

Small States: Overcoming Vulnerability

The Commonwealth has taken several major initiatives to increase international awareness of the vulnerability of small states and assist their sustainable development. It is especially concerned as 32 of its 54 member states are classified as small states – they have populations of less than 1.5 million, or are deemed to have characteristics that make them as vulnerable as small states. They all have similar developmental, political, economic,

human resource and security problems.

Commonwealth policy and assistance is developed through a three-tiered framework: the Commonwealth Ministerial Group on Small States (MGSS), which provides strategic direction; the Commonwealth Consultative Group on Small States (CGSS), a forum of senior officials who examine issues in depth; and a Secretariat task force

which services the two groups and co-ordinates assistance.

The Secretariat allocates a considerable proportion of its resources to address the needs of small states. In 1998/99, 60 per cent of the programme expenditure of the CFTC went to Commonwealth small states.

Further Secretariat assistance, especially in the areas of upgrading and providing skills, and in training, are described elsewhere in this Report.

Ministerial Mission on Small States

The different dimensions of vulnerability were analysed in a 1997 Report, *A Future for Small States: Overcoming Vulnerability*, prepared by a Commonwealth Advisory Group. At the Edinburgh CHOGM, Heads of Government, on the recommendation of the MGSS, requested the Secretary-General to constitute a small ministerial group which would discuss with major multilateral organisations several issues raised in the Report. In July 1998, a five-member Ministerial Mission, led by the Prime Minister of Barbados, Mr Owen Arthur, and including the Deputy Prime Ministers of Lesotho and Mauritius, and the Foreign Ministers of Fiji Islands and New Zealand, visited heads and senior officials of the World Bank, IMF, the US State Department, WTO, UNCTAD, and the European Commission, before reporting back to the CGSS in London.



Small states, big concerns ... the Commonwealth Ministerial Mission visited multilateral organisations to bring this message home. Here (from left), mission head and Prime Minister of Barbados, Mr Owen Arthur, meets the then Commissioner for Development Policy at the European Commission, Professor Joao de Deus Pinheiro, with the Deputy Prime Minister of Mauritius, Mr Rajkeswur Purryag, and the Deputy Prime Minister of Lesotho, Mr Kelebone Maope





The Mission helped to generally secure greater recognition of the concerns and problems of small states, as well as commitments to take action to address these problems. In particular, it prompted Mr James Wolfensohn,

President of the World Bank, to establish a joint Task Force with the Secretariat in order to identify effective policies and strategies to help small states reduce their vulnerability and accelerate their economic development.

Storms which sweep over small states can leave the infrastructure and economy in ruins

Human Resource Development

Human resource development has always been a priority area for the Commonwealth. Training modules for financing of education have been developed with the involvement of resource persons from Trinidad and Tobago and reviewed by specialists in India and the Pacific.

The modules are intended for education administrators and other non-specialists who have to cope with the implications of structural adjustment and similar economic/financial policies in their normal duties. They are especially useful for small states where administrators often have to play multiple roles due to a shortage of specialists for the various roles that are required in the system.



Children in Seychelles ... due to the small size of schools and classes, teachers must handle learners from all grades

Commonwealth/World Bank Joint Task Force on Small States

The Task Force, comprising representatives of the Secretariat and the World Bank, was established in September 1998 with a mandate to examine the case for special and differential treatment of vulnerable small states in the international system and to recommend policies to address this and related issues. An Advisory Board of 17 people, representing the international donor community, regional organisations, governments and academic institutions, was also established to provide strategic guidance.

The Task Force met several times and its work was helped by a series of background reports by the Bank and the Secretariat on a number of subjects. These included: politics and diplomacy; economics; vulnerability, including an index of vulnerability; aid effectiveness; lessons to be drawn from more developed small states

(case studies on Cyprus and Mauritius); World Bank policy towards small states; natural disaster insurance and mitigation; global trade regime shifts and their implications for small states; and knowledge management.

The most notable among these meetings was a conference held in St Lucia in February 1999 which was attended by other partner organisations of the Task Force – the European Union, the IMF, the WTO and UNCTAD.

A broad consensus emerged on the need for multilateral lending policies to be adjusted to meet the special needs of small states. The high transitional costs for small states of integrating their economies into the global trading system were recognised, as was the acute vulnerability of many small states which do not fall into the Least Developed Country category. Financing mechanisms for disaster insurance were discussed as was the need for small states to have

access to knowledge for promoting development and taking advantage of new technologies in the field of communications.

It was agreed that the Commonwealth's Vulnerability Index provided an operational tool for synthesising the concerns of small and vulnerable states and testing the case for their special treatment.

In July 1999, the Task Force visited Geneva and Brussels for consultations on the draft report which had then emerged and provided a progress report to an extraordinary meeting of the CGSS. Further reviews of the draft were expected before CHOGM 1999.

The World Bank is expected to present the report to its Board of Directors and to the Development Committee meeting in April 2000.

Work has also been completed on the development of training modules to cover the area of multi-grade teaching, which is again of particular importance in small states. Due to the small size of schools, with low enrolment in each grade, teachers in small states need to be trained to handle learners from more than one grade in the same classroom at the same time. At a workshop in Belize in February 1999, the Commonwealth of Learning helped to convert the materials into an appropriate form for distance learning.

The Secretariat has collaborated with UNESCO to spearhead work on establishing a network for the management of tertiary institutions

in developing small states. This seeks to help such institutions to share efforts, expertise and experiences in dealing with the special management problems they face. The Association of Caribbean Tertiary Institutions is a key member of this Network for the Management of Tertiary Institutions in Developing Small States, and institutions in Mauritius, the South Pacific and The Gambia are also members.

Efforts are also being made to help member institutions link into SIDSnet (Small Island Developing States Network), which was recently set up with assistance from UNDP. This network will make it easier for institutions to work with each other via the Internet.

The Vulnerability Index

At the 1997 CHOGM, the MGSS reviewed a preliminary report on a vulnerability index prepared by the Secretariat. The group called for further action to refine the work and develop an index which could be used as a policy instrument in determining development assistance requirements.

The Secretariat then undertook extensive analytical work on the index and its results were presented to a number of high-level meetings in 1999 for further discussion, for example, at the St Lucia Conference of the Task Force on Small States; a Wilton Park International Conference on Small States in the UK; a joint meeting on indexes with the UN working group of the Committee on Development Policy; and meetings of ACP Ambassadors and a group of senior European Commission officials. Taking into account the comments made at these meetings, the Secretariat



produced a Commonwealth Vulnerability Index.

The Index used a sample of 111 developing countries (37 small and 74 large states) for which data was available. The results indicate that, generally, small states are more vulnerable than other developing countries,

High levels of vulnerability mean that small states are often unable to achieve and sustain levels of development and income which would allow them to weather the impacts of globalisation

Working with Civil Society

Some support for promoting sustainable development in small states includes enhancing income-generating opportunities among the disadvantaged and the poorer communities of tourism-dominant small island economies. Specific activities include custom-designing premium quality craft products that utilise post-consumer recycled and naturally occurring materials. These can be manufactured by women, the disadvantaged and the disabled.

In Grenada, St Vincent and the Grenadines, Dominica and The Bahamas, such work has been done with the co-operation of civil society organisations such as local community groups, NGOs, Chambers of Commerce, women's groups, trade unions and trade associations, development institutions and parish leaders.



In The Bahamas, the CFTC lends support for projects enhancing economic opportunities, such as in the making of jewellery and fashion accessories

irrespective of income levels. After making allowance for the resilience of developing countries to external economic and environmental shocks over which they have little, if any, control, the results showed that:

- ❖ of the most vulnerable 25 countries, 24 were small states (of which 12 were also Least Developed Countries and 17 were small islands);
- ❖ of the 50 most vulnerable countries, 33 were small states (of which 27 were LDCs and 23 were small islands);
- ❖ all the least vulnerable 25 states were large (of which 2 were LDCs); and
- ❖ of the least vulnerable 50 countries, only two were small (with 7 LDCs in this category).

More vulnerable small states have different problems than LDCs but they are no less significant. High levels of vulnerability create constraints that prevent these countries from

achieving and sustaining levels of development and income which would allow them to weather the impacts of globalisation and increased competition in global markets.

International Representation

Since 1983, the Commonwealth has maintained in New York a Joint Office for Permanent Missions at the United Nations, which provides office space for the representatives to the UN of a number of small member countries. The governments of Australia, Canada, India, Malaysia, New Zealand, Singapore and the UK make annual contributions towards the running of the Office.

Through its observer status at the UN General Assembly, the Secretariat continues to monitor developments relating to areas of concern to small states.

Products from these CFTC-funded projects are sold in some of the leading boutiques, stores, resort and airport shops in the Caribbean, and also marketed directly to customers. Secretariat assistance at grassroots level, often delivered on a relatively small budget, over time makes projects self-sustaining and thriving, thanks to the groups themselves. These projects make a real impact in the wider community.

The product and concept ideas given to people with disabilities in Nassau in The Bahamas, for example, are being replicated by entrepreneurs in the Family Islands. People with disabilities in The Bahamas, assisted by the Secretariat, have themselves

become trainers: they are now assisting the blind artisans from Grenada in new marketable product designs.

As a developmental tool, many families break the 'poverty cycle' through the production and marketing of crafts and the Secretariat's work in this area, with its distinct focus on innovation and practical results, has also come to the notice of other agencies, such as the International Trade Centre (ITC) and UNESCO who see it as complementing their own activities and have initiated collaboration with the Secretariat in this area. The Secretariat's niche work has also been recognised in the ITC's global strategy for the artisanal sector.