

Small islands—a threatened species in a globalised world

Norman Girvan

Edited version of a Keynote Address delivered at the Conference of the International Small Island Studies Association, Kinmen Island (Quemoy) Taiwan, November 4, 2004.

Introduction

Do small islands have a future in a globalised world? This question is not as outrageous as it might sound. The economic viability, political integrity and even the physical survival of small island states and communities are threatened by several developments associated with globalisation. There is a seeming contradiction between the failure of the world community to put in place arrangements to handle the peculiar circumstances of small islands on the one hand, and the value it places on the existence of these communities on the other hand.

One reason for this contradiction is *global market failure*: the negative externalities of market globalisation, some of which impact especially heavily on small island states and communities. In economics, the existence of market failure establishes an *a priori* case for government intervention. While there is no world government, there is an emerging system of global *governance* consisting in international commitments and agreements. I will

argue that this system needs to be (re)designed to give explicit recognition to the ‘right to exist’ small island states and communities.

Economic, biological and cultural services

That the global market places great value on the services provided by small islands cannot be disputed. Apart from the many exotic commodities that they export, their recreational value to the world population is indicated by the unique niche they occupy in world tourism. The promise of two-week break in a “tropical paradise” helps to maintain the sanity of stressed out urban populations in the industrialised temperate world. They spend billions of dollars annually on vacations in popular island destinations in the Caribbean and Pacific. Increasing numbers of visitors are also coming from the developing countries themselves. And of course tourism has become a major contributor to the national income of many small island states and communities.

Secondly, there are the *ecological* services provided by small islands: the fact that their “...ecosystems provide ecological corridors linking major areas of biodiversity around the world...and they bear responsibility for a significant portion of the world’s oceans and seas and their resources”. These words, taken from the Barbados Plan of Action adopted at the first World Conference on Small Island Developing States in 1994 (SIDS I), show that the 1994, the international community has given formal and

official recognition to the integral role that small islands play in maintaining the integrity of the world's ecosystems.

A third kind of contribution is the role of small islands in contributing to the *cultural diversity and cultural wealth of mankind*. I want to argue that this contribution, relatively speaking, has been neglected. For example, the SIDS Conference declaration says that their “survival is firmly rooted in their human resources and cultural heritage, which are their most significant assets (and) under severe stress”. Indeed. But the “human resources and cultural heritage” of small islands are assets not only for them, but also for the whole world. The Declaration, it seems, fails to recognise this fact of transcendental importance. And the implications of such a failure could be costly not only for small islands but also for the world as a whole.

Several papers presented at this conference give evidence of the universal value of the cultures of small island communities—their adaptations over the course of time to their geographic circumstances and to the needs of their survival, their knowledge systems, their cosmology and epistemology. These adaptations are at one and the same time *community, national* and *global* assets. They are vital components of the ‘cultural gene pool’ of mankind. Their extinction would constitute a loss no less significant than the loss of a biological species that forms a crucial link in the planet's life support systems.

The Caribbean

The Caribbean provides both negative and positive examples of this simple truth. One of the earliest recorded instances of cultural species loss was the destruction of its indigenous peoples that followed the arrival of the Europeans. There followed, as everyone knows, three centuries of forced labour imposed on people transplanted mainly from Africa and Asia. But these horrendous experiences stimulated tremendous creative effort in the struggle for survival and affirmation –an effort that has produced significant achievements in language, agriculture, migration, politics, sport, music, literature, and culture that have enriched the entire world.

These accomplishments are quite remarkable in relation the small size of the populations of these islands. And Caribbean people, in common with those of most small island states and communities, have a strong sense of community and of insular identity that is tied with their cultural creations ad their relationship with their respective island landscape.

Environment

We need not dwell on the environmental vulnerability of small island states and states and communities. They have been well established by several technical reports and are well and known to everyone at this Conference. We were recently reminded of this vulnerability in the 2004 Atlantic hurricane season when, in the space of a month, four different weather systems wreaked a path of havoc in the Caribbean from Tobago in the southeast to the Bahamas in the northwest. In the case of Grenada, an island nation-state of less than 100,000 people, hurricane Ivan destroyed virtually the entire

economy in a few hours on the afternoon of September. Less well known is the case of Grand Cayman, a tiny island lying between Jamaica and Cuba, where the same hurricane a few days later, generated a tidal surge that inundated a large parts of the island under water and destroyed or damaged most of the infrastructure. These experiences brought home to many the possible fate that lies in store for small islands and costal areas from climate change and sea level rise.

I am told that the scientific jury is still out on whether the frequency and intensity of hurricanes are on long-term rise and, if so, whether this is related to global warming and greenhouse gases. But this is not an academic matter for small islands. It is a matter of their survival. So the precautionary principle is of particular force and relevance to them.

It would be a great pity if the complacency of certain rich and powerful such countries on the matter of greenhouse emissions is rooted in the belief that they have the political and military might to force the burden of adjustment to climate change on smaller and weaker countries, should the need arise; and that they possess the economic resources to mitigate its worst effects. For if this is so, what is it, but the law of the jungle? And how can a stable and just world order be constructed on such a basis?

Trade

Let us turn to trade. The principle on which the World Trade Organisation—the WTO—is based is that of the ‘level playing field’. But it is now well-

established that the equal treatment of unequals leads to even greater inequality. Concessions previously given to developing countries in the form of so-called Special and Differential Treatment have been considerably watered down. And the special difficulties faced by small economies in dealing with globalisation have not, so far, been given explicit recognition in the architecture of the WTO agreement. No agreement has been reached on the treatment of small economies in the Doha Round.

Moreover, there is a notable absence from the WTO process of the subjects of development financing, international labour mobility and the management of the global environment. These are the subjects of entirely separate agreements. There is no linkage between compliance with these other agreements and entitlement to WTO privileges—a linkage that might have offered some protection to the smaller and weaker members of the world community.

To set this in context, let us note that in any process of market integration, there are always winners and losers. Indeed that is the very objective of market integration—to root out the inefficient and to reward the efficient.

Secondly, recall that international market integration—which is what globalisation is all about—was historically preceded in the developed countries by a process of *national* market integration. In Europe, this process was associated with the consolidation of the modern nation-state that began in the 17th Century. And in this process the governments of nation states employed measures to mitigate the ‘downside’ of market integration—to minimise and compensate losers, so to speak. So that labour moved freely

from rural areas, where it was being displaced, to urban areas, where it was in demand. And national budgets were used to effect social *and* geographic redistribution. Later, environmental regulations were set in place to deal with environmentally related market failure on the national level.

Now ask yourself: what happens when market integration is extended from *within* nations to *between* nations, and the losing firms and industries are entire national economies? Can the displaced labour move freely to zones in the world economy that enjoy expanding employment? Can their losing industries and regions access money, as of right, from the winners, which are in other national jurisdictions? Of course not.

Here, then, are the ‘missing links’ in globalisation. They are the absence of international labour mobility, of global income redistribution and international development financing to mitigate those aspects of the downside of market integration that impact *whole countries*.

Now this is particularly problematic for small economies. For them the initial impact of globalisation is likely to be, more often than not, on the downside rather than on the upside. Why is this? Simply because small economies tend to be preference dependent, to have limited natural resource bases, and to experience diseconomies of scale and high costs of international transport.

They may, in the long run, be able to reposition themselves in the global economy by finding new or expanded niches in world markets. They certainly should make every effort to do so. But the adjustment process can

be painful and the learning period can be prolonged. By definition they have few natural resources to fall back on to for diversification. And their fiscal resources will be reduced by contractions of the main export industry and by tariff liberalisation. Look at what happened to the banana exporting small island states of the Eastern Caribbean. They are telling examples of 'losing states' from market globalisation.

It is incumbent for small island states to be proactive and to do their utmost to engineer an efficient adjustment and to strengthen their regional cooperation. At the same time, it is unrealistic to construct a world trading system on the assumption that small countries have the same capacity to adjust as large ones.

Security and transnational crime

Let me touch on the matter of security. Since 9/11/2001, security has been defined by the dominant powers to mean the 'war on terror'. But security for small island states encompasses a whole range of concerns in the environmental, economic, political and social risks relating to their vulnerability.

Small Caribbean countries, for instance, have argued in the OAS for a 'multidimensional' approach centred on the concept of *human security*. They have pointed to the threats to their security emanating from transnational crime related to drug and arms trafficking, the HIV/AIDS pandemic, climate change, poverty, and trade preference dependency.

Transnational crime is an industry that has been facilitated by the globalisation of finance and communication. It is an urgent concern for Caribbean small island states. This is because of their geographic location astride the main supply routes from South America to North America and Europe, the large number of islands and cays with coastlines that are difficult to police, and the huge resources of crime syndicates vis-à-vis those of small island states.

It has been estimated that the drug-related GDP of the Caribbean is greater than the national GDP of every Caricom country except the two largest and that illegal drug exports transiting the region exceed the total of the top five domestic exports of all of Caricom in 2000. The effects include corruption of the security forces, of the judicial system and even of entire governments; steep increases in homicide rates as criminal gangs engage in ruthless turf wars; growth of the kidnapping industry; extortion and protection rackets; and a generalised increase in the sense of personal and business insecurity across the region as a whole.

To summarise, the threats to small island states and communities go across the environmental, economic and political spheres. Smallness does not sit easily with market globalisation, which tends to favour large size.

Globalisation has to be specifically designed to accommodate small size.

This has implications for governance issues at the national, regional and international levels.

National governance

Here I want to suggest that social cohesion and political consensus around goals and strategies may be both more urgent and easier to achieve, in small countries than in large ones. Consensus is more *urgent* because in a small state the whole society may be the loser when one industry collapses and the consequences may threaten the very survival of the national community. If there are irreconcilable social and political divisions, this will result in fragmentation of effort, waste of scarce resources and policy instability. It is notable that three small island states that have performed relatively well in the fast-changing global environment—Barbados, the Bahamas and Singapore—have exhibited a relatively high degree of social cohesion and consensus on long-term strategies.

Cohesion and consensus may also be *easier* to achieve in a small island state. That is, if the sense of community is strong and if social and political communication is facilitated by the small scale of the society. In other words, the trick is to *turn smallness into a cultural asset that forms part of the society's tool-kit of survival skills*.

Regionalism

The orthodox approach to regionalism focuses on the benefits derived by partners from market integration. This may not be the most relevant aspect of regionalism for small island states, which usually have little to trade with

one another and suffer from high transport costs. What is really important is regional *functional cooperation* in activities that are beyond the reach of any one island state, or which can be performed more efficiently by the pooling of resources. In other words activities with significant economies of scale, or that require a minimum critical mass of resources, or where there are synergies and complementarities among regional partners.

Examples would be cooperation in the management of shared ecosystems, in the provision of higher education, in undertaking and scientific and technological research, and in conducting international negotiations. In the Caribbean we have are the Caribbean Sea Initiative of the Association of Caribbean States, and the Regional Negotiating Machinery of the Caribbean Community CARCOM.

The Caribbean Sea is the second largest sea marine eco-system in the world. It provides ecological services at the community, national, regional and global levels through tourism and fishing and as habitat for valuable endangered species. It is under stress from a variety of land-based and marine-originating sources of pollution, inappropriate coastal zone development, and over-fishing. There are 33 states with jurisdictional responsibilities for the Caribbean marine eco-system: insular states, continental states and extra-regional states--metropolitan powers with Caribbean dependencies.

Besides the United Nations Convention on the Law of the Sea, there are a large number of international instruments that relate to its integrity and

management. This has resulted in initiatives that are fragmented, overlapping, duplicating, uncoordinated and often unimplemented.

Here we have an outstanding example of the need for complementary actions within a fairly well defined regional space, that links local, national and regional as the basis for securing international cooperation.

International governance

This brings us to international governance. The first point here is that the ability of small island states to shape its structures in their interest depends on their setting their own houses in order and on solid cooperation in international fora. In other words *effective national and regional governance* is an *essential building block* of restructured international governance.

Secondly there is the need for *coherence*. This means gaining broad recognition of small island states as a special category of entities in the world community that face peculiar challenges in trade, finance and political security as well as in the environment. Initiatives have been fragmented and dispersed over different international fora, including the UN, WTO, OAS, FTAA, World Bank and IMF. These initiatives need to be integrated into a common framework usable in a multi-fora setting.

Coherence also means securing consistency among global initiatives. It means giving legal standing and providing compliance machinery no less rigorous in the environment, finance and development as to those given to

trade in the WTO. For this, small island states will need to develop alliances with other actors with similar interests including other developing countries, environmentalists, labour unions, and gender movements.

Conclusion

Small islands *must* have a future in a globalised world. But this future will not happen as a ‘natural’ or ‘automatic’ result of current globalisation processes. These place increasing stress on their fragile eco-systems, level the playing field for large and small economies alike, and expose communities to mega-forces operating outside of the law. A globalised world should be challenged to give recognition to the ‘right to exist’ of small island states and communities in the design of the architecture of the emerging system of global governance.

(ends)