

Book Reviews

Building the Resilience of Small States: A Revised Framework

Denny Lewis-Bynoe (Ed.)

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The extensive soul-searching that gripped the world in the aftermath of the 2008 global financial crisis (GFC) has not escaped its community of small states. Their onerous debt burdens could only be alleviated by robust economic growth, and yet the circumstances facilitating such growth have proved elusive for most. To this end, the Commonwealth rightly thought fit to issue a ‘renewed call for a robust framework’ (p. 4) of analysis of the small state predicament. It therefore put into action a revision of the seminal study it had commissioned some years earlier from my esteemed colleague at the University of Malta. Professor Lino Briguglio is the lead author of the impetus, now mainstream, to profile the economic vulnerability of small (often island) states by means of an index, then moving on to craft an economic resilience index and the policymaker-friendly resilience building toolkit that followed for the same set of countries. This book, edited by the economic adviser for small states at the Commonwealth Secretariat, is an extension and refinement of Briguglio’s work post-GFC: it revises and updates his arguments, taking on board the effects of the financial sector—the lead villain of the GFC saga—but also incorporating environmental management as a component of the resilience index.

Apart from a contextual introduction, this book consists of four substantive chapters. The first, and the most analytic, is a scene-setting contribution by the man himself. It is a timely, state-of-the-art review by Lino Briguglio of the vulnerability thesis as applied to small states, and its subsequent applications in the context of policy assessment and reform. The second chapter, by Jean Paul Fabri, is a clarion call to incorporate and integrate considerations of governance within a composite vulnerability/resilience framework, using Malta as the case study context. What follows is a chapter by Prakash Deenapanray and Derrick Oderson that focuses explicitly on environmental management and its contribution to building resilience in and for small states. Finally, Godfrey St Bernard grapples with the less easily quantifiable realm of social development and peruses its suitability as a component of the vulnerability–resilience paradigm, proposing the concept of social resilience building.

‘A framework for building resilience is paramount’ (p. 8) neatly sums up the tenet of this book. It continues in a well-established tradition, predicated on what Briguglio describes as a ‘country’s susceptibility to being harmed by external economic forces as a result of exposure to such forces’ (p. 11).

The author goes on to acknowledge that the literature on economic vulnerability and small states is largely driven by two strands of thought. Most authors dealing with this theme, including Briguglio, consider economic vulnerability to be a disadvantage;

whereas others have argued differently, preferring to look at economic openness as a neutral phenomenon, likely to have both negative and positive consequences and potentialities. I am often cited as falling deftly within this second camp. In addressing the viability and success of small economies, the ‘vulnerability as disadvantage’ group would argue that such successes happen *in spite of* vulnerability—the most cited example of this is Singapore, hence the reference to this condition as ‘the Singapore paradox’. The ‘alternative group’—for want of a better word—would posit that the economic success of small states is a result of the consequences of openness, not in spite of them.

Are we splitting hairs? Without wanting to sound self-serving here, what may be two of the best known contemporary scholars in the specialist ‘islands and small states’ literature happen to come from the same country, are based at the same university, come with surnames that are (to non-Maltese) both challenging to pronounce while starting and ending with the same letters, and are indeed work colleagues within the same University of Malta’s well-respected Islands and Small States Institute. Then a research assistant, I audited a course in macroeconomics at the University of Malta with Professor Briguglio (15 years my senior) in the mid-1980s. Yet, here we are now, presented as being at loggerheads on the very ontology—the nature of being—of the small (often island) state. The conceptual logjam has persisted for decades.

The time may be ripe for a dispassionate analysis of what we two have both been trying to say and argue, leading to what I sense could be a powerful synergy of what are currently presented as two, glaringly antithetical views. This denouement could in turn unleash a fresh generation of innovative scholarship, cutting-edge research and even smarter policy implications for island and small state studies and development practice.

The impact of external shocks needs no qualifier. Even large states have suffered dramatically at the hands of natural or even human-made exogenous events: just think of Pearl Harbour (1941), 9/11/2001 and Hurricane Katrina (2005) in the United States; or of the 3/11/2011 Tōhoku earthquake and tsunami in Japan, for instance. It has been said over and over again that, on a small island, a ship appears on the horizon, and island life changes for ever. So: the ‘vulnerability to external shocks’ is a given, and especially so in a small island jurisdiction. And, true again, that very same ominous ship appearing on the horizon may carry contagious diseases; it may host a crew planning to attack and plunder, missionaries keen on conversion; or even would-be settlers eager to colonise. Yet, that same vulnerability may presage good fortune. The ship appearing on the horizon may hold precious cargo—remember the cargo cults of the Melanesian Pacific? It may be shipwrecked and its serendipitous booty distributed among the island community. Its passengers may be saved and the islanders’ courage and assistance in the rescue effort justifiably rewarded. (Residents of the Cayman Islands enjoy a tax-free existence; local lore has it this is related directly to the rescue of a British Prince from a wreck in 1794.) It may bring tourists who will enjoy their island experience. It may bring potential settlers, including prized entrepreneurial ‘lifestyle refugees’.

Both good things and bad come from elsewhere—why privilege one over the other? External shocks may be harmful but are not always so, as has been imputed, by definition (e.g. p. 11).

Diversification constraints lead to high degrees of export concentration; a high dependence on strategic imports plus low inventory leads to dramatic shortages when a critical shipment fails to arrive on time; and, with small resident populations, insufficient domestic demand creates a high dependence on exports (p. 10). Nowhere is this trinity of handicaps more salient than in small island states. Yet, because these conditions are only all-too-well known to the locals, survival strategies and responses exist, and these are most likely to be best developed at the individual or household level. A propensity towards flexible and opportunist specialisation is one ingrained cultural response; exploiting the migrant diaspora and raking in remittances to supplement revenue is another; and developing niche products and often intangible services (including tourism) that are not rendered uncompetitive by costly transport fares and logistic nightmares is a third.

Let small states count their blessings along with their woes. Perhaps the Commonwealth Secretariat is keen to explore a further iteration of the vulnerability/resilience thesis, with a more nuanced and elaborate rendition of the small state predicament that goes beyond negatives? Just imagine: with such an initiative, a Baldacchino–Briguglio entente would look like a real possibility. With a Commonwealth Heads of Government Meeting looming in Malta in November 2015, the timing could not be better. Meanwhile, *Building the Resilience of Small States* is one other solid contribution to the sustained interest by the Commonwealth Secretariat in the common challenges facing small states.

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