

Introduction

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Small developing countries face special problems and challenges in an increasingly global economy.

Today 45 countries are classified as small states according to the World Bank/Commonwealth population threshold of below 1.5 million people.¹ The Commonwealth has 32 small states among its 53 members, so the Commonwealth Secretariat has made the needs of Small States one of its highest priority concerns. The seminal World Bank/Commonwealth Secretariat Joint Task Force Report on Small States, published in 2000, highlighted the vulnerability of Small States as a result of their susceptibility to natural disasters, limited institutional capacity, limited human resources, and lack of economic resources. The Secretariat has been a leading advocate for gaining international recognition that Small States are vulnerable and warrant special and differential treatment if they are going to succeed in effectively integrating into the global economy.

The Commonwealth Parliamentary Association (CPA) consists of the national, provincial, state and territorial Parliaments and legislatures of the Commonwealth. The Association's mission is to promote the advancement of parliamentary democracy by enhancing knowledge and understanding of democratic governance. It seeks to promote new policy debate among parliamentarians in the Commonwealth and to build an informed parliamentary community.

Since 1981 the CPA Small Countries Conference takes place alongside the Commonwealth Parliamentary Conference, in recognition that Small States of the Commonwealth have unique concerns. This session is dedicated to enabling members of parliament from small jurisdictions to discuss matters of common interest that cannot be sufficiently addressed during the main conference.

This book has been published jointly by the Commonwealth Secretariat and the Commonwealth Parliamentary Association and brings together issues of economic and political concern to Small States that are of interest to parliamentarians. It has been inspired by the discussions that have taken place in the Commonwealth Parliamentary Association's Small Countries Conference during the past few years. The book explores the global issues concerning the Environment, Trade, Economy, Regionalism, Governance, Education and Development. The chapters provide a detailed insight into how these issues **uniquely** impact upon small states. This publication also offers

recommendations for actions that the global community needs to take to help small states to tackle volatility and vulnerability to attenuate their transition to the changing global world, to strengthen their capacity, and to exploit new opportunities and challenges arising from globalisation.

The first chapter in the book highlights the vulnerability of Small Island Developing States (SIDS) when faced with the effects of climatic change. Many Small States continue to be particularly vulnerable to natural disasters as many of them are low-lying islands and face submersion as the sea level rises. Experts predict that the incidence of extreme weather events such as cyclones, hurricanes, and tsunamis will increase in number and intensity and be associated with more frequent and intense impacts of global climatic change. These environmental risks threaten to seriously hamper the development efforts of small states.

This threat mobilised the Alliance of Small Island States (AOSIS) to ask the international community for support to help tackle the devastating impacts of global climate change. The AOSIS has been influential in shaping the agenda of the United Nations Framework Convention on Climate Change (UNFCCC) since its establishment in 1992. The author of the chapter, Gillespie, highlights how SIDS' ability to contribute to international climate negotiations through both the UNFCCC and the Kyoto Protocol has slowly disappeared. As a result, SIDS' urgent needs and concerns, which had strongly influenced the initiation of the FCCC process, have largely also disappeared.

The chapter highlights the necessity to redirect the international community's response to climate change from that of a reactive stance to a more preventative stance through mitigation measures. The author explores the possibility of moving the debate away from the FCCC process. However, Gillespie concludes that international environmental disputes can only be resolved within the FCCC process. He acknowledges that only the International Court of Justice (ICJ) can deal with the failure of sovereign governments who flout international environmental obligations and that the ICJ will only intervene if good faith is lacking. The chapter recognises, however, that lack of good faith is currently disguised by prolonging negotiations and not setting a deadline for an end to negotiations. It argues that the FCCC process must be reinvigorated and the near-gridlock in negotiations must be reversed to recognise the urgent needs of the SIDS. The catalyst could be an internal determination by key members or possibly an external examination by an independent body such as the ICJ. This catalyst will propel the necessary conclusion in accordance with good science, and back to the original FCCC goal, and thus the ultimate urgent needs of the SIDS.

As international trade liberalisation continues to progress, it is emerging that small states are facing particular difficulties from the fast pace of erosion of the trade preferences that they have enjoyed for decades.

In Chapter 2, Grynberg and Remy analyse the Small Economies Work Programme that sought to achieve recognition of the particular problems that confront small and vulnerable economies (SVEs) in the globalisation process. The authors argue that this much-needed work programme, which was finally agreed in the fourth session in Doha,

was in fact a political compromise between SVEs and developed countries. The chapter highlights that an apparent contradiction in the wording of the relevant paragraph in the Doha Declaration is to the detriment of SVEs, as on the one hand it mandates Members to frame responses to trade concerns of SVEs, but on the other hand prohibits the creation of a sub-category of states. The paper argues that this definitional caveat insisted upon by developed countries impedes the special treatment needed by SVEs.

The authors seek to review the concerns and specificities of small states and highlight the peculiarities and natural disadvantages that inhibit their ability to at best thrive and at worse survive in the new multilateral trading pattern. They recognise the similarities between SVEs and least-developed countries (currently the only formally recognised group in the WTO to warrant special treatment). However they identify sufficient distinctions between SVEs and LDCs and believe that SVEs should be afforded special treatment. The chapter highlights the discomfort felt by some WTO members who oppose the creation of new categories, but emphasises the necessity of the categorisation and thus recognition of the special problems of smaller economies if the legitimate trade concerns of SVEs are to be addressed.

Horscroft also deals with trade issues in Chapter 3. She advances the counter argument to the assertion that the currently agreed and emerging international trade rules are beneficial for all states. Horscroft argues that the peculiar economic characteristics of small economies, namely size, vulnerability and governance capacity, constrain their potential to benefit from current international trade patterns. The author forecasts further exacerbation of the current situation of the marginalisation of small economies. She demonstrates the vital need for, among other things, the adjustment of multilateral trade rules in order to address the trade and development needs of small economies. Given the economic costs of their vulnerability to external shocks and natural disasters, they should be accorded special and differential treatment. The author recognises the formidable challenge facing small states in achieving the necessary response from the multilateral trade negotiating processes. She highlights the cost of being small undermining the bargaining power of small states in achieving beneficial outcomes from the interstate negotiating process that determines global trade rules. Horscroft's arguments are well supported by recent empirical evidence.

The third part of the book deals with issues concerning the performance of small states' economies and considers ways of evaluating performance.

In Chapter 4, Briguglio argues that the economic vulnerability index should include only inherent and permanent economic features which render a country exposed to forces outside its control. The paper also proposes that an index of resilience should be constructed to complement the vulnerability index, and to assess the degree to which economically vulnerable countries, individually or as a group, are moving ahead or otherwise in coping with or responding to economic vulnerability. A number of variables, which could be used to construct a composite resilience index, are proposed.

Redding and Venables, in Chapter 5, explore the economic implications of isolation and remoteness by reviewing the evidence on the impact of distance on trade costs and

trade flows and the effects of remoteness on real incomes. The authors conclude that isolation and remoteness do have a negative impact on per capita income. They propose possible new technologies to overcome the spatial inequalities.

In Chapter 6, Joiner and Wignaraja seek to contribute to the process of new policy development in small states in the wake of globalisation. The authors focus on enabling small states to measure their industrial competitiveness in quantitative terms and benchmarking it against each other. They explore existing efforts to benchmark competitiveness and highlight a lack of inclusion of small economies and attempt to remedy this. The authors present the results of their small states manufactured export competitiveness index (SSMECI). The chapter then provides some explanations for the performance of small states. The authors recommend looking at detailed case studies of individual small states in order to truly understand the drivers of competitiveness.

The fourth part of the publication explores the issue of regionalism amongst small states. There has been increased interest amongst small states as they recognise the potential of regionalism for providing for small states' domestic needs. Due to their size, small state governments have difficulty in delivering all essential public services such as education, health, social welfare, etc. on their own. There is also a need for greater regional integration among small states in order to compete in the globalising world. The small states in southern Africa have successfully participated in a number of cooperative initiatives, such as a customs union (the Southern African Customs Union) and Common Monetary Area. The three chapters provided in Part 4 evaluate the progress of cooperative initiatives in the Caribbean and the Pacific.

In Chapter 7, Preville addresses the relevance of the work of Sir Arthur Lewis to the establishment of the CARICOM Single Market and Economy (CSME). Sir Arthur Lewis unfortunately died before the debate for the creation of the CSME became an issue. The author focuses on three themes; he discusses the background of the CSME, examines the work of Sir Arthur, who he believes is an 'integrationist', and concludes that given the present direction of CARICOM member states Sir Arthur's work is very relevant and has been pivotal and inspirational for CSME and in the broader sense of regionalism in the Caribbean. The CSME is the first step in the fulfilment of his prophecy.

Jayaraman, in Chapter 8, deals with the promotion of regional integration of the Pacific Island countries (PICs). The author reviews past efforts by PICs and assesses the weaknesses and strengths of these efforts for the purposes of building on these to avoid duplication of past errors of omission and commission. Measures for exploiting present opportunities are also explored. The author provides specific references to experiences in regional cooperation leading to ultimate integration from the Caribbean as that region shares many commonalities with the PICs. The author concludes with a discussion on future strategies.

Chapter 9 by Fa'asili, Fakahau, King and Vunisea makes a significant contribution to the management and development of fisheries in the South Pacific region, as it is the

very first formal expression of having a regional mechanism for greater harmonisation of national policy regarding the management of coastal fisheries in PICs. The chapter draws on collaboration between the Commonwealth Secretariat and the Secretariat of the Pacific Community (SPC), the lead regional organisation on coastal fisheries management and development in the South Pacific. The main objective of the project was to work with fisheries agencies and other stakeholders to devise a strategic plan for the sustainable management and development of coastal fisheries.

Sutton has contributed two chapters covering governance issues. In Chapter 10 he examines democracy and good governance in small states by looking at general characteristics of politics in small states. He identifies processes that support and challenge democracy. This is followed by a record of democracy in small states. The author concludes that there is a necessity for the improvement and deepening of democracy and promotion of good governance for the future well-being and development of small states.

In Chapter 11, Sutton explores the experience of public sector reform in four Caribbean small states; Barbados, Jamaica, St. Lucia and Trinidad and Tobago. It sets out characteristics of public administration in small states and the shape of reform in the Caribbean. Professor Sutton raises some issues for further research and consideration.

Chapter 12 examines issues of migration and their impact on the education sector. Ochs explores the high incidence of teacher migration from small states and the long-term implications of this phenomenon. This report results from a series of efforts by members of the Commonwealth Secretariat, Commonwealth Ministers, and friends of the Commonwealth to develop international understanding of the teaching profession and the global challenge of teacher loss. Following the mandate from Jamaica to the Commonwealth Secretariat for assistance in addressing teacher loss in the Caribbean, representatives from eight countries in the region met in Barbados in July, 2002. Ministers of education from 32 small states signed the Savannah Accord. The chapter focuses on the areas of interest outlined in the Accord, such as the extent of teacher loss and its short- and long- term impact on the education systems of Commonwealth countries. This chapter contributes to gaining an insight into the global supply and demand of the teaching profession and thus informs the debate of Protocol A, included in the Protocol for the Recruitment of Commonwealth Teachers.

The final section of the book looks at the development of small states.

Chapter 13 examines the graduation issues for small vulnerable states that are least-developed countries (LDCs). It focuses on the process and experience. The paper indicates future policy direction for graduation, and identifies recommendations for a programme for their smooth transition.

In September, 2000 all Commonwealth member states of the United Nations adopted the Millennium Declaration consisting of a set of development goals with the aim of eradicating poverty and promoting human development throughout the world. The final chapter, Chapter 14, concentrates on the progress that Commonwealth small

states have made towards achieving the Millennium Development Goals. The chapter shows that several countries are making good progress with many goals. However, Downes notes that small states in Africa and the Pacific have been confronted by serious challenges of resource and capacity constraints that have and will hamper their achievement of the goals by 2015. The chapter concludes with suggestions on the way forward for these small states and the role of the Commonwealth in assisting the small states to meet their development needs and goals.

This publication therefore covers a wide range of global issues, from environment to education. It is hoped that the book will contribute to building the knowledge and understanding of parliamentarians and policymakers in international organisations on how small states' special characteristics affect their development efforts in the new global economy, and thus help to identify opportunities for the international community to support small states to address the development challenges that they face.

Notes

1. This standard of size was agreed by the Commonwealth Advisory Group in producing its report, *A Future for Small States: Overcoming Vulnerability*, Commonwealth Advisory Group, 1997 and is used by the World Bank/Commonwealth Joint Task Force as a convenient yardstick for classifying all sovereign small states.