

Introduction

Tiina Randma-Liiv

Tallinn University of Technology, Estonia

The waves (or cycles) of the importance of small-state studies are often related to global political or economic developments. Thus we have seen an increase in the importance of small-state studies 1) in the 1960s after the fall of empires, 2) after the fall of the Berlin Wall – both related to the increase in the number of small states, and 3) due to the current global financial crisis which sets new challenges to several small states and which is a clear landmark that brings the “State” back into business. It is more obvious than ever that the role of the State and in particular that of public policy and administration is key to successful development.

At the same time, a number of new challenges and risks have emerged that re-emphasize the issue of size. For example, small states have neither the financial capabilities nor the human resources to invest into cutting-edge research and development, which makes prioritization, adaptability, smart decision-making and co-operation inevitable in policy design. In terms of political influence and power – of having the necessary resources to be able to negotiate supra-national policies –, size is becoming crucial for the success of states. New global challenges for small states necessitate regional collaboration in policy-making. While to this day, we cannot detect any serious initiatives here, it is clear that because of the policy-making mechanisms in the EU, small states are bound to work more closely together. Moreover, the EU may involuntarily push small states towards more collaboration in various policy areas. Tackling political and economic problems of small states is increasingly dependent on administrative capacity in its various dimensions and prerequisites, including the institutional set-up and organization, the political and policy context on all levels of government as well as the question of the role, formation and tasks of civil service. In sum, the new challenges of size are not satisfactorily answered in the existing theoretical literature. The aim of this theme issue of *Halduskultuur – Administrative Culture* is thus to discuss specific constraints and opportunities for public administration and public policy in small states.

But what is a small state? Being a small state is tied to a specific spatio-temporal context, not only to general characteristics of the state. Increasingly, within the scholarly community dealing with the matter, a definition of small states is not limited to “objective” indicators such as its population size, territory or size of GDP relative to other states. Instead, small states are defined in recent literature as being

Introduction

the weak part in an asymmetric relationship. An opening contribution of this issue by Piret Tõnurist addresses more specifically this evergreen topic of how to define smallness by concluding that the developmental level, administrative capacity (i.e. the available policy options and the capacity to administer them) as well as geographic location (closeness to the “core markets”) has a more direct influence on the qualitative “size” of the economy than the numeral of the population or territory of the state alone.

This theme issue features the best papers, after passing through a rigorous selection process involving double-blind peer review, from the 11th *Halduskultuur* conference titled “Small States and the ‘State’”, which took place on 24-25 April 2009 in Tallinn. The conference was, as always, organized and hosted by the Department of Public Administration of Tallinn University of Technology. The Department of Public Administration, being the largest public administration research centre in the Baltics, has a special interest in and focus on small-state studies. In fact, this is a common denominator of its two main research streams: Public Administration and Technology Governance / Innovation Policy. As prevailing theoretical solutions to the new global challenges, both in administrative sciences and innovation (the Neo-Weberian State and the innovation-systems approach, respectively) have some obvious flaws when applied to small states, a number of the Department’s research projects focus on the structural peculiarities of small states and their respective policies.

This issue starts with two theoretical contributions, respectively by Piret Tõnurist and Külli Sarapuu, which add to the existing knowledge of the specificities of small states, in respect to globalization and to the organization of state administrations. This is followed by two comparative articles, first an analysis of institutional development in the Caribbean by Deryck Brown, and second the exploration of small states’ diplomacy in a study of Slovenia and the three Baltic States by Milan Jazbec. Finally, three small-state case studies are presented by Sabina Kajnc̆ and Marjan Svetličič (Slovenia), Bernadette Connaughton (Ireland) and Tarmo Kalvet (Estonia).

Several of those contributions demonstrate that administrative capacity is something that small states have problems with almost by definition. At a time when small states are increasingly challenged to step up their policy-making efforts on the international level, deficient administrative systems and policy-making capacities may easily undermine these very efforts. A fundamental issue for small public administrations appears to be the necessary modification of the Weberian traditional administrative model in which large size is a critical feature. This may make *New Public Management* reforms a tempting alternative for small states, which, however, is not a suitable medicine for small-state problems, either. NPM reforms, although they partly originated in small states such as New Zealand, have posed particular challenges to small societies. By creating private monopolies instead of public monopolies, especially in microstates, market-driven reforms (privatization, contracting-out of public services) have had questionable outcomes due to the limitations of small markets (e.g. lack of competition). Public-private partnerships have been difficult to develop because of the personalism and interrelatedness within small societies, which, in turn, may easily give way to problems with control and

accountability, corruption and nepotism. Finally, two important mantras of NPM – decentralization and deregulation – pose an essential human-capital requirement by assuming the presence of a critical mass of professional leaders. This can be questionable even in large countries and is very difficult to develop in small states.

Small states thus may not merely represent a hybrid between pre-Weberian and modern systems of administration, but rather are expected to develop working adaptations rooted in necessity and circumstances. The question remains whether and how different countries accommodate, exploit and regulate personal relationships in a way that facilitates “good government” and whether common patterns can be identified. There is a dire need for further theoretical and also empirical work that explains and displays small-state-specific problems. We hope that the current theme issue makes a contribution in this direction, and that its interdisciplinary approach will improve our understanding of small states and their specific challenges in a globalized world.

TIINA RANDMA-LIIV is Professor of Public Administration and Policy at Tallinn University of Technology. Her main research interests include civil service reforms, transitional administration, policy transfer, and small states. Correspondence: Tiina Randma-Liiv, Department of Public Administration, Tallinn University of Technology, Akadeemia tee 3, Tallinn 12618, Estonia; E-mail: tiina.randma-liiv@ttu.ee.