



Speech
by
the President of Iceland
Ólafur Ragnar Grímsson
at the Inauguration of
Centre for Small States
University of Iceland
3rd July 2003

President Lennart Meri,
Distinguished professors,
scholars, officials,
students and other guests

At the opening of the 21st century the world faces many new challenges and opportunities due to the growth of democracy in the wake of the Cold War, stimulated by the globalisation of trade and communications and the social transformation created by the new information technology but also because the community of nations now embraces a wider scope of countries and states than ever before.

When Iceland joined the United Nations and NATO shortly after the foundation of the Republic nearly sixty years ago our country was for a considerable time what we could call “the only small kid on the block” but now there are over 50 small states in the world, placed all over the globe.

In Europe, Africa, Asia, the South Pacific, the Caribbean and the Middle East small states form a significant part of the political and economic mosaic and they are increasingly playing significant roles within global institutions, the UN agencies, the IMF and the World Bank, and through their elections to the Security Council have become, in the company of the major powers, crucial players when issues of war and peace are decided.

In the light of this impressive emergence of small states on the global stage it is remarkable that their special role, their contributions, the hindrances and opportunities which characterise their involvement, their

advantages and limitations, their uniqueness and common features have not been explored and examined in a way worthy of such a significant transformation of the international order.

The inauguration of the Centre for Small States here today demonstrates our determination to create a broad international forum where scholars and researchers, officials and political leaders, entrepreneurs and opinion-makers can come together and examine the role of small states in the modern world, not only to gain new knowledge and profound insights but also to make the small states more effective players on the global stage, enhance their influence, improve their performance, strengthen their economies and provide their citizens with a better life.

Certainly the small states face a great variety of problems, some crucial to their very existence. Consolidation of their sovereignty, security in the face of armed threats, crimes and the lack of civil order are still the priority agenda for some. Environmental disasters, rising sea levels, deforestation and desertification are the preoccupation of others. The strengthening of democracy and human rights, international engagements and political creativity have been the fate of a few, as demonstrated for example by Trinidad and Tobago in the campaign for the International Criminal Court, by the Baltic States in the break-up of the Soviet Union and the establishment of democracy in eastern Europe, and by Iceland in the evolution of the Law of the Sea through the extension of the fishing limits first to 12, then to 50 and finally to 200 miles.

The contributions of small states to reforming the international community and making the world more civilised are certainly well out of proportion to their small populations. There must be other characteristics that have allowed them to become such influential players.

The explanation lies partly in their flexibility, their ability to act and initiate when others are silent and passive, in their freedom to engage in political operations which would be completely unthinkable if larger countries were involved.

A significant example of such involvement is how two presidents of small European states have in recent years frequently gone to Washington and met senators and congressmen on Capitol Hill with both individually and in small groups in order to promote in Congress their countries' interests; and how they also met middle-rank officials in key government departments in order to influence the American decision-making process before it reached the top. Such effective lobbying in Washington is a task completely beyond the reach of leaders of larger countries, for example President Chirac or President Putin, to name only two – yes, it would

indeed create a major crisis if attempted – but when undertaken by presidents of small European states it is considered perfectly acceptable, even welcomed, thus giving the small states a scope of influence unattainable by larger countries.

It is also worth recalling the observation made by Henry Kissinger when he visited Iceland in 1973 for the Nixon – Pompidou Summit and the Icelandic government used the opportunity to put pressure on President Nixon to intervene in the Cod War between Iceland and Britain, threatening that otherwise Iceland might leave NATO or order the American military out of the country. Kissinger rightly concluded that this showed the emergence of a new world order when one of the smallest countries in the world found it perfectly natural to threaten the superpower to quote his exact words: it "said volumes about the contemporary world and of the tyranny that the waka can impose on it".

Iceland's hosting of the Nixon – Pompidou Summit and later the historic meeting between Reagan and Gorbachev is also an indication of how a small country can become a suitable venue for historic events, and Iceland's leadership in the recognition of the sovereignty and independence of the Baltic State also shows that a small state can strongly influence the course of world transformation.

It will be fascinating to observe in the coming years how the small European states will use their membership of NATO and the European Union to influence the evolution of the European vision and the course of the trans-Atlantic relationship. Recent events have shown how small European states can play a crucial role in the dialogue with America and in the evolution of the new Europe. Never before in the modern history of our continent have so many small states been full partners in the development of the European future.

The potential of small states to be influential players is definitely worthy of an extensive examination and could become an interesting subject for dialogue initiated by the new Centre for Small States.

Similarly the future of the United Nations and the search for solutions to many of the most pressing problems of the 21st century could be strongly influenced by active and wide-ranging cooperation among the small states which now account for more than a quarter of the entire UN membership.

The Centre for Small States which we inaugurate here today could thus become an effective instrument for initiating such cooperation and thereby bring together small nations from north and south, east and west and give them a significant role on the international stage.

It is also worth noting that the transformed character of the world economy in recent years is much more favourable towards small states than the conditions that prevailed for most of the 20th century. A strong case can be argued that smaller states have never had opportunities on the scale witnessed today. Former obstacles to their growth have largely been abolished and replaced by an open and wide field where the talents, imagination and creativity of individuals determine what is harvested, and not how big the countries are or the physical resources available to them.

Innovations can now emerge from any direction and individual initiatives and creativity can lay the foundation anywhere in the world for companies which can establish a global presence. Technology and intellectual products, specialist services and information systems developed within a small nation can rapidly become highly lucrative products in the global marketplace. Company growth in small states is no longer subject to the old restrictions. Through globalisation, they can grow to gigantic proportions in their respective fields in the space of a few years.

It can definitely be said that the new economy of the 21st century has presented small nations with opportunities to flourish. Never before have they enjoyed such potential for prosperity and progress. Globalisation could thus spell a renaissance for small states if they apply firm policies that address the requirements entailed by the opening of the world economy.

The traditional sectors of the industrial revolution, which based their growth on economies of scale, are no longer decisive. Now innovations can come from all directions and individuals and businesses in small states can rapidly obtain strong positions in the global market. Experience shows that a small state can serve as a kind of laboratory or research station in precisely those sectors that are increasingly dominating the economy of the new century. This transformation has truly opened up new horizons for small states. The entire world is now their playing field and economic growth is not restricted in the same way as before. This is obviously a turning point for any small state and many examples of the Icelandic experience in recent years demonstrate how the transformation of the global economy has given smaller players the opportunity to flourish.

Furthermore, while small states certainly need to tackle a variety of problems, they have many qualities which modern times have made precious assets. Their contribution towards the evolution of democracy is here especially important, since the close contact and transparency engendered by smallness can enrich the democratic way of life. It is

interesting to note that, in antiquity, the cradle of western democracy was Athens and Rome, which in those days were small states by modern standards with a similar population to that of Iceland today. The writings of Plato and Aristotle, the speeches of Caesar and Cato and the insights of Machiavelli were all influenced and inspired by their experience of politics in small states and these contributions have largely influenced the political heritage which is still moulding the western intellectual tradition.

History shows that small states can serve as a creative forum for democracy, law and legal order; as models for civilised society and transparent government; as an arena for creative political thought and original ideas. A small country is well placed to become a fascinating political laboratory, a fertile ground for democratic initiative, a bearer of new proposals, an initiator of new thinking – and it might also be easier for a powerful country to accept suggestions for a new policy from a smaller country because no threat to the power structure is then involved.

Small states are also blessed with a quality which is becoming increasingly important: They are a threat to no one. There is no risk involved in engaging in widespread cooperation with small states. They have no hidden agenda and can not deploy military might, financial power or strong political pressure to achieve their aims. They act straightforwardly and there are no problems involved in being their friend.

Such qualities are profoundly valuable in times when fear and terror dominate relationships between nations. Many doors are open to small states which remain closed to others. Other countries seek their assistance and their contributions because they will never prove a threat to their partners.

Such freedom from fear is becoming an important asset. We are increasingly witnessing how it is an advantage to be small and be able to have everyone as a friend.