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To cite this article: Baldur Thorhallsson (2006) The Size of States in the European Union: Theoretical and Conceptual Perspectives, *European Integration*, 28:1, 7-31, DOI: [10.1080/07036330500480490](https://doi.org/10.1080/07036330500480490)

To link to this article: <https://doi.org/10.1080/07036330500480490>



Published online: 26 Jan 2007.



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ARTICLE

The Size of States in the European Union: Theoretical and Conceptual Perspectives

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ABSTRACT A link is made between definition and theory in considering the size of states and behaviour and influence within the European Union. Traditional variables in such definitions have held back theoretical understandings. The article offers a wider range of variables to understand the concept of size, and provides a conceptual framework that includes six categories referring to the size of state. Both the ‘action capacity’ and ‘vulnerability’ of states, internally and externally, help define the size of a state and its behaviour within the EU.

KEY WORDS: State size, European Union, action capacity, vulnerability

Introduction

This article examines how the notion of the size of states may shape states’ behaviour and influence within the European Union. It deals with theories and concepts commonly used to determine the size of states, and how these are seen to affect states’ approaches within the Union’s decision-making processes. It identifies the four traditional variables used to define the size of states as population, territory, gross domestic product (GDP) and military capacity. However, it argues that theoretical perspectives are shackled by these variables, particularly that of population. These variables are considered to be the best criteria for analysing and predicting states’ behaviour in the international system. However, other variables should be examined more carefully in order to obtain a clear indication of how the concept of size affects states’ behaviour and their influence in organizations like the EU. A

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conceptual framework containing six categories with regard to the size of states is developed, built on previous theoretical approaches but adding a greater variety of concrete measures and concepts to explain how size may affect states' actions. The six categories are:

- 1) fixed size (population and territory);
- 2) sovereignty size (whether the state can maintain effective sovereignty on its territory; its ability to maintain a minimum state structure and presence at an international level);
- 3) political size (military and administrative capabilities and the degree of domestic cohesion, combined with the degree to which the state maintains an external united front);
- 4) economic size (GDP, market size and development success);
- 5) perceptual size (how domestic and external actors regard the state);
- 6) preference size (ambitions and prioritizations of the governing elite and its ideas about the international system).

Internal and external aspects of these six categories must be examined for theoretical perspectives that may indicate how the notion of size of states may affect their behaviour. Also, the so-called 'action capacity' and 'vulnerability' of states within these categories, both internally and externally, are highly important in defining the size of states and determining their behaviour in the EU.

The conceptual framework primarily emphasizes factors that are considered important by domestic and international decision-makers in defining the size of a state in comparison with the size of other states. For example, how a particular political elite in a state regards the size of the state, and how other domestic and external actors regard the capability of the state, are highly important factors in determining the state's international behaviour. Also, whether the political elite in question believes it can have a say in the current structure of international organizations and the international system in general is an important factor. This is not to say that objective factors, such as population and GDP, do not contribute to the notion of size of states and their international capability. On the contrary, objective factors, as well as factors such as domestic politics, strategic position and administrative capability, continue to influence perceptions of the size of states and their overall action capacity. However, these factors have to be combined with a careful examination of the views of political elites and other relevant domestic and international actors.

Traditional Variables Defining the Size of States

The importance of the four most commonly used variables (population, territory, GDP and military capacity) in defining the size of states has its roots in nineteenth century Europe when the success of states was primarily seen in terms of their defence capacity and territorial foreign expansion, military capacity being a necessary feature.¹ Foreign territorial gains continued to be of importance in Europe until the mid-twentieth century and retained weight

in the Cold War. The basis of the importance of the population variable was determined by its importance in providing personnel for a solid military force and a workforce to secure economic prosperity, i.e., to build up a viable military capacity. Considerable GDP — economic capacity — was essential to build up an army for defence and foreign expansion. This leaves us with only the importance of the fourth traditional variable, territory, partly unaccounted for. In agrarian societies, and later in the industrial societies of the Western world, size of territory was a critical element in securing resources, whether they were of an agrarian nature or, as later became the case, of an industrial nature. As a state's territory grew, the better chance it had of guaranteeing its agrarian and industrial production, and thus providing a basis for economic gains and military capacity (for further discussion see Alesina & Spolaore 2003).

Theoretical perspectives still vary to a considerable degree on how the term 'small' should be defined when applied to the size of states, despite the common use of these variables. It is difficult to say that one particular theoretical perspective is more valid than another in defining the size of states. However, most of them name population as the most important variable in categorizing states.

In the early days of small-state studies in the 1960s and 1970s, scholars were occupied with the concepts of vulnerability and capacity (Neumann & Gstöhl 2004), particularly in the process of decolonization (Vital 1967). The ability of small states to function independently in the international system was frequently questioned because they were thought to be vulnerable to political and economic pressure (Archer & Nugent 2002; Commonwealth Secretariat 1997; Commonwealth Consultative Group 1985). Small states were seen as having limited diplomatic power (Väyrynen 1971) and military strength, and consequently as being unable to defend themselves from their larger neighbours (Handel 1981). Thus, they had little international power and were seen as reactive in the international system, in distinction to the proactive nature of large states (Keohane 1969; Papadakis & Starr 1987). However, ten out of the twelve highest-ranked small and medium-sized states in the world as a whole, in terms of competitiveness, are small states in Europe (states with fewer than twenty million inhabitants are regarded as small) (Magnússon 2004). On the other hand, small states are still seen as being highly vulnerable in terms of their small economies (Griffiths 2004), as will be discussed below. A conceptual framework intending to define the size of a state, and the consequences for its international activity, must therefore take international structural and conceptual factors into account; this point is also developed further in the discussion below.

Figures 1 to 4 show the size of member states of the EU according to the four traditional variables. Figure 1 shows the populations of the member states in millions, signifying either a Union of two groups of states, small and large, in the traditional way (i.e. with Germany, Britain, France, Italy, Spain and Poland belonging to the large-state group and the other nineteen members being in the small-state group) or else a Union of more diversity in terms of state size. For instance, it can be seen as a Union based on four

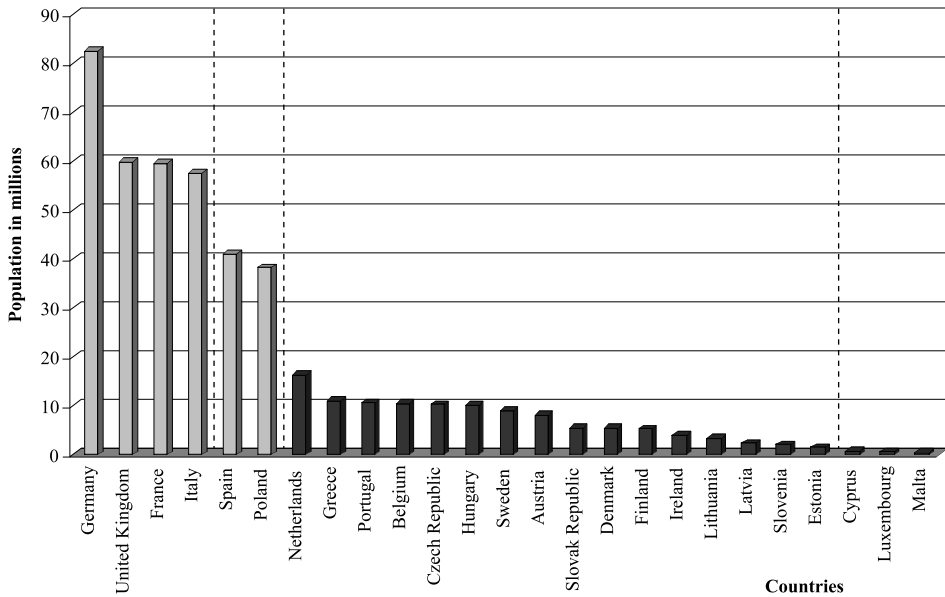


Figure 1. Population of EU member states (in millions, Jan. 2004). *Source:* Eurostat, 2004.

categories, with Germany, Britain, France and Italy in a large-state category, Spain and Poland in a medium-size category and the rest belonging to a category of small states, except for Malta, Luxembourg and Cyprus, these three smallest states of the EU belonging to a possible small-micro state category — all, in fact, depending on where the population line is drawn.

This suggests a difficulty in using the population variable on its own to determine the size of EU member states. For instance, where should the Netherlands, with more than fifteen million inhabitants, be placed? Should it be put in the small-state category, even though it has more than 5 million more inhabitants than the state next to it in size (Greece), or should it be grouped with the less economically prosperous states, Poland and Spain, each with around 40 million inhabitants? Similarly, why should Luxembourg, an original and successful member state, be placed in the same category as Cyprus and Malta, states which still have to prove their viability within the Union, and a category below other new and small member states such as Estonia, Slovenia, Latvia and Lithuania? A measurement with clearer indications of the size of states and its consequences for their behaviour is definitely needed.

Figure 2 presents a similar categorization of member states based on their GDP in thousands of millions of euros. Germany, Britain, France and Italy are clearly the largest states according to the size of GDP, followed by Spain and the Netherlands; these two could either be placed in a category of medium-size states or simply be said to belong either to the large-state category or to the small-state category, which includes the rest of the member states (nineteen altogether).

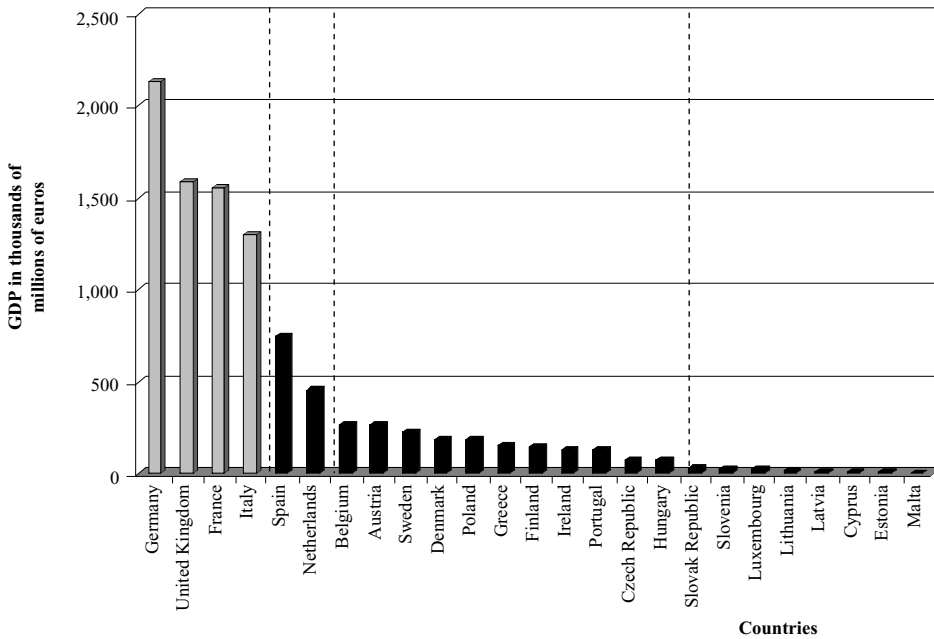


Figure 2. GDP of EU member states (in thousands of millions of euros, 2003). *Source:* Eurostat, 2004.

Another possibility would be to create a category of states with a GDP of less than 30 thousand million euros, as Figure 2 indicates, and to define other states as medium and large. On the other hand, according to size of GDP, Poland would then be associated more closely with the ‘small states’ than the ‘large states’, and Luxembourg would no longer be the second-smallest member state.

Figure 3 shows member states’ military expenditure in millions of US dollars as an indicator of military capacity. A similar picture develops. The four states previously identified as large clearly stay at the top, though in a different order. They are followed by Spain and the Netherlands, but the separation of these two from the small-state category is less clear than in the two earlier cases, at least as regards Greece and Sweden, the next two states in order of ranking.

Hence, grouping EU member states according to military expenditure can either produce two simple categories, large and small, or three: large, small and micro, the latter covering states whose military expenditure is far less than the others’ simply because of the size of their GDP, with military capacities that are not sufficient for their self-defence. As Figure 3 indicates, the ‘micro’ category could include states with military expenditure of less than 400 million US dollars. Accordingly, more concrete measurements and conceptual perceptions are needed in order to obtain a clearer picture of the size of EU member states and how the concept of size affects their behaviour within the Union.

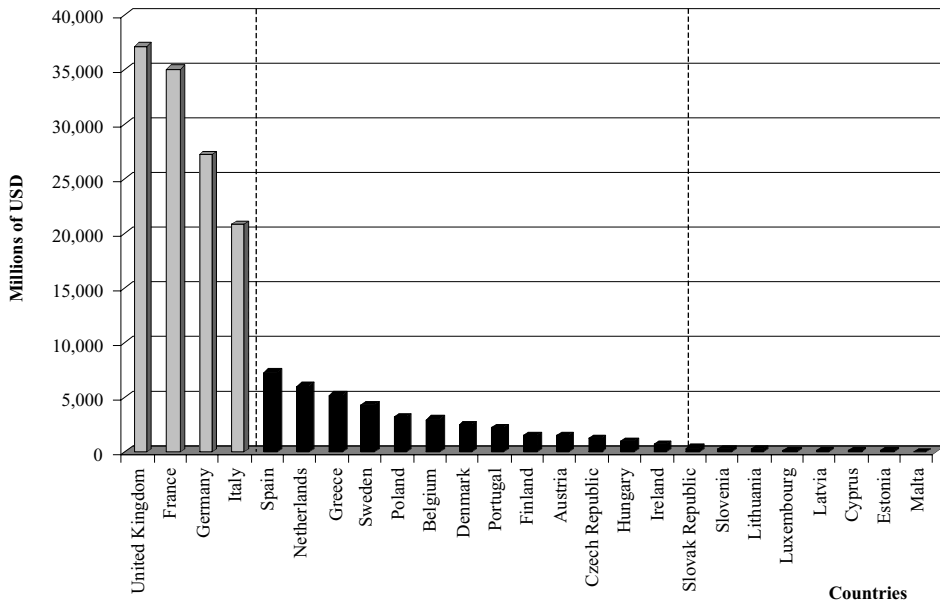


Figure 3. Military expenditure of EU member states (in millions of US dollars, 2003).² Figures are at constant 2000 prices and exchange rates. The figure from Sweden is estimated.
Source: SIPRI, 2004.

Measurement of size in terms of surface area of states gives a somewhat more broken picture, as Figure 4 shows. The EU states that are customarily defined as large have greater territorial areas than the rest, with the obvious exception of Sweden, which is the third largest state in the Union in terms of geographical area, and Finland, which is the fifth largest.

Additionally, the surface area of other states does not correlate with the other traditional variables, except in the cases of the Malta, Luxembourg and Cyprus, which have the smallest populations, the fewest personnel in their foreign services and the smallest sovereign territories of all the EU member states. However, the problem associated with territorial size is that it has very limited implications as a variable in explaining the actions of states. Thus, territorial size has little relevance in predicting states' behaviour in the international arena in a world where foreign territorial gains are both of limited importance and are less emphasized by political leaders than they used to be in past centuries (Gleditsch *et al.* 2002).

The four variables presented in Figures 1–4 are helpful in defining the size of states in the Union. However, they do not complete the search for a concrete measurement of the size of states and are not of much use, on their own, in determining the action capacity of states within the decision-making processes of the EU. Scholars have made a number of attempts to combine these variables in order to define the size of states and their action capacity (Jalan 1982; Damijan 1997; Castello *et al.* 1997; Crowards 2002), but with

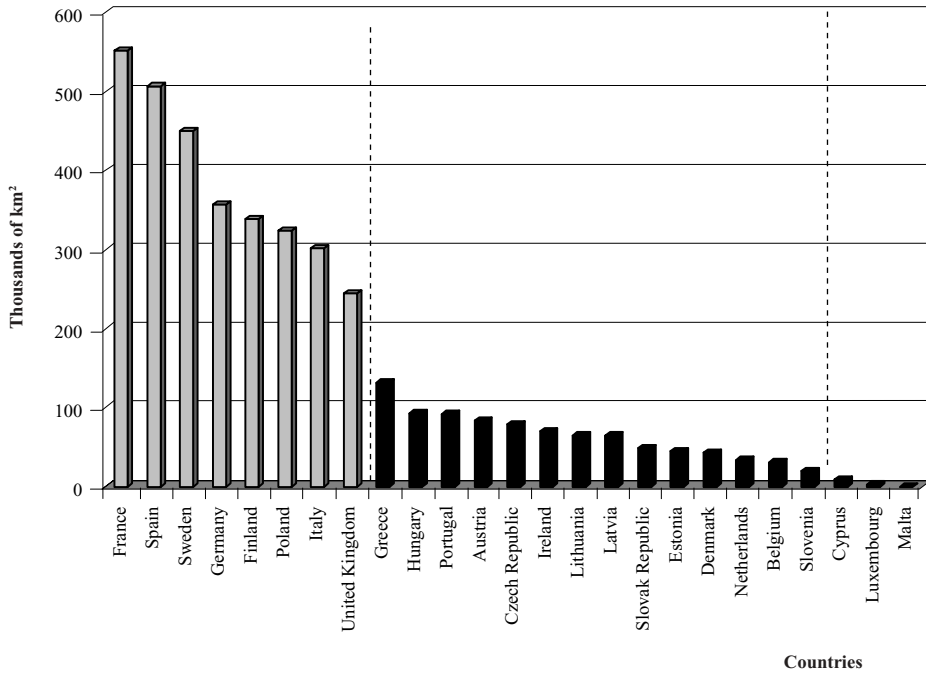


Figure 4. Surface area of EU member states (in thousands of km²). *Source:* Institut national d'études démographiques, 2003.

limited success. This is because a combination of variables does not differ radically from more simple and direct measures (see Lloyd & Sundrum 1982); there is no scientific ground for the different weights chosen for the separate variables (Griffiths 2004); and “Ultimately, a judgemental element must creep into the exercise of categorising states by size” (Archer & Nugent 2002, 5).

These four traditional variables may well have been suited to describing the size of states in the old international system: where military capacity was the key to the survival of states; manpower for military purposes was highly important; the size of the economy was a basis for building up the militia; and states attached importance to concrete territorial gains. This is the description of the old Europe. The new Europe is built on a different foundation. A theoretical perspective restricted to only these four variables for defining the size of states, their strength and action capacity, would not take us very far. The new Europe is based primarily on economic cooperation, combined with highly advanced political cooperation among its members. The international system has changed since the old Cold War days, and economic prosperity built on political cooperation is a leading force behind the European integration process. This is not to say that security guarantees are no longer viable in determining the size of states. ‘Hard’ and ‘soft’ security is clearly high on the EU’s agenda; this is clearly indicated by the

important steps taken by the member states towards a Common Foreign and Security Policy (CFSP) and a European Security and Defence Policy (ESDP). However, this international structure (or European structure), which is highly influenced, for instance, by ongoing globalization, requires that 'new' relevant measurements, such as administrative and diplomatic capacity, and new concepts, e.g. regarding the political elite's ambitions and ideas concerning the international system (or the Union), be given greater consideration in determining the size of states and their action capacity. Attempts have been made before now to move away from the traditional variables, the most notable being Väyrynen's (1971) criteria for evaluating the size of a state in terms of objective and subjective measurements, together with exogenous and endogenous measurements, and Katzenstein's (1985) domestic economic and political characterization of small states. This article represents a further attempt to explore new variables in defining state size, that may then be tested in later empirical work.

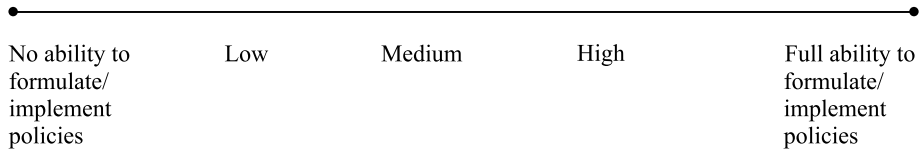
Towards a Conceptual Framework

There are two key questions to be considered. Firstly, what features determine the size of states, domestically and internationally? Secondly, how does the notion of size of states determine their behaviour, both internally and in the international system, and more specifically in international institutions like the EU? Accordingly, in the EU context, how does the concept of size determine states' potential power within different aspects of the Union: its policy sectors, various decision-making procedures, intergovernmental conferences and the Union in general (concerning informal cooperation between actors)?

The conceptual framework includes six categories that affect the notion of size of states and influence their international behaviour, as introduced above: fixed size; sovereignty size; political size; economic size; perceptual size; and preference size. The framework takes account of both domestic and international aspects of smallness and largeness of states in each of these categories. States' internal and external capacities are of primary importance in this context (Barston 1973; Morgenthau 1972; Kagan 2003). Internal capacity outlines domestic resources and conceptions of a state's domestic size and its ability to act domestically. External capacity refers to a state's size in an international context and its ability to act in the international arena.

Furthermore, two additional but related factors are of key concern in building the framework: the concepts of 'action competence' and 'vulnerability'. Action competence unites internal and external capacity and concerns states' ability to formulate and implement policies, domestically, and their ability to exert influence, internationally (for instance, see discussion in Neumann & Gstöhl 2004; Papadakis & Starr 1987; Thorhallsson 2000). Vulnerability refers to states' domestic and international weakness and possible subjugation in a wide context according to relevant features of the six categories (Katzenstein 1985; Briguglio & Kisanga 2004; Read 2001; Briguglio 2003; Commonwealth Secretariat & the World Bank April 2000;

Action Competence Continuum



Vulnerability Continuum

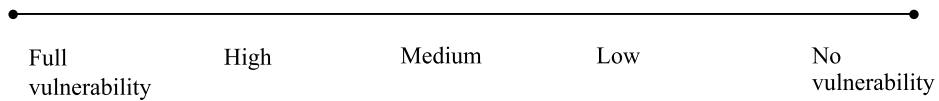


Figure 5. Internal features.

International Monetary Fund — World Bank Group 2003 (see figure 6). Use is made of concrete measurements, when possible, and perceptions on the notion of size of states and their action capacity, to establish particular features of each and every category.

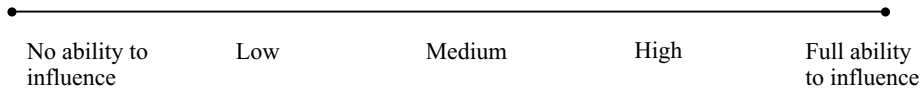
Figure 5 shows how internal features are interpreted according to domestic action competence and domestic vulnerability. An action competence continuum and a vulnerability continuum are created in order to filter the concepts of action competence and vulnerability. The action competence continuum takes account of states' domestic ability to formulate and implement independent policies (in a wide context and according to each and every feature of the six categories of the framework). It stretches from full ability to formulate and implement domestic policies to no ability at all in this respect.

The vulnerability continuum extends from no domestic vulnerability at all, to full vulnerability, according to all features of the six categories. Hence, a state can be placed anywhere on the continuums according, for example, to their military expenditure (capability), domestic political cohesion and the views of domestic and international actors concerning their ability to formulate and implement internal policies (see further explanation of these points below).

Figure 6 demonstrates how external features are determined according to international action competence and vulnerability. The action competence continuum is a scale on which states can be placed according to their ability to influence their international environment (in a wide context), i.e. from full ability to no ability at all.

The external vulnerability continuum demonstrates the extent to which the international system constrained the state. States can be placed on the continuum to reflect the extent to which they are open to constraints by the

Action Competence Continuum



Vulnerability Continuum



Figure 6. External features.

system in the six categories mentioned above. For example, the size of their domestic market may make them economically vulnerable internationally.

Fixed Size

Having examined the setting of the conceptual framework, it is now relevant to return to the six categories determining the framework. The first category has to do with fixed size, i.e. those characteristics of states which are relatively constant and measurable in actual terms. These are identified as population size and territorial size. The population of states tends to be relatively constant, or at least its growth or decline tends to be consistent in any given period. Huge influxes of people or mass emigration are relatively rare phenomena, though they do exist (Ólafsson 1998). Population, in itself, is relevant because of the increased capacity that states gain with an increased number of inhabitants, as is discussed above. The size of a population not only gives an indication of potential economic and military scale but also lays the foundation for extensive human capital (Ólafsson 1998). Population, as such, is particularly important in the new globalized world.

States' territorial size, in the modern world, also tends to be relatively constant, as the emphasis is on economic gains built on human capital and liberal economic and trade policies rather than on foreign territorial expansion. Any change is more in the form of the break-up of formerly united states (such as the USSR and Yugoslavia) rather than by addition to territory. Besides, territorial size is significant today because of potential resources in a large geographical region and the cost of conducting domestic policies in a large area.

Sovereignty Size

The second category recognized within the conceptual framework is sovereignty size. There are three features under consideration within the sovereignty category: first, whether a state can maintain effective sovereignty on its territory and whether its sovereignty is questioned by others; second, the ability of a state to maintain a minimum state structure, and whether it has the minimum state structure required to form and conduct domestic policies; and third, whether the state maintains the minimum required presence at the international level. The examples given below will use material from previous research (Duursma 1996; Thorhallsson 2000 & 2004; Ólafsson 1998; Pace 2001; Hagalín 2005).

Table 1 illustrates the sovereignty size of Luxembourg according to its external and internal capacity, and its placement on the action competence and vulnerability continuums, as explained above. Luxembourg can be regarded as having full action competence in terms of its internal sovereign capacity, in all respects, in connection with the three features already identified: it can maintain an effective sovereignty on its territory; it has the required state structure to formulate and conduct domestic policies, and finally, it has the required national resources to maintain a presence at the international level, especially within the EU and in other international organizations (Thorhallsson 2000).

On the other hand, Luxembourg can be seen as having some internal sovereignty vulnerability concerning its state structure and international presence because of its restricted human capital and economic capacity. Thus, Luxembourg could be placed near the ‘low’ point to the right of centre on the vulnerability continuum (see Figure 5 and Table 1). This is, for instance, in contrast to where Monaco, San Marino and Andorra would be placed on both the action competence continuum and the vulnerability continuum, externally and internally. Until the early 1990s, the sovereignty of these three states was questioned by member states of the United Nations, which prevented them from becoming members. The states were not regarded as having the minimum required state structure to formulate and implement domestic policies independently. Also, they were not considered to have the necessary international presence (diplomatic resources) to participate independently in the international system (Duursma 1996; Thorhallsson 2004; Pace 2001; Ólafsson 1998; Hagalín 2005; Archer &

Table 1. Sovereignty size: Luxembourg

	INTERNAL CAPACITY		EXTERNAL CAPACITY	
	Action Competence	Vulnerability	Action Competence	Vulnerability
Territory	Full	Non	Full	Non
State structure	Full	Low	Low–medium	Medium–high
International presence	Full	Low	Low–medium	Medium–high

Nugent 2002). As a result, they were regarded as being highly vulnerable — in the sense of having fewer defences against the exigencies of the international system than, for example, Luxembourg or Iceland — and as having limited action competence.

Luxembourg's territorial sovereignty, on the other hand, has not been questioned by others, leaving it with full action competence and non-vulnerability on this scale. This is in contrast with the case of Liechtenstein: the Czech Republic and the Slovak Republic, fellow members of the European Economic Area (EEA), have not recognized its sovereignty and thus its claim to property rights in the republics (*Morgunblaðið*, 15 October 2003).³

On the other hand, Luxembourg's external capacity (its ability to influence the international system) is limited because of the potential size of its state structure and international presence. For instance, because of the small size of Luxembourg's central administration, particularly its foreign service, Belgium occasionally represents Luxembourg in meetings within the EU (Thorhallsson 2000). Also, Luxembourg has required practical assistance from the Netherlands during its tenure of the EU Council Presidency, and for reasons of convenience, the presidencies of Luxembourg and the Netherlands are therefore always paired in sequence with each other (van den Berg 1994). As a consequence, Luxembourg can be seen as having low to medium external action competence and to be medium or highly vulnerable in this respect, as the external capacity rating in Table 1 shows.

Political Size

The so-called political size of states contains three features: military capability; administrative capability and cohesion. Military capability is associated with military expenditure and the level of sophistication (technology) of the armed forces. These two qualities determine states' ability to guarantee their own defence and their potential to manoeuvre for foreign expansion (albeit a factor of less importance nowadays). Table 2 shows Malta's political size according to the conceptual framework. Malta has by far the lowest military expenditure of the EU member states, 32.6 million US dollars in 2003, as indicated in Figure 3, placing it at the 'low' point on the external and internal action competence continuums. (Internal action here would include military aid to the civil power, for example in the case of disasters). Accordingly,

Table 2. Political size: Malta

	INTERNAL CAPACITY		EXTERNAL CAPACITY	
	Action Competence	Vulnerability	Action Competence	Vulnerability
Military	Low	High	Low	High
Administration	Low–medium	Medium–high	Low–medium	Medium–high
Cohesion	Low	High	Low	High

Malta has a high vulnerability in military terms, both as regards military expenditure and military sophistication (technology).

Administrative capability refers to the strength of the central administration in any given state, i.e. its skills in running the state and engaging in bilateral and multilateral negotiations. The number of civil servants, and in the external context, more specifically, the size of the diplomatic corps, is one indicator in this respect. The human capital of the bureaucracy is of course vital, i.e. the practical skills of the administrative staff required to manage the state efficiently (Väyrynen 1971; Ólafsson 1998; Thorhallsson 2000). Difficulties are involved in comparisons of central administrations because their structure and divisions of responsibilities differ. A comparison between the extent of states' diplomatic resources, e.g. the number of personnel working in their foreign services, can help in this respect (Thorhallsson 2004). Figure 7 shows the numbers of personnel in the foreign services of EU member states, excluding people employed locally by missions abroad. These figures are relatively comparable, though some states attach greater importance to their defence ministries than others and all ministries, and in fact most, if not all, their institutions, are engaged in foreign relations.

As is shown in Figure 7, the scope of member states' foreign services, in terms of personnel, could be used to determine their size. Accordingly,

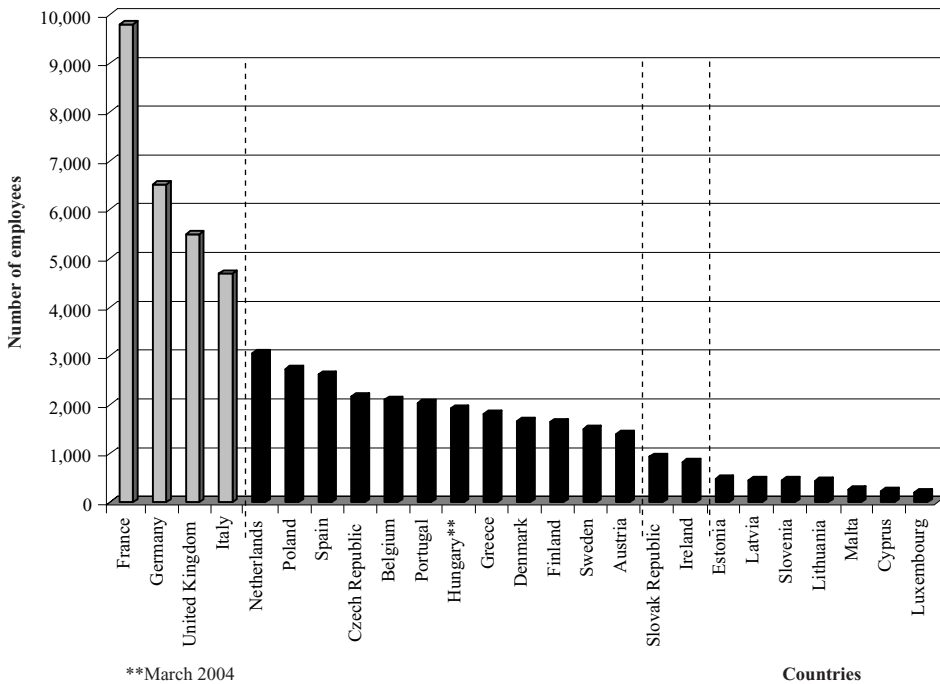


Figure 7. Foreign service personnel of EU member states (April 2001). Excluding personnel employed locally by missions abroad. *Source:* Foreign Ministries in each member state.

member states could be split into four groups: the first group would include states with at least 4,600 personnel in their foreign service; the second group would consist of states with c. 1,400 to 3,000 personnel in their foreign service, the largest and smallest in this group being Austria and the Netherlands; Ireland and the Slovak Republic could form the third group (their foreign services containing 820 to 931 personnel respectively), and the fourth group could consist of states with fewer than 500 personnel working in their foreign service, i.e. Luxembourg, Cyprus, Malta, Lithuania, Slovenia, Latvia and Estonia.

There is a high correlation between the number of personnel working in the foreign services of EU member states and their populations, as Figure 8 demonstrates. In other words, the size of the diplomatic corps of member states tends to increase in proportion to their populations. There are, however, some exceptions. For instance, in April 2001, France had by far the highest number of personnel in its foreign service, i.e. 9,800, compared with figures of just over 6,500 for Germany and 5,500 for Britain; the Netherlands had more staff in its foreign service than did Poland and Spain.

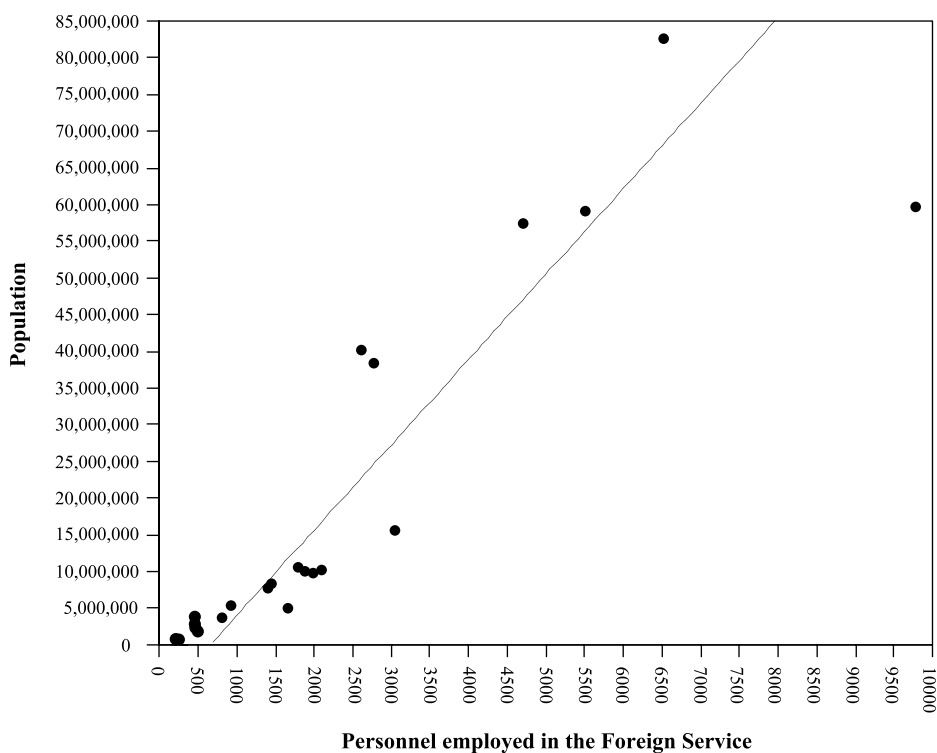


Figure 8. Personnel in foreign services and population in EU member states. *Source:* Personnel in foreign services, excluding personnel employed locally by missions abroad; Information from Foreign Ministries in each member state, April 2001 (Hungary March 2004). Population figure: Eurostat, 2004.

Furthermore, the foreign service of the Slovak Republic had fewer than 1,000 employees, compared with about 1,600 personnel employed by the foreign services of Finland and Denmark (countries with similar population figures). Also, interestingly, in April 2001, Malta had more personnel working within its foreign service (256) than did Luxembourg (206) and Cyprus (231).

Having said all this, it is of primary importance to consider the capacity of the bureaucracy. Historically, new EU member states such as Ireland, Greece and Portugal encountered considerable initial difficulties both in implementing EU legislation and in conducting international activities. Whereas Ireland and Portugal have overcome these difficulties, Greece has not yet done so, due to its traditionally weak administrative structure (Thorhallsson 2000). Malta had to make considerable changes in its administrative structure to qualify for EU membership. For instance, the Maltese bureaucracy was not considered by the European Commission to have enough institutions and expertise to be able to implement EU policies in the agrarian and regional sectors. In addition, the Commission doubted the skills of Maltese civil servants to engage in policy-making processes of some of the EU's complicated policy sectors (Commission of the European Communities 1993; 1999; 2000). Considerable changes have been made in the Maltese administration in response to the EU's requests, in order for it to qualify for membership, but it still has to prove itself within the EU framework. Also, lack of human resources in the Maltese administration delayed Malta's application to join the EU for three years, i.e. until 1990. Moreover, in 1990 the Maltese administration had difficulties in dealing simultaneously with running the Presidency of the UN General Assembly and its EU negotiations (Pace 2001). Consequently, Malta can only be considered to have low-to-medium administrative action competence, internally and externally. Hence, Malta has a medium-to-high vulnerability in this area, as Table 2 shows.

Finally, the third feature of the political size category has to do with domestic cohesion and to what extent a state shows a united front at the international level (or the EU level). For example, political instability in Greece and Belgium has weakened their stand in EU negotiations: changes of government in Greece have frequently led to change of personnel within the Greek administration, making it more difficult for it to handle EU business. In the case of Belgium, the devolution process has taken a lot of time and energy from politicians, making it hard for Belgium to become an important player within the EU (Thorhallsson 2000). Furthermore, whether a state reveals a united domestic front, for example, in negotiations within the EU, can be vital in determining its chance of succeeding. For example, a change of government in Ireland, Sweden or Finland is unlikely to bring about a major EU policy shift in these states. Thus, governments' policy stands tend to be backed by the most influential political parties (normally those governing the states). This was also the case in Germany, which probably strengthened its position within the EU. On the other hand, policy differences and changes of governments in Britain, Spain and Greece have led to important policy changes concerning the EU. For instance, in the mid-1990s, Britain became even more isolated in negotiations within the EU due to the

prediction that the Labour Party (seen as a more pro-European party) would soon take over from the Conservatives.

Malta, being our primary point of departure in this category, can not be regarded as having great political cohesion. There are enormous differences between the two main political parties, the National Party and the Labour Party, and democracy built on peaceful political campaigns, safe participation in elections and balanced media coverage has only recently been established in Malta. Also, the Labour Party, which normally receives about half of the votes, has only recently (2005) abandoned its policy against EU membership. As a result, potential political instability in Malta may affect its behaviour within the Union, placing it with low internal and external action competence and high vulnerability, as Table 2 shows.

Economic Size

The fourth category of the model consists of three features: GDP, market size and development success. States' GDP is commonly used in the small-state political literature, sometimes combined with population figures in determining the size of states, as has already been discussed. Hence, states with relatively high population figures but low *per capita* income can be classified as small. On the other hand, Griffiths (2004) argues that the small-state economy literature has mostly focused on market size in its analysis but has failed to take 'economic size' as a point of departure. Despite globalisation, the market size of states cannot yet be regarded as being world-wide in all cases as Alesina and Spolaore (2003) mention, because severe trade restrictions still exist, and even within the Union there remain several trade barriers to overcome (UNICE 2004). Hence, market size has several implications for the state in question. For instance, it may determine the degree of openness of the economy; the production structure; commodity concentration of trade; geographical concentration of trade; it may influence states' balance of payments and their ability to attract an inflow of aid and foreign direct investment (FDI). A recent study carried out by Griffiths (2004, 71), including four large EU member states and eleven small states in Europe,⁴ concludes that a "remarkably persistent and robust" link exists between the size of GDP, on the one hand, and a narrow domestic production structure, a relatively open economy, and a commodity concentration of trade on the other. However, there was no statistically significant relationship between size and openness among the smaller states. On the other hand, the relationship between the size of GDP and the geographical concentration of trade (destination of exports and source of imports) was not apparent at an aggregate level, but proved to be very strong for manufacturing exports. By contrast, the correlation between small GDP, on the one hand, and structural balance-of-payments problems and the ability to attract a relatively large inflow of aid and FDI flows, on the other, was weak.

As Figure 2 shows, there is an enormous difference between the GDP of member states. This is also the case with the size of their domestic market. For instance Ireland, despite its economic miracle transforming itself into 'a Celtic

Table 3. Economic size: Ireland

	INTERNAL CAPACITY		EXTERNAL CAPACITY	
	Action Competence	Vulnerability	Action Competence	Vulnerability
GDP	Low-medium	High	Low	High
Market size	Low-medium	High	Low	High
Development success	High	Low-medium	High	Low-medium

Tiger' (Finnegan, 2001), would have to be considered as having low-to-medium internal action competence, as Table 3 shows. Also, its economic volatility must be considered high because of its domestic economic dependency on the international environment (the global economy and the EU market), according to Katzenstein (1985). Accordingly, Ireland's external economic size must be regarded as limited and highly vulnerable, as Table 3 indicates. This is because the size of Ireland in terms of GDP restricts its ability to act internationally, in comparison with states like Britain, the Netherlands and Sweden (see Figure 2). For instance, Irish financial resources are more restricted in terms of running a bureaucracy and engaging in large-scale international operations at the EU or UN levels. Moreover, the smallness of the Irish domestic market makes it vulnerable in economic terms (Katzenstein 1985).

Turning to the third feature within the economic size category, development success, one could argue that states' economic policies, i.e., their success or failure, will affect actors' notion of their size and international action competence. The case of states in Asia, on the one hand, and in Africa (particularly south of Sahara), on the other, is an obvious example. Thirty years ago, the African states were doing better economically than the Asian states, but bad economic policies combined with fractional political cohesion, as identified above, have transformed this situation. The Asian states now tend to be active players in the world, at least much more than before, while many states in Africa are in such an economic mess that they can hardly be regarded as independent players in the international arena (as they rely totally on foreign aid and assistance). Temporarily economic success and failure also affect the behaviour of small states in Europe, despite their overall economic prosperity in the twentieth century. For instance, Magnússon (2004) has observed that out of twenty applications for EU membership by eleven states, eighteen were submitted after one year, or more typically several years, of growth rates substantially below the average growth rates of the EU member states.⁵ He concludes that states "that fail to experience such a gap see no reason to pay the price of integration and thus stay out" (Magnússon 2004, 99). Government economic policy plays a significant role, and states which do not succeed in adjusting their economy to the new globalizing world may fail to deliver the requested economic growth to their citizens. This may affect the notion of a state's success or failure among its citizens, firms, politicians and international actors, influencing how the state is seen in size terms and its ability to act domestically and internationally.

Ireland, in the last decade, is a classic example of an economic success, and as such must be placed high on the action competence continuum, as Table 3 shows. However, it still faces some vulnerability because of the uncertainty of whether the ‘economic miracle’ will continue and because of its dependence on the global economy (though it could be said that Irish politicians’ clear commitment to a continuation of economic growth limits its vulnerability). Ireland’s transformation into a Celtic Tiger has given it greater confidence in the international community, particularly in the EU. It has not only gained greater resources to act internationally; it is also seen as an example of how to transform an ‘undeveloped’ economy into a developed one.

Perceptual Size

The view of domestic and international actors concerning a state’s size, particularly in comparison with other states, is of essential importance in determining its internal and external actions. Also, the political discourse within any given state may determine how domestic actors view the state’s size and capabilities (Hansen & Wæver 2002; Hálfðanarson 2004). The fifth category of the conceptual framework, perceptual size, considers six features of significance in constructing the notion of how states’ sizes influence their international behaviour: the view of the domestic political elite of the size of the state in question and its internal and external capacity; the view of the electorate; views of other domestic actors, such as firms and pressure groups; views of the political elites in other states regarding its size and external and internal capacity; views of international organizations (IGOs) in this respect; and views of other international actors, such as foreign pressure groups (non-governmental organizations (NGOs)) and firms (see Table 4).

For example, domestic actors in the Scandinavian states (Denmark, Sweden and Norway), particularly the political elite, have in the past regarded their states as having considerable internal and external capacity. In other words, though some may regard these states as small in an international context, and as having limited international capacity, this has not prevented the political elite from endorsing international activity, as

Table 4. Perceptual size: Denmark

	INTERNAL CAPACITY		EXTERNAL CAPACITY	
	Action Competence	Vulnerability	Action Competence	Vulnerability
Domestic elite	Full	Low	High	Medium-high
Inhabitants	Full	Low	Medium	Medium-high
Other domestic actors	High	Medium	Medium	High
Elite in other states	Full	Low	Medium	Medium
IGOs	Full	Low	Medium	Medium
Other international actors	Full	Low	High	Medium

Table 4 shows in the case of Denmark. One could say that the post-war political discourse in Scandinavia was characterized by the duty to participate in the international arena and the ability to undertake considerable responsibility (Archer 2003). For instance, Sweden, Norway, Denmark and Finland provided 25 per cent of all the military personnel deployed in UN peacekeeping operations during the Cold War. They have also helped to negotiate peace agreements and facilitate peace processes in the Middle East, Sri Lanka, Kosovo and Colombia.⁶

It is no exaggeration to say that all domestic actors in these Scandinavian states, along with international actors, regard them as having high or full internal capacity to 'do whatever they like', domestically. In other words, they are seen as having full or high action competence to formulate and implement policies. Moreover, they are normally seen as having limited vulnerability in this respect, due to their highly developed welfare states and economic prosperity.⁷ In an international context they are also seen as having considerable capacity, though not as much as states such as Britain and France. Table 4 presents the views of domestic and international actors in this respect regarding Denmark. In comparison, Denmark, like the other Scandinavian states, is probably regarded by most, if not all, actors as having greater internal and external capacity than its neighbouring states in the Baltic (Zakheim 1998). This might also be the case for other new member states of the Union, such as Hungary, the Czech Republic, the Slovak Republic and Slovenia.

On the other hand, domestic actors may view the external capacity of states differently. For instance, the confidence of the vast majority of the Danish political elite in being able to guarantee Danish interests within the EU has created a pro-European political class that is determined to keep Denmark at the heart of the European integration process (Petersen 1998). However, a considerable number of the Danish electorate seem not to be very confident about the external capacity of their politicians to protect core Danish interests and values within the Union, rejecting the advice of most political parties in referendums on the Maastricht Treaty and in joining the euro. This difference is revealed in the external capacity table in Table 4. The political elite in other states also may not share the confidence of Danish politicians concerning the country's external capacity, even exempting it from aspects of the Maastricht Treaty, though it may agree on Denmark's internal capacity. Denmark's strong position in the implementation of EU directives would confirm this view. Other international actors may have different opinions again, as is shown in Table 4.

Preference Size

The European integration process is an elite project (Wallace 1996; Moravcsik 1993; Hansen & Wæver 2002; Kristinsson & Thorhallsson 2004). The original framework of the Union, which developed in the 1950s, bore the hallmark of an attempt by the political elite in the founding member states to create a united Europe built on peace and economic prosperity. The

electorate has rarely been directly consulted on the question of further integration, though it is becoming more common for it to have a say through referendums. The elitist character of the Union and international institutions in general (and hence the international system), makes it vital to develop an approach that attempts to examine states' international action capacity in terms of the size concept and to examine the domestic political elite's ambitions and priorities as well as its ideas about the international system. The sixth and final category of the conceptual framework covers 'preference size' and includes these three features.

States' domestic and international ambitions differ widely and follow from the ambitions or lack of ambitions of their politicians. Several politicians have very high ambitions for their states and some of them try to act according to them. A number of them succeed despite observations that their state does not have the capacity necessary to fulfil their desire. (An example of such a case is Iceland, which was one of the poorest states in the world early in the twentieth century but became one of the richest by the end of it.) Others fail because their goals are far from the reality of what their state can accomplish, due to limited resources and other circumstances (e.g. the hopes of politicians in Bulgaria, Romania and Albania to be included in the first round of the Eastern enlargement of the EU). The contradiction between the international ambitions of political elites can be striking, as in the cases of Sweden and Switzerland. Swedish politicians have emphasized international participation and have not hesitated to contribute significantly to the international community (Ingebritsen 2002; Jakobson 2005), as Table 5 demonstrates. On the other hand, the political elite in Switzerland has been predominantly reactive in the international system (Lazowski 2005). The elite seems not to regard the international system as being constructed in a way that it can influence (Gstöhl 2002, 39–40). In Sweden, politicians seem to believe that the international system is suited for Sweden to play an active part within it and that they can reconstruct the system according to their ambitions. Swedish politicians have high hopes for domestic and international benefits of their actions (Ingebritsen 2002; Jakobson 2005) (sometimes being too ambitious in their attempt to influence all sectors and even teach others how to do their business, as in the first years of the country's EU membership).

Table 5. Preference size: Sweden

	INTERNAL CAPACITY		EXTERNAL CAPACITY	
	Action Competence	Vulnerability	Action Competence	Vulnerability
Ambitions	High-Full	Low	High	Low–medium
Priorities	High	Low	High	Low–medium
Ideas about the international system	High	Low	High	Low–medium

Furthermore, whether the political elite believes that bilateral contacts suit the state better than multilateral contacts may have profound influence on international approaches of states. In other words, the elite's ideas about the international system and its ability to have a say within it may be central to decisions about international activity (see, for instance, the discussion about why the Icelandic political elite has not sought EU membership in Thorhallsson 2004).

However, the political elite in Sweden and Switzerland can both be regarded as having high, if not full, ambitions for their domestic arena. They have prioritized, in all their domestic action, according to these high-to-full ambitions, as Table 5 shows in the case of Sweden. As such, they have become highly successful states, domestically. By contrast, the Slovak Republic and the Czech Republic had different domestic and international ambitions in the 1990s. The political elite in the Slovak Republic looked further East in terms of domestic policies and foreign activity, while the elite in the Czech Republic adopted policies based on traditional Western European norms and international activities (Katzenstein 1997). However, the governing political elite in the Slovak Republic has now changed its ambitions, priorities and ideas about the international system and turned towards the West.

Conclusion

The aim of this article is to develop a 'new' conceptual framework, built on previous perspectives, by incorporating the 'traditional' variables into a more comprehensive framework and introducing, at the same time, 'new' variables in order to define the size of states and explain their behaviour in an international organization like the EU. The conceptual framework emphasizes the importance of domestic and international actors' assessments of a state's action competence and vulnerability, internally and externally. Domestic actors' notions of the size of the state and its internal and external capacity shape the behaviour of the state. As such, the notion of states' sizes forms part of their identity and helps to create their potential action capacity. For instance, ambitious political leaders may form a notion of the size of their state and its capacity for international action based on distinctive national history or myths. Thus, the notion of a state's size may be transformed and chosen, though its internal and external capacity will always be limited by domestic resources and restricted by the international system.

The structure of the international system will continue to affect the notion of the size of states and their capacity for action. Also, domestic characteristics establish the scope within which the notion of a state's size can be fitted. As a result, objective measurements such as the size of the foreign service and the four variables identified as 'traditional' (population, GDP, military capability and territory) are still important in revealing the size of states and their potential domestic and international behaviour. However, they cannot be used on their own in determining the size of states and their action capacity. The definition problem of classifying states in terms of size is more complicated, as is their domestic and international environment. A theoretical

approach intending to identify the size of states and their action capacity in the international system, and more specifically in an international organization like the EU, has to examine in a much wider context what features determine concrete objective measurements. For example, a state's political size in terms of its military capability must be interpreted in conjunction with an assessment of the skills of its bureaucrats, particularly of its diplomatic corps, and of aspects of its domestic politics, such as the depth of political cohesion. Moreover, in the new globalized arena, the opinions of relevant domestic and foreign actors and their influence on states' behaviour cannot be ignored. This is because the attitudes of pressure groups and firms may shape the notion of states' size and their action capacity. A theoretical approach intended to explain EU member states' actions within complicated decision-making processes of EU institutions must therefore take account of both perceptual and objective aspects. Finally, it is the political leaders of each and every state who decide how states respond to domestic and international events. Their responses are influenced by domestic characteristics and the international system. Moreover, political leaders base responses on their own assessment of any given situation, and their notion of the size of their state and its capability, internal and external.

Notes

1. One could argue that the importance of guaranteeing each state's own defence and the importance of territorial expansion dates back much further, i.e. to the creation of the first communities and city states.
2. Figures are at constant 2000 prices and exchange rates. The figure from Sweden is estimated.
3. *Morgunblaðið* (The Icelandic Morning Paper), (15 October 2003) Krefst eignarþóta að andvirði níu milljarða króna, Available at: <http://www.mbl.is/mm/gagnasafn/grein.html?radnr=720252> (accessed 26 January 2005). Liechtenstein has increasingly tried to entrench international recognition of its sovereignty by becoming a member of the UN and the EEA. It also delayed the ratification of the extension of the EEA Agreement to include the new member states entering the EU on 1 May 2004 in an attempt to gain recognition by the Czech Republic and the Slovak Republic in order for Hans Adam II, Prince of Liechtenstein (the head of state) to regain ownership of his former property in the republics. The issue brought to the fore the very nature of Liechtenstein as a state rather than a possession of the Prince.
4. The large states: Germany, Britain, France and Italy. The small states: the Netherlands, Belgium, Luxembourg, Austria, Denmark, Norway, Sweden, Finland, Ireland, Switzerland and Iceland, i.e. the study included the original members of the EEC (plus Ireland) and EFTA (plus Finland and Iceland but excluding Portugal).
5. Switzerland being the notable exception.
6. Information from the Royal Norwegian Embassy in Copenhagen and the Royal Danish Ministry of Foreign Affairs.
7. Musial (2002) provides an extensive account of the construction of the 'Scandinavian model' with its perceived strengths.

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