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Professor Paul Sutton

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The Concept of Small States in the International Political Economy

PAUL SUTTON
Caribbean Studies Centre, London Metropolitan University, London, UK

ABSTRACT This article examines the literature on small states from the related disciplines of international economics and international politics. By accident and design there is no generally agreed definition and characterisation of small states, although those advanced by the Commonwealth Secretariat and World Bank are most satisfactory. The role of the Commonwealth as a champion of small states is examined. Particular attention is paid to the concept of vulnerability and the challenges and opportunities to small states in a globalised world.

KEY WORDS: small states, islandness, globalisation, vulnerability, Commonwealth Secretariat, micro-states, decolonisation, small island developing states, subnational island jurisdiction, para-diplomacy, Consultative Group on Smaller Economies

Introduction

The problem of defining and conceptualising small states is illustrated with a personal anecdote. In the spring of 1997 I was appointed by the Commonwealth Secretariat as lead consultant for a new study on small states to update the Commonwealth report Vulnerability: Small States in the Global Society (Commonwealth Secretariat, 1985) published 12 years earlier. From the outset I was faced with a problem. The 1985 report defined a small state as an independent country with a population of around one million or less. On that basis 29 Commonwealth states were then defined as small (including both Lesotho and Trinidad and Tobago, which had populations marginally in excess of one million) and were identified as the primary (but not exclusive) subject of the study. If the same criteria were strictly applied in 1997 the around one million cut-off point could reduce the number of states to 26 (excluding Botswana, the Gambia and Mauritius) or even 24 (now excluding Lesotho and Trinidad and Tobago as well). It was clear to me that this would not be politically acceptable so I simply proposed lifting the threshold to one-and-a-half million, arguing in the new report that since 1985 ‘world population has increased and relative upward adjustment of population figures is necessary to take...’
account of this fact’ (Commonwealth Secretariat, 1997, paragraph 2.3). This had the
effect of now including these three states plus the ‘exceptions’ in 1985 of Lesotho and
Trinidad and Tobago. The Advisory Group to the report accepted this recommenda-
tion without dissent. Equally I retained, again on grounds of political unacceptability
were they to be excluded, the arguments in the 1985 report on including states within
the immediate geographic region with a population of well above one million on the
grounds made then that ‘they share many characteristics and also maintain integral
links with all small states in their respective regions’ (Commonwealth Secretariat,
1985, paragraph 1.5). The result in 1997 was to add in two extra states (Jamaica and
Papua New Guinea) to arrive at the same listing as in 1985, with the addition of
Namibia, which was now independent. Again the Advisory Group accepted
the recommendation without dissent. Indeed, the only dissent on which state was
to be included or excluded in definitional terms came from Singapore, who in the
preliminary discussions leading to the 1997 study wished at first to be included, but
was prevailed upon once the study commenced not to be considered.

The point is made to show how the concept of ‘small state’ is imprecise and subject
to judgements: expedient, informed, or otherwise. This is routinely acknowledged in
the literature on small states, in which there is still the absence of a precise definition
(Maass, 2009, p. 65) and in some quarters still a search for one (Crowards, 2002). In
this article, the focus is on small states in international political economy. It
examines some of the arguments on small states encountered in the literature on
international economics (especially development economics) and international
politics, both of which have contributed to the study of international political
economy; and the current debate and understanding of the concept of ‘small state’ in
the contemporary globalised world by officials and policy-makers from states and
international agencies, which have influenced the current usage of the concept.

Some Observations on Small States in International Economics

The starting point, and the most cited work in the contemporary study of small
states in international economics, is the volume reporting the proceedings of the
International Economics Association in 1957. This focused on the ‘Economic
Consequences of the Size of Nations’ and included a comparative study by Kuznets
that identified small states as those with a population below 10 million (Kuznets,
1960). It was followed by Demas (1965), who identified a small country as one with a
population of five million or less and a useable land area of 10,000–20,000 square
miles, and Jalan (1982), who identified it as a population below five million, arable
land area below 25,000 square kilometres, and a GNP below US$2bn. He also
proposed a subclassification of micro-states with a population of 400,000 or less,
arable area of 2,500 square kilometres or less, and GNP below US$500m. These
figures suggest both a downward movement in the definition of what constitutes a
small state and an attempt to be more precise about definition.

The downward movement in size was a direct reflection of the flood of new ‘small
states’ as a consequence of decolonisation, with 11 with a population of around one
million or less admitted to UN membership in the 1960s, 17 in the 1970s, and eight
more in the 1980s. The consequence was a rise in concern with small states in the UN
and the development of a new interest in them, particularly in their economic
development. It was represented in new studies that advocated the concept of the ‘micro-state’, defined as a state with a population of less than one million (Hein, 1985). Increasingly, in practice this became the ‘default definition’ by international agencies such as the UN, the World Bank and the Commonwealth Secretariat, although the term ‘micro-state’ was dropped in favour of ‘small state’.

The other exercise was an attempt to be more precise about the definition of a ‘small state’. An early attempt by Charles Taylor (1969) used the statistical technique of cluster analysis to identify a group of 74 micro-states (including states and non-independent territories) in which the upper limit was a population of less than 2,928,000, a land area of less than 142,888 square kilometres and a GNP less than US$1,583m. Other studies (Downes, 1988; Downes and Mamingi, 2001) followed that showed there was a close correlation between the three variables used, allowing the choice of population as proxy for the other two, but no final definition of population size emerged. As such, economists have been free to choose their own. For example, papers presented at the 1998 IESG mini-conference ‘Small States in the International Economy’ showed a variation in population size for ‘small states’ from 10 million downwards to one million. The same variation in population size was repeated in the Cambridge Workshop on Small States in November 2009, at which this paper was originally presented. In such circumstances it is clearly difficult to determine what economic characteristics small states hold in common yet alone develop a policy to encompass their interests. It is also somewhat uncharacteristic of economics as a discipline, which usually has greater conceptual clarity.

The sort of problems this gives rise to is illustrated by the issue of ‘islandness’. If a small state (or micro-state) is defined as possessing a population of one million or less then the majority are islands. In 1972, the United Nations Conference on Trade and Development (UNCTAD) set in motion studies that first gave birth to a special programme on ‘land-locked and island developing countries’ and then, for island states, morphed into the category of small island developing states (SIDS) between 1992 and 1994 (Hein, 2004). This new concept at least had the benefit of being more specific to small states because ‘large’ island states had been included in the earlier studies, but it did not resolve the issue identified in a 1983 UNCTAD Working Paper of whether ‘smallness rather than insularity is the dominant factor in determining the specific problems of island developing countries’ (UNCTAD, 1983, paragraph 7). Rather, terms such as ‘remoteness’ and ‘constraints in transport and communication’ seeped into the literature as typical characteristics shaping the economic development of small states when they should properly have been identified as those of small island states. By contrast, the work on small states qua small states undertaken by the Commonwealth Secretariat avoided this confusion, listing the economic characteristics of small states as: limited domestic opportunities leading to openness and susceptibility to adverse developments elsewhere; a narrow resource base leading to specialisation in a few products with associated export concentration and dependence on a few markets; shortage of certain skills and high per capita costs in providing government services; and greater vulnerability to natural disasters and greater reliance on overseas aid and various preferential agreements (Commonwealth Secretariat, 1996, p. 1). At the same time, however, and in the same publication, no explicit definition of ‘small state’ was offered and the country tables to which these remarks applied included, as small states, those with populations of
five million or less. So, at the end of several decades of economic research on small states it is fair to comment that some confusion still applies to the definition and the characteristics of such states, even though some studies have attempted to isolate islandness and size as explanatory factors (Armstrong and Reid, 2006, pp. 141–145).

Some Observations on Small States in International Politics

The problem of definition has also permeated the study of small states in international politics. At first this seems odd, because for much of recorded history small states were the majority in international politics throughout the world and large states (almost invariably empires) the few. Yet there is a relatively simple explanation for this fact. It lies in the understanding of what is presumed to be the central dynamic of international politics—the struggle for power—and the confusion of weak states with small states.

The term ‘small states’, as Neumann and Gstohl (2004, p. 3) pointed out in their review of ‘small states in international relations’, is relatively new, whereas the concept of ‘small, middle and great powers’ has a much longer pedigree and was the normal term used in all European languages ‘until well into the twentieth century’. In this context, ‘small power’ emerges simply as a residual category characterised as those powers that were not a ‘great power’ or a ‘middle power’. It therefore necessarily lacks definitional precision. International politics also focused on war and diplomacy between the great powers (later superpowers), to the relative exclusion of small powers, which were deemed as inconsequential and weak. As such, it was not difficult for a confusion of ‘weak states’ with ‘small states’ to become established within the realist approach to international politics; but while small states are weak powers they are not necessarily weak states. Following Barry Buzan (1983, pp. 65–69), a small state can be a strong state: strong states have high legitimacy, weak states do not; strong powers have high capabilities, weak powers do not. This distinction is frequently ignored, even in relatively modern literature. For example, Maniruzzaman in his ‘The security of small states in the Third World’ (1982) writes of ‘small states’ when he means ‘weak powers’, while Handel in Weak States in the International System (1981) identifies ‘weak powers’ as ‘weak states’, following the older usage of the term in which they are synonymous with small states. But small states can be, as argued above, strong states and can use that to advantage in international relations to ‘win’ in conflicts with much larger states, as is clearly indicated in recent examples from Iceland, Malta and Antigua (Cooper and Shaw, 2009).

It is therefore important to arrive at a definition of the concept of a small state in international politics that does not perpetuate these confusions. Unfortunately it has proved very difficult. In part, it is because the historically dominant realist school of international relations emphasises the capabilities of states as the critical dimension of state power. Vital (1967) is a good example. In his study on The Inequality of States (1967, p. 8) a small state is considered as one having ‘(a) a population of 10–15 million in the case of economically advanced countries; and (b) a population of 20–30 million in the case of underdeveloped countries’. Handel (1981, p. 31), although not precisely defining a small state, explicitly excludes what he terms ‘mini states’ from his study, these being states with a population below five million and a GNP below US$1bn. On these measures, following Vital, the vast majority of
contemporary states are ‘small states’, whereas following Handel, nearly half the
world’s states are close to qualifying as ‘mini states’, given that Baldacchino (2009, p. 
23) has recently shown that the population size of the median jurisdiction of 237 
jurisdictions listed in the 2007 edition of the CIA World Factbook is Finland, with 5.3 
million people. In such circumstances it is easy to see why in traditional international 
political analysis small states are both overlooked and ill defined—given their 
number they are ‘whatever criterion is adopted . . . too broad a category for purposes 
of analysis’ (East, 1973, p. 466).

This, however, is clearly insufficient. In academic terms it distorts the study of 
international politics by privileging theories based on power while in practical terms it 
largely ignores the 39 small states (population around one million or less) created by 
decolonisation since 1960, plus others of longer provenance. It also fails to distinguish 
sufficiently between small states, even within a paradigm framed primarily by a 
traditional interest in security. Ken Ross (1997, p. 71) provides a useful correction to 
this situation. Although he accepts a definition of one million population for ‘small 
states’ as useful for many purposes, he argues that it is ‘too constraining’ in ‘the arena 
of international security’. He therefore proposes a threefold distinction: states with a 
population between one and five million, which he terms ‘small states’ ($n = 46$); states 
with a population between 100,000 and one million, which he identifies as ‘mini-
states’ ($n = 27$); and states with a population below 100,000, seen as ‘micro-states’ 
($n = 15$). ‘In global security affairs’, he argues ‘there is a need to appreciate that the 
group of states with populations between one and five million more readily identify 
with the “very small” (below one million population) than with larger states’ (Ross, 
1997, p. 71). In support of this proposition, he lists 32 Commonwealth and other 
small island states (over all three categories) which, although they could not ‘put 
together a military division’, were ‘developing a distinctive approach to international 
security’ based on being ‘good international citizens’ (Ross, 1997, p. 72). In short, in 
international politics there is a need to ‘disaggregate’ small states from larger states 
and to discriminate between them by ‘issue area’, in this instance ‘security’. On this 
reading the concept of ‘small state’ in international politics is more elastic than it is in 
international economics, added to which is yet another category to confuse the 
picture—‘the subnational island jurisdiction’.

In a body of work pioneered in the last 10 years or so, Godfrey Baldacchino (2010) 
has evolved the concept of the subnational island jurisdiction (SNIJ). In essence, the 
SNIJ is a distinct political jurisdiction that exercises a large measure of autonomy in 
a number of ‘issue areas’, providing it with economic flexibility and a form of ‘quasi-
sovereignty’ (Baldacchino, 2004) that it exercises in its own interest. Examples would 
be the majority of British Overseas Territories and the Crown Dependencies, the 
Netherlands Antilles (dismembered into five separate parts on 10 October 2010) and 
Aruba in the Caribbean, and many territories associated in various ways with 
sovereign countries throughout the world, nearly all of which have small populations 
and are islands (Baladacchino and Milne, 2006, Table 1).

The issue here is not, as in international economics, whether islandness is distinct 
from smallness, but whether the ‘jurisdiction’ exercised by the SNIJs is ‘functionally’ 
equivalent to the sovereignty exercised by ‘small states’. In the final analysis it is not, 
because SNIJs are ultimately accountable to and subordinate to their metropoles, 
but in many other ways, and in particular in economic ‘issue areas’ and in various
regional intergovernmental organisations, it is. In recent years this has led to the growth of ‘para-diplomacy’, defined as ‘all those external activities by non-sovereign jurisdictions that stimulate and approximate the formal, legal and recognised diplomatic practices of sovereign states’ (Bartmann, 2006, p. 544). These now span an ever increasing range of activities associated with the development of ‘multi-level governance’ to facilitate and regulate globalisation. They can include ‘formal’ diplomatic relations, as is evident in the Cook Islands, which has separate diplomatic relations with over 20 states at high commission or embassy level, matching and exceeding the level and scope of relations entered into by some small sovereign states in the same region. They also can, and for many years have, involved representation as full (or on occasion associate) members in regional organisations in the Caribbean and the South Pacific, as well as in the UN.

In the light of all these difficulties it is not surprising that the concept of ‘small state’ in international politics remains imprecise and contested. Further, it is not surprising to find even less discussion of it than in international economics, along with an even greater willingness to avoid any definition, the usual form of words being that any definition is meaningless and that consequentially a small state is whatever the author(s) define it to be. The study of small states in international politics in a scientific manner thus remains undeveloped in spite of the modest but growing literature devoted to them (see Neumann and Gstohl, 2004).

The Small State in the Globalised World

In addition to the academic discussion of small states, a large number of technical and policy studies on small states have emerged in recent years, which have contributed to our understanding of the international political economy of small states. The two major streams of this work, as noted earlier, have been the studies within the UN, first in UNCTAD and then by a scattering of other UN agencies, which have focused on SIDS, and within the Commonwealth, where the focus has been on small states in general. Small states have also featured in studies by the World Bank, the World Trade Organisation (WTO), and negotiations for the Free Trade Area of the Americas (FTAA).1

Although some of this work extends back to the early 1980s, the catalyst for the most recent phase of such studies was the publication in 1997 of the Commonwealth Secretariat’s report A Future for Small States: Overcoming Vulnerability. This updated the 1985 report Vulnerability: Small States in the Global Society and extended it by including economic and environmental dimensions as well as the geopolitical and security dimensions, which were the almost exclusive concern of the earlier study. The 1997 report set the study of small states on a new path, promoting the international economic interests and vulnerabilities of small states over their international political (security) concerns. The expression of this new emphasis within the Commonwealth Secretariat itself was a transfer of lead responsibility for small states within the organisation from the Political Affairs Division to the Economics Affairs Division following the publication of the report.

In retrospect, the 1997 report set the parameters for subsequent considerations of small states in three areas. The first was to establish a ‘working definition’ of a small state, which was subsequently adopted by the World Bank and others. This defines a
small state as one with a population of 1.5 million. In so doing both the Commonwealth Secretariat and the World Bank acknowledged: ‘that no definition, whether it be population, geographical size or GDP, is likely to be fully satisfactory. In practice there is a continuum, with states larger than whatever threshold is chosen sharing some or all of the characteristics of smaller countries’ (Commonwealth Secretariat/World Bank, 2000, paragraph 8). On a strict interpretation of these criteria there are currently 50 small states with a population of 1.5 million or less (excluding the Vatican), 45 of which can be classed as developing or transition states; but in practice both the Commonwealth Secretariat and the World Bank admit several exceptions drawn from more populous states to be considered as small states, so as noted it is a ‘working definition’ not a ‘definitive’ one.

Second, it privileged vulnerability as the key dimension of small states compared with larger states. This was not new because vulnerability was a key theme of earlier studies, but it now sought to give it a quantitative as well as a qualitative dimension. The early work was pioneered by UNCTAD and developed and published by Briguglio (1995) as a vulnerability index. In 1996 the Commonwealth Secretariat initiated its own study for an index and, following the publication of the 1997 report, commissioned a study based on the finding that the volatility of output (GDP) is significantly greater for small states than for larger states. It was published in 2000 (Atkins et al., 2000) and confirmed the economic vulnerability of small states. In a sample of 111 developing countries (34 of which had a population of 1.5 million or less and were categorised as small as compared with 77 with a population above this level and considered as large), 26 of the 28 most vulnerable were small states whereas all of the 28 countries with low vulnerability were large. In the category of higher medium vulnerability, six of the 28 were small states and in the category of lower medium vulnerability, two of the 27 states were small (Atkins et al., 2000, Table 7).

Third, it located the main problem for small states as the impact of globalisation on them and in particular their fears of marginalisation in the world economy. A Commonwealth Secretariat/World Bank Joint Task Force was established in 1998, which submitted its final report in March 2000. The report analysed and confirmed the vulnerabilities of small states and then focused in detail on four areas of special relevance to small states: how best to tackle volatility, vulnerability and natural disasters; strengthening capacity; issues of transition to the changing global trade regime; and key challenges and opportunities arising from globalisation. The Development Committee of the World Bank considered the report at its April 2000 meeting and broadly accepted the recommendations, but did not support the creation of a new category for small states that would give them ‘special and differential treatment’ analogous to that given to the least-developed countries. Those supporting further consideration of such a status included some of the largest states (Brazil, China, India and Russia) and some regional middle powers that acted as spokesmen for small states (Australia and Canada), while those most opposed included many Latin American countries and France. The United Kingdom was non-committal, as was the United States (Sutton, 2001a, pp. 100–101). The failure to get ‘special and differential treatment’ was a disappointment for some small states and it was left for them to follow this route in other international organisations.

Taking their cue from the report, one of the most promising areas was the decision of the WTO (2001, paragraph 35) in the Doha Ministerial Declaration to establish a
Work Programme on Small Economies. This would ‘frame responses to the trade-related issues identified for the fuller integration of small, vulnerable economies into the multilateral trading system’ (i.e. address marginalisation) but without ‘[creating] a sub-category of WTO members’. Most of the work on small states was channelled through 18 ‘dedicated sessions’ of the Committee on Trade and Development held between 2002 and the end of 2008. A major change here was the switch in conceptual terminology from ‘small state’ to ‘small vulnerable economy’, carried alongside the continuing problem of definitional imprecision. For example, an early literature review by the WTO surveyed as ‘small states’ those with a population under five million and, unsurprisingly, found it hard ‘to find that “one” aspect of smallness that is essential in the characterisation of small economies and in distinguishing them from large states’ (WTO, 2002, paragraph 5). The work of the 18 sessions compounded this imprecision by scrupulously avoiding any formal definition of a ‘small vulnerable economy’, leaving it to the negotiating groups on agriculture, NAMA, services, fisheries subsidies and trade facilitation, among others, to consider specific measures to address the concerns of small, vulnerable economies as they saw fit. In these sessions some progress was apparently made (Werner, 2008), but the idea of a ‘small vulnerable economy’ receiving ‘special and differential treatment’ simply as a ‘small vulnerable economy’ made little, if any, progress, given the initial prohibition on creating a special subcategory of such economies, which effectively precluded conceptual clarity in identifying such economies for special consideration (Grynberg and Remy, 2003; von Tigerstrom, 2005; Bernal, 2009, pp. 18–20).

A similar outcome is to be found in the FTAA negotiations. These began in 1994 and explicitly recognised a need to accommodate the interests of ‘smaller economies’ (not small vulnerable economies) in the programme to establish a free trade area. To facilitate the process a Working Group on Smaller Economies was established in 1995, which held a number of meetings to identify the factors that could affect the participation of smaller economies and assist their adjustment to the process, before completing its programme in 1997. In 1998 this ‘group’ was ‘reborn’ as the Consultative Group on Smaller Economies, holding 24 meetings until January 2004. Once again there was no attempt to define a ‘smaller economy’; although in its early years its first chairman, Richard Bernal, presented a paper setting out some of the issues (Bernal, 2000). Consequently, the work on accommodating the interests of ‘smaller economies’ was left largely to the nine negotiating groups, which were issued with guidelines to take into consideration in their deliberations on differences in the levels of development and size of economies. Again some progress was made, particularly in identifying technical assistance needs for ‘smaller economies’ and the need for longer periods of adjustment to a free trade area, but as with the WTO process it was brought to a premature end when the whole process ‘stalled’ as the result of differences among the major countries involved.

What these two examples show is that lack of clarity in definition can itself be an objective in international organisations. The decision, or rather non-decision in the sense of deliberately not raising the issue, of what constitutes a ‘small vulnerable economy/smaller economy’ is based on the political calculation that any definition would be contested by some countries, as the evidence of disadvantage arising from smallness is equivocal and contradictory. It would almost certainly also be challenged by other larger developing countries that are also disadvantaged and
which also seek special consideration in the global economy. In short, advancing the case for ‘special and differential treatment’ as a compensation for ‘smallness’ in international trade and other issue areas faces real political problems. The case for ‘special and differential treatment’ has a long history in numerous preferential arrangements and special derogations, whether it is trade, development assistance, subscription fees for international organisations, and the like, but the question always is: who is eligible and on what grounds? If small states/economies want eligibility qua small states/economies then they have to agree a definition for themselves and others and demonstrate disadvantage. As this is problematic it is, of course, politically useful to avoid the issue, or more exactly be imprecise about what constitutes a small state/economy in order to maximise visibility and support; but then if that is so it comes with a price—that the case for ‘special and differential’ treatment has to be made over and over again in each and every circumstance and in each and every setting. In such situations small states more often than not demonstrate a real disadvantage of small size in their ‘inherent’ negotiating weakness in spite of often having a very good ‘technical’ case for ‘special and differential treatment’ (Horscroft, 2005). In all, it is a conundrum and a contradiction without easy resolution. In the case of SIDS, and from long experience in dealing with them in UNCTAD, both Hein (2004) and Encontre (2004) argue for the importance of an agreed definition for SIDS to secure ‘special and differential treatment’ for them. It is a persuasive argument for SIDS but then again it does not include all small developing states even if it includes the majority; and so the conundrum begins again.

In the mean time, small states have two ‘champions’ in the global arena. One is the World Bank, which continues to maintain its interest in them. In 2005 it joined up again with the Commonwealth Secretariat to commission a follow-up report to the 2000 Joint Task Force report. This identified new challenges for small states and painted a mixed picture of the responses to them by both small states and international donors, which again underlined the continuing difficulties small states faced on account of their specific characteristics and the continuing impact of globalisation on them (Briguglio et al., 2005). In addition, the World Bank has hosted the annual Small States Forum. The first was held in Prague in September 2000 and the most recent in Washington, DC in October 2010. The small states invited included all those developing and transition member states with a population of less than 1.5 million plus Botswana, Jamaica, Lesotho and Namibia. The agenda included discussion of and regular reports on progress in implementing the recommendations in the two Commonwealth Secretariat/World Bank reports, plus specially selected themes of particular interest to small states. The Forum is held over one half day and attracts circa 100–200 participants. It has been a useful mechanism to keep track of the World Bank’s commitment to small states, but as I noted some 10 years ago the record on the promotion of small states outside the Commonwealth has been weak and ‘the Commonwealth will need to be vigilant to ensure this meeting is no more than an annual ritual’ (Sutton, 2001b, p. 87). Alas, according to reports given to me by some participants to the Forum, that is precisely what it has become.

The other champion is the Commonwealth (Sanders, 2010). For such a comparatively small international organisation it has an impressive work programme for small states (Vigilance, 2008), but it can be criticised for two reasons. The first is that it is excessively technical. The Commonwealth Secretariat identifies
its interest in small states as facilitating integration into the global economy, developing economic resilience and promoting competitiveness. These are worthy aims, but as its own programme on economic resilience has shown, the development problem for small states is multi-dimensional, with environmental, political and social dimensions as well as economic ones (Briguglio et al., 2008). In comparison with the economic dimensions, these others have been neglected.

Second, although small states command a lot of attention in the division of resources within the Commonwealth Secretariat, they no longer command political attention to the same degree. In 1993, a Ministerial Group on Small States (MGSS) was established for the first time at the Commonwealth Heads of Government Meeting (CHOGM) in Cyprus and met separately to consider the special interests of small states. The MGSS met for a sixth and last time in Nigeria in 2003. The final communiqués of the CHOGM always include a section on small states, but the fact there is no longer a dedicated space for them at the CHOGM necessarily limits their voice and impact on the proceedings and in the work programme, which is decided at the CHOGM. This does not mean small states are entirely without a voice in the Commonwealth, and the convening of the first Small States Biennial Conference in London in July 2010 demonstrates a continuing and perhaps even a reinvigorated interest in their concerns. The final communique from this conference sets this out at length, but what is apparent from it and the proceedings of the conference is an absence of a well-thought-out political strategy as to how their case can best be promoted internationally (Commonwealth Secretariat, 2010). It is in this area that the Commonwealth has special expertise and where it could do more to shape and lead the agenda on small states in the international system.

In sum, there has been a flurry of policy initiatives and studies on small states in recent years focused on the economic problems besetting them as a result of globalisation. At issue has been whether small states are specially disadvantaged (or even advantaged) in this process. It is not easy to answer and can quickly change according to circumstance, as witness the debilitating impact of the current financial crises of small states, which have left some of them seriously indebted (UNDP, 2010) and exposed their inherent vulnerability in contrast to their more robust performances in earlier years (Ibitoye, 2009; Commonwealth Secretariat, 2010). It is this concept of vulnerability—how to assess it, how to measure it, and how to combat it—that has been the particularly distinct contribution of these policy initiatives and policy studies to international political economy. In the process a considerable body of data and analysis has been generated that has illuminated the special circumstances of the small state in the global economy, but unfortunately none of this has brought us any closer to an agreed concept of a small state, which, by design and accident, remains both vague and contested.

Conclusion

There is no consensus in the literature on international economics and international politics on what is ‘small’ or how ‘small’ is to be defined; nor is there in the practice of international organisations creating programmes for small entities. To begin with what are we considering? Is it a small state, a small island developing state, a small sovereign state, a subnational island jurisdiction, a small vulnerable economy, a
smaller economy, or what? If they are different, how are they different? Second, what is the most appropriate measure and the most appropriate cut-off point? Taking just one universal measure—population—is ‘small’ below 10 million people, five million, three million, one-and-a-half million, or one million? And do we need to distinguish within these categories between small, smaller (mini) and smallest (micro)? Third, do we also need to distinguish between issue areas and levels of development? What is seen as ‘small’ in international trade is not necessarily the same as what is seen as ‘small’ in international security, and what is regarded as a ‘small’ developing country may not be the same as a ‘small’ developed one. In short, where do we start and does the starting point depend on where we sit (and how we frame the problem)?

None of the above questions is easy to resolve. That is why they have so often been studiously, and deliberately, avoided. Should international political economy follow the same course? There is some merit in definitional flexibility, as Maass (2009) has recently argued, but it necessarily comes at a loss of scientific rigour if not of theoretical insight. In the case of international political economy the latter is all that can be offered given the present state of knowledge, though tempered by two considerations. The first is that many of the concerns of international political economy are policy related, so I suggest we borrow from the policy community. The definition of the small state that has generated the greatest volume of scholarship and interest is that advanced by the Commonwealth Secretariat and the World Bank. As such, the paradigmatic small state is one with a population of 1.5 million or below, with perhaps the recognition that at the upper boundary it can include others if a good case is made to do so. The second is that the same policy community has identified vulnerability as the key characteristic of small states, marking them off from other states. Again this is a contested concept, both in measurement and application, but it has proved to be robust enough to withstand all but the most strident of critics and, in the words of Tony Payne (2004, p. 634): ‘it is vulnerabilities rather than opportunities … that come through as the most striking manifestation of the consequences of smallness in global politics’. None of this is to deny that small states can prosper or develop resilience (Cooper and Shaw, 2009), but vulnerability should be seen as the core characteristic of small states in the contemporary international political economy. It sets them apart from most other states and establishes an agenda in many ways unique to their needs.

Notes

1. There is a parallel and in some areas convergent discussion on small states in the work of the various UN development and environment agencies, in particular in the Barbados Programme of Action adopted in 1994, the Mauritius Programme of Action adopted in 2005 and the recent five-year high-level review of the Mauritius programme, which took place in September 2010. Lack of space precludes their consideration in this article.

2. Even here, however, there are difficulties as the UN has not developed an official list of SIDS. For example, a recent paper identifies Cuba, the Dominican Republic, Haiti and Singapore as SIDS. See UNDESA (2010).

3. In recent years vulnerability has often been conceptualised alongside a companion concept of resilience, which has attracted research by Briguglio and others both to measure it and to
determine its key component parts. Again lack of space prevents an examination of this research in this article.

References


