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When Elephants Fight: How Small States Survive

By Hui Ying Lee

SYNOPSIS

Small states are at risk when the international rules-based multilateral order weakens while oftentimes, the resilience of small states is ignored. What are the implications on the survival of small states in this digital age characterised by geopolitics, challenges such as terrorism, cybersecurity and great power competition?

COMMENTARY

AT THE 2019 Forum of Small States (FSS) in New York on 25 September 2019, Singapore Prime Minister Lee [highlighted](#) the strengths and vulnerabilities of small states. Some states tend to present their smallness as a bargaining chip, to render themselves as weak, vulnerable or benign. However is being “too small” a disability? The constraints in which small states face are inherent, such as territorial security, natural resource dependence, economic challenges.

There is an increase in security threats due to the rise of hegemonic neighbours. Nepal for instance is [sandwiched](#) between two hostile neighbours, India and China. Non-traditional security issues like climate change and technological advances are also examples of impending challenges facing small states and they may have to realign their strategies to effectively navigate these uncharted waters in 2020.

Challenges Ahead

History is re-enacting itself where big countries are acting normally (according to realists' view), with an aggressive America and a rising China. Unlike a bipolar system of the Cold War era where there is an alternative ideological system, there is no clear possible outcome to the great power competition except for discontent with the current order.

The unfolding of the digital age to a large extent complicated insecurity faced by both great powers. Tensions have been created not just in the traditional military sense but has now evolved into a Tech Cold War. The takedown of Huawei, particularly its participation in the roll-out of next-generation 5G mobile networks globally, revealed that the issue between both powers is not simply about economics.

The digital age brings about a new information environment and an increase in the speed of interactions which smaller states have to grapple with, especially considering their limited diplomatic resources. Comparatively, the Cold War was relatively easier to analyse.

In this digital era, there are tonnes of data available every second. New digital security concerns such as “Deepfakes” are increasingly finding themselves venturing into domestic [politics](#) and international affairs. “Deepfakes” may potentially be used to incite violence or result in misperceptions between powerful giants. The likelihood of such instances is high, since Trump has been well known for conducting “Twitter diplomacy”.

The new information environment has heightened states’ anxiety where there is a risk of reading, hearing, seeing false information. Small States are increasingly having a narrower room to manoeuvre.

Where Does the Strategy of Small States Lie?

Can states that are militarily weak but strong economically translate economic power to political power? In the World Economic Forum’s 2019 [Global Competitiveness Report](#), Singapore is ranked the world’s most competitive economy, placing it way above the United States. Likewise, countries like Switzerland and Denmark take their places among the top ten.

Small states have traditionally been perceived as “lagging behind” the bigger counterparts. This may not hold true in recent years. In Small states, it is much easier to track and forecast development trajectories due to their smallness and agility. “Strategic pragmatism” has been consistently applied by Small states such as Singapore, Malta and Finland.

However, the emerging challenge is that international economics is developing into a geopolitical economic trade war between the China and the US. Small states are highly dependent on exports and imports. In 2018, Singapore’s total exported goods represent [72.8%](#) of its overall Gross Domestic Product(GDP). The same goes for Caribbean countries such as Belize and Barbados.

Small-sized economies and dependence on exports and imports put small states at risk of trade shocks. It has been forecasted that Singapore will be affected the [most](#) from the US-China Trade war in 2020. Furthermore, smaller states are at risk of being dragged into the ongoing competition. Singapore, for example, was added to the US [watchlist](#) for currency manipulation, one that was targetted at China.

Niche Strategy: Small States as Norms Entrepreneurs

Due to the changing geopolitical climate, small states are increasingly investing in niche strategy, enhancing their soft power in order to improve their foreign policy credentials and capability as “norms entrepreneur”. Switzerland topped the [2019 Global Resilience Index](#). Norway is often known as the “international capital of peace”.

Like how the smaller countries in Scandinavia are exporters of peace and culture, Singapore is considered as a choice for education and its stable economy. With more recent events to add on to the list, Singapore is increasingly being considered as an ideal place for [landmark meetings](#), an honest broker or diplomatic moderator.

Small states’ focus on developing their international presence has advanced faster in the digital areas. Singapore, Denmark and Finland are ranked among the top ten for the [2019 Government AI Readiness Index](#). Bigger countries such as India and China are ranked 17th and 20th respectively.

Small states are better positioned in innovating faster than the bigger powers. Being small allows Denmark to accelerate new technology deployment quickly. The [development](#) of Denmark’s Digital Growth Strategy from the proposal stage of a policy agenda to the conclusion and maturing of a plan took less than two years, one which would have taken longer compared with larger public administrations.

Elephants in the Digital Room

The media has been very much focused on the AI war between US and China and Trump’s constant [attempts](#) at preventing the outflow of technological expertise to China. Yet, these bigger powers are not the only elephants in the digital room. Small states are more advanced in the public and private developments of the AI industry.

China should look towards these small states and adapt some of their national policies to manage and advance its [dream](#) of dominating the AI sector by 2030. Likewise, there is no national AI policy in the US. AI investment and achievements in the US are mainly driven by private companies such as Google and Apple. The US could tap on the [expertise](#) of advanced small states in managing cybersecurity threats in addition to forming cybersecurity alliances.

That said, small states still have their own unique domestic challenges. Moreover, the threat of militarisation of foreign policy still persists. The [defence spending](#) in China, US and other countries continues to increase. It is highly unlikely that China will end up transitioning into a democracy. Will America then, be contented with China’s growing stature? With no end goals in sight, these small states will still face an arduous journey of seeking a safe shelter amidst the “raging elephants”.

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