Small States in World Politics

Explaining Foreign Policy Behavior

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For Jackson and Owen—
May you live in a world
that is healthy and safe for all children

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Jeanne A. K. Hey

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Introducing Small State Foreign Policy

Jeanne A. K. Hey

The international system has undergone fundamental changes in the past fifteen years, with strong implications for small state foreign policy. Small states today enjoy more international prestige and visibility than at any other time in history. In most cases, their physical security is ensured, while the rise of such transnational efforts as the European Union (EU), the Free Trade Agreement of the Americas, and the North Atlantic Treaty Organization (NATO) put them on a legal and diplomatic footing with larger countries. The end of the Cold War means that small states in the third world are no longer pawns in a global competition for superpower status. The Gulf War, the first major global conflict to occur after the collapse of the Soviet bloc, was fought to defend the sovereignty of a tiny state, Kuwait. Luxembourg and Belgium, the smallest members of the European Union, are not only seats of the EU's major institutions, but also active and often influential players within the European bloc. Kofi Annan, the widely popular Secretary-General of the United Nations and now a Nobel peace laureate, is from Ghana, a country that has for years played a role in regional affairs that is greater than its small status would suggest.

That said, many poor small states, no longer able to play the superpowers off one another, have fewer policy options now than at the height of the Cold War. They often find themselves caught between the demands of the international economic power brokers—including the United States, the European Union, the International Monetary Fund (IMF), and the World Bank—which call for fiscal restraint, and those of their own citizens, who are eager to receive the benefits of government spending. Meanwhile, wealthy small states that have pursued regional integration to advance their own goals and influence now find their protected status threatened by the expansion of such regional institutions as

the European Union. In this time of both great opportunity and great risk for small states, this book examines small state behavior in the global arena.

Defining Small States

Much of the literature on small states spends a great deal of time on the problem of definition. Yet, despite decades of study, no satisfactory definition has been found (Pace 2000: 107). Baehr (1975: 459) even concluded that the definitional problems were so great as to make the concept of smallness useless as an analytical tool. In contrast, I argue that no strict definition is necessary either to employ "smallness" as an analytical device or to glean findings about foreign policy behavior from it.

Attempts at definitions have included geographical size, population size, and a country's degree of influence in international affairs (Vital 1967; East 1975; Sanders 1989; Von Daniken 1998). A review of the research reveals that scholars have at least three different communities in mind when they speak of "small states": microstates with a population of less than 1 million, such as the former British colonies in the Caribbean (e.g., Clarke and Payne 1987; Braveboy-Wagner 1989; Sanders 1989); small states in the developed world, especially Austria, Belgium, Luxembourg, the Netherlands, and Switzerland (e.g., Goetschel 1998; Katzenstein 1985); and small states in the so-called third world, including former colonies in Africa, Asia, and Latin America, many of which are larger than states in the first two categories. The problem emerging from this threefold typology is that conclusions about foreign policy behavior are typically drawn *within,* rather than *across,* the three types, thereby limiting their applicability to general small state foreign policy theory.

The three types include many countries. Indeed, as Daniel Thurer (1998: 37) points out, "if we look at today's world, we easily discover that it is a world made up of small states." Roderick Pace (2000: 107) similarly notes that the European Union will very soon be dominated by states with populations of less than 10 million. But as Paul Sutton (1987: 7) reminds us, a small population or geographical size does not necessarily coincide with a "small-scale political system." Luxembourg, a tiny state by any definition, has a thriving, competitive parliamentary democracy, a developed bureaucratic structure, and stable constitutional institutions. It thus certainly illustrates Sutton's point. Similarly, small size does not automatically translate into vulnerability in the international arena. Although Israel is a very small state in terms of area, it

remains one of the most active and even aggressive actors not only in its region but also on the global stage.

Do such examples mean that all attempts to develop a theory of small state foreign policy are in vain? The authors of this book hold that the answer is no—clearly, individual exceptions to theoretical precepts do not alone invalidate a theory, and as Wilhelm Christmas-Moller (1983: 43) has pointed out, nobody denies the existence of small states. But the question remains: Where do we draw the line between small and nonsmall states? A rigid definition that groups countries by population, geography, or any other quantifiable measure is of little service; researchers will always want to include exceptions to such definitions because they *feel* that the exceptions are small states, despite their nonadherence to strictly defined criteria (Cohen 1987: 209). Instead, we adopt David Vital's position (1971) that a concept—a loosely defined notion of small states that eschews rigid specifications—is preferable to a definition when discussing small states.

For the purposes of this book, then, the concept of a small state is based on the idea of perceptions. That is, if a state's people and institutions generally perceive themselves to be small, or if other states' peoples and institutions perceive that state as small, it shall be so considered. This approach is consistent with those articulated by Robert Rothstein and Robert Keohane, who have pointed out that the psychological dimension should complement any objective criterion by which to define smallness. Rothstein (1968: 29) argued that "a small power is a state which recognizes that it can not obtain security primarily by use of its own capabilities, and that it must rely fundamentally on the aid of others." Keohane (1969: 296) offered a different, but still perception-based, conceptualization: "A small power is a state whose leaders consider that it can never, acting alone or in a small group, make a significant impact on the system." More recently, Laurent Goetschel (1998: 13) wrote that "in traditional political thought . . . 'small' in the context of foreign and security policy meant that such a state was perceived as no danger to neighboring states." In other words, states are deemed small not by any objective definition, but by their perceived role in the international hierarchy. In fact, the research on small states, despite its attempts at formal definitions, is best characterized by an "I know one when I see it" approach to choosing its subjects of inquiry (Hey 1995a).

I would argue that this approach improves on rigid definitions that fail to reach an agreed-on group of small states. It also avoids the intellectual squabbles that invariably arise in reaction to any specific definition of a small state. Indeed, the small state literature has been too bogged down in such arguments. The conceptual approach adopted in

this book suggests that we define small states as they themselves and others define them, and in so doing make our research efforts parallel to the world in which small states and others interact.

What Do We Know About Small State Foreign Policy Behavior?

Definitions aside, early research on small states coincided with that on "weak states" and "small powers."[1] The focus was on small states' role within a hierarchical international system, as well as on their relatively limited power capabilities. Vital (1971) spoke of a global "class structure" that deprived small states of the option of using force in the way that larger states could; and there was general agreement that small states would seek out multilateral organizations and alliances to ensure their security and achieve foreign policy goals. Furthermore, small states would seek limited foreign policy objectives and engage in a relatively low number of activities.

Maurice East (1975), however, concluded that small states were in fact more likely than large states to engage in risky behavior. Because small states had fewer diplomatic and information-gathering resources, he contended, they were more likely to become involved in international affairs when the stakes were already high and high-risk action had become necessary. Peter Katzenstein (1985) further complicated the picture by demonstrating that small European states, many with weak military capabilities, outperformed their larger neighbors in policy flexibility and creativity, thus turning on its head the idea that small states were at a permanent disadvantage.

Although the underlying theme of research conducted by Robert Rothstein, David Vital, and Marshall Singer was that small size and weakness did curtail foreign policy options and goals, these authors also noted important exceptions to this general rule. Vital (1967) acknowledged that level of development, geography, importance to great powers, internal stability, and other factors modified a state's foreign policy behavior. Singer (1972) argued that some small states possessed "attractive power," even if they lacked "coercive power," by which he meant that small states could exploit their importance to other countries in ways that enhanced their foreign policy success. Rothstein (1968) studied the impact of various world systems on small states and found that some gave small states more options and security than others. For example, although a bipolar system affords small states maneuverability in that superpowers scramble to win their allegiance, it offers less security to small states than does a "conservative" balance of power, in

which great powers are more intent on keeping what they have than on expanding empires.

An examination of more recent research on small state foreign policy behavior, especially covering the years since the end of the Cold War, reveals two impediments to the development of a theoretically coherent subfield within the study of foreign policy analysis. First, too few *comparative* empirical studies of small states exist in the literature in a way that contributes to theory building. And second, the realist paradigm dominant in the study of international relations posits that the "big players" are worthy of the most scholarly attention because they are the shapers of the international system (Waltz 1979)—which essentially relegates research on small states to a subordinate status within political science.

That said, much valuable empirical and theoretical research has been conducted in the area of small state foreign policy. The following review of that literature, seeking to contribute to the development of a unifying theory, focuses on two questions: What common foreign policy behaviors do small states exhibit? What common explanations are provided to account for those behaviors?

Identifying Small State Foreign Policy Behavior

Scholars studying small state foreign policy have identified a multitude of behaviors that small states either do, or are expected to, exhibit.[2] To summarize the most commonly cited behaviors, small states tend to

- exhibit a low level of participation in world affairs
- address a narrow scope of foreign policy issues
- limit their behavior to their immediate geographic arena
- employ diplomatic and economic foreign policy instruments, as opposed to military instruments
- emphasize internationalist principles, international law, and other "morally minded" ideals
- secure multinational agreements and join multinational institutions whenever possible
- choose neutral positions
- rely on superpowers for protection, partnerships, and resources
- aim to cooperate and to avoid conflict with others
- spend a disproportionate amount of foreign policy resources on ensuring physical and political security and survival

This is a comprehensive and serviceable list. The behaviors observed conform with a theoretical approach that sees small states as insecure,

limited in foreign policy resources, and seeking to maintain their influence as best they can in a "realist" world in which they are at a disadvantage. Nonetheless, even a casual glance at the list reveals two primary flaws. First, it is too long to be meaningful, that is, to act as a guide for identifying and predicting how small states will act. Second and relatedly, it is self-contradicting. It tells us that small states rely on superpowers for resources and protection, indicating an alliance, but also that they choose neutrality. It claims that small states focus on diplomatic and economic instruments, but that they are consumed with security concerns, the latter suggesting that military alliances and buildups would be paramount.

Does the fact that these numerous and sometimes contradictory behaviors emerge among small states mean that we can generate no theory to capture the essence of small state foreign policy behavior? The answer depends on whether scholars can identify the conditions under which small states choose among the behaviors available to them. Certainly, small states are not unique in responding differently to similar conditions. In my own research, for example, I discovered that one small state, Ecuador, exhibited a wide range of behaviors when confronting the challenges of underdevelopment and small size (Hey 1995b). Those differences in behavior could largely be accounted for by the ideology and preferences of foreign policy makers, as well as by the issue area under consideration. This was not to say that smallness did not influence foreign policy, only that its influence was not uniformly directed.

Explaining Small State Foreign Policy Behavior

Scholars attribute a myriad of causal factors to small state foreign policy behavior. But if there is one piece of conventional wisdom about how best to explain small state behavior, it is that the answer lies at the system level of analysis. That is, because of their relatively weak power base within the international system, small states will act in passive and reactive modes, rather than as proactive agents of international change (Sutton 1987: 20). This is especially true for states with a weak sense of nationhood, such as Belgium and many of the former colonies (Cohen 1987; Zahariadis 1994).

If it were true that the sources of small state behavior were always or even usually found outside domestic borders, we could rejoice in the fact that small state foreign policy theory had found a parsimonious paradigm that has eluded most other areas of international relations research. The problematic reality, however, is that the small state literature abounds with arguments over theory, cases that do not fit the accepted wisdom, and greatly varying conclusions. I suggest that much

of the failure to reach conclusions about what best explains small state foreign policy stems from two fundamental problems.

One problem is some scholars' apparent willingness to debunk the conventional wisdom (i.e., the relative dominance of international determinants of small state foreign policy) on the basis of inadequate evidence. Miriam Elman (1995: 187), for example, argues that we should look to domestic institutional choices rather than international determinants to explain small state foreign policy. Domestic institutions, she claims, are more important than international or individual forces because they define the paths of available options open to a government in a foreign policy situation. This may well be true; but Elman provides no reason as to why it would be particularly true for small states as opposed to any others. So the question remains: Even if all states are bound by their institutional structures and histories, are small states relatively more affected by external constraints? Elman's study of the United States during the pre–Civil War period does not answer the question, especially for modern small states at the turn of the twentieth century.

Similarly, David McGraw (1994) contends that ideological differences among New Zealand's political parties explain that country's foreign policy behavior, but he insufficiently controls for other factors. McGraw argues that, although different New Zealand governments behaved similarly on two dimensions of small state foreign policy behavior (frequency of participation in world affairs and propensity for conflict with large powers), they differed markedly in other areas (moral emphasis in foreign policy, emphasis on multilateralism, and degree of focus on economic issues). He explains that New Zealand's Labour Party is more internationalist and idealistic and the National Party is more realist, and that these differences account for foreign policy variations. This is consistent with my findings on Ecuador (Hey 1995b), which show that, on issues within their control and that carry relatively little risk, Ecuadoran governments have followed their ideological leanings. However, behavior is more uniform in Ecuador than in New Zealand on the "high politics" issues of debt and trade, no doubt owing to Ecuador's status as an underdeveloped state, very vulnerable to decisions and events in the international financial community.

Sasha Baillie (1998) differs from many of her peers in arguing that small state influence and behavior vary and are dependent on three factors: a country's particular historical context, its decisionmaking processes and the institutional framework within which it works, and its negotiation behavior. Addressing a specific question—what determines the extent of influence that a small state can have on a supranational organization?—her study of Luxembourg demonstrates that these three factors help to find

the answer. While some of Baillie's concepts are international in nature, such as the European Union's rules and institutions, most of her findings focus on the domestic. This is an example of research that goes beyond an examination of single-level variables, but that lacks the comprehensive analysis of systemic variables that is needed to confirm the study's conclusions.

In contrast to these examples of research that undermines the "conventional wisdom," Nikolaos Zahariadis (1994) errs too much in the opposite direction. Zahariadis takes as a given that small states are disproportionately influenced by external factors when compared with more powerful ones. (Katzenstein's 1985 study of small European states subverted that assumption.) He therefore explains Greek animosity to Macedonian independence solely as a function of Yugoslav nationalism, that is, an external variable that shaped foreign policy behavior in the entire region. His account is persuasive and indeed may be correct. But the point remains the same. Because he does not subject his findings to counterexplanations, he is unable to say with much conviction that system-level factors were the most important. These representative examples, I suggest, reflect the fact that the literature on small state foreign policy lacks the kind of paradigm that can guide researchers to generate conclusions that are comparable and cumulative.

A second problem in the current small state literature is its outdated focus on state security. One can understand the emphasis on security in the first decades after World War II, when realism reigned as the dominant theory in foreign policy analysis, but it does not reflect most small states' priorities today. Realism holds that security is the top priority for all states, and that it would be all the more crucial for small states lacking in resources. But foreign policy analysis has evolved significantly in its "second generation" (Neack, Hey, and Haney 1995). It reveals that other factors at the individual, bureaucratic, and state levels very often have at least as much influence on foreign policy behavior as do international security concerns. The small state foreign policy literature should catch up with this theoretical progress and the concurrent changes in the empirical world.

The turn of the century is probably the safest moment in history for small states in terms of their physical security. International law, a more interventionist United Nations, and an almost completed decolonization process have all contributed to small state security. The collapse of the Soviet Union and the dissolution of Yugoslavia have created a host of new small states, all of which now enjoy international legitimacy and relative safety from outside aggression. Admittedly, that process has been bloody, for example, in some former Yugoslav states. But it is

interesting to note that the *larger* former Yugoslav republics of Croatia and Bosnia suffered more at the hands of the Serbs than did the smaller states, Slovenia and Macedonia. Slovenia and Macedonia may be able to attribute their relatively peaceful independence to the low numbers of ethnic Serbs in their populations; the point remains, however, that Croatia's and Bosnia's larger size did not protect them from Serb aggression, and Slovenia's and Macedonia's smaller size did not make them more vulnerable to it. Similarly, in the wake of the terrorist attacks of September 11, 2001, it is the United States whose security is most under scrutiny. Smaller states are considered less vulnerable to the primary security threat of twenty-first-century terrorism.

Toward a Conceptual Framework

James Rosenau, hailed as the father of comparative foreign policy,[3] suggested that the explanatory factors needed to account for foreign policy behavior would vary according to three traits: the size, the level of development, and the political system of any given state (1966). He organized his explanatory factors according to five levels of analysis: system (the international system), role (referring roughly to bureaucratic actors), government (the relationships among government actors), society (public opinion, national culture, and other domestic traits), and idiosyncratic (individual). This levels-of-analysis framework remains a powerful starting point from which to examine small state foreign policy behavior, though for our purposes in this book we collapse the role, government, and society levels into one, the state level.

The basic notion underlying Rosenau's inductive approach is that different categories of inputs into the policy process (system, state, individual) will vary in their explanatory potency according to the "type" of state under consideration. "Small" is one of those types. The essential questions about small state foreign policy remain the same as those that Rosenau proposed. To what degree are small states manipulated by the world's system and the actions of others? Conversely, do leaders in small states have the luxury to implement policy as they see fit because they are not viewed as important or threatening to other states? The most unexamined question concerns the state level: What patterns emerge at the domestic level in small states of widely differing political, economic, and historical backgrounds? This last question is especially important because it includes variations in economic development. To date, the literatures on poor state foreign policy and small state foreign policy have not interacted sufficiently.