

THE NOTION OF STATEHOOD AND DIPLOMACY FOR SMALL STATES

Vulnerability of Small States

The vulnerabilities of Small States can compound their ability to engage on international platforms but it can also propel them to become powerful voices of morality and exemplars of better models of development. The complex collaborative forms of trade arrangements is a good example of the Small State situation wherein the basic rationale for negotiating better trade deals is the improvement of the national situation which cannot be achieved through passivity.

We know the myriad vulnerabilities of Small States. These include their small size, their extreme vulnerability to the negative impacts of climate change and exposure to natural disasters; challenges in the area of human development; open economies; limited market diversification; limited human and institutional capacity and capabilities; and other exogenous challenges related to the intensified globalisation of the international system and external shocks such as Brexit.

Brexit

For the Caribbean, the UK takes a large share of exports to the EU. Indeed for Belize, Dominica, Guyana, Jamaica and St Lucia the share of the UK in their exports to the EU is above 25%. In the Pacific, for Fiji the share is above 40%. This questions the integrity of the Economic Partnership Agreements or EPAs. With the UK no longer in the Caribbean-EU EPA, the access to the EU market is greatly reduced for the countries that trade intensively with the UK. The opening of the Caribbean ACP markets to the EU27 may therefore be considered as too much of a concession to the EU27. The uncertainty of Brexit of course impacts global markets which

in turn has consequences on small economies which go beyond trade – and into areas of political dialogue and development cooperation¹.

An important discussion is what happens when Small States grow economically to a level where they are not ODA-eligible but still face significant and unique development challenges?

Smallness need not limit big collective action

Despite these challenges on the international stage we are seeing the collaborative approach espoused by Small States in some areas to be exemplars of action.

At the Human Rights Council, we have seen for example, Small States such as Maldives acting with dynamism and flexibility, increasing the depth and diversity of the Human Rights Council discourse.

In the multilateral climate change process Small Island Developing States through the Alliance of Small Island States (AOSIS) has played a leading role in raising awareness of climate change on the international stage and advocating for strong climate action. Despite their heterogeneity, they succeeded in building a common diplomatic discourse and influencing strategy, and mobilized political leaders as well as talented negotiators and advisors.

Small Island States not only have succeeded in securing their special circumstances as vulnerable countries, but have demonstrated leadership in raising ambition to reduce greenhouse gas emissions to limiting warming to 1.5°C, and have advanced and secured complex debates on loss and damage, finance, agriculture and on local communities and indigenous people.

¹ The UK has been the strongest advocate among the EU Member States for political dialogue with the Caribbean. Brexit arguably makes such political dialogue less attractive for the EU27. On Official Development Assistance (ODA), the EU's policy line emphasises assistance should focus on the poorest and most needy countries, to maximise ODA contribution to achieving the Sustainable Development Goals. If not for the Cotonou Agreement, Middle or High Income Caribbean countries would be precluded from ODA.

Regionalisation and the SDGs

So whilst it is difficult for small states to put themselves on the map of multilateral diplomacy it is not impossible. In any case, nothing good comes without some difficulty.

For small states to be effective, they could prioritize, and choose several areas they wish to focus on and want to become major players in. They should identify partners, collaborate, and be well prepared and well organized and in the end, create their own exciting and empowering discourse, which does not prejudge and assign development trajectories that have been modelled and designed by others. This is something we are seeing with the SDGs, we are seeing the development of regional indicators and multi stakeholder partnerships to facilitate implementation.

Indeed, for Small States, the implementation of the 2030 Agenda for Sustainable Development is compounded by their unique vulnerabilities which multilateral systems are still catching up to. So for example, the vulnerability of people to fall into poverty can increase following a disaster, concessional development finance can enable swifter post disaster recovery however it is not applicable to all some Small States who may not meet credit standards (such as Palau and Nauru)². Reforming eligibility to concessional finance, and developing new and innovative financial mechanisms to reduce risk and vulnerability are being rolled out.

There is an undeniable strength in smallness as well. Smallness provides a real choice: either being passive and following the events or being proactive and constructive, this is a choice which is not always afforded to the very big.

² Since 1985 IDA has accorded special treatment to small island economies which have per capita incomes above the IDA eligibility cut-off but have no or very limited creditworthiness, which limits or precludes access to IBRD borrowing; nine small island states currently have access to IDA under the small island exception.