# GEOGRAPHY OF MICRO-STATES: MAIN ARISING ISSUES

# **Sidiropoulos George**

Department of Geography, University of the Aegean University Hill, 81100 Mytilene, Greece

Email: geos@aegean.gr

### Abstract:

News is often interspersed with reports from small islands. Reference is often made to them due to their small size, or due to their administrative autonomy or financial regime; usually attracting the common interest. Actually, what are the so-called microstates, virtual lands, unrecognized state entities, or ephemeral states?

Their de facto distance from the centers of socio-economic developments contributes to the conservation of both their traditional social web and their natural environment, but at the same time, it deprives them the opportunities to keep in pace with the modern developments and renders them under the status of isolation.

On the one hand, the barrier resulting from natural obstacles acts like a filter that bars the introduction of opportunistic innovations, and on the other hand geographical proximity would make contact with progress feasible. In other words, situation acts as an immune system which secures the better health of microstates.

**Keywords:** Microstate, micronation, small economies, insular space, quasi-state, sovereignty, development.

### 1. Introduction

News is quite often interspersed with reports from small islands in the middle of the ocean. Reference is often made to them due to their small size, or due to their administrative autonomy or financial regime; usually attracting the common interest.

Actually, what are the so-called microstates, virtual lands, unrecognized state entities, or ephemeral states?

### 2. How small is Micro?

The basic step in the study of microstates is to define the concept of size. The Forbidden City in Peking, well-organized university campuses, large recreation complexes, even great multinational enterprises or huge cruise ships may as well be regarded small organized societies.

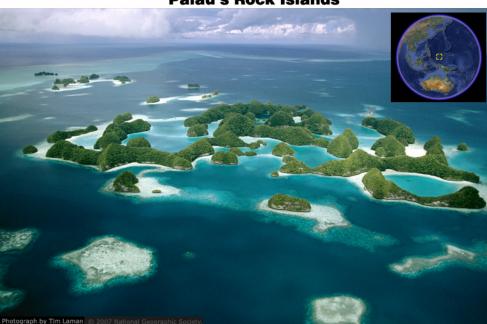
Is Sealand<sup>7</sup> off the coast of England a microstate?

The basic difference between microstates and the examples mentioned above is that their social structure has not been built on the basis of features like employment, social structure, or any other form of social or economic activity. Microstates are integrated social systems even though their surface area is limited. Definitions related either to qualitative or quantitative features are more widely used in available literature.

Several factors are required to define a state as a microstate. Microstates, mostly the insular ones, are identified upon the basis of physical and geographical features, serving as a definition frame (Pic. 1). The degree of geographical isolation can be one such feature: limited resources, limited land, limited ecosystem sensitivity, which can result in any form of developmental activity having a negative impact on the environment on the short term. Another

<sup>7</sup> Principality of Sealand, a micro-nation offering offshore services off the coast of Suffolk, Great Britain.

such feature may be proneness to natural disasters: a tropical storm may affect the whole area, since ecosystems in microstates have a limited tolerance margin<sup>8</sup>.



### **Palau's Rock Islands**

Picture 1

Beyond the above qualitative features, there are also quantitative features related to geographical area, population size and economic indices. The size of financial activity is often used in order to define a microstate: if a state entity fails to influence markets on its own it is called a microstate. Micro-economies amount to microstates. Another set of defining features is focused on factors related to both an upper population limit and territorial area. In all such cases, population is unbreakably tied with the country's size<sup>9</sup>.

This study adopts geographical area as the dominant feature of defining microstates. The limit of an area of 1,000 km<sup>2</sup> has been set following qualitative and quantitative comparisons and the study has been based on microstates having an area smaller than this upper limit<sup>10</sup>.

In several cases, these entities can be marginally designated as states because they have a very small population, basic economic activity and primary social structures.

In other cases, even though the national sovereignty area (i.e. in island complexes) is extremely large (reaching up to 1,000,000 km<sup>2</sup>), the inhabited area may not even reach 300 km<sup>2</sup>.

Microstates and self-governing territories studied here total seventy-two (72) entities, while their number rises steadily.

# 3. Methodological Issues

A fundamental point of difficulty in collecting both cartographic and thematic information is the fact that these microstates mainly represent a single socio-politic, or economic -and less-geographical space.

<sup>&</sup>lt;sup>8</sup> Singh N., Environmental Problems & Opportunities in Small Open Economies, paper presented at the Eastern Caribbean Central Bank & Commonwealth Secretariat on small states, Problems & Opportunities in a World of Rapid Change, St Kitts, 25-27 March, 1991.

<sup>&</sup>lt;sup>9</sup> Kuznets, Simon, Economic Growth of Small Nations, in E.A.G. Robinson ed., The economic consequences of the Size of Nations: Proceedings of a Conference Held by the International Economic Association. London: Macmillan, 1960.

<sup>&</sup>lt;sup>10</sup> In certain instances (e.g. Hong Kong with 1,045 km<sup>2</sup>) the study has overstepped this rule, because socioeconomic and political conditions in those microstates showed great similarities that made it more logical for them to be included in the current field of study.

The major problem proved to be the need to use very large scales. It is a need that emerges from the mandates of the information dissemination means. Atlases play the leading role in this particular case. The space given to uninhabited island complexes is minimal and the scale is proportional to the microstate's area, so cartographical information is scarcely provided. In any case, it is not the same as for 'large states'. Among the first steps of the study was to transfer the maps to the same scale for size comparability.

Digital Atlases will probably resolve this problem in the future, as soon as technology offers enough volume, power and speed to build a worldwide cartographic base with a uniform grid or grids (as it is the case in the services provided by national states).

Unlike cartographic information, thematic data –better managed by current technology-has raised the issue of organizing the abundance of available information. A point must be made here about the fact that information -although abundant- is far from limitless and naturally follows the development of information technology. This means that limited instances of digital entries were found relating to decades prior to 1980 and therefore these had to be supplemented through manual research.

### 4. Microstates by Numbers

The late emergence of these state entities in the historical foreground makes studying their **government status** particularly interesting.

Two broad categories become evident. On the one hand, there are those constitutionally **independent** microstates, totaling 24 entities, and on the other hand, those microstates which are subject to some form of independence or dependence, a total of 48 entities, which are here, called **semi-independent** microstates (Fig. 1).

Talking about economies there are a total of 130 economies measuring 1,500,000 people: this equals in size a big city. Most microstates were established between 1975 and 1986. Contrary to their size, their control area is especially large. Kiribati stretches over 280 ml<sup>2</sup>, while its control area extends to 1,370,300 ml<sup>2</sup>. Their characteristics are similar to those of a region:

- limited natural reserves
- small populations
- small enterprises
- little 'local' potential
- insufficient local demand
- susceptibility / vulnerability
- inadequate official infrastructure

The status of the semi-independent microstates appears in various forms. Fourteen such status forms have been enumerated noting different stages of constitutional development. Depending on the degree of development, the varying stages ranged from the stage of gradual independence to the stage of integration into a powerful regime:

Dependencies, Enclaves, Autonomous parts, Outermost regions, Self-governing territories, Free association territories, Self-governing regions, Overseas territories, Colonies, Overseas departments, Exclaves, Special territories, Disputed territories.

The presence of the **human element** in absolute magnitudes is small, in proportion to the small area of these microstates; however, population is generally increasing. In the subgroup of independent microstates, for example, the mean increase in the population between 1950 and 1990 has been at the order of 85%<sup>11</sup>.

<sup>&</sup>lt;sup>11</sup> United Nations Statistics Division - Demographic and Social Statistics United nations Statistical yearbooks - UNESCO, 2005

The average population per microstate is 54,019 individuals, with Hong Kong ranking at the top of the list with 5,838,000 people, followed by Singapore with 2,821,000. A considerable proportion of these microstates, up to 14%, show zero indices.

### micro-state comparative table Aruba Dominica Saint Kitts and Nevis St Pierre & Miquelon Singapore Antigua & Barbuda Saint Helena Andorra 100.000 km<sup>2</sup> خحن Bermuda Sao Tome Grenada Anguill & Principe Tonga Gibraltar Barbados Christmas Island Macao Saint Lucia Liechtenstein Mayotte Guernsey Island Mount Athos Montserrat San Marino Norfolk Island Bahrain i Saint Vincent Cocos Islands & the Grenadines Jersey Island Nauru Pitcairn Islands Vatican City - 1 Barbados Monaco Maldives Martinique Wallis & Futuna

Figure 1

What can more accurately specify the population profile of our subjects is their population density, which appears in extremely high values. The average is 1,206 individuals per  $\rm km^2$ , while 60% of microstates show a population density above 100 individuals per  $\rm km^2$ . Note here that an average industrial country has a population density varying around 100 individuals/  $\rm km^2$ .

A series of microstates have values well above the average: Bermuda (1,103), Vatican (2,273), Singapore (4,295), Gibraltar (4,319), Hong Kong (5,914), Monaco (15,321), while Macau has the highest value with a density of 19,761 inhabitants/km<sup>2</sup>!

Also note here that variation of density values is also high (standard deviation = 2.895), which clearly demonstrates the population density unevenness across microstates.

<sup>&</sup>lt;sup>12</sup> France: 104, Greece: 78, Zaire: 17 individuals per km (The Dorling Kindersley Atlas, 1995).

According to data provided by the United Nations for the year 1993, when measured by HDI (Human Development Index)<sup>13</sup> independent microstates classify above an agricultural country<sup>14</sup> (65/100), although semi-independent territories score definitely lower indexes. This is partly explained by the **economic regime** of these entities.

Monocultures are typical of the economic activity in microstates, which of course are quite vulnerable to the world market system. For Mauritius, it is sugar, for Gambia groundnuts; for Tonga it is copra, for Trinidad & Tobago mineral oil; for Guyana it is the bauxite industry and for Seychelles it is tourism, the same for Barbados. A series of specific developmental activities are also met in microstates: foreign investments on clothing and handcrafting as well as offshore enterprises. As regards the independent microstates, these developmental activities are classified into: Military bases (8)<sup>15</sup>, tax havens (5), banking activities (5), scientific bases (3), animal reserves - parks (2), trade centers (1) and refineries (1).

Average GNP for independent microstates is \$ 6.505 and depicts countries that are developing. However, the vast majority of them demonstrate low GNP and the high average GNP is actually attributed to the inclusion of certain microstates like Andorra (\$ 15,430), Singapore (\$ 12,310), Monaco (\$ 11,000), Hong Kong (\$ 10,320), Nauru (\$ 10,000), which score rather high GNP levels; quite a few microstates have a remarkably high GNP, like Liechtenstein (\$ 31,000). This peak pattern would be even more manifest if one had the opportunity to register<sup>16</sup> the GNP values of some semi-independent microstates like the Guernsey and Jersey islands, Gibraltar, the Isle of Man, the British Virgin Islands, Bermuda, Cayman Islands, and Cook Islands, which all have very high GNP levels.

This group of microstates with a high GNP is widely known under the name of 'tax havens'. Indeed banking is one of the mostly met and most successful activities in microstates. In a total of 60 states around the world, 13 microstates are included in the dominant centers through which half of the global financial transactions are circulating<sup>17</sup>.

### 5. Geographical Space through Time

The determinant factor in order to interpret the evolution of microstates is to delineate and identify the systems which organize their vital geographical space. Two parameters come into discussion for such an analysis: site<sup>18</sup> and situation<sup>19</sup>.

The first impression is that the large number of microstates in this field of study are located in the Pacific Ocean, with a second major group of them in the Atlantic Ocean 'basin', and a third one in Asia (Fig2).

Actually, the geographical nature of microstates can provide groups with common features under the wider framework of their emergence in the historical foreground as organized societies.

<sup>&</sup>lt;sup>13</sup> HDI (Human Development Index) is derived from four other indexes relating to: a) National Income, b) Life Expectancy, c) Schooling and d) Literacy (CNN NEWSROOM Global View, 1994).

Typical value for an agricultural country, Zaire = 26, 2/100; for an industrial country, France = 96, 9/100; Greece is at 90, 1/100.

<sup>&</sup>lt;sup>15</sup> The term 'Military base' often conceals the use of the area as a nuclear test field or chemical waste disposal area –this is the case of the Marshall Islands in the Pacific.

<sup>&</sup>lt;sup>16</sup> Information mining is impractical for semi-independent microstates because their presence in international organizations is only possible through the general statistics of the countries they depend on, even if in most cases they enjoy a certain autonomy status.

<sup>&</sup>lt;sup>17</sup> Tripidakis G., Kathimerini neswspaper, «Ta thelgitra ton forologikon paradison» (in Greek) ["The attractions of tax havens"], 12/12/93

<sup>&</sup>lt;sup>18</sup> Site: The way in which a geographical subject "is registered in space" (Dolfus, 1971,p. 15).

<sup>&</sup>lt;sup>19</sup> Situation: The way in which a geographical subject "is registered in the spatial continuum", i.e. the total of the circumstances in which it is found. (Dolfus, 1971,p. 15)

	Africa	Asia	Atlantic Ocean	Pacific Ocean	Europe	Indian Ocean	Caribbean	Middle East
Semi- Independent	0	4.5	20	40	9	9	15.5	0
Independent	4	8	0	19	27	8	27	4
Total	4	12.5	20	59	36	17	42.5	4

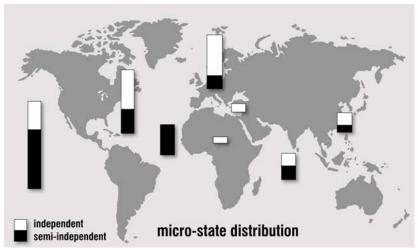


Figure 2

The phenomenon of microstates is largely located in overseas dependencies (i.e. islands –since only 11 microstates are actually located in continental ground) and is the outcome of seafaring explorations by the major marine powers from the Middle Ages up to the last century. Therefore, one notices that the possessors and creators of these microstates belong to the class of the powerful international actors in each historical period.

It is only natural that control areas have not remained the same but they were occasionally modified through the centuries, either due to the dynamic position of a powerful state or because of the changing technical capacities of navigation, as well as the course of political transactions among the powerful countries.

The English, the Dutch and the French were among the first as early as in the 11th century. After the colonists of Australia, New Zealand and the USA strengthened their position as well, organized states took under their control smaller states that were situated inside their radius of influence in the seas.

The USA today ranks as second biggest 'owner' of such territories (12), mostly located in the Caribbean and the Pacific Ocean. Great Britain is the longest-living and greatest owner (17 territories), which is explained by the most powerful political position held by the British Empire as well as by the potential provided by the fact that the British were among the first dominant sea actors. As a result of these, British dependencies are scattered all around the globe, while those of the USA are gathered in its wider radius of influence<sup>20</sup>.

But even though in general terms the phenomenon of the appearance and establishment of microstates is the effect of the great explorations, the political genealogy of some of them dates back much earlier than the Middle Ages.

Historical sources refer to San Marino in 4<sup>th</sup>, the Isle of Man in 9<sup>th</sup>, Guernsey and Jersey islands in 11th, Andorra in 13th century. This historical continuity has played an important role in the formation of a special cultural identity of these states.

<sup>&</sup>lt;sup>20</sup> The delineation of our field of study prohibits the opportunity to discuss the phenomenon of overseas dominions in all of its extent. France –although a major, sea power in the past, – simply appears to have no possession of such dominions, which is false only because its dependencies are far greater than the limits set for the microstates of this study (Guadeloupe etc).

Mount Athos certainly classifies as a unique case, since its special independence status was determined as long ago as 883, during the Byzantine Empire times. What distinguishes it from other entities however is the fact that Mount Athos possesses all of its legislative proofs from 883 to present time, confirming an unprecedented legal continuity; add to this the fact that its administrative borders were never disrupted, so this makes Mount Athos an entity that has been functioning uninterrupted as an organized social formation.

Long historical continuity through the centuries is not the only contributing factor in the shaping of conditions for further development of a special cultural identity. Much later microstates and for completely different reasons, such as the Vatican City (independent from 1929) or Monaco (its 1<sup>st</sup> Constitution was written in 1911), are characterized by their exclusive cultural activity.

### 6.Site

Site is the actual topographical frame in which an area

is registered. In the opinion of some scholars site is an issue of a minor scale compared to situation. In our specific case however, the small size of microstates fails to differentiate these two concepts or even renders them identical.

In most of the areas studied here, the original site selection was directed by demands for safety and security (defense, food supply, control over passages or straits etc). In the course of their evolution however, original sites were changed in an organized and purposeful scheme to accommodate new needs or new functions assigned by central political planning. Gibraltar, Monaco, Macao etc. are examples of intervention in site (Fig 3).

The chief families of area types are: territories with no exit to the sea (Andorra), territories with exit to the sea (Monaco), peninsular territories (Mount Athos), islands (Malta), and island complexes (Seychelles). Using this classification the vast majority of microstates (59 out of 72) fall into islands (29) and island complexes (30).

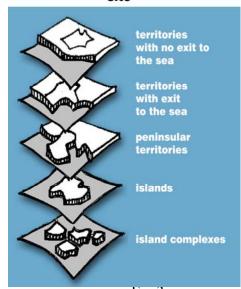


Fig 3

Still using the above families and specifying whether microstates are located on continental or overseas locations, half of them appear as overseas.

Administrative independence as well as economic well-being coincides to a great extent with continental microstates.

Either the site of about 3/4 of independent microstates is in the form of an island closes to continental areas or it is itself a continental state (Malta, Liechtenstein etc.).

Some 1/4 of them are overseas territories: it is the case of island complexes which show a remarkable feature in that they occupy huge sea areas despite the fact that their total area is less than 1,000 km<sup>2</sup>.

In the class of semi-independent microstates, which are old dominions with no major geopolitical role any more, some 3/4 of them are island complexes and the majority of them are overseas islands (91%).

### 7. Situation

Situation of a spatial unit is the outcome of its internal system of operation in relation to its interconnection system with the external world, in other words the way in which the geographical subject 'is registered' in the spatial continuum.

A microstate's situation is of key importance. Microstates are nodal points which have served and continue to serve military needs, refueling demands and have been strategic points for trade or even serve as environmental bases. The information technology revolution has given them the chance to evolve into nodal banking establishments and developments in the new marine law are expected to turn them into key geopolitical actors again (option to extend territorial waters to 200 miles).

Based on situation the chief families are: **cities** (Vatican City), **urban agglomeration** (Gibraltar) and **regions** (Hong Kong) (Fig 4).

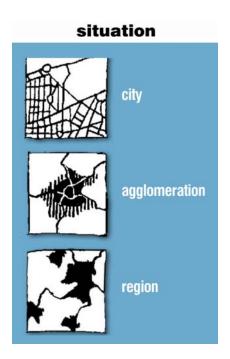


Fig 4

The average profile of microstates in relation to situation is that of a 'region' (61 instances). There are also two cities (Vatican, Monaco) and only one urban department, Gibraltar.

As for independent microstates, the main feature of their situation is their free exit and accessibility to the sea (Fig5).

For those rare cases of microstates, whose situation fails to provide access to the sea it is worth noting the following typical instances: the case of microstates which border more than one country (Liechtenstein, Andorra) and the case of microstates which are enclaves within other countries (San Marino, Vatican City).

Semi-independent microstates are mainly islands. Some 50% of them are island complexes and 3 cases are peninsulas (Mount Athos, Gibraltar and Monaco). Some 3/4 of this group is situated in overseas locations.

# Territorial water in the Pacific Ocean (2005) HAWAT (É.-U.) MARIANNES DU NORD GUAM JÉ -U 1 ÎLES MARSHALL ÉTATS FÉDÉRÉS DE MICRONÉSIE PAPOUASIE-NOUVELLE-GUINÉE KIRIBATI TOKELAU (N.-Z. TUVALU ILES SALOMON VANUATU POLYNÉSIE FRANÇAISE FIDJI TONGA Tropique du Capricori NIUE (N.-Z.) SAMOA (É.-U. WALLIS-ET-FUTUNA (Fr.) Source: Questions internationales nº 14

Figure 5

### 8. On the Label of 'Outlandish Tax Havens'

As already mentioned above, microstates are almost always mentioned as 'outlandish tax havens'. Let it be made clear right from the beginning that this label of a tax haven is not a synonym for social prosperity, and careful observation will definitely revert this view.

Two categories of such microstates are met: on the one hand, there are microstates where the financial regime is a profitable activity and on the other hand, microstates where the financial regime is just their goal. The first category includes the most successful cases, which are also geographically close to traditional cultural centers. Take the cases of the Isle of Man in Europe (between England and North Ireland) and Hong Kong in South China (just 3 km far from continental China) etc.

The main question however is whether activities of this kind are advantageous in general. The answer is no. Quite often, although banking activities are profitable the balance of payments is negative and GNP is well low. The Cayman Islands are a typical example, being one of the major offshore financial centers of the world and nevertheless relying on tourism for 70% of their GNP.

Driven by the stereotype of 'tax haven' model in other countries, several microstates focuses in the establishment of similar activities. In the good case, what they achieved is to make financial activities part of their other activities, with no particular success, while there was also the bad case of failure in their attempt to achieve this goal. The case of the British Virgin Islands is applicable here, where economic abuse led to a legislative arrangement in 1990 which brought shrinking of the sector.

Cases are also reported in which wealth came from exploitation of natural resources. However, inconsiderate use of resources caused gradual reduction of the national resources. Nauru, where phosphate deposits have declined heavily, and Bahrain, where oil resources have depleted, are two good examples here.

The 'tax haven' model works but only in those cases where it 'has been effective'. In their majority microstates are no tax havens but small poor states which look forward to the 'coming' economic flourishing. In some of them banking is simply one of their activities as mentioned before. Production of agricultural goods (sugar, bananas, nutmeg, coconuts, cocoa etc), profits from the intermediate refuel stops (of sea lines and air lines), traditional fishing and recently tourism form the standard economic framework (Fig 6).

# Outlandish tax havens (2008) OCDE © Etats dits 'non coopératifs' en 2007 Anciens paradis fiscaux ayant accepté de coopérer depuis 2000 GAFI Etats ou territoires dits 'non coopératifs' en 2007 Andorre lies Vierges des E. U. lies Vierges des E. U.

# Figure 6

Even political **independence** is not given and often it is not even an aim at all. The claim for independence has not demonstrated for sure that independence has a positive impact on the socio-economic well-being of microstates. The people of many microstates are not even indigenous -they were transferred there as slaves or workforce for the colonial forces. (In Sao Tomé & Príncipe it was the Portuguese who first arrived there in 1470 carrying with them African slaves. By 19<sup>th</sup> century, at the time of the microstate's independence, some 10% of the population was Portuguese and Creoles while 90% of its people were Black Africans).

Their international representation is elementary. After World War II only Luxemburg has become a member of the United Nations, while Andorra, Liechtenstein, Monaco, Mauritius only participate in the margin of UN assemblies. Between 1946 and 1960 only Iceland and Luxemburg participated in an international system as equivalent states.

Microstates neither participate in international bodies nor do they plan to participate —they do not even have the capacity for representation. This fact of course raised questions as to their independence. Britain has suggested their 'pragmatic' independence by merging with other microstates.

The background of co-operations, alliances and coalitions to date includes the following types:

- 1. Independence.
- 2. Alliance with former colonialists (former metropolises act as a central state in the first years after independence providing subsidies, services, know-how etc.)
- 3. Alliance among microstates (at this point 26 regional and intergovernmental coalitions are been listed).
- 4. International alliance (United Nations acts as 'entrance' into the world community).

Often the claim for breaking away from a sovereign country causes huge economic and social problems. In many cases, even at the time of declaring independence, re-attachment was sought with the 'former' metropolitan country in the form of interstate union or participation in wider local or international organizations. It is generally ascertained however that microstates "... seek to be accommodated in larger organized associations ..." which "... will be able to safeguard to them the advantages of scale and collective security and at the same time guarantee the preservation of their particular characteristics..."<sup>21</sup>.

On the other hand, many of these microstates have lost the advantages they used to offer, so sovereign states seek to release themselves from the immense economic expenditure spend on assistance to them.

<sup>&</sup>lt;sup>21</sup> Dimitrakos D., «Ta megala pleonektimata ton mikron xoron» (in Greek) ["The great advantages of small countries"], TO VIMA newspaper, 1-2-98

Prosperity also seems to be irrelevant to the nationality of the sovereign state and this is only logical if one takes into account the fact that as soon as many of these dependencies actually appeared not only did they change 'owners' but have also been the object of transactions among the various powerful world actors and this has had no particular effect on them –for example Antigua has been in turn a Spanish, French and British colony, while the USA had already built a military base there in 1941, before it was even declared independent from Britain.

### 9. Development Planning Efforts

Regarding most microstates, there have been a series of ambitious development plans. One of the main aims has been the development of financial organizations. In other cases, where natural resources have been exploited, misuse has been common. Tourist service activities have not flourished either, at least to the degree they had been expected to succeed. Facts usually show small range activities, which are extremely fragile and vulnerable.

The main problem was identified to be around the fact that the size of microstates is that of a region and also microstates lack the function of a central state which could take action to balance the system of economic activities. This fact demonstrated the need to seek coalitions for planning and finally the United Nations has been shown to be the central partner. In 1994 the first principles of a planning framework were laid out in Barbados islands for island microstates and 2005 a second plan was launched in Mauritius.

The reality of developmental planning is based on principles that appear to be unable to flourish as they had originally been conceived. Studies have shown (Commonwealth Secretariat/World Bank, 2000) that a success framework has to aim at the following characteristics which define the development challenges faced by many microstates:

- Remoteness and isolation.
- High degree of exposition to large markets.
- Natural disasters and environmental changes.
- Limited range of activities.
- Poverty.
- Limited opportunities.

The combination of all the above features affects microstates regarding their income instability and access to external capital.

### 10. Addendum

The majority of microstates and self-governing territories show the average features of an overseas insular administrative region. Site is not the key element and often it is purposefully modified when deemed inadequate.

Their de facto distance from the centers of socio-economic developments contributes to the conservation of both their traditional social web and their natural environment, but at the same time, deprives them the opportunities to keep in pace with the modern developments and renders them under the status of isolation.

These general findings also include some exceptions: microstates that have had a successful course of development, constant presence and a distinguishable social and cultural identity. These are exactly those thriving microstates that attract attention and act as successful socio-economic models. A significant portion of their profile is attributed to their form, as microstates in the form of urban departments or cities, located close to continental territories which play an important role in international socio-economic developments.

On the one hand, the barrier resulting from natural obstacles acts like a filter that bars the introduction of opportunistic innovations, and on the other hand geographical proximity would make contact with progress feasible. In other words situation acts as an immune system which secures the better health of microstates.

Under the general notion that microstates are big enough to give solutions to individual problems but too small to influence larger countries, their size tones with the general tendency

of establishing small integrated administrative units, while their situation acts as a safety distance for the creation of model 'social parks'.

### 11. References

Andorre Revue geographique des Pyrenees et du Sud - Ouest 62/2 Universites de Toulouse - Le Mirail, Bordeaux, Pau, Perpignam 1991.

Beja (sous la dir. de). Hong - Kong 1997, Fin de siecle, fin d'un monde?, Complexe, coll., «CERI», Bruxelles, 1993.

Bianchini, Monaco: une affaire qui tourne, Seuil Paris 1992.

CIA, The 2008 World Factbook, CIA, 2008.

Commonwealth Secretariat/World Bank (2000), Small States: Meeting Challenges in the Global Economy. Report of the Commonwealth Secretariat/World Bank Joint Task Force.

Cottrel, The end of Hong - Kong: the secret diplomacy of imperial, Retreat, John Murray , Londres , 1992.

Demographic yearbook 1995, Forty - seventh issue, United Nation, New York, 1997.

Dimitrakos D., «Ta megala pleonektimata ton mikron xoron» (in Greek) ["The great advantages of small countries"], TO VIMA newspaper, 1-2-98.

Dolfus O., «L' Analyse Geographique» PUF, Paris 1971.

Encyclopaedia Universalis, Symposium, Les Chiffres du Monde, Editeur a Paris, 1995.

Europa Publications Staff The Europa World Yearbook, Volume 1, 2, Εκδ. Iternational Press Publicationsn, 2006.

Franceshini P-G., Legris M., «L' Entreprise Monaco», L'EXPRES, No1884, 21 Aout 1987, 4-11.

Gimeno R., Mitrano P., Territorial water in the Pasific Ocean, La documentation Française, Questions Internationales 14, 2005.

Gimeno R., Mitrano P., Outland tax havens, La documentation Française, Questions Internationales 34, 2008.

International Financial Statistics, Yearbook, 1989, international monetary fund.

Kathimerini newspaper, «Ekenoste tin kolasi tou Mpaounti» (in Greek) ["Abandon the hell of Bounty"], 3-8-97.

Katsiouni S., «Paradisoi idiotikis xriseos» (in Greek) ["Havens for private use"], Kathimerini newspaper, 26-4-1998.

Kuznets, Simon, Economic Growth of Small Nations, in E.A.G. Robinson ed., The economic consequences of the Size of Nations: Proceedings of a Conference Held by the International Economic Association. London: Macmillan, 1960.

Laman T., Palau's Rock Islands, National Geographic, 2007.

Le Grand Livre du Monde, dictionnaire geographique illustre des pays, des villes et des sites.

Nadeau , Hong - kong 1997: dans la gueule du dragon rouge , Quebec / Amerique , Montreal , 1990.

Pagartani-Hoiha S., «Dio kosmoi» (in Greek) ["Two worlds"], KYRIAKATIKI newspaper, 6-7-1997.

Singh N., Environmental Problems & Opportunities in Small Open Economies, paper presented at the Eastern Caribbean Central Bank & Commonwealth Secretariat on small states, Problems & Opportunities in a World of Rapid Change, St Kitts, 25-27 March, 1991.

Southall, T. Petlane (sour la dir. de), Democratization and demilitarization in Lesotho: The general Election of 1993 and its Aftermath, Africa Institute of south Africa, Pretoria, 1995.

The Dorling Kindersley ATLAS 2007, DK Publishing, London, New York, Stuttgart, 2007.

The Economist - Kathimerini newspaper, «Pos to Honk Kong mporei na alaxei tin Kina» (in Greek) ["How Hong King can change China"], 6-7-1997.

Tripidakis G., Kathimerini neswspaper, «Ta thelgitra ton forologikon paradison» (in Greek) ["The attractions of tax havens"], 12/12/93

Tsaousis K., «Peripatos stous exotikous paradeisous» (in Greek) ["A walk through outlandish havens"], TO VIMA, 7-12-1997.

United Nations Statistics Division - Demographic and Social Statistics United nations Statistical yearbooks - UNESCO, 2005.

The Guardian – Kathimerini newspaper, «Oi skiodeis paradisoi tis aftokratorias» (in Greek) ["The shadowy havens of the empire"], 15-2-1998.