

CONDITIONS AFFECTING SMALL COUNTRIES

CONTRIBUTION IN KIND TO AN ALLIANCE EFFORT

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Abstract

Contributions in kind may be crucial in the degree of influence in the decision making process that each member of an alliance wields. This may be particularly important during a period when norms are formulated. Small countries may be prevented in contributing to certain defence activities due to scale considerations. The reduction in the incentives for active participation may lead to such countries facing an increased security risk in the long run, since their security concerns will not be adequately represented in the formulation of norms. A second factor impeding small country participation is the degree to which a widening of the decision making process impedes decisive action. By extending a model composed of local defence and power projection capability so that a third, intermediate, defence good is included, and considering production externalities between the three goods, regions where scale diseconomies are reduced can be constructed. The resulting incentives, that may favor small nation direct participation are counterbalanced by the potential of disruption in the decision making process.