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## FOREWORD

This publication is an outcome of a conference on vulnerability and resilience of small states, organised by the Commonwealth Secretariat and the University of Malta on the island of Gozo in March 2004. Most of the chapters in this volume are based on presentations by the experts who attended that workshop. The collaboration between the University of Malta and the Commonwealth Secretariat is well established, and has borne fruit in terms of training workshops, expert meetings and high quality publications.

The literature on small states has grown considerably during the past two decades. As a result, the special characteristics and needs of small states have become better known. That small states face special handicaps, and are economically vulnerable to external shocks as a result of their small size, has been firmly established in the literature. In spite of this, many small developing states have managed to economically outperform larger developing countries, prompting some authors to propose that being small and insular can actually be an advantage. The papers in this volume, argue instead, that small size and insularity does indeed exacerbate the development challenge and lead to excessive exposure to negative impacts. However, in a number of small states appropriate economic policies have been instrumental in enabling them to cope with some aspects of their inherent vulnerability. While this publication deals with economic vulnerability, the 2004 hurricane season in the Caribbean has provided a sharp reminder of the developmental set backs that small states can also suffer through natural disasters.

The main message of the book is that good governance and appropriate macroeconomic policies can, to an extent, mitigate the drawbacks of being small and economically fragile. The so-called “Singapore paradox” referring to this reality, is therefore not really a paradox. Analogically, we observe that human beings born with some disadvantage who take, or are helped to take, remedial action, often end up no worse-off than others—and sometimes even manage to achieve a net advantage.

Many chapters in the book make the distinction between inherent and self-inflicted vulnerability. There is an attempt to clarify terms by associating vulnerability with inherent features such as economic exposure and export concentration, and resilience with man-made policies, including good governance.

This distinction, though somewhat arbitrary, may be a useful analytical tool for formulating development policy. While it is important for small states to recognise and come to terms with inherent and permanent development handicaps, such as small economic size, it is equally important that these countries adopt policy measures which enable them to build their resilience to improve the standard of living of their population.

The difference between inherent vulnerability and man-made resilience has been echoed in the AOSIS Strategy for the Further Implementation of the Barbados Programme of Action, which was drawn up during the Inter-Regional Preparatory Meeting of SIDS held in Nassau, Bahamas, in January, 2004. The strategy acknowledged the importance of economic resilience building for SIDS and in paragraph 76 called for the establishment of a Task Force to elaborate a resilience index, supported by the international community. Such an index would serve, amongst other things, as a guide for good practice, so that the successful policies adopted by some small states could be emulated by others. Resilience building is not costless, and it is particularly burdensome on small states, the vast majority of which have very limited resource endowments and cannot spread overhead costs over a large population. The support of the international donor community is, therefore, still necessary even for relatively successful small states.

The Commonwealth Secretariat has been an advocate for resilience-building activities in small states for many years, and it is particularly pleased to be associated with this publication, which is based on a positive attitude that disadvantages, though acknowledged, should not lead to hopelessness.

I take the opportunity to congratulate the editors' of this publication, Professor Lino Briguglio and Dr Eliawony J. Kisanga for their success in gathering such an excellent collection of papers, and the individual authors for their important contributions to the book.

**Winston Cox,  
Commonwealth Deputy Secretary General**