. agriculture and energy, great reliance has to be placed

on technology transfer and adaptation. But even these aspects require local expertise for assessment and for negotiations with transnational corporations in relation to licensing arrangements, joint ventures and other transfer arrangements.

6.12 As we indicated earlier, smallness need not imply poor endowment of resources. Early modernisation has led to high educational standards in many small states which help to compensate for limited human resources; in the case of island states, 'sand and sea' can be a substantial natural resource. Even where population density is high and land is scarce, intensive agriculture could increase production potential, while land reform and technical support for farmers could assist agricultural development. Making the best use of available resources could help small states to accelerate growth and transformation, avoid the adverse features of soft options, and discourage the loss of skilled and professional people.

6.13 Small states' economies must perforce remain outward-looking even though this exposes them to external vicissitudes. Subsistence production is no alternative and even regional economic co-operation often offers only limited room for import substitution. Too much emphasis on import substitution in the past has led to cost structures which restrict the scope for making use of external opportunities. The fact that food production for the domestic market has in many cases been neglected offers scope both for import substitution in this sector and economic diversification. However, transformation towards more resilient development must be based largely on external opportunities for developing manufacturing and fisheries industries in addition to tourism, financial services and traditional exports, and must be based on more skilful exploitation of opportunities in both external and internal markets.

THE POTENTIAL OF REGIONAL CO-OPERATION

6.14 We have already stressed the special significance for small states of regional economic co-operation. Many small states have tried regional co-operation as a means of overcoming problems arising from smallness. On the whole regionalism has not lived up to expectations, especially as a means of widening markets, and this has resulted in a tendency to underestimate its achievements and potential on the basis of wider considerations—economic, administrative and political—and taking into account the limited options available to these states. In this situation it is not surprising that small states are persisting with regional co-operation and its objectives. Besides helping to overcome size constraints, it helps to promote stable development through the widening of economic opportunities.

6.15 Because of our belief in its value, we strongly recommend increased support by international and bilateral agencies for regional economic co-operation involving small states. Particular areas where regional co-operation requires added emphasis both by small states themselves and by the aid agencies are: the surveillance and development of marine resources, sea and air transport arrangements, disaster preparedness and relief, higher education, research and development, development banking, and pooling arrangements for the sharing of special skills and expertise. In some regions, such as the Caribbean and the Pacific, arrangements covering many of these areas are well established and their experience could be useful to other regions.

6.16 Regional pooling of skills and the services of experts is of particular importance in any drive by small states to make greater efforts to help themselves at the economic and technical level. Such arrangements could have the benefit of retaining within the region well-qualified local people who would otherwise be tempted to emigrate because national posts do not offer them sufficient financial rewards or opportunities to utilise their skills to the full. Regional arrangements of this nature to improve technical self-reliance are especially deserving of international support.

6.17 Generally speaking we feel that the overall value of regionalism has been inadequately recognised by the international financial agencies, which tend to be not only unenthusiastic about regional projects but even critical of the regional approach itself. However, the Lome Convention does make some special provision for regional projects. The international financial agencies perhaps fail to realise the extremely limited options available to small states in trying to promote self-reliant development; we would urge them to re-examine their policies, especially where regional efforts involve small states.

MARITIME ASPECTS

6.18 The 1982 United Nations Convention on the law of the Sea could contribute significantly to all aspects of the security of small states.

6.19 Its provisions for monitoring and surveillance of the marine environment and for enforcement could generate activities that are likely to strengthen the military and territorial security of small states. Moreover, the Convention introduces the first comprehensive mandatory dispute settlement system on a global scale and thus has a valuable potential for the general enhancement of the maintenance of peace. The Articles stipulating that the high seas, scientific research, and the

resources of the deep sea-bed which are the common heritage of mankind, should be reserved for peaceful purposes represent a concept that can be developed to strengthen international security for all states, and which will particularly benefit the weaker and smaller ones.

Economic advantages of the Law of the Sea Convention for small states

6.20 The specific provisions of the Convention which may be expected to contribute directly to the economic and ecological security of small states are: the establishment of EEZs; the recognition of special rights for land-locked and geographically disadvantaged countries, many of which are small; the concept of the “archipelagic state”, which will strengthen the cohesion of multi-island small states; and the recommended measures for regional co-operation in the management of living resources, scientific research, the protection of the marine environment, technology transfer and training.

6.21 In addition the Convention creates a new type of operational international institution, the International Sea-Bed Authority, with responsibilities, *inter alia*, for the stabilisation of export earnings from mineral mining through production limitation, compensatory funding, and commodity agreements. It also imposes new responsibilities on ocean-related international institutions which require a strengthening of their activities and an increase of their resources. Small states have therefore much to gain from co-operation with these institutions.

6.22 The establishment of EEZs, as defined under Part V of the Law of the Sea Convention in particular presents a major opportunity for many small states. The benefits accruing from these zones could counter some of their inherent economic disadvantages. Indeed, for most of the small islands at least the acquisition of an EEZ could transform their entire development perspective. What previously was a small, poorly endowed and already overexploited terrain, could become a platform controlling a vast aquatory rich in underexploited, often even unexplored resources.

6.23 This expansion of perspective will not, of course, of itself produce instant prosperity. Wealth is the product of a combination of resources, technology, capital and manpower. If the last three elements are missing, plenitude of resources may contribute to vulnerability rather than to security, by inviting territorial incursions or occupation. But the new potential is there: in the provision not only of a rich resource base, but also of the legal right to keep out foreign exploiters and to establish a management framework. These features of the EEZ create strong incentives for the development or acquisition of appropriate technology, manpower, and capital.

6.24 No matter how small the state there would appear to be three major priorities for action at the national level: drafting of national legislation covering all uses of ocean space, to be harmonised with the Convention on the Law of the Sea as well as with its Regional Seas Programmes, Protocols and Action Plans; establishment of an appropriate administrative structure; and integration of the marine sector of the economy into the overall development strategy, with special emphasis on reducing dependence on food and energy imports and special consideration for the fragile ecology of small island states.

6.25 Regional co-operation is especially important for the management of living resources, the protection and preservation of the marine environment, marine scientific research and the development and transfer of marine technology. It is in the best interest of island states and other small states with substantial marine interests to set up regional centres to support these activities and to assist in relating them with the Regional Seas Programme advocated by the Law of the Sea Convention.

6.26 Regional centres could, for instance, develop integrated aquaculture projects and alternative energy resources which might materially reduce the import needs of the constituent states. Regional fishing enterprises are also probably the only efficient way of meeting the challenge of the distant-water fishing fleets of the industrialised countries, which at the present time are still the principal beneficiaries of the vast resources of the EEZs belonging to the small Pacific island states for example. What these states can currently collect in licence fees amounts to at most only 3-4 per cent of the value of the fish caught. A well organised regional fishing enterprise could certainly secure a higher return.

6.27 The Commonwealth Secretariat has already initiated programmes to assist maritime development and its activities in this sphere, so relevant to the economic needs of small states, should be augmented wherever possible. The major institutions within the United Nations system dealing with ocean space and resources—Food and Agriculture Organisation (FAO); Intergovernmental Oceanographic Commission/United Nations Educational, Scientific and Cultural Organisation (IOC/UNESCO); International Maritime Organisation (IMO) and the United Nations Environment Programme (UNEP)—possess an even greater technical scope and competence. It would therefore be in the interests of small states if these institutions were to expand their programmes relating to marine development.

Chapter 7

Promoting Internal Cohesion

7.1 In view of the recognised link between internal unrest and the emergence of political and military threats, the need for measures to strengthen internal cohesion is great. This is particularly true in small states.

7.2 An examination of these societies suggests that there is a range of political and institutional measures which could improve the capacity of governments in handling the difficult tasks of achieving growth and maintaining law and order, while upholding justice and democracy. This is not to imply that small states are governed any worse than larger states. Indeed the majority of Commonwealth small states seem to be well administered. While the 'paradise isle' image is perhaps overdone, the record of tranquility in small states is indeed admirable.

ENHANCING DEMOCRATIC AND HUMAN RIGHTS PROCEDURES

7.3 We are aware of the contention that democracy is not easily sustained in a very small state given the lack of anonymity, the absence of a range of strong private countervailing sectors and pressure groups, and the lack of varied levels of non-governmental institutional activity. These can make the state mechanism very pervasive, permit easy control of all aspects of life and open the way for petty tyrannies, and place undue pressures on public and judicial officials.

7.4 To guard against these risks, small states should, where appropriate, consider the advantages of regional mechanisms at the administrative and judicial levels. These could include the linking of some core elements of the administrative system on a regional basis so as to protect them from

possible abuse at the domestic level, e.g. regional elections commissions and regional service commissions for key judicial, administrative and/or security posts. The timely and voluntary use by small states of regional and/or Commonwealth observers for particular elections is advocated in situations where such a measure would bolster confidence in the election process both within a state and the wider region.

7.5 Although in the majority of states in our survey democracy is robust, there is much opportunity for improving stability by enhancing the democratic processes nationally. For countries with an elected parliamentary system, the report of the recent Commonwealth Parliamentary Association (CPA) Study on the Security of Small States¹ is timely. We feel that its recommendations on enhancing public awareness of parliament and active involvement in the democratic process, strengthening the technical support system available to parliamentarians, expanding the role of parliamentary committees and adapting the parliamentary system to indigenous custom are very relevant. We believe that much improvement is needed in access to, and the quality of, information available to parliaments. Research facilities for members of parliament, including administrative assistance, should be upgraded, particularly in respect of information on foreign policy matters.

7.6 We also feel there is a creative role for human rights agencies in small states. These could be Human Rights Courts or Commissions either at the national or regional level, or preferably at both. The record of the European Court of Human Rights is a fine example of what can be achieved and is particularly noteworthy for small states, since the European states involved have agreed to its jurisdiction, despite their existence as sovereign states for centuries, strong nationalism and the history of warfare among them. A similar mechanism should thus be a feasible option for regions of comparative harmony such as the Commonwealth areas with which we are concerned.

7.7 In the event of the establishment of a regional security agreement and/or arrangements for the peaceful settlement of disputes it might be possible, indeed desirable, to associate with it a mechanism for safeguarding human rights.

7.8 Whether or not there are human rights agencies at the official level, it would also be beneficial to encourage national and regional non-governmental organisations (NGOs) in matters in the public interest. NGOs have established their value as human rights and development agencies and help to create a diversity in sources of initiatives and ideas.

¹ The Security of Small States—Report of the Study Group of the CPA, London, December 1984.

7.9 In this last connection the Group commends the utility of a related service, the independent media, in reducing public dependence on the government for information. The national media can play a crucial role in national security in shaping the image of the country both internally and externally.

7.10 While we recognise that the scope for a varied media may seem to be limited by the size of the population and thus of the market, it is also true that much depends on what the social context permits; across the states in our survey the variety in the complexity, number and role of the media is remarkably wide.

7.11 Most small states in the Commonwealth already have adequate constitutional safeguards for the protection of humans rights, an independent judiciary and an independent media. Where these do not already exist, steps should be taken to provide them.

IMPROVING INSTITUTIONAL AND ADMINISTRATIVE ARRANGEMENTS

7.12 Administrative efficiency is clearly a major contributor to internal order and welfare. In small states, as in most others, the management of official institutions needs to be improved. Very often, development strategies are undermined by bottlenecks in implementation, and this can breed social frustration and political unrest.

7.13 There are some advantages in smallness of size such as ease of public access to and the ready centralisation of much of the administration. This does not always apply to a physically large country with a small population like Botswana and Guyana, nor to the multi-island states. In both cases the government can have difficulty in administering or even keeping control over the remoter parts of the country or the far away islands.

7.14 The cohesion of multi-island states has been partly strengthened by the United Nations Convention on the Law of the Sea through the provisions on archipelagic states. Whereas, in the past, the islands composing such states were separated by high seas, the Convention grants to the archipelagic state sovereignty over these water equal to the sovereignty over their land areas. There remains, however, in multi-island states the particular problem of supplying component islands which have sizeable populations with core services e.g. hospitals, education, ports, airports, power stations. For example, health expenditure per person in St. Vincent, a multi-island state, is nearly three times the level of that in St. Lucia.

7.15 Small states, like all countries, need a certain minimum of services and of ministries and departments of government, but most small states are usually short of trained nationals to staff them. They have a limited capacity for the training and retention of high-priced administrative, management and technical skills. They also have higher administrative costs per head of population than in larger countries. A characteristic problem is low tax income, arising from unexploited taxable capacity due to inadequate fiscal administration. This is particularly significant for small states, given their usually narrow resource base.

7.16 Steps therefore need to be taken to better organise the limited human resources available. Towards this end public servants should be trained to do more than one task, and be skilled in development administration and management. In particular small island states need to develop bureaucratic personnel who are familiar with the problems related to the development of the maritime sector and to the uses of technology. Some of the training implications for small states are indicated later.

7.17 The general social and cultural institutional network of a state is fundamental to the efficient and cohesive working of a society. Therefore small states would do well to support and enhance the social and cultural underpinnings of the society by a variety of techniques suited to their particular circumstances.

SUPPORTIVE REGIONAL MEASURES

7.18 The more the Group looked at the situation of small states the more we became convinced that regionalism, long favoured as an option in development analyses for both developed and developing states, is particularly suited to those small states whose geographical position permits it. Most of the small states in our study belong to a geopolitical group that has some form of regional arrangements.

7.19 As most of them are also islands the maritime dimension offers both peculiar difficulties and opportunities in respect of regionalism.

7.20 We would here like to underline the necessity to continue with their regional arrangements despite the problems which have dogged them and the increased costs which they imply in some areas. We have seen that to achieve a secure society a small state can hardly rely wholly on itself and needs external assistance; the immediate region is the first circle of such assistance and regionalism should be looked upon as a form

of self-help. Regional co-operation provides a framework within which, especially in the absence of deep ideological division, member states can feel less need for military protection from major countries. Moreover, positive psychological and political advantages also come from the pooling of brain power and the enhancing of bargaining power. Caribbean states, for instance, have experienced clear examples of this in their dealings under the Lome Convention.

7.21 The three colloquia at mixed governmental and non-governmental level which we convened to assist our own enquiry were widely appreciated and there was a strong feeling that such meetings should be held regularly. In one region it was even noted that it was the first occasion at which security had been discussed on a region-wide basis. We recommend that such regional meetings, involving both governmental and non-governmental participants, should be encouraged, and receive Secretariat assistance if needed.

7.22 We were impressed by the fact that in all three colloquia there was strong support for increased regionalism and a recognition that a collective regional voice can sometimes carry weight where that of a single small state might not. In one colloquium, the point was also made that international agencies, which have so far rejected the view that small states should have a special status—and advantageous treatment—amongst developing states, would probably be more forthcoming if they were convinced that small states were themselves using their possibilities to the fullest. Moreover, in the absence of regional co-operation and integration those agencies could argue that resources were not being maximised by small states.

7.23 In security terms, a closely integrated region is less likely to be vulnerable to divisive fears, or to experience intervention, than one which is fragmented; it was in a Caribbean which had lost some of its regional unity that the Grenada crisis happened. A closely integrated region would make it easier, both constitutionally and morally, for a regional force to give military assistance to a member country facing domestic insurrection.

7.24 Operationally, regionalism is not easy and does not always proceed in a directly upward path. Apart from the technical problems there are problems of loyalty to overcome, particularly where insularity enhances the strong sense of nationalism so typical of young nations. On the other hand, it is exactly because the states are still young that the opportunities for generating public support for regional linkages are promising. We strongly feel that a co-operative regional environment provides one of the major contributions to enhancing security.

7.25 We therefore urge small states to foster regional co-operation across as wide an area of social, economic and political activities, both governmental and non-governmental as possible, particularly since the rapid advances in science and technology make such linkages both more readily achievable and more necessary.

7.26 Even in the absence of a formal regional integration movement, small states should promote the regional pooling of experts and freedom of movement and flexible conditions of work for highly skilled personnel. Experience has shown that such personnel are often lost to their countries as much because of narrow limits to their professional contacts and possibilities as because of salary levels and working conditions. The provision of jobs at the regional level can help to absorb some of the highly skilled who might otherwise leave. As a well known regionalist in the Caribbean, Norman Manley, once put it, federation would “create a larger field for ambition.” In respect of the regional use of skills, small states should avoid the ‘sovereignty trap’, i.e. the tendency to define sovereign rights so narrowly that there is an unwillingness even to share the services of experts in certain traditional areas of need e.g. auditors, legal draftsmen, surgeons. There should be open recognition of the need for experts on a semi-permanent basis rather than emphasising stop-gap arrangements under short-term technical assistance agreements. The former objective implying a steady succession of contracted personnel, would best be achieved through pooling.

7.27 Regional co-operation can also be facilitated by the offer, on a region-wide basis or to regional agencies, of services and experts, where possible in related clusters, by international bodies, the Commonwealth and friendly states. In the Pacific, the establishment within SPEC of the Pacific Regional Advisory Service (PRAS), and the collaboration of Australia and New Zealand in transport, communications, management of the seas and other areas of regional development are good examples of this.

7.28 There is increasing interest in the development of regional parliaments as another device for fostering regional co-operation and ensuring regional harmony and stability. In both the Caribbean and the Pacific colloquia there was appreciation of the possible role of such institutions in further linking the widely dispersed member states now that they have some successful experience of regional functional integration. It is recognised that such a development would have to be approached very carefully. Initially such parliaments should, like that of the European Community, start with limited functions and address issues which are non-political or non-controversial. As a first step the CPA regional meetings could be given more status and relevance.

The Training Dimension

7.29 In all the areas above mentioned the requirements for an effective functioning of small states clearly imply a need for training in various skills. Such training is of importance to the efficient working of the parliamentary and legal system and to the promotion of human rights. In the latter respect there is much scope for the developing programme of the new Human Rights Unit of the Secretariat. The role of the media is also of such importance that training assistance is indicated here too and a specific desire for training staff for regional news agencies has been expressed in the colloquia.

7.30 Throughout the public service there would obviously be much demand for training in administration, management, technical skills and the use of technology, both on a short and long term basis. This is an area in which the CFTC has long been doing admirable work and in which Commonwealth co-operation is quite extensive. We therefore need only to commend its activities and to endorse the training component of the Secretariat's Special Programme to assist island developing and other specially disadvantaged member countries. A similar need for these types of training obviously also exists in the private sector of small states.

7.31 At the regional level some small states do have access to relevant training facilities. Law and management schools are, for instance, fairly widespread although not usually equipped for training in the rarer skills e.g. legal drafting. In the Caribbean there is a School of Communication for media training as well as a Centre for Development Administration (CARICAD). We would urge that the establishment of appropriate regional training centres be treated as a priority by small states and by the international community.

Chapter 8

Diplomacy and Foreign Policy Management

GENERAL PRACTICE OF DIPLOMACY

8.1 In many respects a skilful use of diplomacy within the framework of a prudent and well thought out foreign policy is a small state's first line of defence. Since these states have no military or economic power to wield they are forced to rely on diplomatic means in order to convey to other countries the nature of their national interests in the different areas of international relations that are vital not just to their security but to their very survival. And it is only through effective diplomacy that they can hope to persuade wealthy and powerful nations to enter into relationships with them which can work to their material advantage without necessarily entailing unacceptable constraints on their sovereignty and genuine independence.

8.2 All nations need to pursue diplomatic initiatives simultaneously at the bilateral and multilateral levels. Yet small states are seriously handicapped in this regard by their extremely limited personnel, and often financial resources. They are not able to have either enough overseas diplomatic missions or adequate representation in all the important international fora whose deliberations directly affect their political and economic interests.

8.3 In small states, as for most states, bilateral relations are of the highest importance and, given the size of the international community, careful assessments have to be made on which states to focus, although certain major powers and neighbouring states must naturally have priority. Because the need to project their goals and image is no less vital for small states than for others, they should be conscious of the

importance of selecting personnel appropriate to a particular posting. Moreover, their diplomatic officers should be especially skilled in information gathering, as there is greater need for them to perform this function than in large states which possess sophisticated information-gathering mechanisms. As a consequence, their paramount concern should be to provide adequate training for all their diplomatic officers and to formulate sound foreign policy management strategies to ensure that the small service complement at their disposal is deployed tactically.

8.4 We also believe that small states would be wise to seek to maximise their representation at intergovernmental bodies. Throughout our Report we have laid great stress on the benefit of regional co-operation and we were therefore pleased to note that every state included in our study belongs to at least one of the various bodies that have already been established within their respective regions. But essential though participation in regional organisations is, what is really required for a small state to substantially enhance its capacity to promote its general security interests and deter external threats is to enlist backing and friendship from beyond its own area. While the development of significant bilateral relationships can obviously be advantageous, the small state also needs to cultivate the collective support of several geographical groupings. The most effective method of achieving this objective is clearly through membership of at least one of the more important transregional intergovernmental organisations which normally function as a sort of informal mart for the trading of support between different groups. By giving support to one geographical group on an issue with which it may not be directly concerned, a small state can win reciprocal backing on an issue that is of pressing national interest.

8.5 To small states, which can maintain very few overseas missions, representation at international bodies has the added advantage of providing an alternative means of facilitating bilateral relationships. Membership of the United Nations is particularly helpful in this respect because it is the only organisation where virtually every nation is represented. In addition, the opening three weeks of each annual General Assembly, when most of the world's Foreign Ministers are in attendance, affords small states a unique opportunity to cultivate such relationships at the requisite high level; overtures made at that time can then be followed up through contacts at the various national United Nations missions.

DIPLOMACY IN THE UNITED NATIONS SETTING

8.6 It was particularly heartening to find that, besides being members of the Commonwealth, all but four of the small states in our study—Kiribati,

Nauru, Tonga, Tuvalu—are members of the United Nations, and we are encouraged that Commonwealth regional support has made representation at the United Nations in New York possible for some of the other small South Pacific countries. We were also pleased to learn that 17 Commonwealth small states had joined the Non-Aligned Movement (NAM) by the time of its 1983 summit.

8.7 We have focused on the United Nations because we believe that membership of the world organisation is probably more important to small states politically than that of any other trans-regional body. It was, after all, the establishment of the United Nations regime, on the basis of principles of equity and co-operation, that originally created the framework for the kind of international community which would be ready to welcome and sustain the presence of very small independent states. Without that framework, indeed, it probably would not have been possible to generate the necessary political ethos to persuade the colonial powers to release their small territories into independence. It is only through membership of the United Nations, where the principle of sovereign equality of all states is written into its constitution, that the right of a small state to have its independence and territorial integrity respected on the same legal terms as other nations is formally recognised. None of the intergovernmental bodies established outside the United Nations system—which by their nature have only a limited membership and sometimes also admit dependent territories as well as liberation movements—can confer the same authoritative recognition of statehood. Small states can however use these bodies to considerable advantage, both as a means of initially gathering support which is later translated into action at the United Nations forum and as a source for additional measures to reinforce decisions taken at the United Nations level.

8.8 Membership of the United Nations in itself, then, provides some element of deterrence against the possibility of total obliteration by a predatory neighbour. The United Nations is also the one forum where a state can alert and sensitise the entire international community to the existence of a specific security threat. In this section we indicate the various types of initiatives which small states can pursue in order to turn the United Nations' underlying deterrent capacity into a positive asset which can be used, not only to meet immediate needs in the face of a particular external threat, but also to serve more indirect, long-term political security interests. An analytical survey of the ways in which certain small states have already made use of the United Nations for these purposes, carried out by the Secretariat on our behalf, provided ample material to illustrate how much can be achieved by such initiatives.

8.9 The survey showed that for three small Commonwealth countries under a permanent security threat from neighbouring states—Belize,

Cyprus and Guyana—it was possible through a systematic use of Assembly procedures and subsidiary bodies to mobilise overwhelming majority support from the rest of the membership, including some of the major powers. In the case of Guyana and Belize, both of the larger states involved—Venezuela and Guatemala—have so far refrained from attempting to make good their respective claims by force and are now engaged in negotiations to reach a peaceful settlement. We would not, of course, pretend that majority support for sympathetic United Nations resolutions can prove the decisive factor in deterring a really determined potential aggressor, particularly if it is a major military power, from moving in to attack a small state. But what seems certain is that such support can be an important additional consideration that many Third World nations contemplating aggressive action are likely to take into serious account, especially if it is then reinforced by direct bilateral representations from major powers.

8.10 The Cyprus case, by contrast, precisely illustrates the limitations inherent in this type of political deterrence enacted through United Nations mechanisms. Majority support undoubtedly initially helped to strengthen the capacity of the United Nations peacekeeping force that had been stationed in Cyprus since 1964 to keep peace between the Greek and Turkish communities and thus to serve as a political deterrent against an attack by Turkey. Both the force and majority opinion ceased to be an effective deterrent, however, when a crisis developed in the Greek Cypriot community which led to Turkey's invasion of the northern sector of the island in 1974. Moreover, Turkey's continued occupation of Cypriot territory after the crisis was resolved, despite United Nations condemnation, demonstrates that once a violation of territory is allowed to become entrenched, it is not easy to marshal sufficient political pressure through the normal United Nations channels to compel a recalcitrant and military powerful nation to withdraw, unless such pressure has the support of the Security Council, and particularly the super powers.

8.11 Nevertheless, Cyprus' experience should not be allowed to obscure the very real value of widespread political backing at the United Nations in helping to safeguard a small state's territorial integrity from encroachment by a larger Third World country. It should be remembered too that any small nation can have direct recourse to the Security Council's procedures for peaceful settlement of disputes, which can sometimes also be helpful in warding off aggression. Malta provided a case in point in 1980, when it found itself suddenly confronted by a security threat from Libya arising from competing claims to national jurisdiction over an area of their common continental shelf. It immediately took the issue to the Council which initiated a negotiating process through the Secretary-General that successfully prevented the

threat from materialising as an act of aggression. Other small states may be able to make use of the Security Council's peacemaking machinery in this manner in the future.¹

8.12 The various diplomatic initiatives taken by all these countries centred on a basic strategy of seeking to play an active and constructive role within the United Nations setting. The actual tactics employed naturally varied with the circumstances. Cyprus for instance was able to capitalise on the fact that its particular situation became a permanent item of the General Assembly's regular agenda, as well as on the continued presence of a United Nations peacekeeping force on the island. Guyana on the other hand was not in a similar position and so had to follow a more indirect route by pursuing an activist role through election to the Security Council and offices on a number of the United Nations' subsidiary bodies. Both countries also used the NAM as a supplementary forum for mobilising support, and Cyprus additionally sought assistance from the Commonwealth. Belize's case history has been somewhat different in that its entry to the United Nations was preceded by an assiduous international campaign, spearheaded by small Caribbean nations, to hasten its independence and the new state had therefore attained considerable political visibility before it even joined the world body.

8.13 Another technique a small state can use to achieve a high profile is through a sustained sponsorship of Assembly agenda items and resolutions reflecting important political goals that are sought by a substantial number of other states and which it perceives as having a particular relevance to its own long-term security interests. This is a tactic which has been employed to good advantage by small states that are not under any specific threat. As long ago as 1967 Malta, for example, became known as the country which ushered in an entirely new application of the equity principle, by proposing an agenda item aimed at designating the resources of the sea-bed as the "common heritage of mankind". By so doing it initiated the political process that was to lead, 15 years later, to the adoption of the comprehensive new Law of the Sea Convention. And that same process, as played out in the protracted United Nations Conference on the Law of the Sea, in turn provided the institutional framework which enabled Fiji to achieve prominence through its effective efforts in helping to promote the concept of the "archipelagic state" designed to ensure that multi-island countries like itself would gain sovereignty over the waters between component islands.

¹ Additionally, it can be noted for the record that four small Commonwealth countries—Botswana, Cyprus, Lesotho and Seychelles—have sought the Council's assistance after acts of aggression have been committed against them, in order to mitigate their consequences and/or to provide mechanisms for negotiating a settlement. These cases do not however fall within the scope of an analysis of initiatives aimed at deterrence and prevention.

In acknowledgement of its useful role a Fiji national was later appointed as the United Nations Secretary-General's Special Representative on Law of the Sea matters.

8.14 If deployed with the requisite political discrimination, such diplomatic initiatives can materially assist a small state to register its presence in the world community. Furthermore, by projecting a distinctive and well respected national personality in this manner it will have the added satisfaction of knowing it is making a positive contribution to strengthening the United Nations' own capacity to fulfil its Charter role as protector of the international order, of which small states are after all among the principal beneficiaries.

PRUDENT FOREIGN POLICY MANAGEMENT

8.15 In order to carry out useful diplomatic initiatives like those just described, it is vital that a small state's foreign policy objectives and strategies take fully into account the manifold implications of being a tiny entity in the international arena. We have in mind more than just the recognition of the unavoidable limitations of being small. Rather we are recommending the development of positive techniques of foreign policy management to compensate for these limitations. Such techniques would seek to achieve a balance between the utility of the occasional judicious use of bold initiatives and a realistic appreciation of the need to husband slender human resources by deploying them tactically.

Pointers for consideration

8.16 As in other areas of management, prudent management of foreign policy must be founded on a number of principles and procedures. On the basis of the experience of different groups of small states, we have abstracted a series of pointers which we believe could be helpful.

(i) Maintenance of channels of communication

8.17 Direct and indirect channels of communication, the latter through friendly powers, should be carefully maintained and utilised to ensure that policies and actions are fully understood. In view of their limited financial and manpower resources, use could be made of honorary consuls, special missions and non-resident representation whereby ambassadors on the staff of ministries travel at regular intervals to the states to which they are accredited. While such arrangements are unavoidably second best, experience has shown that they can be made to work effectively. Where appropriate some states may wish to consider joint representation.

(ii) Foreign policy posture

8.18 It is in their own national interest that small states should, without appearing to lose any of their sovereignty, adopt a generally discreet posture in the conduct of their foreign policy. This can help avoid provoking suspicion and hostility from other states, particularly the larger powers. At the purely practical level, the importance of an even-handed provision of appropriate facilities, conditions and personnel for the various overseas missions within their jurisdictions must not be overlooked.

(iii) Exercise of influence

8.19 We have already indicated our view that, within the parameters of a prudent foreign policy posture, a small state's capacity to manage its policy in its own interest can be much facilitated if it is seen to occupy a prominent and influential position in intergovernmental organisations. However, an activist role may have its perils as, unless there is a careful choice of issues for support, it might attract the hostility of larger powers. It is important therefore that in playing such a role small states should plan their international activities on a highly selective basis and focus on issues that have a direct bearing on their national interests.

(iv) Relevance of internal policies

8.20 Decisions on internal matters in certain areas can not only significantly contribute to the projection of the national image abroad but may have direct implications for the state's own foreign policy. Thus while the adoption of a particular ideology could have the effect of attracting sympathy and assistance from some major powers it could also antagonise others. It would therefore seem prudent for small states always to ensure, and be able to demonstrate, that their domestic policies are the outcome of carefully assessed responses to their own specific internal conditions and needs.

Co-ordination of foreign policy within groups of small states

8.21 The co-ordination of foreign policy by small states belonging to the same geopolitical group can enable them to make effective practical use of modest national resources in a number of ways. The experience of Caribbean countries has, for example, shown that this can be achieved:

in bilateral postings by providing, inter alia, common facilities and common office and consular services;

in the multilateral context, by organising joint coverage of committees and sharing information collected through the provision

of reports on important conferences which only one or two states in the regional group may have attended.

8.22 Co-ordination of foreign policy can also provide an important source of support for an individual small state confronted with a particular security problem, by:

effectively mobilising on its behalf international diplomatic and public support;

establishing a group position as a countervailing influence in an unequal bilateral power relationship;

making possible the promotion of issues supportive of its interest where the state concerned might attract censure or hostility if it pursued these individually.

8.23 To assist the development of a co-ordinated foreign policy strategy and practice, we see a particular value in an informal exchange of ideas on common concerns in the shaping and implementation of foreign policy between the foreign ministry and all the other departments whose work directly affects national security: the prime minister's office, the cabinet, the defence department, and so on. We would even advocate that when the constituent states share a common view on some substantial issues of foreign policy, they should seriously consider arranging either formal or informal routine consultations to discuss the desirability of establishing a co-ordinated position, which could then be conveyed to the rest of the international community. We gather that this is already done on a formal basis in the Caribbean. The procedures of the Caribbean countries for this purpose, as well as those of the EEC and ASEAN, could serve as helpful models.

8.24 We appreciate that certain states might feel that agreement on joint positions could entail some loss of sovereignty, but we ourselves cannot view it in that light. On the contrary, we believe that for any small state to take a decision of this nature, in the interest of promoting its own security in concert with others, essentially represents an exercise of sovereignty and not its denial.

TRAINING FOR DIPLOMACY AND FOREIGN POLICY MANAGEMENT

8.25 It is clear that a small state requires accomplished diplomats of skill and resource if it is to be in a position to maximise its possibilities in the global arena. While some Commonwealth small countries, for example

those that employed the kind of useful initiatives described, may possess sufficient numbers of qualified personnel, most are probably not so happily placed. It is of paramount importance in our view for their governments to acknowledge frankly the necessity for developing an adequate cadre of trained diplomatic officers and to be willing to take the appropriate measures. Moreover, training in techniques of negotiation and in some basic aspects of international relations is also needed for other relevant officials such as those who service cabinets, prime ministers' departments, defence ministers, and development ministers.

8.26 Fortunately there already exists within the Commonwealth a diversity of established sources for the necessary training. At the national and bilateral levels, a number of the larger member countries have academic institutions offering courses in the diplomatic field; and several of them have also introduced special arrangements for hosting trainee diplomats from individual small states either in their external affairs departments or in their overseas missions. At the regional level, the Caribbean is to some extent served by training facilities provided through the Institute of International Relations at the University of the West Indies as well as through CARICOM which, in co-operation with the Commonwealth Secretariat, has organised short-term intensive training courses; we note, however, that there are as yet no equivalent resources in other regional groupings of small states.

8.27 At the pan-Commonwealth level, the Secretariat, having successfully provided a special training programme for Zimbabwe when it became independent, recently organised a similar but more extensive course for the Pacific island states based in Papua New Guinea and is contemplating others. These programmes have made use of existing expertise and facilities, both within the region and in the larger member countries geographically close to the respective groupings of the smaller countries, markets and the use of relevant technologies.

8.28 Beyond the purely Commonwealth context, the United Nations itself provides some training for new diplomats through UNITAR and the United Nations Development Programme (UNDP), and there are also specialised courses in negotiations, peacekeeping and peacemaking conducted by the International Peace Academy (IPA).

8.29 Although there is more than adequate availability of training opportunities readily available to most small states, we consider that a more co-ordinated Commonwealth approach would be helpful. Such an approach should focus not only on the provision of classic diplomatic training but on areas and techniques specially required for the development of small states. Thus diplomatic training should include the

techniques of trade and investment promotion, the maintenance of markets and the use of relevant technologies.

8.30 An essential first step, which can be set in motion immediately, is to ensure that all the small states are made aware of the full range of suitable training opportunities currently on offer. To assist in this objective the Secretariat could be asked to prepare a comprehensive listing. In addition, we would suggest that the Secretariat's foreign service training programmes should be adapted to take account of the specific types of requirements indicated above.

Studies in the management of foreign policy

8.31 So far very little comparative analysis of the management of foreign policy by small states appears to have been undertaken. There would be value in studies which collate the experiences of small states to date and provide practical guidelines for the conduct of their foreign policy. We strongly recommend that the appropriate Commonwealth institutions should facilitate the pursuit of these studies.

Chapter 9

The International Response

9.1 In our interpretation of the mandate for this study at the beginning of our Report, we drew attention to the emphasis Commonwealth leaders had placed on the obligation of the international community to, at the very least, provide for the territorial integrity of its smaller member states. As we said there, we see this obligation as essentially stemming from the fact that small states have been welcomed into the world organisation by all member states including the major powers. However, in view of the need for a comprehensive approach to security issues we feel that the international community's obligation should extend beyond safeguarding small states' territorial integrity to include action to strengthen their overall capacity to deter and/or resist the many different types of security threat to which they may be subjected. Such an approach would only in fact be consistent with acknowledging that the community itself has a vested interest in protecting small states, since general international order can be undermined by their instability or loss of security.

9.2 This broader obligation should ideally be effected through measures adopted by all the major intergovernmental agencies through which the world community is represented. As a survey of the kinds of international measures which could be initiated by the entire range of agencies would be far too extensive a task for a report of this nature, we have limited our discussion to three areas: political measures to enhance the security of small states which might be introduced specifically at the United Nations; measures to strengthen their economic security, which could be implemented by a variety of relevant international bodies; and supportive or supplementary measures to promote the security of small states in various spheres which the Commonwealth itself could collectively undertake.

A. POLITICAL MEASURES AT THE UNITED NATIONS

9.3 In offering suggestions for action by the world body, we have naturally been aware of the need to keep its complex political and institutional realities constantly in mind. In particular we appreciate that there would be little point in suggesting measures that would necessitate any amendment of the United Nations Charter, since on past practice it is only rarely possible to obtain the required consent from all five permanent members of the Security Council. Secondly, and perhaps equally important at this period when all the developed member countries are becoming ever more resistant to expanding the United Nations budget, we have consciously avoided recommending action involving substantial expenditure. But within these parameters we nevertheless see room for certain innovative and potentially fruitful initiatives.

Safeguarding small states' territorial integrity

9.4 The adverse consequences for the entire international community of the absence of an effective United Nations collective security system to safeguard the territorial integrity of all states have long been widely recognised. For over three decades, many member countries have engaged in intermittent efforts to find ways of strengthening the United Nations' security role. With the continuing proliferation of major conflicts in recent years, these efforts have taken on a new urgency. In 1982 Mr Perez de Cuellar created a deep impression by devoting his first annual report as United Nations Secretary-General to an in-depth and frank analysis of the inadequacy of the United Nations' current security posture. It was, indeed, with his comments in mind that Commonwealth leaders pledged themselves in the Goa Declaration to play their part in helping the international community to make a positive response to his call for "a strengthening of collective security in keeping with the Charter".

9.5 Following Mr de Cuellar's report, which elicited widespread support in the General Assembly, the Security Council itself embarked on private consultations on how to strengthen its role as principal guardian of world peace. These consultations have now been in progress for nearly two years and it is hoped that the Council will be able to issue some kind of statement of agreed policy in time for the celebration of the United Nations' fortieth anniversary at the forthcoming 1985 session of the General Assembly.

9.6 We accept the Secretary-General's own analysis, in his 1982 report, that the prospect of realising the "stern" collective security enforcement measures prescribed in Chapter VII of the Charter is "almost impossible

in our divided international world.” Nor do we think it realistic to suggest that the Security Council should consider launching a special security system applicable only to small states. In any case we questioned whether the whole idea of introducing a collective security system specially for small states, even if politically feasible, would be fully in keeping with our determination to eschew any proposal that could have the effect of downgrading their status of sovereign equality with other member countries.

9.7 We also considered the feasibility of recommending some kind of informal procedure such as a political concordat between the permanent members of the Council along lines similar to the proposal put forward by the Palme Commission as a way of enabling the Security Council to invoke Chapter VII measures in order to tackle conflicts arising out of border disputes among Third World states.¹ We felt though, that in the prevailing environment of mistrust and rivalry between the super powers themselves, the political and moral value of a Security Council guarantee limited to certain types of disputes or particular groups of states would be questionable. However, we do not reject the idea out of hand, particularly if some means could be found of applying it as between “consenting” states, that is states which have signified in advance their acceptance of a collective security regime.

9.8 In the light of these overriding political and moral considerations, the Group decided against including recommendations relating to the implementation of any aspect of Chapter VII of the Charter, though we wish to place clearly on record our conviction that the most appropriate method of securing the territorial integrity of small states would be through a United Nations collective security system which would be applicable to all member states.

Role of the United Nations Secretary-General

9.9 We consider that there are good grounds for urging—and Commonwealth countries could perhaps give a lead in this—that the office of the United Nations Secretary-General should play an expanded preventive role within the compass of Article 99 of the Charter, empowering him to bring to the Security Council’s attention any matter

¹ COMMON SECURITY, Report of the Independent Commission on Disarmament and Security Issues, June 1982, pp. 162-7. The essence of the Commission’s proposal for implementing this modified version of the Charter collective security system is for a political partnership between the permanent members of the Security Council and Third World countries in order to prevent conflicts from being settled by armed force. To this end the permanent members would also enter into an understanding, or concordat, among themselves that at the moment of crisis they would “support collective security action, at least to the extent possible, of not voting against it” and the Council would moreover at that time refrain from pronouncing on the substantive issues in dispute.

which in his opinion may threaten international peace and security. In his 1982 report Mr Perez de Cuellar announced his intention of developing "a more systematic capacity for fact-finding in potential conflict areas". The efforts he has already made to endow his office with an effective early warning system of impending conflicts are much to be commended. But though essential, fact-finding is necessarily only a first step towards prevention. We believe that despite the various pressures which inevitably circumscribe the diplomatic and political freedom of the Secretary-General, his office in fact occupies a key position of influence in the Security Council's proceedings.

9.10 On the basis of the political strengths inherent in his office, it should be possible for the Secretary-General, in cases of what might be termed incipient low-level security threats, to send a mission to a country that feels itself under threat of attack from another country if it so requests. Such a mission would in itself serve as a form of deterrence against a potential aggressor, and could also serve as an incentive to disputing countries to engage in negotiations for a peaceful settlement. In our view it would be constitutionally permissible for the Secretary-General to send missions of this nature without formal resort to the Security Council, though there would presumably have to be informal soundings or, preferably, a general understanding in advance.

9.11 A suitable opportunity for launching the mission proposal might be to apply it initially to an area like Southern Africa where the existence of a long-established and pervasive security threat to a number of states is universally recognised. In situations where the security threat may not be so readily discernible, the dispatch of an actual mission may not be politically feasible or, for that matter, always necessary. But even in these instances we would suggest that the Secretary-General could at least send a personal representative if the state feeling itself threatened so desires.

9.12 Once the dispatch of the Secretary-General's missions or representatives to areas of potential conflict becomes established as an available and accepted practice, an increasing number of Third World countries, and the small states in particular, would be encouraged to look initially to the United Nations for support in helping to prevent aggression, instead of dismissing the United Nations option at the outset as so many of them do at present and waiting until after a conflict has erupted before seeking its assistance.

9.13 In those situations where a mission might not be necessary or feasible, as an alternative to a personal representative, the Secretary-General could send an official from the Secretariat in order to obtain first hand information and provide him with an assessment. In any case, we feel that the Secretary-General's information gathering capacity, specifi-

cally in respect of the security of small states, should be generally enhanced and facilities provided for this purpose.

Recognition of neutrality status

9.14 In Chapter 5 we referred to the possibility of the Security Council giving recognition to declarations of neutrality status by small states. Although there would be difficulties, especially where the state concerned may be regarded as being within the immediate area of influence of a permanent member, we consider that the idea calls for serious consideration at the United Nations. Security Council recognition would not provide an actual guarantee of neutrality status, nor carry any protective weight in a military sense. But it would have the effect of making the small state, as it were a nominal “ward of the Council” and as such could, in certain circumstances, act as a useful additional political deterrent against aggression.

Assisting small states within the United Nations structure

9.15 Besides introducing measures to assist small states in safeguarding their territorial integrity, the United Nations should also consider other forms of assistance. For example, it could be helpful to establish a special unit within the Secretariat which could provide small states with information and guidance on relevant United Nations developments. While current budgetary realities could delay agreement on setting up a separate unit, it might be possible to make an immediate start by appointing a single official with responsibility for monitoring the special needs of small states, and a full-fledged unit might then gradually be developed over time. Additionally, individual departments and divisions within the Secretariat should be asked to pay particular attention to, and where appropriate develop special programmes for, small states. It should be noted that this was precisely the manner in which the Commonwealth Secretariat itself approached the first task of providing small states with the assistance they required in different spheres of activity.

9.16 We would urge Commonwealth governments to give serious attention to ways in which the problems of small states can be most effectively brought to the attention of the world body with a view to ensuring that mechanisms are fully utilised in order to meet their overall security needs.

Reducing costs of United Nations membership for small states

9.17 Some small states, including the four Commonwealth members which have so far not sought admission to the United Nations, have

indicated that they find the expense of United Nations membership too burdensome, including both the obligatory contributions and the costs of representation.

9.18 In considering the problem of obligatory contributions to the United Nations budget, we took into account the fact that recent efforts to formulate an agreed new system of assessments as a basis for reducing the present level of contributions by developing countries have not as yet proved successful. Moreover there seems little prospect of agreement being reached in the immediate future. A part of the difficulty is attributable to resistance from several of the developed members, including most notably the United States under its current Administration, to any new assessment scale that would effectively entail an increase in their own obligatory contributions to the budget.

9.19 Given these circumstances it hardly seemed realistic to consider recommending a special reduced assessment rate applicable exclusively to states with a population of one million or under. A proposal for a total financial exemption for these states would obviously be even more out of the question, and besides we feel that an exemption from all financial obligations might not in any case be desirable when applied to membership of a political body. Another option which we discussed was the possibility of recommending an associate-membership status similar to that already established at the World Health Organisation (WHO) and UNESCO. This too seemed to us an inappropriate solution for a political organisation and would moreover require an amendment of the United Nations Charter.

9.20 In our view a much more fruitful approach would be to find ways of cutting the costs incurred by small states in maintaining their representation at United Nations Headquarters. Our discussion focused on Australia's initiative of providing funds, administered through the Commonwealth Secretariat, for the establishment of a joint New York office to house the permanent missions of four small member countries, which is described below under the Commonwealth section of the present Chapter. Our assessment there is that this proved to be a successful scheme that could with advantage be taken up as a pan-Commonwealth obligation and extended to other small member countries if there is a demand.

B. INTERNATIONAL ECONOMIC MEASURES

9.21 In the light of the economic weakness and vulnerability of small states, we believe that the international community has a special obligation to provide an international environment which could

assist them in promoting self-reliant and stable development and in strengthening their economic independence. That environment does not now exist and the need for it is very inadequately recognised. We discuss below policies at the national and Commonwealth levels which could help in its evolution.

The status of small states

9.22 We consider in this section the policies of governments and international institutions which influence international trade and financial flows and are concerned with providing assistance directly to small states or their regional agencies or programmes.

9.23 A basic question which arises is whether, in the light of the special problems facing small states, it is advisable to consider the creation of a formal category of such states in the international economic system as a way of officially recognising these problems and ensuring adequate attention to them.

9.24 While it is true that most of the economic problems identified are not peculiar to small states, in many cases they apply more sharply to them. We believe that small states' economic features and problems have sufficiently identifiable characteristics to justify categorisation. However, in the current international situation, the process of categorisation would face political difficulties. One category of disadvantaged states already recognised by the United Nations system—the Least Developed Countries—has so far received little practical benefits, notwithstanding the special conference organised on their behalf in 1981 at which a Special New Programme of Action was agreed. Also, under present circumstances, categorisation could be seen as encouraging fragmentation of the international system and diverting attention from the wider problems of economic development.

9.25 For these reasons we do not advocate a formal economic grouping of small states at the present time. Instead we recommend a pragmatic approach involving two strands: securing better recognition of the problems facing small states and of the need for remedial action; and identifying formally or informally, a special category in specific economic fields where a clear need is established for such categorisation.

9.26 In relation to the latter recommendation the beginnings of such an approach are already discernible. Under the Lomé Convention, for instance, a category of island states is recognised for favourable treatment in some areas of co-operation, while within CARICOM the smaller states form a separate grouping of Less Developed Countries.

9.27 In some international arrangements the Least Developed Countries, or other categories of disadvantaged developing countries, are delineated for special treatment. We recommend similar treatment for small states on a selective basis in regard to arrangements where they have a clear interest. Some areas of international policy where delineation might assist are: trade access conditions, access to multilateral development banks, stabilisation of export earnings and disaster relief. The definition of a category of small states for these purposes should pose no serious problem since the definition could vary in order to reflect the particular interests of small states in each of the different areas concerned.

9.28 Another way of approaching the issue would be to give the poorer small states easier entry to the Least Developed Country category. In fact, some of these small states have already been seeking this classification and it is worth noting that the three applications for such categorisation made in 1985 were all from small states. Unfortunately, the eligibility criteria presently used do not capture the special problems of small states; for instance, they do not take into account in any adequate way the structural constraints which make it inherently difficult for them to achieve economic transformation. Also no adjustment is usually made to the per capita income criterion to take into account artificial elements. We therefore recommend that the ECOSOC review as early as possible the eligibility criteria for Least Developed Country categorisation with a view to accommodating particular development difficulties faced by small states. The United Nations Committee for Development Planning has repeatedly called for this.

Development assistance

9.29 As we pointed out earlier, small states have not so far been disadvantaged in relation to access to bilateral aid resources. However, policy trends do not look favourable. Increasingly, aid is being used to further the trade and strategic interests of donors, a trend which is likely to favour the larger developing countries. At the same time there is growing pressure for a redistribution of aid in favour of the poorest countries. While their strategic location may help some small states, the interest of small states could suffer from both of these pressures and their relative position in aid distribution has indeed already worsened. We would remind donors of the special need of these states for concessional resource flows and urge them to continue to recognise this need in their aid allocation.

9.30 Small states will continue to rely largely on official sources for external capital. Official lending, while offering better terms, carries the disadvantage that it is not usually free from political strings even when it emanates from multilateral sources. However, political influences are

stronger in bilateral provision and it is particularly strong *vis-à-vis* small and weak states. In view of this and the difficulties these states have in tapping capital markets, multilateral institutions have an important role in meeting the capital needs of small states.

9.31 But the prospect for increased flows from multilateral institutions looks poor. IDA has been provided with substantially reduced resources, even in nominal terms, in its current replenishment period and there are strong political currents against increased resource provision for the IBRD and the IMF. These developments are of special concern to small states.

9.32 Small states require favourable conditions of access to multilateral development banks and bilateral aid agencies. In the case of the IBRD and IDA, we drew attention earlier to the premature graduation of small states which results from the strict application by both these bodies of the per capita income eligibility criterion.

9.33 We believe that IDA's virtually exclusive reliance on per capita income as its graduation criterion (at a level presently around US\$800) has given rise to anomalous situations when applied to small states. The current graduation of a number of OECS states—Dominica, Grenada, St. Christopher-Nevis, St. Lucia, St. Vincent and the Grenadines—demonstrates this, since in no sense can these tiny countries be deemed to have achieved a level of development which enables them to rely mainly on borrowing on commercial or near-commercial terms. In such cases relatively high per capita income levels give a distorted view of actual development achievement. We regard it as extremely important that graduation should not be applied to small states until there is assurance of adequate availability of capital from other sources.

9.34 Per capita income is likewise used as the main criterion for graduating countries from IBRD lending and for determining, albeit on an informal basis, the lending ceilings of both the IBRD and IDA for individual countries. In these cases the criterion has the same disadvantage in that it is not also closely related in them to the real ability of small states to tap alternative sources of capital, though the problem is made less severe by a degree of flexibility in its actual application to IBRD graduation.

9.35 At present, prompted by the shortage of funds, new proposals are emerging on eligibility criteria for IDA lending. We recommend that in any review of the eligibility criteria the special importance to small states of access to multilateral concessional finance must be given due recognition. In the meantime, we urge that the graduation process for small states be made more flexible, and that no small state should be

made to graduate from both IDA and the IBRD unless there is assurance of adequate access to alternative sources of finance. In the case of IDA one approach might be to put in place transitional arrangements to prevent adverse effects from an abrupt ending of access to its funds.

9.36 It is not only in connection with loan capital but also in equity investment that international policies are insensitive to the needs of small states. At the International Finance Corporation (IFC), as at IDA and the IBRD, small projects are not favoured, partly because of the high overhead costs these involve.

9.37 Although the IFC has recently become more accessible, it needs to consider ways of significantly increasing its relevance to small states. In addition it should assist regional and national development banks to do more to help small states. In the case of loan capital, regional, sub-regional and national development banks do provide assistance for smaller projects, but the gap in venture capital is not filled to the same extent. These banks need to become generally more involved in supporting equity investment in small states.

Coping with foreign enterprises

9.38 Regarding the operation of foreign enterprises in small states, the key issue is rather the weakness of the latter's capacity to negotiate and bargain. In relation to international policies, an issue of importance to small states is the need for codes of conduct. The international community has been negotiating for some time to set up codes, both on general relations between transnational corporations and host countries and specifically on technology transfer arrangements. These codes have considerable relevance to the inadequacies of small states in dealing with transnational corporations and their early establishment could substantially contribute to creating a more secure international environment for the development and independence of small states in the international system.

9.39 There is a crucial need for technical assistance from international agencies to bolster skills, first in vetting business propositions from foreign concerns and then in negotiating the contractual arrangements where proposals are deemed to be acceptable. Negotiations with transnational corporations are particularly demanding of skills and information. Proposals from foreign adventurers with predatory or criminal intent need to be weeded out, yet the necessary investigatory skills are not normally available in, or affordable by, small states; and reputations that have been slowly built up and are extremely important for off-shore banking and other financial activities can be destroyed by even only an occasional failure in vetting procedures. International

organisations such as the United Nations Centre for Transnational Corporations, the UNDP and the Commonwealth Secretariat provide technical support for vetting and negotiations. These resources are, however, inadequate to meet demands and we strongly recommend that they be increased, in recognition of the urgent requirements of small states in this area.

Export earnings stabilisation

9.40 The establishment of effective export earnings stabilisation arrangements could be of considerable advantage to small states because of their erratic foreign exchange earnings. The major international arrangement currently in operation to moderate fluctuations in foreign exchange earnings is the IMF's Compensatory Financing Facility (CFF). A recent improvement in the CFF, which has increased its relevance to small states, is the option given in 1979 to member countries to include earnings from tourism in the calculation of shortfalls in export earnings. However, the mechanism of the CFF has an inherent bias against members with wide fluctuations in foreign exchange earnings, since the ceiling on compensation is related to their subscription quotas rather than to the extent of their export shortfalls. Moreover, in recent times both the ceilings and the general operation of the CFF have tended to become more restrictive.

9.41 We believe that the CFF offers yet another example of an international arrangement which has been unresponsive to the needs of small states. We join with others in calling on the IMF to re-examine the functioning of the CFF with a view to improving its effectiveness in relation to its objective of stabilising foreign exchange earnings, and in so doing to give special attention to the problems of states subject to erratic foreign exchange earnings. At present the system of quota allocation has a small bias in favour of small states. But this makes little impact on the much larger opposite bias inherent in the ceiling on compensation.

9.42 Apart from the CFF, the only other international export stabilisation arrangement is the Stabex scheme under the Lomé Convention, which covers exports from the African/Caribbean/Pacific (ACP) countries to the European Economic Community (EEC). But this is a very modest arrangement covering only agricultural products and not even all of these. Nonetheless, island states, like other disadvantaged member states, enjoy special privileges under Stabex and they therefore have a strong interest in its continuing improvement.

9.43 Besides the CFF and Stabex, export earnings stabilisation is pursued indirectly through price stabilisation arrangements like the international commodity agreements. But these tend to require financial support, e.g. to purchase surpluses during periods of low prices. Under the United

Nations Conference on Trade and Development (UNCTAD) auspices, agreement has recently been reached to establish a Common Fund to finance price stabilisation arrangements. Small states would stand to benefit from the operations of the Fund, and we urge its early establishment with modalities which would facilitate the full participation of commodity exporting small states.

Trading arrangements

9.44 The removal of protectionist barriers to trade is of special importance to small states, in view of the limited opportunities their national and regional markets offer. Small states must be encouraged to adopt and promote outward-looking trade policies. But wide exposure to the international economic system can lead to stable and durable growth only if improved market access is not confined to particular products and markets and if other supportive domestic policies are adopted to increase capacity to tap available markets.

9.45 The crucial importance of external market opportunities for the development of small states is inadequately recognised in the international system. The case for favourable treatment for the Least Developed Countries has recently won recognition and, under the Generalised System of Preferences (GSP), such treatment has now been extended to them by some of the preference-giving countries. We believe that small states have a case for similar treatment which is no less pressing, and greater efforts must be made to secure its acceptance. Further, since these states have special difficulties in penetrating foreign markets, and possess a very limited capacity to disrupt such markets, we recommend that they should be freed from all limitations that apply to access under the GSP, as well as being given exemption from all organised marketing arrangements (OMAs) and voluntary export restraints (VERs). The current Multi-Fibre Arrangement (MFA) expires in mid-1986. We recommend that, if the MFA is renewed, states of the size we are concerned with in this Report should be excluded from its provisions.

9.46 In the current context of restrictive international trading arrangements and restricted access to international capital, it is understandable that small states should want to ensure market access and financial assistance through economic co-operation arrangements with major industrial countries. Where many industrial countries are involved in such arrangements, as in the case of the Lomé Convention, potential hegemonic designs are diluted or avoided. However, where only one major state enters into an arrangement with small states, as in the Caribbean Basin Initiative (CBI), the possibility exists that it can eventually overwhelm its captive partners by political influence and leverage, while simultaneously reducing economic benefits.

9.47 In the final analysis it is for the small states contemplating involvement in such arrangements to make their own choice in full awareness of their potential dangers and benefits. But equally the international community has an obligation to create, through support for small states' regional co-operation efforts and liberal and equitable policies on trade and finance, an international environment which reduces the attractiveness of bilateral arrangements with such long-term costs and risks.

Disaster relief

9.48 As with international economic arrangements, international schemes for disaster preparedness and relief to protect the weak and vulnerable are very inadequate. Many small states have a strong interest in seeking improved arrangements because of their vulnerability to extensive damage resulting from windstorms and other natural causes. The Office of the United Nations Disaster Relief Co-ordinator (UNDRO) is the main international agency responsible for disaster preparedness and relief. It also supports related regional programmes like the Pan-Caribbean Disaster Preparedness and Prevention Project and the SPEC National Disaster Relief Fund in the South Pacific. Assistance is provided by other agencies such as the FAO, the World Meteorological Organisation (WMO) and the WHO in their own specific area of activity.

9.49 States and regions prone to disasters must of course make their own efforts; but where states are small and poor, adequate arrangements require encouragement and support by the international community. Technological advances in the monitoring of weather and crops by satellites is giving greater scope to international efforts. However, technology can provide only the means. The will to assist must be present. We consider there is a need for much greater international assistance in this area, in order to ensure that adequate safety-net arrangements are provided for the weak and vulnerable. Bilateral assistance must also play its part, particularly in providing support for regional disaster relief arrangements. Non-governmental organisations, particularly voluntary charitable organisations, can play a unique and catalytic part in arousing the world's attention to human suffering and cutting across political and national barriers in answering people's needs.

C. THE COMMONWEALTH'S PART

9.50 In the course of this study our confidence in the potential of the Commonwealth for collaboration between peoples and states has been amply confirmed. It possesses decided operational advantages over many

other international agencies, largely because the flexibility and ease of communications that inform its consultative processes greatly enhance its capacity for effective functional co-operation. These attributes are particularly useful in dealing with matters related to security. We are therefore convinced that the Commonwealth has a pre-eminent contribution to make in assisting small states to cope with their special security problems. Indeed the association has already shown it has recognised this by taking the lead in accepting an obligation to the small nations of the world community through the extensive programme it initiated in 1979 for the benefit of its own small and other specially disadvantaged member countries.

9.51 Against the background of the Commonwealth's present work to help small member states, we examined the possibilities for extending its scope in order to ensure that it is more closely related to specific security needs.

Technical co-operation

9.52 We focused here on the activities of the CFTC, since this is the Commonwealth's most important mechanism for distributing technical assistance to developing countries. The percentage of the Fund's expenditure that was allocated in 1983/84 to the Secretariat's programme for small and other specially disadvantaged countries represents a sizeable commitment, which should of course be sustained. We believe the CFTC could substantially contribute to the various training and other technical assistance requirements indicated earlier in our Report. However we would particularly urge it to widen its activities so as to include projects that have a more direct relevance to political and military security problems, in respect both of training and of providing a special consultancy service similar to that offered by the Technical Assistance Group (TAG) which already operates within the CFTC. It should also continue to support small states in dealing with maritime problems through studies and action groups along the lines of the pioneering project for Commonwealth maritime co-operation recently introduced in the Asia and Pacific region under the auspices of the Commonwealth Heads of Government Regional Meeting (CHOGRM).

Action to reduce costs of United Nations representation

9.53 Australia's imaginative initiative of providing funds, administered through the Commonwealth Secretariat, for a joint New York Office with common support services, which was established in 1983 to house the permanent United Nations missions of three Pacific island states² and the

² Solomon Islands, Vanuatu, Western Samoa.

Republic of Maldives, has been much appreciated by these countries. The scheme is also widely admired among other small member nations. The four participating countries are required to meet only the expenses involved in maintaining their representatives in New York—that is, the costs of travel, accommodation, salary and allowances, cars and drivers—and any additional secretarial personnel they may wish to employ. The basic savings to each government are estimated to amount to well over \$100,000 a year, thus affording them the option of expending this sum on equipping themselves—for example by increasing the size of their delegations—for a more effective representation at the United Nations.

9.54 Officially launched at the 1981 Melbourne summit, this scheme was originally inspired by the recognition of a regional need expressed at a preceding Meeting of Heads of Government from the Asia and Pacific region (CHOGRM 1982). In our judgement it has proved a highly successful venture which should be formally acknowledged as having passed the experimental stage. However, while we consider that the use of the Secretariat as the medium for administering the finances and hiring of office staff constitutes an adequate safeguard against possible infringement on the participating states' sovereignty by the funding country, we feel it would be more appropriate for the scheme to be undertaken as a pan-Commonwealth obligation and funded accordingly. Moreover we believe that it would be desirable, in any case, for the scheme to incorporate a minimal element of cost-sharing by the beneficiary states. We would also commend the idea of establishing similar arrangements in New York for any other regionally linked group of small states which may seek such assistance.

The consultation process

9.55 In the course of the three colloquia convened by the Group respectively in the South Pacific, Africa, the Indian Ocean and the Caribbean, it became clear that officials from the constituent member countries within the different regions do not necessarily consult in a routine manner about security matters; although they do, of course, consult on an occasional ad hoc basis. We believe that there is a need for regular regional consultations on broad concerns relating to security and that the Commonwealth Secretariat is well placed to facilitate these. It might also be advantageous if such consultations were of a fully regional character and not necessarily restricted to member states of the Commonwealth.

9.56 In view of the large number of small states in the Commonwealth, which moreover represents a high proportion of the world's total number of small nations, we recognise an important role for the association, not only in helping them to achieve stable growth and development directly,

but also in promoting their interests internationally. Throughout our work we have been conscious of the inadequate representation of small states' interests in the international system. The Commonwealth has served as one of a few significant forums giving expression to these interests. Consideration might be given to better use of this Commonwealth facility by arranging special meetings of the small states, which could take place for instance before major Commonwealth meetings that deal with issues of special concern to them. The opportunity could be taken at such small states' meetings to introduce, when necessary, a broader agenda to permit discussion of all related problems. They could also provide a forum for inviting participation by non-Commonwealth small states, where a wider involvement is considered useful.

Role of the Commonwealth Secretary-General

9.57 The Secretary-General plays a key role in the Commonwealth by responding to the expressed wishes of member governments and by facilitating constructive dialogue and consultation. His regular contacts with Heads of Commonwealth and other governments, as well as with highly placed officials in international and regional organisations, and his familiarity with the problems of individual Commonwealth countries gives him the opportunity for uniquely contributing to the promotion of small states' security, particularly through the means of 'quiet diplomacy'.

9.58 In the event of a particular security crisis arising for a small member state, we would urge that the Secretary-General should immediately initiate consultations with that government and with the member states in the region, in order to ascertain whether there is a general wish for some kind of pan-Commonwealth action and to enable him to formulate appropriate proposals. We would also recommend that he consider responding favourably to any request for his intervention by a small state feeling itself under an external threat; in certain circumstances he might consider it helpful to despatch an advisory team to the state concerned.

Special security arrangements

9.59 There was unanimous support within the Group for the idea that the Commonwealth should maintain the practice of responding to requests for ad hoc peacekeeping forces that was initiated in 1979 in order to meet the needs of the Zimbabwe situation at that time, and which might well have been utilised in the case of Grenada as envisaged in the New Delhi Communique. We also note that in moments of urgent crisis the fraternal links of the Commonwealth have facilitated the provision of direct bilateral military aid. For example, Tanzania gave support to Seychelles in 1977 and Papua New Guinea to Vanuatu in 1980, and we feel this is a worthwhile practice that should continue when the occasion demands.

9.60 The possibility of creating a collective stand-by force drawn from national contingents of Commonwealth countries for the purpose of making an immediate response to crisis situations, was also thoroughly discussed. Although this is a conception that has backing from some quarters, our own view is that the political and technical difficulties involved in establishing and maintaining a stand-by force of this nature are overwhelming and that we would therefore be unrealistic in recommending it at this juncture. We would, however, strongly urge that Commonwealth resources, on both a bilateral and multilateral basis, should be made available to support the establishment and maintenance of any multi-purpose regional security forces that might be created by the constituent small member states themselves.

9.61 At present within the Commonwealth, agreements exist for bilateral and multilateral support for military training. Special arrangements are also made for the secondment of skilled personnel to serve in the military and police establishments of needy member countries. At the multilateral level there is an admirable openness to evolving needs, as was most recently demonstrated by the despatch of a Commonwealth military team to Uganda between 1982-84. Nevertheless there is scope for more of this routine intra-Commonwealth co-operation, not only for providing training and expertise, but also, where necessary, for supplying the relevant hardware.

Economic co-operation

9.62 Much of the Commonwealth's activities are in the area of technical co-operation and over time they have become more responsive to the problems of small states. Most of its major activities—export market promotion, assistance with negotiations on access to raw materials, surveillance and development of marine resources, improving financial management, borrower/lender consultations, disseminating economic data and information on international development policies, training, vetting foreign commercial proposals, protection against commercial crime, industrial development, food production, technology transfer and development—are highly relevant to the problems of small states.

9.63 Some of these activities, however, have crucial relevance to current problems of development and security and we emphasise their importance in order to ensure adequate resources to meet current and future needs.

9.64 It is extremely important that small states are able to have adequate access to external capital. While the Commonwealth does not at the moment operate a capital fund, it plays a significant role assisting its small member states in improving their access to official and private capital.

9.65 We are pleased to note that the Commonwealth Secretariat has responded positively to requests for assistance from Caribbean states to deal with their graduation problems with the World Bank. We note also that the Secretariat has begun to give assistance to countries in their negotiations with the IMF and that the capital markets programme is facilitating contacts and consultations between commercial banks and small states. We believe that these capital market activities should be given increased support and should include, where necessary, assistance to small states to deal with discussions and negotiations with financial institutions—official as well as private—including the preparation of projects and structural adjustment programmes for financing by these institutions.

9.66 In relation to the difficulties small states face in tapping international financial institutions, we found the intermediary role played by the CDB particularly helpful to the Commonwealth Caribbean States. In the light of this experience, Commonwealth South Pacific states might find it useful to examine whether they might not derive similar benefits from a sub-regional development banking institution. The Commonwealth could provide technical assistance if such a study is deemed to be necessary.

9.67 Sub-regional development banks do not usually provide support for equity investment and the very small projects in small states are not of great interest to the IFC. We understand that a Commonwealth group of specialists identified a gap in the availability of venture capital for small projects and recommended the establishment of a Commonwealth risk capital facility. If such a facility is established, it would be of particular benefit to small states where gaps in this type of finance are likely to be more marked. We recommend that the follow-up work on this proposal, which is being carried out by the Secretariat, should pay special attention to the needs of small states for equity finance and should be completed as early as possible.

9.68 Of great importance also is the assistance being provided by way of disinterested outside experts under the aegis of CFTC, in negotiations with transnational corporations for raw material ventures and other major projects. We see a continuing need for assistance in this area as well as in finding joint venture partners, in vetting foreign commercial proposals and in the prevention of commercial crime and fraud. The work of the Commercial Crime Unit of the Legal Division and the growing demand for its services are illustrative of the expanding needs in these areas and of the urgent need for additional resources. Since the establishment of the Unit in 1981, it has provided assistance in over 700 cases, the majority of which involved small states. Another new area with expanding needs is the exploitation of marine resources within national economic jurisdiction. Assistance is required in such aspects as

delimiting areas within national jurisdiction, mounting and controlling surveillance over such areas, national legislation, institutional infrastructure, regional co-operation, training and negotiating with foreign governments and enterprises for the development of the marine resources.

9.69 In all these areas—tapping capital markets, negotiating with and vetting of foreign enterprises, commercial crime prevention and managing marine resources—we urge the Secretariat to become increasingly sensitive in identifying needs, and Commonwealth governments to be responsive to changing needs in their resource provision.

9.70 There is considerable need to improve the representation of small states' interests in international economic fora. Through its quarterly publication, 'International Development Policies', which was largely designed with a view to meeting the needs of small states, the Secretariat keeps governments regularly informed of developments on economic matters at the United Nations system and other major international fora. And in one major international negotiation—the Tokyo Round of the Multilateral Trade Negotiations—it provided assistance directly by locating a Trade Adviser in Geneva during the long period of the negotiations.

9.71 The proposal for a new round of multilateral trade negotiations is now being actively considered. In view of the strong interest of small states in open markets, we urge that in any such round the General Agreement on Tariffs and Trade (GATT) should seek to ensure that small states' interests are adequately represented, and that the Commonwealth Secretariat should give early attention to appropriate arrangements for supporting the interests of Commonwealth small states. In this connection we would advise that, if the new round is held, the Secretariat should arrange at a convenient time, an intergovernmental meeting of Commonwealth small states to discuss their special interests in the negotiations and how they could be most effectively pursued.

9.72 We believe that similar meetings concerned with financial issues should be held occasionally and particularly before major international negotiations on such issues. For convenience, and in order to reduce costs, such meetings could be arranged from time to time in conjunction with meetings of Commonwealth Finance Ministers.

Part IV

Conclusions and Recommendations

Chapter 10

Conclusions

A COMPELLING OBLIGATION

10.1 The conclusion of our preceding analysis is that, because of their intrinsic characteristics, small states need a special measure of support. In a loosely ordered international community of over 150 states varying in size, power, capacity and goals, they can easily be overlooked and left at a disadvantage. On the other hand, it is widely recognised that many small states have made a major significant contribution to the international community.

10.2 Most small states secured their independence within the past 20 years and the international system has not paid adequate attention to their special vulnerabilities and special needs. Moreover, in the last decade the deterioration in international co-operation, the widening range of conflict and disturbed world economic conditions have noticeably, sometimes critically, aggravated the disadvantaged condition of small states.

10.3 These factors, of course, affect all states in varying degree and even some larger states face critical problems as a result of them. We believe it to be indisputable, however, that the smallest and weakest within the international community, those with the least political clout, military strength or economic resilience, are among the ones who are likely to suffer most and whose special vulnerabilities are likely to go unnoticed and unrelieved for the longest time. We believe there are compelling obligations that derive from these realities: obligations on the international community, obligations on the Commonwealth itself—which has within its membership so many small states—and, of course, obligations that fall on small states themselves. All concerned must acknowledge and begin to fulfil these obligations.

10.4 If these obligations are not recognised and addressed, the prospects for small states could become serious; and those prospects will worsen if present trends towards self-interested bilateralism on the part of certain major powers continue and if, as well, the world economic situation becomes more disordered. The vulnerability of small states will then be even more critically exposed. Some may be forced to become unacceptably subordinate to large neighbours; some may even come under the influence and control of powerful corporate factors or criminal elements; others may have to live permanently with economic weakness and disability. Not all small states are equally susceptible to these dangers and we have in our analysis brought out the positive elements. There is a pressing need, however, one regrettably so far unrecognised, for the international community to face up to the special vulnerability of small states in both the economic and political dimensions. It is a task that must not be ignored—both in the interest of small states and in the interest of the wider international community with which their fate is so commingled.

ARENAS FOR ACTION

10.5 There is thus a compelling obligation at all levels—global, regional and domestic—to put the issue of the special needs of small states in proper perspective and having recognised it, to take appropriate measures. At the end of our Report we have put forward a number of specific recommendations in this respect; in brief, there are in our view eight broad arenas for action within which the special problems of small states need to be addressed.

1. Establishing a global environment of support and protection

10.6 It is a commonplace that our world is today interdependent. That interdependence demands continuous institutional innovation and response in circumstances that are constantly changing. At the core of the vulnerability of small states is the failure to implement an effective international collective security system as envisaged in the Charter of the United Nations.

10.7 On the one hand major military powers have sought to pursue their own security through military pacts and alliances, while many medium powers have also sought to develop the means, including collaborative mechanisms, for protecting themselves. Small states are, however, unable to provide for their own security and there is little value in prescribing an exclusively self-reliant military answer to their security problems. It is therefore necessary to create an environment of support and protection for these states so as to supplement the measures which they themselves

are taking. The measures which we have advocated at the bilateral and regional levels assume some acceptance of responsibility by the international community for bolstering the sense of security of small states.

10.8 Within the Commonwealth community there is special scope and opportunity for taking a lead in creating such a protective environment for small states, both by building upon the arrangements that already exist, and by pressing for those incremental changes which, as we have indicated in the Report, can feasibly be achieved in the United Nations system. The defence network for these states would necessarily involve supporting arrangements with larger states and links at the regional level as well as with the broader international community.

10.9 The economic dimension is equally important. Small states need international economic policies which recognise their greater relative exposure to and dependence on external economic circumstances. This situation, combined with bilateral weakness, gives small states a substantial interest in a thriving system of multilateral co-operation. Recent erosion in multi lateralism is therefore of special concern to small states. In the economic sphere, the structural problems encouraged both by smallness and by the instability created by exposure to the international system require special measures, international and national, to promote self-reliant development. Small states also require safety-net measures to protect them against external and internal shocks which tend to fall on them with particular severity.

2. *Enhancing the regional infrastructure*

10.10 Contemporary regional initiatives amongst small states have largely centred on economic and developmental concerns and have only recently begun to focus on the area of security. As a consequence their regional structures are not, for the most part, geared to handling security issues. There is, therefore, much room for further action. Regionalism however is costly, particularly when the constituent countries are islands separated by wide distances. It also requires a strong commitment and a far-sighted approach, as it is a long-term process demanding great flexibility and tolerance as well as imaginative institution-building. Regional endeavours in pursuit of shared developmental objectives are themselves an important contribution to their common security. This provides an additional justification for sustained international financial and technical support for regional efforts.

10.11 In some areas international realities require a readiness to concede a degree of sovereignty as a concomitant to increased welfare for all. Regionalism is indeed one acknowledgement of this. Although

small states, many of which are newly independent, naturally tend to be very protective of their sovereign status, we would urge them to commit themselves to regionalism with vigour and regard it as a reinforcement of their sovereignty as much as it is an instrument for their further development.

10.12 The success of regionalism calls for the creation of a sense of enthusiasm, loyalty and common purpose amongst politicians and public servants, as well as the general public. To achieve this, we see great value in increased interaction, co-operation and consultation at all levels, including the non-governmental, and would emphasise the contribution such an approach could make towards improving participatory politics at the regional level, and in advancing the prospects of collective well-being.

3. Strengthening domestic security

10.13 The contemporary international environment requires that military security should be accorded higher priority by small states than they have so far done, and the major effort must be at the national level. There is much room for improvement in self-help measures, particularly in information and intelligence gathering.

10.14 Over and above this, there is need for imaginative approaches to the military establishment. It is not possible to fix a standard size for a security force in a small state; nor have we been able to study in depth the technical requirements at the military level. This remains an area where much work needs to be done.

10.15 In emphasising security, however, we do not intend to suggest that small states should become overly security conscious. They must beware of diverting a disproportionate share of resources from development to defence. Nothing could be more dangerous in such small entities. It would be all too easy, on the grounds of security, to establish a police state or seige mentality. Our concern rather is that governments should maximise their response capabilities in relation to their genuine security needs and that their peoples should become more aware of the international factors which can impinge in significant ways on their national life. If the 'paradise isle' image of many of these states is to remain credible, their security systems should not become disproportionate to their real needs.

4. Fostering participatory politics and a relevant state structure

10.16 The security of states at the domestic level is obviously tied to internal stability and the level of popular acceptance of the administration and of the legitimacy of the regime. Small states should have an

advantage over larger states on both these counts simply because of their limited size and scale of operations. It is obvious, for instance, that information can be disseminated more quickly and that the state organisation is comparatively easy to manage. Energetic leadership can also rapidly generate efficiency and enthusiasm. But these very characteristics can be used with equal success for ideological manipulation, propagandising, or even oppression.

10.17 Every effort should therefore be made to develop and encourage a participatory style of politics and to create a state structure to facilitate it. Regime legitimacy is central to the survival of democratic institutions and also very pertinent to perceptions, internal and external, of the acceptability of a particular administration. It is also a central consideration in influencing the behaviour of neighbouring, regional or extra-regional states, which could arrogate to themselves the right to intervene in situations of severe domestic disorder and turbulence. This is particularly possible in cases where there might be spill-over effects on other states. In a grouping of small states the accepted principles of legitimacy need to be clearly articulated and agreed upon at both the domestic and regional level so as to establish a workable basis for the maintenance of wider order and stability.

5. *Adopting a flexible and diversified approach to economic development*

10.18 The question of economic viability remains important especially for very small states. Since small states have been a reality within the international community for some time, this is no longer an academic question, and the highest priority should be given to determining how their viability could be bolstered.

10.19 The economies of small states have tended to be dominated by a single or very limited number of economic activities. However, while size is a limiting factor, experience indicates that there are significant possibilities for diversification and a major challenge is to devise a flexible and outward-looking approach to economic development.

10.20 Small states have a relatively greater need for a favourable and stable international economic environment and are powerless to influence adverse global economic movements, which often have a disproportionate impact on them. The international community should therefore assume special responsibilities for their development. Our recommendations are designed to create conditions in which these states can chart their economic destiny with greater effectiveness, predictability and confidence, and to secure greater recognition of their special needs by international institutions.

6. *Exploiting the patrimony of the seas*

10.21 Most small states in the Commonwealth are islands. In the current era of advanced scientific and technological development, the sea has assumed a new importance as possibly the last major frontier for resource exploitation. This provides a unique opportunity for many small island states to gain access to a resource base which can underpin their aspirations for self-reliant development. Conversely, their enlarged area of national jurisdiction has the effect of heightening their strategic relevance, which could project them more centrally into international resource diplomacy and power politics. This increases their responsibilities, underlining the advantages of regional co-operation and the requirement for international assistance. Small states with sovereign responsibilities over large areas of the ocean are a recent phenomenon, whose implications need to be more fully appreciated by these states themselves as well as by the international community. It calls for new perspectives and arrangements and a wide range of work needs to be done to explore the potential opportunities and latent difficulties.

7. *Reinvigorating Development Assistance*

10.22 We consider that there should be expanded assistance, both multilateral and bilateral, necessitated by the need to support specific measures to enable small states to overcome the problems which we have identified as deriving from smallness. The bilateral record of aid to small states has not been poor and should be maintained; however, multilateral provision has a special importance for these states, in large part because it carries less danger of political leverage being applied. One way to ensure that increased resources are made available expeditiously and in a manner responsive to the particular needs and circumstances of small states is to channel a larger proportion of them through regional or sub-regional development banks.

10.23 We believe, however, that aid, whether multilateral or bilateral, if it is to be effective in diminishing the vulnerability of small states and in promoting their development, should be provided in ways which respect their sovereignty and advance their nationally defined objectives. It should aim to strengthen their institutions and to increase the levels of expertise available to them by the use, wherever possible, of indigenous experts. Similarly aid should support regional institutions which small states have established as instruments for their development.

10.24 It is particularly important that security assistance should be sensitive to small states' need to continue to be seen as maintaining their full independence. Any measures which disregard this need and put in jeopardy the authority of the state are likely to provoke national and regional opposition and may thus increase vulnerabilities in the long run.

8. *A selective but active international role for small states*

10.25 It is somewhat ironic that so many small states have chosen to be active participants in international politics at a time when that arena makes much greater and more complex demands than ever before.

10.26 That more small states have not opted out of, or minimised their role in, international affairs is much to their credit and their tenacity and integrity deserve acknowledgement.

10.27 It is clear that small states appreciate the benefit they could derive from effective international institutions. Many however are not making full use of them; some of our recommendations suggest how they might be helped to do so. Small states have to face the fact that a full diplomatic role necessarily poses hard decisions in defining the range and limits of their involvement. Diplomacy is yet another area where scarce human resources prescribe the level and scope of options available to small states. Smallness need not, however, necessarily be a constraint in pursuing creative but judicious initiatives within the international setting. Precisely because small states have neither the multiplicity of interests nor the strategic and political ambitions of larger members, they are in a position to make a unique contribution to promoting international order, and indeed some are already doing so.

10.28 In identifying the arenas for action outlined above we have suggested the broad areas that need to be addressed. Our recommendations that follow set out a range of specific measures which in our view are practicable and can be taken up both by small states and the international community. All, however, depend in the last analysis on the political will to treat small states as credible and sovereign members of the world community and as an enduring feature of contemporary international relations.

10.29 In the light of the complexities of the current international milieu we have not called for any major restructuring or accommodation for small states within the world order. Indeed the implications of what the Commonwealth Secretary-General has characterised as a “retreat from internationalism” have imposed a restraint upon the nature of our recommendations for international action, and have been one reason for the consistent emphasis in our Report on more self-help measures by small states, through regional endeavour wherever feasible.

10.30 We are very conscious that this Report is by no means the last word on the question of the special needs of small states, but we hope that it will help to bring their problems more centrally and urgently to the attention of the international community.

Chapter 11

Recommendations

The various measures advocated in Part III of our Report are set out below as formal recommendations. They are arranged in terms of the three levels at which they would be implemented: national, regional and international. However, since this is a study requested by Commonwealth Heads of Government, the recommendations specifically for Commonwealth action are presented separately from the other international measures. For ease of reference the measures within each group have as far as possible been organised under headings that reflect the main subject areas covered in Part III (Chapters 5-9); and the numbers in square brackets indicate the paragraphs where the proposals are discussed. The recommendations are numbered in a straight sequence, starting from No. 1 under the section on National Policies and Measures and ending with No. 79 under the Commonwealth section.

1. NATIONAL POLICIES AND MEASURES

A. Strengthening National Defence Capability

1. Small states should aim at establishing multipurpose and flexibly structured security forces, able to carry out a diversity of functions including development projects and disaster relief. Primary emphasis should be given to paramilitary skills. Governments should recognise the need for appropriate equipment and a high level of motivation and morale [5.13-5.15].
2. Well trained citizen forces or voluntary reserves could serve as a useful back-up to the regular security forces and increase the capacity to deter external territorial threats [5.16-5.17].

3. Governments should recognise the necessity of training and using professional security advisers spanning the fields of foreign, defence, economic and general internal policies, and of developing efficient organisational structures to harness their services [5.38-5.39].
4. Small states contemplating bilateral security arrangements with a larger power should give due weight to their regional implications and possible adverse political impact before reaching a decision, particularly if the larger power seeks base facilities. In general, formal defence arrangements with a larger power should be seen as an option to be exercised only where a small state is under a military threat from an identifiable enemy [5.23].
5. Where appropriate, small states could consider formally declaring a status of neutrality consistent with international law and seeking to have it officially recognised, at least by neighbouring countries and possibly also by the Security Council [5.28; and see also No. 45 below].
6. There is a considerable role for external assistance in enhancing the self-reliant defence efforts of small states. The major areas for such assistance are training, intelligence, costly equipment (particularly in maritime areas), logistics facilities and infrastructure. Although bilateral technical assistance poses less risk than bilateral defence arrangements, care should be taken to avoid arousing suspicion within the region, and over-militarisation [5.51].
7. Immediate steps should be taken by small states to improve their access to a wide variety of information on developments and views affecting national security interests and to introduce or upgrade regular systems for the procurement and analysis of information from abroad, particularly of a diplomatic and security nature [5.37].
8. Small states could make much greater use of information available at the United Nations and its agencies, as well as in the Commonwealth Secretariat. They should also endeavour to develop or upgrade information exchange relations with other Commonwealth member countries [5.36].
9. While improvement of intelligence data and analysis is essential, small states have, of necessity, to be very selective in using their own meagre intelligence resources; emphasis should therefore be placed on regional co-operation [5.40; and see also under Section II below].
10. Small states also stand to benefit considerably from bilateral arrangements with regional partners or other friendly states for exchange of intelligence [5.41].

B. Underpinning Economic Growth

11. Economic diversification could greatly help to reduce economic weakness and insecurity, and should be an important objective of small states [6.5-6.6].

12. Difficulties of economic diversification should not be allowed to encourage over-concentration on 'softer' development options and deter efforts to secure more stable and sturdy economic development. The latter will require high standards of administration and management to make the best use of limited economic opportunities and to avoid the pitfalls of sanctions associated with foreign investment [6.6-6.7].

13. Transnational corporations could assist the economic development of small states which must, however, be helped to overcome their weakness in dealing with these corporations [6.9].

14. A vigorous indigenous private sector can, in appropriate cases, contribute directly and through joint ventures, to self-reliant development and to reducing the dangers from transnational corporations [6.10].

15. A special effort is needed to develop indigenous technological capacity, not only to improve research and development, but also to assess and adapt imported technologies [6.11].

16. Small states, even when densely populated, could increase food and other agricultural production through intensive cultivation assisted by land reform and technical support. Food production, tourism and other service industries and manufacturing could add to traditional exports and provide scope for diversified development [6.12].

17. Small states should be outward-looking in their development policies, even though this increases exposure to external influences. Rapid, stable and self-reliant development can only be achieved through skilful exploitation of internal and external economic opportunities [6.13].

18. In marine development, small states should give priority to: drafting of national legislation covering all uses of ocean space, including the declaration of their EEZs; integration of the marine sector into the general development strategy; establishment of an administrative structure for marine development [6.24].

C. Promoting Internal Cohesion

19. Small states should constantly pursue policies aimed at engendering confidence in public institutions and fostering active involvement in the

democratic process. Specific measures should be taken, where necessary, to improve parliamentary procedures and to provide research and administrative assistance for members of parliament [7.5].

20. Measures in the human rights area could include: encouragement or development of non-governmental institutions [7.8]; fostering freedom of expression through the development of independent media [7.9]; and provision of constitutional safeguards for the protection of human rights and an independent judiciary [7.11].

21. Given their limited human resources, small states need to develop an administration staffed by personnel who are skilled in more than one task relating to development management [7.16].

22. While they must remain open to new influences and techniques and retain the capacity to innovate, small states should nevertheless continue to protect their national identity and core values [7.17].

D. Diplomacy and Foreign Policy Management

23. It is vital for a small state to formulate co-ordinated foreign policy objectives and strategies that take fully into account the implications of being a tiny entity in the international arena. They should develop positive techniques of diplomacy to compensate for their limitations, including occasional judicious use of bold initiatives [8.15; specific pointers for consideration are set out in 8.16-8.20].

24. Small states belonging to the same geopolitical group should appreciate that co-ordination of foreign policy can assist them to maximise modest national diplomatic resources and provide a useful source of political support. Where they share a common view on certain foreign policy issues, it could also be advantageous for them to have regular consultations, formally or informally, to consider the desirability of establishing a co-ordinated position [8.21-8.24].

25. Since small states can maintain overseas missions only in a handful of countries, careful judgement is required in deciding on which states to focus. Full advantage must also be taken of membership of intergovernmental bodies, both regional and transregional, which provide a valuable alternative means of fostering bilateral relationships. Location of suitably skilled diplomatic personnel in posts advantageous to gathering information relevant to the national interest is of considerable value [8.3-8.5].

26. Small states should consider the advantage of playing an active and constructive role within the United Nations [8.12-8.14]. States confronted

by a specific security threat from another country should appreciate that immediate recourse to the Security Council can sometimes help in warding off aggression [8.11]. They can also seek, through a systematic use of Assembly procedures and its subsidiary bodies, to mobilise majority support from the United Nations membership, including some of the major powers [8.9].

27. Small states should plan their participation in international activities on a highly selective basis, focusing essentially on issues closely related to their national interests [8.19].

E. Training Needs

28. It is recommended that small states adopt a more systematic policy of seeking training assistance for national/civil service personnel in the various areas of action identified in the Report as essential for reducing their vulnerability. These are:

- (i) paramilitary skills, disaster and famine relief, operations to counter smuggling, drugs and arms trafficking, and the monitoring and surveillance of EEZs [5.55-5.56, 6.6-6.7, 9.48-9.49];
- (ii) information and intelligence gathering and analysis [5.41];
- (iii) public administration and management [7.30-7.31];
- (iv) the skills required to promote the smooth functioning of the parliamentary and legal system as well as the effective promotion of human rights [7.29];
- (v) the development of the media, including news agencies [7.9, 7.29];
- (vi) the use of technology applicable in the relevant economic sectors, including industrial and agricultural development [6.10-6.11];
- (vii) ocean management [5.55];
- (viii) the techniques of diplomacy and negotiation, both bilateral and multilateral levels [8.25]; attention is drawn to the need for studies to provide guidelines in the conduct of diplomacy for small states [8.31];
- (ix) the skills for dealing with foreign commercial enterprises, as well as for negotiating contractual arrangements [6.7-6.9].

29. Greater use should be made, not only at the bilateral level but also at the regional and transregional levels, of the diversity of established sources within the Commonwealth for providing training and assistance in all these spheres.

II. REGIONAL INITIATIVES

A. Strengthening National Defence Capability

30. Where small states form a distinctive geopolitical group it might be appropriate for them to consider establishing their own regional security arrangements. These could also provide an institutional structure for formalising requests for assistance, either from a larger power or from an international organisation, at moments of crisis [5.31-5.34; and see also No. 75 below].

31. To assist small states' access to vital information affecting their security interests and improve their capacity for information analysis, two initiatives are recommended:

- (i) establishment of regional facilities—e.g. data banks, documentation centres, news agencies and other media outlets—for collecting and disseminating relevant publicly available information [5.36].
- (ii) establishment of regional intelligence networks to provide a routine flow of information on external developments with important regional implications, on significant intraregional developments, and on the internal problems of the constituent states which could affect at least some neighbouring small countries. In island states regions the network should also be envisaged as a source for intelligence on activities such as fishing, smuggling, illegal immigration and the commercial use of the sea-bed. While distribution of intelligence information could be carried out through a regional centre or agency, the means of analysing this material should remain in the hands of the individual governments [5.42-5.50].

B. Underpinning Economic Growth

32. Regional co-operation remains of special significance for small states' efforts to expand economic opportunities and reduce weakness in external economic relations [6.14].

33. Apart from expanding trade opportunities, regional co-operation could support national efforts to improve infrastructure and develop productive enterprises. Areas in which regional co-operation requires support from the Commonwealth and other external agencies include: surveillance and development of marine resources, disaster preparedness and relief, higher education, research and development, sharing scarce and expensive skills and expertise, transport and development banking [6.15].

34. In utilising and protecting the marine environment, developing marine science and facilitating the transfer of marine technology, small island states should seek assistance to establish regional centres to support these activities and also endeavour to relate them to the Regional Seas Programme contained in the 1982 Law of the Sea Convention [6.25-6.26].

35. Creation of regional fishing enterprises is recommended as a means of helping individual states to meet the challenge of the distant-water fishing fleets of the industrialised countries [6.26].

C. Promoting Internal Cohesion

36. Where practicable small states should seek to strengthen democratic and human rights practices through regional mechanisms such as election commissions and service commissions for key judicial, administrative and security posts. They might also contemplate voluntary recourse to regional and/or Commonwealth observers at particular elections and encourage the activities of relevant regional and international NGOs [7.4].

37. If the constituent countries so desire, regional parliaments could be established as an instrument contributing to harmony and stability and giving impetus to general co-operation [7.28].

38. The establishment of regional human rights courts or commissions is recommended for consideration [7.6-7.7].

39. Small states should co-operate in schemes for the regional pooling of experts, e.g. auditors, legal draftsmen, specialist surgeons, etc. Freedom of regional movement and flexible conditions of work would facilitate such schemes [7.26].

D. Training Assistance Arrangements

40. Establishment of regional training centres in the various specialised skills, including management and developmental administration, required

by the small states within a particular region is strongly recommended [7.29-7.31].

E. Regional Consultations on Security

41. Informal regional colloquia on national and international security questions, attended by governmental and non-governmental representatives and organised at, say, two-yearly intervals, could be extremely helpful. Procedures for these meetings could be drawn up in consultation with the Commonwealth Secretariat which could also assist with their organisation [7.21].

42. Regional consultations between officials should also be held on a regular basis to exchange information and views on developments affecting security in the area and on common problems. Some of these consultations might usefully include officials from non-Commonwealth neighbouring countries. The Commonwealth Secretariat could help in arranging them [9.55].

III. ACTION AT THE GLOBAL LEVEL

A. Political Measures at the United Nations

43. Wherever possible small states should utilise the facilities of the United Nations and the International Court of Justice, as well as other appropriate international bodies in pursuit of their security needs. However, governments need to give urgent consideration to how best to support proposals currently under discussion at the United Nations to strengthen its capacity to maintain peace and security [9.4-9.8].

44. Whatever the outcome of these discussions the Secretary-General should, in any event, play a more active role in the spirit of Article 99 of the United Nations Charter. In particular he should, in cases of incipient and low-level security threats, consider responding positively to a request from a state, feeling itself under military threat from another state, for a mission to its territory. When it is not politically feasible for him to despatch such missions, he could at least send a personal representative or an official of the United Nations Secretariat to obtain a firsthand assessment of the situation [9.9-9.13].

45. The Security Council should consider giving official recognition to formal declarations of neutrality status which any small state may individually seek to register with it [9.14, and No. 5 above].

46. As an initial step towards establishing a special unit within the Secretariat to assist small member states, an official should be appointed to monitor developments in the United Nations affecting their interests. The relevant departments within the Secretariat should also be instructed to consider developing special programmes for small states [9.15].

B. International Economic Policies

47. The international community has a special obligation to provide an external environment which could assist small states in promoting self-reliant and stable development and in strengthening their economic independence. That environment does not now exist and the situation is being made worse by the current difficulties experienced in multilateral co-operation. Renewed commitment and support for multilateral co-operation would greatly assist in the adoption of specific international measures. Areas of special importance to small states are: trade liberalisation; official flows from multilateral and bilateral sources, in particular concessional flows; technical co-operation; balance of payments support, including export earnings stabilisation; disaster preparedness and relief [9.21-9.27].

48. The provision of special support for small states should be approached pragmatically through securing better international recognition of their problems and needs and through categorisation of small states, formally or informally, in specific areas as the need arises [9.24-9.25].

49. ECOSOC should review as early as possible the criteria for inclusion of countries in the Least Developed category to take account of the special structural and developmental problems of small states [9.28].

50. Bilateral aid agencies should continue to recognise the special needs of small states for concessional capital. Multilateral provision is of special importance and international financial institutions must pay greater attention to these needs [9.29-9.30].

51. The World Bank should adopt more flexible criteria for graduating small states from its lending, especially from IDA. No small states should be graduated from IDA unless there is assurance of adequate access to alternative sources of finance. Transitional arrangements might be required to prevent adverse effects from an abrupt end to IDA lending [9.33-9.35].

52. The IFC should significantly extend its support to smaller projects. It should also assist regional and national development banks to expand

their operations in this area. The latter should do more to provide venture capital for small projects [9.36-9.37].

53. The IMF should review the functioning of its Compensatory Financing Facility to improve its effectiveness in stabilising foreign exchange earnings, giving special attention to the needs of small states [9.40-9.41].

54. The agreement to establish a Common Fund for commodity price stabilisation should be implemented as early as possible. Its modalities should reflect the special interest of small states [9.43].

55. Small states should be freed from all limitations that apply to their access under the Generalised System of Preferences, and exempted from all organised marketing arrangements and voluntary export restraints. Small states should be excluded from the export restrictions adopted in any renewed MFA [9.44-9.45].

56. The Codes of Conduct on relations between transnational corporations and host countries, which are under negotiation, are of special interest to small states and should be established early [9.38].

57. Increased international assistance should be given to small states to improve their vetting procedures and negotiating capacity in dealing with foreign business ventures [9.39].

58. International arrangements on disaster preparedness and relief measures should be considerably improved. Greater international assistance should be provided to strengthen national efforts; regional efforts should be encouraged and supported [9.48-9.49].

59. International institutions should be more supportive of regional co-operation arrangements involving small states [6.15-6.17].

IV. THE COMMONWEALTH CONTRIBUTION

Mindful of the fact that the Secretariat has already initiated an extensive programme of assistance to small states in many spheres, we are of the view that the Commonwealth is especially well placed to take practical measures to help small states in promoting their security interests as well. The programme already encompasses a wide spectrum of support in the political, economic and social fields, and an expansion of the Secretariat's activities in these areas would contribute significantly to reducing small states' vulnerability. Small states' security problems and

objectives should, however, be kept constantly in mind when formulating new projects or considering how best to respond to requests for assistance from their governments. The present programme can be adapted by making a more focused use of the existing institutions and procedures. There is also a need for additional assistance at the bilateral level, but, again, in many instances this will be largely a matter of building on existing aid and co-operation arrangements.

A. Extending the use of Commonwealth structures

60. The Secretary-General has been in an excellent position personally to contribute to the general promotion of small states' security interests and we would urge that he continues this role through quiet diplomacy on an on-going basis [9.57].

61. He has also been able to contribute to the resolution of disputes involving member countries. In furtherance of this role, with regard to a security crisis arising for a small member state, the Secretary-General might consider it advisable to initiate immediate consultations with that state and with the other member states in the region in order to determine whether there is any wish for pan-Commonwealth action. In certain circumstances it might also be appropriate for him to despatch a team at the request of a small state feeling itself under an external threat to its security [9.58].

62. Special meetings of small states specifically on economic and financial matters should be arranged when the occasion warrants. They would be particularly helpful if organised in preparation for upcoming major international negotiating conferences, and would assist the Secretariat in trying to ensure that small states' interests are adequately represented at these fora [9.56].

63. The Commonwealth Fund for Technical Co-operation should be enabled to respond to requests from small states for training assistance and consultancy services for projects of practical relevance to their security problems. As the Fund's terms of reference preclude it from financing projects directly concerned with national security, we recommend that these be revised with a view to removing the restriction entirely, or at least in the case of the smaller member countries [5.54; 9.52].

64. Additional resources should be provided to enable the Commercial Crime Unit of the Secretariat to meet the increasing demand for its services, mainly from small states [9.68].

65. Small states general training needs are listed in No. 28. These should be noted by the Secretariat/CFTC with a view to augmenting the training programmes where appropriate.

66. Member countries could likewise review the list of training needs in order to determine the level and type of additional training assistance they feel they are in a position to offer, either by expanding existing programmes or by offering new ones as may be appropriate.

67. In the sphere specifically of military, paramilitary and police training, where a number of permanent arrangements have already been established, there is also room for both wider and more intensive bilateral co-operation [9.61].

68. Member countries should take initiatives to increase the flow of intelligence information to and between small states [5.41].

69. Existing intra-Commonwealth bilateral defence co-operation programmes, which include the supply of military hardware and joint service operations, have proved their utility and should constitute a basis for expanded co-operation [5.51].

70. There have been occasions when a Commonwealth country has provided direct military assistance to a small member state at its request at a moment of crisis; this practice is worth maintaining [9.59].

71. The follow-up work on the establishment of a Commonwealth Risk Capital Facility being carried out by the Secretariat should pay particular attention to small states' needs and be completed as early as possible [9.67].

72. The Secretariat's capital markets programme should give increased attention to assisting small states to tap capital markets [9.64-9.65].

73. If a new round of multilateral trade negotiations is held, the Secretariat should arrange a meeting of small member states to discuss issues of special interest to them and also ensure that their interests are adequately represented in the negotiations [9.71].

74. Despite current budget stringency, the significant levels of Commonwealth bilateral aid to small states should not only be maintained but improved over time [9.29].

B. Specific New Measures

75. In the event that a particular group of small states decides to set up its own regional security force, Commonwealth resources should, wherever possible, be made available on both a multilateral and bilateral basis [9.60].

76. Commonwealth governments should consider with sympathy requests for ad hoc forces to assist member states facing acute security problems [9.59].

77. All Commonwealth governments are urged to use their good offices to discourage insensitive and irresponsible reporting about small states, at least by the media in their own countries. This concern should also be brought to the attention of the Commonwealth Press Union [5.35].

78. The successful Australian funded scheme providing a joint New York office for the permanent United Nations missions for four of the Commonwealth's very small countries should now be accepted as a permanent measure and undertaken as a collective Commonwealth obligation, including a minimal contribution by the beneficiary countries. Resources should also be made available for similar facilities for other regional groups of small states that might seek such assistance [9.53-9.54].

79. We would strongly urge Commonwealth Heads of Government to consider ways in which the United Nations can be utilised to promote action for advancing the security interests of small states and, specifically, how the measures advocated in this Report could be brought to the attention of the international community [9.16].

Annex I

Small is Beautiful but Vulnerable

Opening Address by the Commonwealth Secretary-General to the First Meeting of the Commonwealth Consultative Group on the Special Needs of Small States, 18 July 1984.

My first words must be of welcome and of thanks: a welcome to Marlborough House to which many of you are not strangers and which is, I hope for all of you, a symbol of the Commonwealth in whose service you are engaged. And gratitude for your willingness to undertake this task. You are, all of you, persons of eminence in your own countries and regions and spheres of operation. You are, all of you, busy people with many demands on your time and your thoughts. That is why, of course, we have chosen you. But what is specially rewarding about our approaches to you is that not one of you needed to be nudged into still further service—into acceptance of the challenge which this Study of the Special Needs of Small States represents. And it is specially important that you contribute as individuals, not as representatives of governments — as men and women who speak against the background of your national experience it is true, but also in articulation of your international vision; who bring to the Group the orientations of your several community perspectives, but the perspective also of a wider global orientation.

In much of our work in the Commonwealth, particularly on economic issues polarised between North and South, this facility to bring together persons of eminence from North and South to work as individuals and point the way forward together, is of supreme importance. At first sight it may seem that this is not the case in relation to the problems of small states; that there is no polarisation of positions that needs the bridging facility of a Commonwealth Group working at the level of individuals. But that may be essentially because the problem is not yet on the agenda in either a North-South or an

East-West context. I have no doubt whatever that as you enter the complex maze of issues that this Study encompasses the danger of orthodoxy in terms of national or group positions in both the economic and the political domain will rise up to challenge innovative thinking. This is why your independence, your service as individuals, the personal qualities of experience and wisdom and vision that you bring to the Study are so centrally important.

And that need for innovative thinking is at the very heart of your task; for this is, I believe, a creative opportunity. Alastair Buchan once described the period between 1945 and 1970—the first 25 years of the United Nations system—as the true post-war era. He saw the period from 1970 onwards as ushering in a new ‘era of negotiation’. I happen to believe that he was profoundly right; although sadly we have failed to respond adequately to the challenges of that era of negotiation. But that is not really my point. Those first 25 years were, in another sense, the era of decolonisation. It brought to ‘freedom’ over 100 new states. Freedom was the symbol of the progression, sometimes the struggle, towards independence; freedom was the epithet employed to describe the achievement of independence. It was an accurate description of the aspirations of the decolonisation movement. It is arguable how accurate it was as a description of what was achieved. In many respects the era that followed from 1970 onwards has been concerned with bringing reality into line with expectation; with the actuality of political independence; with the reality of economic freedom. This striving towards fulfilment of the promise of decolonisation has to do with the development, not always characterised by flawless progress, of the Non-Aligned Movement; with its effort to find a place of self-respect and safety for the new countries out of range of the contests of the major power alliances. It has to do with the emergence of the Group 77; with the evolution of the World Bank into a Bank for ‘development’ and not merely ‘reconstruction’; with the succession of Trade and Development Conferences and the establishment of UNCTAD. And it found expression eventually (in the early years of that era of negotiation of which Buchan wrote) in the arguments about a New International Economic Order and the beginnings of a North-South dialogue. It was paralleled by the changing climate of East-West relations—by the storms of the Cold War, by the calming influence of detente, and, more recently, by the return of the harsh winds of an East-West winter.

Through all of this, some of the very smallest countries that the process of decolonisation brought to formal independence have been relatively unnoticed. For just a moment in the sixties there were some questionings about eligibility for independence and United Nations membership—but for just a moment. In the end, for some of the smallest states it was less a struggle for freedom than an insistence of metropolitan

powers to be free of them. They passed into the mainstream of new countries, were acknowledged to share with the Third World generally the highest aims to which the Non-Aligned Movement reached and for which the Group of 77 battled. They were proud of their independence; they experimented, with regional linkages through which they might sustain it and fulfil its promise of development; and they played their part modestly but seriously in the councils of world society.

For the greater part their needs were acknowledged within the compass of the needs of developing countries generally; scaled-down needs, it is true. If they happened to fall in the category of the poorest countries, measured by what were for them the largely artificial standards of per capita income, they were acknowledged to be deserving of special treatment. Special needs for aid and special terms; special facilities for access of their products. But, of course, because these standards were artificial not many of the world's small states managed to qualify for special treatment. The reality of economic disadvantage inevitably conditioned many aspects of national potential.

When the new concepts implicit in what has become the Law of the Sea Convention were advanced, for example, many small states seemed promised a release from smallness itself. For some, a 200-mile jurisdiction in terms of the resources of the Exclusive Economic Zone represented a larger jurisdiction than the state had ever known. But how to possess that patrimony? How to garner those resources? How to keep predators at bay? How, even, to negotiate to share in their exploitation?

And with political independence came, of course, (sometimes at the birth of nationhood, sometimes later) political schisms that sometimes developed a secessionist bent—threats to territorial integrity almost coincident with the realisation of sovereignty. But there were other threats to the quality of sovereignty. Small states by their nature are weak and vulnerable. The democratic virtues of ideological pluralism have inevitably to contend with the side winds, and occasionally the frontal pressure, of the contest for primacy between the super-powers and their major allies. Sometimes it seems as if small states were like small boats pushed out into a turbulent sea, free in one sense to traverse it; but, without oars or provisions, without compass or sails, free also to perish. Or, perhaps, to be rescued and taken on board a larger vessel.

The truth probably is that the world community has not yet thought its way through the phenomenon of very small states in the world that is emerging in the end years of the twentieth century. At best, it has applied to them the same set of assumptions it applies to states generally. But what is the right to self-defence without the means of defence? What is the right to equality in the councils of the world without the means to

participate in those councils? What is the quality of sovereignty if reality dictates the absence of choices? In all these respects small states are so specially disadvantaged that their needs in large measure become qualitatively different from those of other developing countries. They are not merely scaled-down needs, they are different needs. It is to that element of difference that the world community is only now beginning to pay attention. It is out of that difference that your work is born. It is to that difference that it must respond.

The Commonwealth has a very special reason for being in the forefront of such response, for many of the world's smallest states are in the Commonwealth. They are of the Commonwealth community. The problems of The Gambia or Grenada, of Lesotho or Seychelles, of Vanuatu or of Belize—are Commonwealth problems. They are, of course, international problems also. But if we do not help to provide an intellectual response to the needs that are at the heart of the problems, we can hardly complain if the wider community passes them over.

The Commonwealth is a community now of 49 countries. Twenty-seven of them are states with populations of less than a million, fifteen of them with populations of less than two hundred thousand. If we include in the Commonwealth community countries not fully independent as well as dependencies, we must admit to 40 states with populations of a million or less and 26 with populations of less than two hundred thousand. The Commonwealth has been made possible because of the process of decolonisation.

It is a good time to give a lead. Events around the world, and perhaps most dramatically in Grenada less than a year ago, have forced attention to the security needs of small states. But it has forced attention, too, to a wider dimension of the problem. It is not only a question of making the world safe for small states. It is also a question of making small states safe for the world.

But there is an even wider dimension. Can the world proceed any longer on the old assumptions that underpinned the concept of the nation state? Must the right to sovereignty and territorial integrity depend exclusively on the capacity of a state, however small, to defend itself—to assert its nationhood by superior arms? Must its survival be contingent on its capacity to repel predators? Does the decolonisation process mean that the new state is independent for only so long as it can survive under the rule of the jungle, not under a rule of world order? Or is it not, indeed, a premise of independence under the Charter that the international community has obligations to help to sustain those whom it has helped to bring to freedom—and to do so not only by resolutions after the event but by the machinery of collective security and a will to use it? Do not the

special needs of small states call for an acceptance of the relevance of these precepts and require the evolution of ways and means of fulfilling them?

It is against that wide and varied backdrop that Commonwealth leaders in New Delhi called upon me to undertake a study, drawing as necessary on the resources and experience of Commonwealth countries—a study of the special needs of small Commonwealth countries consonant with the right to sovereignty and territorial integrity that they shared with all nations. In the background paper the Secretariat has prepared in relation to your work, we have drawn attention to these essential parameters of the Study.

I cannot emphasise too strongly one element of that framework—because I believe it to be fundamental to the approach which Commonwealth Heads of Government have adopted in this matter; namely, that nothing would be more alien to their purpose than response to the special needs (and particularly the security needs) of small states which turns them gratuitously into second class members of the world community or invites paternalism or hegemony under the guise of enhancing security. On the contrary, in their Goa Declaration on International Security (which served for this purpose as a supplement to their Communique paragraphs on the small states Study) Commonwealth leaders articulated their particular concern at the ‘vulnerability of small states to external attacks and interference in their affairs’. They looked, as I hope you will look, to the international community for some of the solutions. ‘These countries’, they declared, ‘are members of the international community which must respect their independence and, at the very least, has a moral obligation to provide effectively for their territorial integrity’. It is not without significance that they went on to add that they will play their part as members of the international community ‘to make an appropriate response to the United Nations Secretary-General’s call for a strengthening of collective security in keeping with the Charter’. I do not labour the point. I am sure I need not.

Earlier in these remarks I drew attention to the economic needs of small states and to the processes by which we have gradually come to recognise that they are special needs. As we have tried to make clear in the background paper, and as is evident from the New Delhi conclusions of Commonwealth leaders, the Study for which they have called, while having high among its concerns the security needs of small states, invites attention to their special needs in general. Their needs in the context of economic development are, therefore, an important part of this study. It could hardly be otherwise; security and development are inextricably linked. There are many respects in which the threat to sovereignty and territorial integrity begins in the economic domain. That is not to invite

you to undertake a technical analysis of specific economic issues. It is to invite you to recognise and take account of those macro-economic factors that bear perceptibly on the fortunes of small states and in many respects on their physical security as well.

Let me end, therefore, by recalling to you sentiments with which I ended recently some reflections in one of our smallest states—Seychelles; reflections addressed specifically to these economic problems. The world is happy, I said then and repeat to you now, (the world is happy) to acknowledge that ‘small is beautiful’. Small states, in particular, know that it is. But they, above all, know that small is also weak and fragile and vulnerable and relatively powerless; that they live in a world where the weak are not rewarded for the beauty of their smallness but are ignored, imposed upon and generally discounted—until there is talk of change, when the virtues of smallness are summoned up as the basis of maintaining the status quo. If small is beautiful—and if Keats was right that ‘beauty is truth, truth beauty’—then let the truth about the special needs of small states be better told and better known so that truth might inform action to improve even on beauty.

It is through you and your Study that the truth may be better told. There is no Group anywhere in the world better equipped than you to discern and to tell it. Not only the Commonwealth but a wider, keenly interested, international community will be listening to what you say. I wish you well in a task which I know to be onerous; but which I am confident you will discharge worthily and well.

Annex II

COMMONWEALTH CONSULTATIVE GROUP ON THE SPECIAL NEEDS OF SMALL STATES

List of Members

- Hon. Mr Justice P.T. Georges (Chairman)
Chief Justice of The Bahamas
- Professor Elisabeth Mann Borgese
Department of Political Science
Dalhousie University
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- Hon. Henry de B. Forde, QC, MP
Member of Parliament
Former Foreign Minister and Attorney-General
Barbados
- Hon. Fathulla Jameel
Minister of Foreign Affairs
Republic of Maldives
- H.E. Mr Natarajan Krishnan
Permanent Representative of India
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- Dr Edgar Mizzi
Former Attorney-General
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Foreign Affairs Officer
Secretariat of the Caribbean Community (CARICOM)
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Mr Ata T. Teatiai

Secretary to the Cabinet
Kiribati

Mr Taniela H. Tufui

Chief Secretary and Secretary to Cabinet
Tonga

Commonwealth Secretariat

Chief Emeka Anyaoku

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Mr Hugh Craft

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Dr N.O. Linton

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Research Officer, International Affairs Division

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Documents Officer, International Affairs Division

GLOSSARY OF ABBREVIATIONS

ACP	African/Caribbean/Pacific countries—Lomé Convention
ANZUS	Treaty between Australia, New Zealand and the United States of America
ASEAN	Association of South-East Asian Nations
CANA	Caribbean News Agency
CARICAD	Caribbean Centre for Developmental Administration
CARICOM	Caribbean Community
CBI	Caribbean Basin Initiative
CDB	Caribbean Development Bank
CFF	Compensatory Financing Facility of the IMF
CFTC	Commonwealth Fund for Technical Co-operation
CHOGRM	Commonwealth Heads of Government Regional Meeting (Asia/Pacific)
CPA	Commonwealth Parliamentary Association
CPU	Commonwealth Press Union
CSCE	Conference on Security and Co-operation in Europe
EEC	European Economic Community
EEZ/s	Exclusive Economic Zone/s
ECOSOC	Economic and Social Council of the United Nations
ECOWAS	Economic Community of West African States
FAO	Food and Agriculture Organisation of the United Nations
GATT	General Agreement on Tariffs and Trade
GDP	Gross domestic product
GSP	Generalised System of Preferences
IBRD	International Bank for Reconstruction and Development
IDA	International Development Association
IFC	International Finance Corporation
IMF	International Monetary Fund

IMO	International Maritime Organisation
IOC	Intergovernmental Oceanographic Commission of UNESCO
IPA	International Peace Academy
MFA	Multi-Fibre Arrangement
NAM	Non-Aligned Movement
NATO	North Atlantic Treaty Organisation
NGO/s	Non-governmental organisation/s
OAS	Organisation of American States
OAU	Organisation for African Unity
ODA	Official development assistance
OECS	Organisation of Eastern Caribbean States
OMAs	Organised marketing arrangements
PANA	Pan-African News Agency
PRAS	Pacific Regional Advisory Service
SADCC	Southern African Development Co-ordination Conference
SARC	South Asian Regional Co-operation Association
SPARTECA	South Pacific Regional Trade and Economic Co-operation Agreement
SPEC	South Pacific Bureau for Economic Co-operation
SPF	South Pacific Forum
TAG	Technical Assistance Group of the CFTC
UNCTAD	United Nations Conference on Trade and Development
UNDP	United Nations Development Programme
UNDRO	United Nations Disaster Relief Organisation
UNEP	United Nations Environment Programme
UNESCO	United Nations Educational, Scientific and Cultural Organisation
UNITAR	United Nations Institute for Training and Research
VERs	Voluntary export restraints
WHO	World Health Organisation

VULNERABILITY:

Small States in the Global Society

We believe it to be indisputable that the smallest and weakest within the international community, those with the least political clout, military strength or economic resilience, are among the ones who are likely to suffer most and whose special vulnerabilities are likely to go unnoticed and unrelieved for the longest time. We believe there are compelling obligations that derive from these realities: obligations on the international community, obligations on the Commonwealth itself—which has within its membership so many small states—and, of course, obligations that fall on small states themselves. All concerned must acknowledge and begin to fulfill these obligations.

From the Group Report

They (Small States) have demonstrated that they have a valid part to play in the evolution of world society. It is therefore imperative that the international system be so organised that these states are enabled not only to exist, but to prosper and themselves to contribute to international harmony. In the pursuit of that goal of enhanced international co-operation there surely must be progress towards strengthening the global system of collective security. It would be fitting if the 40th year of the United Nations could be marked by a series of steps which ensured a safer and more prosperous future for the smallest members of the world community.

*From the Foreword by Commonwealth
Secretary-General Shridath Ramphal*

May be obtained from
Commonwealth Secretariat Publications
Marlborough House
London SW1Y 5HX

ISBN 0 85092 280 1

