

Basic Problems of Small Countries

Summary

Basic problems of small multi- and mono-national states (countries) with under 10 million inhabitants are reviewed in terms of five functional characteristics: (1) Quality and Competence, (2) Coordination with Large (usually multinational) Corporations and Countries, (3) Restraint of their own Excessive Ambitions, (4) The Issue of Growth or Death, where Growth Need Not Be Territorial, and (5) Defense of Small Countries from Aggression and Fear of and by Neighboring Countries.

Benefits best captured by small countries, particularly in Western Europe, include greater historical survivability, more concern with people, tendency to egalitarian democratic government and free enterprise, emphasis on rule of law and respect for human rights rather than rule of force, more economical and productive government administration, better and more continuous cooperation between government society and economy, greater tolerance and social integration of indigenous minorities and immigrants, and economically affordable effective but non-aggressive defense against much larger aggressor countries by means of thorough mobilization of well-trained part-time citizensoldiers.

Disadvantages of small countries identified are chiefly economic and resources limitations, which are turned to advantage by the richest small countries by restraining their unproductive military investments forcing them to become multi-specialized in international technology-based enterprises, invest most productively in human capital formation to compensate for natural resources disadvantages, and live by cooperative international trade focused on highly competitive niche industrial specializations for functional economies of scale. Clearly environmentally and humanly sustainable development and social, cultural, political, and military security are the basic problems of small countries today. The strong, wealthy, successful small democracies of Western Europe constitute a better model for development with security for the newly independent small countries of Eastern Europe (Baltics, Balkans, former USSR) than does the consolidation of the EC into a multinational U.S. of Europe. These same successful small countries of Western Europe can and should do much more to support the peaceful and productive independence of comparably small states in Eastern Europe struggling to survive military aggression, ethnic conflict, and economic reform of failed communist command economies.