
FOREWORD

This book is an outcome of the research work undertaken as a result of the growing collaboration between the Commonwealth Secretariat and the Islands and the Small States Institute of the University of Malta.

The book attempts to explain what needs to be done to enable inherently vulnerable small states build up their economic resilience in order to withstand economic shocks. The emphasis is therefore on policies that promote macroeconomic stability and microeconomic policies that enhance flexibility in market adjustment. Many authors of the chapters, however, rightly argue that economic resilience does not exclusively depend on economic factors only. Good governance, social cohesion and environmental management are also assigned major importance for resilience building.

The focus of the book is on small states, where the issue of resilience is of major importance, given that such states tend to be highly exposed to external shocks. The high degree of vulnerability of such states to external shocks has now been amply discussed and proven, in various publications and international fora held on this matter. This volume takes the argument further by attempting to show that it may be possible to withstand such vulnerability by adopting the right policies. The thrust of the argument is that it is not enough to identify the weaknesses – of more importance, perhaps, is to propose ways and means of overcoming such weaknesses.

One of the chapters in this volume attempts to construct a resilience index, in order to assess the extent to which countries have adopted measures to enable them to withstand external economic shocks. The construction of such an index was given centre stage during discussions at a meeting of experts on small states, organised by the Commonwealth Secretariat and the University of Malta, on the island of Gozo, in March 2005. In their final statement, participants at the meeting recognised the value of the work presented so far, in improving the evidence base for building and measuring economic resilience of small states. They agreed on the need for further research in this area, particularly in identifying the best policy orientations for small states to develop their economic resilience to assist national and regional policy-making.¹ The chapter in

¹ The statement is available at http://home.um.edu.mt/islands/final_statement.doc.

this volume referred to, is an attempt to respond to this statement. The chapter may also be considered as a response to the strategy adopted at the Mauritius International Meeting on the 10-year review of the Barbados Programme of Action, held in January 2005, which called on the international community to give due consideration to the development of a resilience index.²

The publishers of this book, namely by the Islands and Small States Institute of Malta and the Commonwealth Secretariat have taken a leading role in conducting research on and proposing appropriate development policies for small states. The Institute has organised various workshops on small states issues, many of which led to very useful publications. In fact, most of the papers contained in this volume were originally presented during a workshop on Resilience Building of Small States, mentioned above. The Secretariat has been an advocate for resilience-building activities in small states for many years, and is again particularly pleased to be associated with this publication, which puts forward the positive message that the disadvantages of being small and vulnerable need not lead to dependency.

I wish to congratulate the editors of this publication, namely Professor Lino Briguglio, Mr Gordon Cordina and Dr Eliawony J. Kisanga for putting together such a useful collection of papers, and the individual authors of the chapters.

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² See paragraph 81 of the Mauritius Strategy for the Further Implementation of the Programme of Action for the Sustainable Development of Small Island Developing States, available at http://www.sidsnet.org/docshare/other/20050622163242_English.pdf.