

## **Studying small states: A review**

*Baldur Thorhallsson*  
*Centre for Small State Studies*  
*University of Iceland*  
*Reykjavik, Iceland*  
[baldurt@hi.is](mailto:baldurt@hi.is)

**Abstract:** This essay provides an overview of the literature in the field of small states studies. It analyses the development of the discipline, and in particular how vulnerability and a lack of capacity – core concepts of the early small state literature – have dominated the discipline ever since. It also explores how realism, liberalism and constructivism respectively approach the study of small states. However, we also outline how the focus has over time slowly shifted from the challenges associated with smallness to opportunities. There is considerable literature across various disciplines that helps us to better understand small states in International Relations; but there remains a largely unexplored field of inquiry about small states which needs to be thoroughly examined and theorised. Studies of small states have never been as relevant as today, given the increasing number of small states and with many small territories that are potential candidates for independence.

**Keywords:** development, foreign policy, international relations, review, small states, size, theory

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## **Introduction**

The world continues to be dominated by large powers and is presently led by unpredictable actors such as the United States (US) and Russia. Political instability characterizes Brazil and India and there is no consensus as to where China may be heading. Moreover, all states are today facing such new challenges as climate change-related natural disasters, cyber warfare, the rise of terrorism, refugee crises and online propaganda campaigns. At the same time, there have never been so many small sovereign states in the international system and a vast number of small territories are candidates for independence, which would grant them equal status with the 194 large and small member states of the United Nations (UN).

Where does this challenging situation leave the current small sovereign states? What have small state studies contributed to our understanding of the small state from their foundation in the late 1950s and 1960s? How can small state studies help us evaluate challenges and opportunities that small states face, now and in the foreseeable future?

This essay offers a timely overview of the development of small state studies. We begin our survey by examining the first comprehensive work on small states in the international system by Baker Fox in 1959. We identify core concepts of the early small state literature, vulnerability and a lack of capacity, and examine how they have dominated the discipline ever since. On the other hand, we recognize how the literature's focus has over time shifted from the challenges associated with smallness to opportunities and that there is considerable literature across various disciplines that helps us to better understand and think with and about small states. We outline how the main international relations theories

(realism, liberalism and constructivism) approach small states and identify a gap in how they treat the size of states. In spite of the proliferation of small states on the world stage, there continues to be a glaring lack of studies and theories that frame size as a key variable when seeking to explain, compare or forecast the behaviour of small states. Accordingly, two recent and explicit international relations (IR) theoretical treatments of small states – the application of status-seeking and shelter theory – are identified for special scrutiny.

In our assessment, there are clear disadvantages and advantages to being small. The disadvantages can be related to inbuilt weaknesses of small states and adverse international conditions. Accordingly, we outline a number of strategies that small states have adopted in order to be successful. Furthermore, we note that international conditions since the end of World War II in 1945, and in particular after the end of the Cold War in 1989, have never been so favourable to small states. Moreover, scholars of small states are providing us with new and important tools to examine world affairs.

This paper is divided into four sections: defining the small state, findings on small states, IR theory and small states, and the latest theoretical developments in small state studies. To conclude, the future of small state studies is discussed.

### **Defining the small state**

Over time, scholars have considered the benefits of large societies as compared to small societies. Some of the disadvantages of small size are intuitive and based on common sense, such as a lack of military heft. Others, such as limited diplomatic resources, have until recently largely been neglected by the literature.

Most studies of small states begin by trying to define them and considering whether they are a unique category worthy of study. Population size is the most common single variable in defining the size of states. Most studies in political science and economics categorise small states as having resident populations below 10 or 15 million (Armstrong & Read, 2000; Jalan, 1982; Katzenstein, 1984; 1985; Kuznets, 1960; Ross, 1983; Vital, 1967). However, other studies place the threshold as low as one million (Easterly & Kraay, 2000) or one and a half million (Butler & Morris, 2017).

Size of economy (GDP) and territory are also commonly used to define state size (Archer & Nugent, 2002). However, territory and economy are not particularly useful on their own. Having a small territory creates some advantages and disadvantages but these challenges are not particularly pronounced. It is possible for a state with little territory to have a large population, economy and military capability; and thus, be powerful. On the other hand, states with extensive territory can also have little power. Territory does not necessarily imbue states with strengths in the same way that a large population and economy does. Possessing a small economy does come with significant challenges but this does not necessarily create insurmountable hurdles. By adopting appropriate policies or stumbling upon the right resources, a poor state with a large population can vastly increase the size and scope of its economy, reducing the economic challenges that come with a small economy, as shown by the rise of China. On the other hand, while small states can be wealthy, they remain reliant on trade access and the goodwill of other states in the international system.

Population size creates special static advantages, disadvantages and needs. If a state has a small population, whether or not the state is a tiny enclave or controls a vast expansive territory, and whether or not the state is extraordinarily rich or deeply impoverished, the small population creates certain needs and challenges that have to be compensated for. A state with a small population will find it hard to field a large military force with diverse capabilities. Its economy is furthermore bound to be small, which leads the small state to depend on foreign trade and be vulnerable to international economic fluctuations (Katzenstein, 1984, 1985). Small population size also creates constraints on the size and skill set of a state's diplomatic forces (Corbett & Connell, 2015).

A small population and a small economy inevitably set limits on the military and diplomatic resources which are at the disposal of the state. Small states lack the resources and manpower to wield large militaries and lack the power to force other states to succumb to their will. Moreover, small states may not be able to defend themselves from hostile attacks and rely on other states and international organisations for defence and diplomatic support (Vayrynen, 1971; Handel 1981; Thorhallsson & Bailes, 2016).

One of the most comprehensive studies of the advantages and disadvantages of size is Alesina and Spolaore's book, *Size of nations*. The authors propose that the optimal size of nations is the result of a trade-off between the advantages of being large and the costs that come with a greater disposition towards pluralism and heterogeneity in a larger state. In short, small size leads to less relative prosperity and greater insecurity, but has the upside of citizens more likely to be satisfied with the ways in which resources are distributed in their society. The authors argue that the economic advantages of size are manifest through larger domestic markets, less reliance on trade and economies of scale which provide public goods at cheaper costs. Another advantage of a large economy is its greater productivity, efficiency, innovation and sectoral diversity. Large states are less vulnerable to fluctuations in the international economy, given their lower reliance on trade and foreign investment. Large states are also able to recover more quickly from declines in specific sectors and regions: workers can leave high-unemployment for low-unemployment regions, and the state can redistribute resources from booming to busting regions.

Katzenstein's (1984, 1985) ground-breaking work suggests that, due to their reliance on free trade and thus exposure to international economic fluctuations, small states respond to these vulnerabilities through democratic corporatism. Governments, labour unions and employer associations come together to iron out deals that give small states the flexibility to respond quickly to changing conditions with the consent of all major stakeholders. Moreover, Cameron (1978) and Rodrik (1998) argue that the most open economies tend to have robust welfare programmes and substantial government spending as a way to satisfy or assuage those domestic groups most vulnerable to the effects of international economic fluctuations.

In the post-Cold War era, small states' scholars have combined 'new variables' such as perception/image with traditional variables (size of population, economy, territory and military) and have shifted their focus from the power that the state possesses to the power that the state exercises. They claim that existing definitions of small size fail to fully account for the reality facing small states in the modern world. For instance, Wivel and Mouritzen (2005, p. 4) set aside the pursuit of a universal definition of small states and opt instead to think of small size as relational. A state can be weak in one relation but at the same time powerful in another. Small states are the weaker actors in asymmetrical power relationships. and weak enough to be unable to change such relationships. Accordingly, Denmark is the weaker partner in the Danish-German relations but Denmark is the stronger component in the

Danish-Icelandic relations. Also, a great power is a state whose policy may fundamentally alter a regional and world setting: a German decision to leave the European Union would radically alter the European order. On the other hand, a decision in Copenhagen to leave the EU would mainly affect Denmark itself and only have minor consequences for the Union (e.g. Thorhallsson and Wivel, 2006; Wivel, Bailes and Archer, 2014). Furthermore, four of Europe's smallest states (San Marino, Monaco, Liechtenstein and Andorra) are seen by many scholars and policy-makers as too small to join the EU. They do not have the capacity to take an active part in its decision-making. Simultaneously, small states such as Malta and Latvia can take part in the EU's work without much difficulty (Thorhallsson 2006). Moreover, Ingebritsen (2006) claims that small states can become 'norm entrepreneurs' and lead by example internationally by using domestic specialisation and associated positive image: building on their good image within the UN has managed to convince other states to follow their example concerning women's rights and environmental protection.

A multifunctional framework, including six categories, for defining the size of states has also been proposed (Thorhallsson, 2006). In this schematic framework, *fixed size* refers to the population size and territorial size of the state; *sovereignty size* refers to the ability of small states to maintain sovereignty over their territory and govern it competently; while *political size* refers to the military and administrative capabilities of the state, the ability of the state to form a foreign policy consensus and the ability to have the domestic cohesion needed to tackle various problems. *Economic size* refers to the size of the state's gross domestic product and development status; while *perceptual size* refers to the political discourse and self-perceptions that leaders, elites, groups and the public have of their own states. Small states that perceive themselves as influential actors with a role to play in world politics may be more successful in making a mark, whereas small states that do not believe that they can ever be influential on the world stage end up victims of this self-fulfilling prophecy. Perceptions by outside actors of the state in question are also important. Finally, *preference size* refers to the specific ideas, ambitions and priorities that elites in the state have and how expansive they are (Thorhallsson, 2006).

### **Findings on small states**

Small state literature owes its origins and initial spurt to the post-1945 de-colonisation process and the Cold War. The core concepts of the literature – vulnerability and a lack of capacity – bear the hallmarks of this time. The main focus was on the security of the small state in hard military and economic terms (Baker Fox, 1959; Neumann & Gstöhl, 2004). Scholars argued that small states needed to join alliances to survive, in both political and economic terms (Keohane, 1969; Handel, 1981; Archer & Nugent, 2002). Small states could not muster the resources to be sustainable on their own, unlike large states (Vital, 1967).

Globalisation and the post-Cold War order have challenged these 'deficit' based assumptions. Already in the mid-1970s, the bold assertion that 'small is beautiful' was gaining traction (Schumacher, 1973). By the 1980s, small state studies began shifting focus to explanations of small state success and prosperity, attributing these to innovative, nimble and flexible responses to globalisation (Katzenstein, 1984, 1985; Briguglio, Cordina & Kisanga, 2006; Cooper & Shaw, 2009). The focus shifted again with the occurrence of the 2008 Financial Crisis when the vulnerability of small states, and the disadvantages and needs that were inherent to small economies in a globalised world, were highlighted. The literature dealt with central administrative competence and manoeuvring in order to limit the exposure of small states to global markets, and any ensuing damage (World Bank, 2016; Briguglio et al.,

2010, Pétursson & Ólafsson, 2014), as well as reliance on the EU and the IMF to cope with the aftermath of crisis (Panke, 2010; Thorhallsson, 2011; Thorhallsson and Kirby, 2012).

While there has been a focus on military insecurity and economic vulnerability, the classic small state literature has not paid sufficient attention to ‘new’ threats and risks, which include human and animal epidemics, cyber security, infrastructure breakdowns, interruptions of supply and natural disasters. Indeed, actual policy-making in many small states has shown less concern with military security and instead has emphasised ‘soft’ threats from the effects of increased globalisation, non-state violence and environmental degradation.

To respond to these security threats, small states typically have to rely on cooperation with other states, often through international organisations. Small states may seek out a protector state, such as the world powers of the United States and China, the regional superpowers of Germany and France or former colonial powers. Small states may also make use of regional and international organisations to solve these soft security problems. For European small states, the EU’s specialization in soft security matters has made it an important avenue to take on board responsibilities that the small states could not, or did not want to, do on their own. Small states can, through the EU, make use of its pooled assets and regulatory framework to address issues in soft security fields, such as border management, law and order, natural disaster response and pandemic control (Bailes & Thorhallsson, 2013).

This raises the question of the role that small states can play in regional and international organisations. One of the most intensely studied aspects of small states concern their ability, or lack thereof, to influence international outcomes from within international organisations. There are a number of studies on small states involved in disputes with larger states, as well as comprehensive studies of small states within particular regional and international bodies, such as the United Nations, the Commonwealth and the European Union (see Thorhallsson, 2017, for an overview of the literature). Small states generally face structural weaknesses within these bodies, but they can nevertheless use a number of strategies to wield influence. The vulnerabilities of small states primarily revolve around their limited administrative resources, weak bargaining power, and institutional arrangements that are biased in favour of the most powerful states. However, the literature suggests that small states can be influential by prioritising core interests, banking on the informality and flexibility of their diplomatic corps, relying on the expertise and advocacy of institutional bodies (such as the Commission in the EU or the Secretariat in the UN) and other states, and honing images of themselves as neutral, trustworthy, honest, compliant and useful brokers and contributors (Thorhallsson, 2000; Bunse, Magnette & Nicolaïdis, 2005; Naurin & Lindahl, 2010; Panke, 2010; Gron, 2014; Thorhallsson & Steinsson, 2017).

One of the chief disadvantages of large size in Alesina and Spolaore’s framework (2003) is the increased disposition towards societal heterogeneity, which refers to the degree to which citizens and groups in a particular country disagree among themselves about their government’s policies. In a larger state, preference heterogeneity is likely to widen: having a larger citizenry tends to lead to more assorted cultures, more divergent ideologies and greater sectoral diversity. As a result, it becomes harder for a central government to accommodate groups and individuals to the same degree as is possible in small states. Government policies may sometimes be zero-sum, which means that satisfying one group invariably means dissatisfying others (Alesina & Spolaore, 2003). For example, implementing protective tariffs for producers of a given product may increase costs for consumers and adversely affect domestic sectors that use the products. Tariffs on steel can protect domestic producers of steel while harming consumers, as well as the sectors that make use of steel (Read 2005).

Small state scholars have steadily shifted their focus towards domestic policy-making in small states. Opportunities and challenges in how states function in relation to a small population have come under scrutiny. For instance, Alesina and Spolaore (2003) suggest that there may be a larger democratic deficit in larger states than in small states. They suggest that, the larger the electorate, the less the vote of a single citizen counts, and that this makes large states less democratic. However, there are questions as to whether this is right but also as to whether there are advantages to democracy in large states. As Edlin, Gelman & Kaplan (2007) point out, even though a single citizen is less likely to be the decisive vote in a large democracy, if the citizen is the deciding vote, he/she will have a positive impact on a vastly larger group of people. Small states and their leaders are more vulnerable to coercion and are more exposed to actions that occur outside their territory; and so they are less able to shape their own outcomes and address international political and economic crises than their counterparts in large states. Thus, citizens of large states are in more control over their destiny. As a result, whether or not a small state prospers depends not so much on the actions taken by its government, but on regional and global processes and foreign actions that the citizens and leaders of small states are unable to influence.

Research has also raised concerns about the quality of democracy in small states. Erk and Veenendaal (2014) and Corbett (2015) argue that several Pacific micro-states suffer from democratic problems. While these states are formally democratic, the way that politics in these states is practised falls short of democratic ideals as theorised in the West. While micro-states have regular elections, a free press and constitutional courts, their electoral campaigns may not revolve around political issues, local media is not independent of politicians, and local politics may revolve around intimidation, cronyism and “spoils politics” (Baker, 2001). Smallness may, via homogeneity and a lack of diverse factions, undermine the quality of democracy. There is, therefore, something to the Hamiltonian argument that a political system with a multitude of diverse factions can increase the quality of political discourse, encourage policy-driven compromise and restrain tyrannous factions and despots.

The Founding Fathers of the US felt that a large population and diverse factions were potential boons; but earlier Republican thinkers felt that large states were incompatible with democracy. Collective action was deemed harder in large societies, and that despots could therefore rule with greater ease (Baldacchino, 2009, 2012). In a large state, it is harder for a significant share of the population to rise up at the same time against government overreach, and so it would be easier for rulers to quell civil unrest there (Deudney, 2007).

Does preference heterogeneity drive citizens to desire secession? And does it have negative effects on society and politics? After all, a greater diversity of opinions might lead to more innovation and tolerance. Research on the effects of diversity is mixed: some research suggests adverse effects on social capital, public goods provision and institutional quality (Algan, Hémet, & Laitin, 2016; Schmidt-Catran & Spies, 2016), while other studies locate no effect or find positive impacts (Clark, Lawson, Nowrasteh, et al., 2015; Padilla & Cachanosky, 2018). Preference heterogeneity is also malleable: the processes of nation-building and assimilation can usher a greater convergence of political and social views. Wimmer (2016), for instance, argues that the relationship between diversity and low public goods provision may be spurious; the states that successfully managed to assimilate distinct groups chanced to be strong, whereas weak states were unable to assimilate diverse groups.

## **IR theory and small states**

To consider small states' role in the world, it is helpful to rely on international relations theories that can provide simplified frameworks for interpreting the infinitely complex world of states, international organisations and other world actors. Realism, liberalism and constructivism provide the three simplest yet comprehensive frameworks for simplifying the world in a way that gives us explanatory power.

Elman (1995) lamented that IR theory had largely ignored small states. Given the focus on systemic theories, the focus on great powers – the states that, on their own, can strongly shape international outcomes – is quite understandable. But: could the theoretical frameworks created to explain the behaviour of great powers also be used to explain the behaviour of smaller states? Several realists argued that they were: indeed, small states should act in a manner most consistent with structural theories, such as neorealism, because they lacked the kind of leeway or policy space to let their leaders take unwise decisions that harmed the security of the state. Connecting small states' vulnerability to coercion, they are less prone to make risky and erroneous foreign policies.

### Realism

In the realist framework, cooperation between states is hard (for a number of reasons), fears of being cheated and coerced are significant, and states consequently seek power to protect themselves (Waltz, 1979; Mearsheimer, 2001). In the realist view, the role of small states in international politics is highly circumscribed, with small states being primarily pawns in great power games. Therefore, they find niches and rely on a large state for security and goods, if the small states happen to be strategically important; otherwise, small states without strategic importance will have less room for manoeuvre and a greater dependence on the goodwill and mercy of larger powers.

The classic position on realist thinking about the question of power and size is offered by the Athenian diplomats in the Melian Dialogue of Thucydides' *History of the Peloponnesian war*. As the diplomats put it, "the strong do what they can and the weak suffer what they must." Realists are sceptical that international law and organisations can pacify state behaviour and make states respect agreements. Nor do states abide by norms unless these handily fit their underlying interests. Globalisation and economic interdependence do not change the fears and distrust of states, and the logic that leads them to accumulate power stands. As a result, realists expect more security competition and instability (Mearsheimer, 2010). Thus, due to small states' lack of military muscle, diplomatic power and economic leverage, small states are highly vulnerable to coercion and conquest (Vital, 1967).

Leeway for small states is clearly limited in the realist world. And yet, states can cooperate via alliance formation (Waltz, 1979), thus surviving and prospering through strength in numbers and within alliances and through the protection offered by benign larger powers, provided that small states serve a purpose for these larger *patrons*. How small states mitigate their inherent insecurity is a point of contention among realists, as they debate whether small states either tag along with threatening and dominating powers or balance and align against them (Walt, 1987; Levy, 1989; Labs, 1992).

A number of small states scholars have in recent years used realist approaches to explain the foreign policy behaviour of small states. For instance, Mouritzen and Wivel (2005; 2012) rearticulate the classical realist concern with geopolitics to explain how the policies of neighbouring great powers affect small state diplomacy inside and outside international institutions. Pedersen (2018) takes inspiration from Mearsheimer's offensive realism to explain Nordic status-seeking. Moreover, it had been posited by scholars that small states would act in greater accordance with neorealism than larger states (Jervis, 1978, pp. 172-173; Snyder, 1991, p. 20; Schweller, 1992, p. 267). They argued that small states' vulnerability to conquest made them more attuned to systemic incentives and less susceptible to domestic pressures, as small states could not afford to make foreign policy mistakes. However, Steinsson (2017) and Wivel (2013) rely on neoclassical realist approaches to show that domestic politics is still an important element in the foreign policies of small states. Neoclassical realism posits that states seek to defend their long-term security interests but that the pursuit of security interests will be distorted in the short-term by miscalculations by leaders and domestic politics.

Steinsson (2017) shows that Iceland started the 'cod wars', a set of militarised interstate disputes with the United Kingdom, due to great domestic pressure on Icelandic leaders. Icelandic behaviour was largely inconsistent with neorealism, given that these disputes were extraordinarily risky and potentially highly costly for Iceland. In a separate study (Steinsson, forthcoming), it is also shown that liberal tripod of peace – democracy, institutions and trade – did not have a pacifying impact on conflict outbreak, but rather enflamed the disputes.

Wivel (2013) uses neoclassical realism to show that Danish militaristic foreign policy has been highly influenced by liberal-egalitarian values and has not merely revolved around a pursuit of narrow security interests. Pedersen (2018), in a similar vein, argues that the motivations behind Nordic military activism are not solely ideational, but can be accounted for by realism. He argues that "the Nordic countries' international engagement reflects a more instrumental and strategic motivation", as they attempt to strengthen their reputations among allies, and increase the likelihood that the US and NATO protect them against external threats.

### Liberalism

For liberals, there is more to international politics than power competition. The drivers of state behaviour are not the same that realists imagine them to be. This means that cooperation between states, regardless of their size, is possible and can be sustained, even in an anarchic world. Democracy, trade, and institutions mitigate the fears and uncertainty that anarchy gives rise to, and make sustained peaceful cooperation possible. In the modern international system, small and large states are increasingly locked into webs of institutional and interstate relations that create significant restraint, especially on large powers (Keohane & Nye, 2011).

Small states are subsequently not just vulnerable pawns, but partners of sorts who are able to influence outcomes at the international level and clinch mutually favourable agreements with other states. Liberals certainly do see the relations between the liberal leviathan of the US and smaller states as lopsided in the former's favour, but the leviathan restrains itself and provides order in a way that the small states consent to being subordinated (Ikenberry, 2001; Lake, 2009). Furthermore, small states scholars generally emphasise the importance of international institutions in the foreign policies of small states, and as ways in



which small states achieve favourable outcomes in an anarchic international system (Keohane, 1969). For instance, Katzenstein (1997) argues that small European states have sought to join the European Union in order to restrain Germany. Their support for the European project and willingness to transfer power to the EU institutions has to be understood in the light of their attempts to control outright German influence on their domestic affairs and to have a say in the development of the project.

On the other hand, liberalism still holds that state behaviour is primarily driven by practical benefits and ideological affinity between states (Keohane & Nye, 2011). For instance, Ingebritsen (1998) shows how the European policy of the Nordic states has been heavily influenced by their primary economic sectors. In her analysis, she suggests that Denmark, Sweden and Finland joined the European Union because membership had clear economic benefits, for their leading economic sectors at the time of entry (e.g. the agrarian sector in Denmark and the manufacturing industries in Sweden and Finland) whereas Iceland and Norway have opted not to join the EU because it has not been obvious that it is economically beneficial to their leading economic sector (e.g. the fishing industry in Iceland and the petroleum industry in Norway). Gstöhl (2002) similarly argues that economic incentives are important to explain the European policy of Sweden, Norway and Switzerland, but that questions of national identity also matter. As a result, the aforementioned three states opted not to join the EU for a long period even though they had economic incentives to do so, because EU membership and its implications for national identity created domestic political hurdles. They did however enjoy favourable market access to the European market which was of utmost importance to them.

### Constructivism

Various small state scholars have recently resorted to constructivist frameworks (de Carvalho & Neumann, 2015; Crandall & Varov 2016; Hedling & Brommesson, 2017; Wohlforth et al., forthcoming). Constructivism is not a theory in the same sense as liberalism or realism; but a framework that highlights the role of ideas and identities in shaping systems and individual behaviours. Consequently, states are not bound to respond to the dangers of anarchy in the ways that realists logically expect them to. States also do not simply pursue practical material benefits. Constructivists argue that states have agency and can respond in various ways depending on the identities and ideas that they have about themselves and others (Wendt, 1992; Hopf, 1998). As a result, constructivism is indifferent to the prospects of *small* states: these may find themselves in a world similar to that described by either realists or liberals. What constructivists *do* say is that the state behaviour shifts along with changes to their identities, interests and intersubjective beliefs. Constructivists also argue that there is more to power than material strength. After all, states and leaders can rely on soft power and the art of persuasion (Nye, 1990; Ingebritsen, 2002; Björkdahl, 2008).

### **Recent theoretical developments**

We now identify two recent and explicit IR theoretical treatments of small states: the application of status-seeking to small states and shelter theory. The theory of status-seeking assumes that small states are deeply concerned, not with practical benefits and physical security, but with achieving status (de Carvalho & Neumann, 2015). On the other hand, the theory of shelter works on the assumption that small states are highly constrained by their vulnerabilities and that they lack discretion in their decision-making, but nonetheless also seek cultural goods (in addition to military, diplomatic and economic benefits) as part of the practical resources needed to maintain functional societies (Thorhallsson, 2010, 2011).

### Status-seeking

Literature, especially forthcoming from Nordic universities, has argued that the great powers are driven by status concerns, but this literature either ignored small and medium states or assumed that small states were unconcerned with the pursuit of status. However, recent scholarship has argued that the 'status game' is more important to small states because they are unable to compete or interact with other states in any other way (Wohlforth et al., forthcoming). A great power will be able to achieve status and be noticed regardless of what it does. Small states, on the other hand, will not be noticed unless they purposely seek out to be noticed (Wohlforth et al., forthcoming).

According to these scholars, small states seek both status among their fellow small states, but also by the great powers. Small and middle powers seek status by taking on admirable tasks or excelling in a particular field. Wohlforth et al. (forthcoming, p. 6) write:

The Netherlands is a traditional provider of international law, Switzerland specialises in third-party roles ... Norway ... has long sought to be identified as a do-gooder state.

Some of the ways that small states gain moral authority is through helping the great powers maintain the existing international order, such as through mediation services, and peacekeeping and humanitarian missions.

Given the background of most of the scholars who have written about status-seeking for small states, the primary focus has inevitably been on Norway (De Carvalho & Neumann, 2015; Wohlforth et al., forthcoming). They see Norway as a small state which has managed, through status seeking, to become an active actor in international affairs:

What has allowed Norway to gain such a position *vis-à-vis* its peers is less its national wealth in absolute terms ... [but] the willingness to invest in visible international peace projects with guaranteed recognition from the US, combined with a strong willingness to use its disposable income on these projects (Wohlforth et al., forthcoming, p. 17).

Existing works on status-seeking both account for the ways in which small states dedicate resources to promote liberal democratic norms and values, as well as explain why small states may dedicate inordinate resources to military ends. A forthcoming study examines Danish and Norwegian military contributions and adventures, and notes the puzzling high costs that these small states have incurred are the result of the pursuit of prestige. These inordinate military expenditures are not rooted in a sense of insecurity or in a desire to maintain national security; rather, their goal is to improve their country's standing in the eyes of Washington DC (Jakobsen et al., forthcoming).

### Shelter theory

Shelter theory was created in an attempt to forecast and explain small state behaviour in the international system. The theory works on the assumption that small size confers inherent disadvantages (in relation to their small population, economy and public administration [including the foreign service] and limited military capacity), and that the solution to these disadvantages is to seek shelter by allying with large states and joining international organisations. Small states seek the political, economic and societal shelter

provided by larger states and international organisations in order to shield themselves from inbuilt structural weaknesses and a hostile international environment (Thorhallsson, 2010, 2011).

Political shelter refers to diplomatic or military backing by another state or an international organisation. It can also refer to the ways in which small states rely on international law and norms. Political shelter therefore reduces small states' vulnerability to coercion, and increases their ability to achieve successful international outcomes. Small states lack the ability to field large militaries with diverse capabilities on their own. Along with reduced economic clout and fewer bureaucratic resources, this means that small states lack the ability to negotiate with other, larger states on an equal footing. However, through political shelter, small states secure the basics needed for their survival, while also attaining the ability to influence broader sets of issues on the international scene.

Small states necessarily have small domestic markets, which creates a host of disadvantages and needs. First and foremost, small states are highly reliant on trade. They also tend to have less sectoral diversity, which means that they are reliant on one or a few major exports. This makes the economies of small states more vulnerable to shocks, as disruptions in trade or weaknesses in the main export sectors have national implications. As a result, the theory posits that small states will seek shelter in the international system by aligning themselves with large states and entities to reduce their vulnerability to inevitable fluctuations, thus ensuring stable trade relations and external assistance. Economic shelter may take the form of direct economic assistance, help from an external financial authority, a common market and favourable market access (Thorhallsson, 2011).

Small-state theory has traditionally viewed the vulnerability of small states primarily in terms of economic and political elements. However, shelter theory considers that small states seek societal shelter to avoid isolation and social stagnation, and to overcome problems that stem from a lack of native knowledge. Relations with the outside world are essential since it is through constant interaction with other cultures, ideas and ideologies that a society evolves, is enriched and moves forward. Interactions with foreign cultures and individuals are consequently important to achieve a marketplace of ideas in the small state. It has been crucial to achieve access to networks where innovations and academic practices could be shared, and where scholars and students can access information that is often not available in the small state (Thorhallsson, Steinsson, & Kristinsson, forthcoming).

Shelter theory has been applied to the history of Iceland's external relations (Thorhallsson, 2012; Thorhallsson & Kristinsson, 2013; Thorhallsson & Joensen, 2014, 2015; Thorhallsson et al., forthcoming), as well as examined the shelter options and choices of the Nordic states (Thorhallsson & Bailes, 2017). These studies demonstrate that Iceland has cooperated extensively with neighbouring states and societies, and often benefitted from these interactions. This flies in the face of the nationalist narrative that Iceland succeeded when it stood on its own and declined when it relied on or was ruled by other states. Shelter theory has also been used to examine the alliance choices of Armenia, Cuba and Singapore (Bailes, Thayer & Thorhallsson, 2016), as well as the choices and opportunities for an independent Scotland, in the event that it became independent (Thorhallsson & Bailes, 2017).

## Conclusion

The mainstream literature on small states in the field of International Relations stresses the military and economic limits of small states. The core concepts of the literature are those of vulnerability and limited capacity, based on the traditional variables most often used to define the size of states: population, size of the economy, territorial size and small military. IR theorists (to the extent that they bothered at all to deal with small states) and small state scholars were mostly busy looking for policy responses which allowed small states to survive in the hostile international atmosphere of the Cold War. Such scholars largely subscribed to IR's assumptions; until Katzenstein's work argued that small Western corporatist states could better adjust to the international economy than their larger counterparts.

Perception/image and the competence and reach of public administration (including the foreign service) are variables that have been recently added to the traditional list defining the small state and its opportunities and challenges (Bartmann, 2012). There is a growing literature on how small states use special characteristics of their public administration and positive image in particular policy fields to have a say in international organisations. Small state scholars are also observing the domestic features of the small state (such as the functioning of democracy and its implicit 'separation of powers') and no longer exclusively focus on its position and leverage in the international system.

Only a brief, state-of-the-art analysis of small state studies has been indulged in this paper. The origins and evolution of the discipline have been charted and its shifting focus from challenges related to smallness to opportunities has been considered. A gap has also been identified in how International Relations theory treats small states. A general lack of understanding and appreciation within the IR community as to the importance of the size of states with respect to domestic decision making and overseas relations has been noted.

Studies of small states have never been as relevant as today, especially in the wake of the record number of small states and with more small territories seeking, or in a position to consider, independence. Scholars of small states have challenging and exciting times ahead.

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