

10. Democracy and Good Governance in Small States

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The Commonwealth has taken a leading role among international organisations in the promotion of good governance and democracy in small states. The principles guiding these actions were formulated at successive Commonwealth Heads of Government Meetings (CHOGMs), beginning with the Declaration of Commonwealth Principles in 1971, the Harare Declaration in 1991 (which defined democracy and fundamental human rights as core values), and the Millbrook Declaration in 1995, which established a mechanism, the Commonwealth Ministerial Action Group on the Harare Declaration, to recommend action in the case of 'serious or persistent violations of the principles'. The 2003 CHOGM in Nigeria reaffirmed the commitment to democracy and development made in the Aso Rock Declaration which declared, among other things, the objectives of promoting 'a participatory democracy characterised by free and fair elections', 'an independent judiciary', 'machinery to protect human rights', and the 'active participation of civil society, including women and youth'.

The Commonwealth has also been at the forefront in promoting the cause of small states. Thirty-two of its 53 members are classified as small states¹ and in 1993 it established a special mechanism, the Commonwealth Ministerial Group on Small States (CMGSS), which meets immediately prior to CHOGMs, to discuss the special needs of small states and set out guidelines for future action in their interest. The various reports of CMGSS to CHOGM have highlighted economic, environmental and security issues as major concerns and identified capacity building and institution building to be of particular importance. They have also commended the work of the Commonwealth Secretariat in promoting fundamental political values in small states; in providing technical assistance and observer missions for national elections; and more specifically in helping to resolve difficult situations through the good offices role of the Secretary General. In recent years this has involved actions in Lesotho, Solomon Islands, Antigua and Barbuda, Fiji, Papua New Guinea, Guyana, The Gambia, Swaziland and Tonga.

It has also meant a wider commitment to supporting and deepening democracy throughout the Commonwealth. In May 2000 a workshop on 'Democracy and Small States'

was held in Malta, jointly organised by the Commonwealth Secretariat and the Commonwealth Parliamentary Association. Government ministers, parliamentarians, public servants and representatives from civil society in 28 small states examined key aspects of the democratic process, including the role of the executive and the legislature, accountability and transparency, elections and electoral processes, the role of civil society, and sovereignty and democracy. On many of these issues different views were expressed but there was also general agreement that democracy was essential to the future of small states as a means of offsetting their inherent vulnerabilities and ensuring their well being (Commonwealth Secretariat, 2000a). In support of small states the Commonwealth Parliamentary Association has since 1981 run a small countries conference for its smallest members (including non-independent territories) in conjunction with the main annual parliamentary conference.

This chapter examines democracy and good governance in small states under three main headings. In the first part describes some general characteristics of politics in small states, providing the background to processes which support and challenge democracy. In the second part the record of democracy in small states is examined, in particular those features that help to sustain as well as challenge democracy. The third part considers some aspects of good governance of particular relevance to small states. It is followed by a brief conclusion.

Some characteristic features of political systems in small states

While the different historical, regional and cultural contexts of small states ensure that there is distinctiveness among them, there are some political features that many small developing Commonwealth states share. In respect of domestic politics these have been identified in one study as institutional fidelity, governmental pervasiveness, exaggerated personalism, concerted social harmony, and pragmatic conservatism (Sutton, 1987, pp.8-19).

Institutional fidelity

Most small countries have emerged into statehood through the tried and tested procedures of tutelary devolution of responsibility and the adoption or adaptation of the Westminster-Whitehall system of government and administration. The parliamentary system is the preferred method of government and this draws on the experience of the UK in particular. A two-chamber legislature is common, although among the smaller countries there is a preference for single-chamber legislatures, either wholly elected or combining an elected and nominated element. Most countries have political parties which regularly compete for office in multiparty systems, although again among the smallest territories many candidates for office are independents and durable political parties have only recently begun to emerge. Central government tends to be modelled on the Whitehall pattern of single ministries and a specialised public service. There have been significant and growing departures from this practice in recent years, but

these are more often than not the result of incremental change rather than fundamental restructuring, ensuring that much continuity in procedures and practices remain.

Governmental pervasiveness

Government is said to dominate in small states. It is often the largest employer of labour and is frequently the most important agency for identifying political issues and seeking their resolution. As Nobel laureate Sir Arthur Lewis, himself a St Lucian, has noted, 'in a small island... everyone depends on the government for something, however small, so most are reluctant to offend it' (Lewis, 1965, p.16). Government patronage is therefore an important and ubiquitous part of the political system. Government is also said to be subject to fewer constraints from countervailing sectors, pressure groups, and non-governmental organisations, although this is in part a contestable proposition, particularly since the number of these have grown in recent years. Nevertheless, the autonomy of government from civil society (e.g. churches, professional associations, trade unions, chambers of commerce, etc.) is a crucial issue and is an important feature in securing liberal democracy. More generally, governmental pervasiveness in small states, where anonymity is not possible and pressures toward partisanship are considerable, means that special attention must be paid to mechanisms ensuring impartiality of administration and justice. These include various constitutional provisions for human rights and fundamental freedoms as well as administrative features such as public service commissions and the offices of ombudsmen.

Exaggerated personalism

The importance of personality in politics is the most commonly cited attribute of small states. Early studies identified these as the role of the individual takes on greater significance; the individual, as a member of a group, is more susceptible to pressures, both internal and external; politicians exercise greater influence over administrators, frequently based more on personal than on party factors; senior administrative and political office holders have more direct contact with the man in the street, and accordingly there is less of the aloofness traditionally associated with a bureaucracy; top political leaders are more likely to communicate directly with one another and directly to oversee the actions of their lieutenants; there is less functional specialisation among politicians and both they and senior administrators are likely to accumulate roles; politics may be less than a full-time job, constituting either a means to promote other interests or an avenue of mobility into other areas in a situation of limited economic opportunities; and criticism of political leaders and senior administrators may be muted, often informal, but where it does appear is likely to be personal in form and strident in tone (UNITAR, 1971, pp.52-3; Dahl and Tufte, 1973, pp.87-8).

These features can have positive and negative effects. Among the former it is likely that leaders, being personally accessible, are more likely to be in direct touch with affairs; more directly accountable for their actions; and their suitability for office better known by citizens. Among the latter the record shows that small states can be dominated by

one or several individuals and that they can be difficult to remove from office, particularly when they have assembled powerful patronage machines and/or have concentrated the coercive power of the state in their hands. The question of 'who guards the guardians?' is as relevant for small states as it is for large ones, although small states have the option, not always open to large states, of maintaining only small paramilitary forces or dispensing with them entirely.

Concerted social harmony

Small states have a lower incidence of serious civil disorder than larger ones. Several reasons are given for this fact, the most important of which is the observation that small states are more homogeneous than larger countries. There is less alienation, higher degrees of system legitimacy, and a basic consensus of values. Recent research has shown this is both wrong and right. It is wrong to attribute to small states any greater degree of homogeneity than larger states if the measurements used are ethnic and religious diversity. After all, some small states are plural societies with very high levels of diversity. At the same time if attitudinal diversity is measured (i.e. the extent to which there is a strong sense of local community which binds members together in mutual solidarity) then very small states do show less diversity than large states (Anckar, 1999). These findings point to the need to be aware of the specific circumstances of each small state. In highly diverse plural societies, for example, there is a risk that conflicts among groups will be politicised and spill over to polarise the whole community. The breakdown of the political system in such a situation is an ever-present danger. Fortunately, the comparative rarity of such events underlines the general rule that small states manage to limit unduly divisive conflict. Among the more important contributing factors are elite consensus and institutional adaptiveness, which, when coupled with parliamentary systems and proportional representation, encourage the emergence of multiparty coalition government and political inclusiveness (Lijphart, 1991, pp.146-58). To this can be added those features of size which give greater opportunity for citizens of small democracies to participate effectively in making decisions and to perceive a relation between their own self-interest, the interests of others, and the public or national interest.

Pragmatic conservatism

Small states tend to cluster on the centre-right of the political spectrum. They do so for reasons Lowenthal (1987) has identified as 'managed intimacy' and 'conservatism and tradition'. The former is similar to the feature of 'concerted social harmony' and relates to the fact that small state inhabitants 'learn to get along, like it or not, with folk they know in myriad contexts over their whole lives...they minimize or mitigate conflict. They become expert at muting hostility, deferring their own views, containing disagreement, avoiding dispute, in the interest of stability and compromise' (ibid, p.39). It follows that dissenting opinion and radical views are generally muted and that criticism and innovation are limited and often suggested by 'outsiders'. This is reinforced by the fact that 'those who live in small states cling tenaciously to familiar patterns of

life. Their settled conservatism stems from a caution born of long experience with resources whose exploitation is severely limited by scale, by isolation, and by physical and economic hazards beyond their control. These constraints incline residents toward the maintenance of continuity, the practice of conservation, and the hedging of bets by taking on multiple occupations' (ibid, p.35). While this observation applies most to the smallest and/or least-developed small states, it highlights why many small states value stability and tradition. The persistence of local monarchy and/or a special role for chiefs within their political systems is one expression of this fact, as is the limited part women play in political life as traditionally conceived. It also acts as a restraint on development which is, by necessity, 'destabilising' and therefore to be introduced, at best, incrementally.

None of these five characteristics are exclusive to small states and can be found in larger states. They are, however, more pronounced in small states, and constitute a syndrome of interrelated characteristics which help shape political life. They also qualify the practice of democracy and good governance in small states, pointing to possibilities and constraints which are not found in quite the same proportion in larger states.

Democracy

Democracy is an elusive concept. There are many types of democracy (e.g. direct democracy, guided democracy, liberal democracy, social democracy) and no agreed definition. However, what has emerged in the last ten years has been a convergence toward and a relative privileging of 'liberal democracy' as the most desirable form of democracy. This can be defined as 'a type of political regime in which binding rules and policy decisions are made not by the entire community but by representatives accountable to the community. This accountability is secured primarily through free, fair and competitive elections in which virtually all adult men and women have the right to vote and stand for elective office. Citizens within a liberal democracy have the right: 'to express themselves without the danger of severe punishment on political matters broadly defined, including criticism of officials, the government, the regime, the socio-economic order, the prevailing ideology' and 'to form relatively independent associations of organisations including independent political parties and interest groups' (Potter et al, 1997, p.4; Dahl, 1989, p.221).

Defined in this way many small states can be considered liberal democracies. The most recent annual survey (2004) by Freedom House confirms the relative high degree of freedom that continues to be enjoyed by most small developing states. In a sample of 48 small developing states (32 Commonwealth and 16 non-Commonwealth, all with a population of 1.5 million or below), 28 states were classified as free (21 Commonwealth); 14 as partially free (eight Commonwealth); and six as not free (three Commonwealth).² The strong position of the Commonwealth small states is also confirmed over time. Taking the individual rankings of states into account (and ignoring a minor change in either direction), 22 Commonwealth states have a better ranking now than at independence or in 1972/73 when the first rankings were made, and 10 have a

worse record (Freedom House, 2004). Such figures compare very favourably with larger states and suggest a relationship between size and democracy that is favourable to small states.

The presumption of such a relationship can be traced back to the Ancient Greeks. Aristotle thought that a small polis encouraged participation and discouraged tyranny. In the Enlightenment, Rousseau and Montesquieu argued that democracy and civic virtue were most likely to be sustained in small or medium-sized states. In the early 1970s Dahl and Tufte (1973) explored the relationship between size and democracy at length and while they found no specific relationship they provided numerous theoretical speculations as to why small states (which they defined rather generously to include medium-sized states) may be more supportive of democracy in certain circumstances. Although arguments linking small size with democracy often appeared plausible, it is only very recently that the relationship between size and democracy has been explored empirically for small developing states with some interesting (and disputed) findings indicating that small size is indeed conducive to democracy.

One of the most widely quoted studies is that by Hadenius (1992). In a review of 132 developing countries he found that small island states (population up to one million) were much more likely to be democratic than other countries. In his top ranking (those scoring 9 or more points) 17 out of 28 were small island countries, the majority being Commonwealth small states. These findings were corroborated and extended by Ott (2000). In a study of 237 nations in the period 1973–95 she found that using measures for political freedom, political rights and civil liberties ‘small states (population under 1.5 million) are more likely to be democratic than large states **at any single point in time**’ (ibid, p.117, author’s emphasis) across all income levels (i.e. irrespective of levels of economic development). Other findings were ‘that small states are more likely to remain democratic over time than large states’ (ibid, 122); that ‘very small states are consistently less likely to be authoritarian than large states’ (ibid, 124); and that ‘being an island country has a consistent and positive impact on the likelihood of political democracy’ at all levels of income (ibid, 128). A similar finding on islands is reported in a study on the political regimes of 146 countries from 1960–94³ by Clague, Gleason and Knack (2001), when they show ‘that islands are more democratic and less autocratic than the average less developed country’ (p.25) and ‘islands are more democratic than non-islands’ (p.31). More contentiously, they also argue ‘that small size itself is not conducive to democracy, while being an island is’ (p.31).

However, the most consistently rigorous empirical research programme on democracy in small states (population under 1 million) has been undertaken by the Anckars over the last twelve years. In it they have demonstrated that ‘country size is an important determinant of the degree of democracy, party fragmentation and choice of electoral system’ (Anckar, 2004a, p.379). Dag Anckar has also examined the British connection. Several features stand out. First, in a sample of 36 states (excluding Tonga but including 25 countries that were former colonies of the United Kingdom or with strong British connections) he unsurprisingly finds parliamentary regimes to be dominant

(20 cases), followed by absolute regimes (nine cases), presidential regimes (six cases) and semi-presidential (one case). These figures diverge significantly from the global total where only one quarter of the world have parliamentary regimes, just over one third presidential regimes and just under one third absolute regimes, leading Anckar to conclude that in small states 'there is clearly more parliamentarism, less presidentialism and less absolutism' (Anckar, 2004b, p.214). Second, colonial heritage is an important consideration of regime choice with most small states (72 per cent in the British case) adopting the regime of the former metropolitan power. Lastly, regime stability is a conspicuous feature, with most regimes remaining with the model of government adopted at independence. These observations underline the characteristics of 'institutional fidelity' and 'pragmatic conservatism' identified earlier. At the same time the degree of importance attached to the British connection is disputed. Clague et al find 'that being a former colony of Britain or one of its four settler colonies increases the probability of democracy by 0.368, being an island increases it by 0.203' (2001, p.27). Anckar disagrees, laying greater emphasis on small size, with both the colonial connection and insularity being contributory factors helping to embed democracy rather than the crucial consideration in determining democracy (Anckar, 2002). That aside, the general consensus among political scientists remains that the institutional legacies of British colonialism as embodied in the Westminster-Whitehall system of government, coupled with small size and insularity, have supported democracy in Commonwealth small states (Srebrnck, 2004, pp.300-32).

Some democratic issues for small states

While all small states begin with the advantage of size, this does not necessarily mean that democracy is any easier to achieve or to sustain than elsewhere. Some of the features earlier identified as typical of small developing Commonwealth states can constrain or erode democratic practice. Those featured below are not exhaustive, but suggestive of some of the more important considerations.

Head of State and Head of Government

Although most small states are parliamentary democracies, they are evenly divided as to their practice in determining the head of state. Twelve recognise Queen Elizabeth II as head of state and appoint governor-generals; 10 divide the position between locally hereditary monarchs or elected presidents as head of state and prime minister as head of government; and 10 combine the office of head of state and head of government (Commonwealth Secretariat, 2003b). While in the first two categories there have been occasions in which the prime minister has been dismissed by the governor general or hereditary monarch, the reality of all three categories is the power that is potentially concentrated in the hands of the prime minister or executive president. Politics revolves around the prime minister or executive president and his/her office is the linchpin of government. The extent to which any individual will seek to dominate the office to the exclusion of all others will vary with circumstance, but bearing in mind

the characteristic features of small states cited earlier there are likely to be fewer constraints than in larger states. Considerable attention should therefore be placed in small states in defining the constitutional powers of the prime minister and executive president and in developing informal political practices that can hold him/her to account. Attention could also be paid to incumbency. The recent history of small states gives many examples of political leaders who dominated the affairs of the country for many years. There is also some limited evidence that ministers and heads of government remain longer in office than in larger countries (Sutton, 1987, p.16). Some constitutional limitation on the number of consecutive terms for a head of government may redress this situation, although this would need to be balanced by a consideration of whether the 'pool of talent' is large enough in small states to provide sufficient outstanding candidates for political office.

Elections

While elections are important in all states, in small states the relatively greater importance of government in both daily affairs and development invest them with particular significance. Good electoral practice is essential if the outcome of the election is to be accepted. The framework and mechanisms for election should be carefully set out, preferably within the constitution. The delimitation of boundaries is an important question given the small number of voters in many constituencies. There is also the issue of overseas voters. Many small states have substantial numbers of citizens working overseas. In various countries different sorts of provision is made to count their vote and in the past this has often proved contentious since they can make a difference to outcomes. This is a matter which has so far not been commented upon by various Commonwealth studies, but is clearly of importance for small states given the emphasis now being put on engaging the support of migrant overseas communities in small state development.

The number of candidates allowed to stand is again a question, as small states imply relatively small constituencies and under some electoral systems e.g. first-past-the-post, a candidate can be elected by a very small proportion of the ballots cast if there are multiple candidates contesting. The provision of finance for elections is also a concern in small states, many of which have few or no regulations on this issue but remain vulnerable to large donations (from suspect local or foreign donors) which could result in undue influence over, or capture of, government by criminal elements (Pinto-Duschinsky, 2001, pp.23-24). Rules governing finance and Codes of Conduct can be very helpful in ensuring free and fair elections and their importance for small states has been underlined in the reports of the various Commonwealth Observer Missions to elections in small states. Regard must also be paid to the counting of ballots. For example, in archipelagic small states, the voting preferences of isolated communities can easily be determined after the vote unless there is some effort to combine their ballots with those of other polling districts. In itself, this then raises further questions about the security and transport of the ballot once the polls are closed and the impartial observation of elections in places that may be difficult to reach. The Common-

wealth recommends that 'in order to be credible domestic observers must ensure that they are genuinely non-partisan and are perceived as such' (Commonwealth Secretariat, 1999, p.6). This is sound advice, but more difficult to achieve in small states where individuals and their viewpoints are known. In such small states it may be necessary to employ regional and/or international observers. As of March 2004, the Commonwealth had sent observers to elections in 10 small states throughout the Commonwealth (some on several occasions) and it is clear from their reports that their presence has added to the credibility of results. The reports also contain a wealth of practical advice that would be useful to all small states if collected together and disseminated as examples of 'good practice'.

Finally, there is the question of electoral systems. The first-past-the-post system is to be found in nearly three-quarters of Commonwealth states, and it is by far the most common system in small states. It is not without its critics, particularly the distortion that may occur in the number of votes cast nationally and the proportion of seats obtained in the legislature. For example, recent elections in small states have returned landslide governments with the opposition of only one or two members on under 50 per cent of the national vote. However, relatively few small states have sought an alternative system and those that have done so have generally been plural societies, when their interest has been to ensure that all groups are represented. This has usually involved some form of proportional representation in mixed systems, or multiple constituencies, or combinations of both. The merits and deficiencies of these systems (and others such as the use of the single transferable vote or best-loser) have not been systematically investigated for small states. It is now time to examine whether such electoral systems have lessons for other small states and whether the first-past-the-post system best suits smaller societies, particularly the smallest where adversarial politics can lead to unnecessary division and exclusion of those with talent from government service. Attention could also be focused on if, and how, electoral systems could encourage greater participation by women. The percentage of seats in the legislature held by women is below 20 per cent in 21 small states (out of a total of 26) (Commonwealth Secretariat, 2003B, Appendix C), demonstrating the need for rapid improvement, particularly given the high level of educational qualifications women hold proportionate to men in some small states.

Accountability

Exaggerated personalism and governmental pervasiveness put a premium on executive accountability in small states. Fortunately, serious and prolonged abuse is comparatively rare. Outside of Africa, the human rights record for most small states is good and for the Commonwealth small states very good.⁴ Political instability is relatively infrequent⁵ and the incidence of coups, the collapse of states, and external intervention is low, though not unknown. The real issues that are to be addressed are not these exceptions but structural and behavioural features which routinely weaken accountability.

The dominance of personality in small states makes collective decision-making in cabinet more difficult and political parties more centralised. The prime minister or executive president is more than *primus inter pares* and dominates both, leaving those who are critical little option but to be silent or to leave. The exit option is not uncommon in small states and the recent history of small states is full of new political parties formed by those who were once the trusted lieutenant of the political leader. This tendency to multiplication is in itself indicative of the power of personality, which makes combination in opposition difficult and renders electoral success more uncertain. As noted above, the prime minister or executive president may find themselves with substantial parliamentary majorities and a weakened or practically non-existent elected opposition. When combined with small size this has important consequences. One is that parliamentary opposition, as it is conventionally conceived in the Commonwealth, is limited (Commonwealth Secretariat, 1998). The leader of the opposition may speak only for himself/herself or at best a few others. He/she will find it difficult to credibly present their party as an alternative government. The opposition as a whole will find it difficult to staff committees and to contribute positively and constructively to legislative debate. The temptation of government in such circumstance is to ignore the opposition altogether – a not infrequent practice in small states.

The issue of accountability must therefore be addressed through additional avenues other than parliamentary election. One way forward would be to limit the number of ministers to 50 per cent or less of elected members, leaving the remainder to occupy the backbenches and serve on parliamentary committees. Another is nomination. Most Commonwealth small states provide for either a nominated second chamber (Commonwealth Secretariat, 2002, p.11) or a nominated element in a unicameral chamber (ibid, p.8). While the prime minister or executive president has the power in such cases to nominate the greatest number, the possibility of nomination by the leader of the opposition boosts the opposition and, importantly, opens the way for inclusion (e.g. by nomination by the head of state) of ‘non-partisan’ elements from civil society speaking for a range of interests. Yet another avenue is extra-parliamentary institutions such as human rights commissions, auditor-generals, and ombudsmen. The real effect of these institutions varies from country to country but the fact that they are established provides opportunities for accountability which might otherwise go by default.

However, by far the most important factor is an active civil society in which the norms of government accountability are embedded. Scale is here significant. In small societies the public and the private are blurred and private interests are often associated with the interests of particular individuals. It is also the case that the political sympathies or antipathies of prominent individuals are often well known and their motive for action or inaction thus often suspect. The involvement of non-governmental organisations is also defined as narrowly political when it may be for purely professional or national reasons. Scale also matters in the media. News travels by word of mouth in small states and it is notoriously difficult to keep anything secret. At the same time, coverage of political affairs is often limited. The government may dominate the broadcast media and the press, making it difficult for opposition views to get a hearing. The amount of

investigative journalism is small and since foreign media will be uninterested in such countries the availability of alternative views non-existent. To these constraints can be added some of the features of scale identified earlier that support a political culture in which tradition and respect for authority mute or limit criticism and independent voluntary action.

None of this suggests that civil society cannot be actively engaged and the record in a number of small states contradicts any presumption of impotence. But it does argue that the overall impact of civil society may be less than in larger liberal democracies. This puts a duty on government and on the judiciary. In respect of the former, it is one of consultation. In the smallest countries, where face-to-face contact among the political elites and non-governmental organisations is frequent and informal, such consultation does occur, often at local level. The problem then becomes one of ensuring that local interest (the parochialism for which small states are famed) does not become confused with national interest. In the 'larger' small states some institutionalisation may be necessary. In some countries there is already a practice of involving employers' organisations and trade unions in a dialogue with government to determine development priorities. This could be followed in other areas, with gender equality being among the foremost topics to discuss.

In respect of the judiciary it is maintenance of the rule of law. While in some small states there have been complaints of political interference in the administration of justice, the principle of the separation of powers is firmly established and the record in most instances is one small states can be proud of. It is incumbent on the judiciary to maintain it, particularly since the safeguard adopted in some small states of appeal to the Judicial Committee of the Privy Council will be removed.

Good governance

Democracy is an essential prerequisite for good governance. It is, however, only one element of a more comprehensive vision that the concept of good governance embraces. Although the term itself is imprecise, with different emphasis put on different aspects of it by different agencies (for example the World Bank has a narrow view, the United Nations Development Programme a wide view) there is a general consensus that it includes a sound and responsive administration, the rule of law, and respect for human rights as well as the promotion of democracy. The Commonwealth vision is consistent with such a view but also with its own particular emphasis on institutional development. This it interprets broadly to include not only the organisation of government but also the values and legal systems that infuse and sustain it. Commonwealth programmes operate in all these areas. Two, however, have been particularly important: the promotion of effective and efficient delivery of public services through public sector reform, and the fight against corruption.

Public sector reform

Many Commonwealth small states are actively engaged in public sector reform programmes. A recent publication, for example, describes reform efforts in 20 small states from across the Commonwealth (Ayeni, 2002). The experience to date appears rather mixed. The need for reform is not in doubt, but in small states the approach has been selective (Collins and Warrington, 1997). Among the reasons for this are the greater importance of the public sector in small states, organisational environment, and the bureaucratic process.

Small independent states have to provide an irreducible number of services at a relatively greater cost than larger states. The public sector therefore looms large in terms both of the number employed within it and its share of the economy. This is reinforced by the weakness of the private sector in many small developing countries, in part because of the difficulty of realising economies of scale. The government of a small developing country is thus likely to find itself in a position of supplying not only the normal range of administrative and public services, but also elements vital to the productive and commercial life of the country, including ownership of (or substantial participation in) production enterprises as well as transport and financial services.

The new public management paradigm, with its insistence on fundamental reform and downsizing of the state, potentially constitutes a large-scale shock to a small-scale society with ramifications well beyond those of larger states. It is therefore not surprising to find small states questioning the benefits of privatisation (which may result in the substitution of a private foreign-owned monopoly for a locally owned one); of contracting out services when there is weak capacity in the private sector; or of enforcing redundancy in the public service when alternative employment opportunities are limited and the number of well-qualified and enterprising migrants is already too high, to mention but a few considerations. This suggests that the adoption of public sector reform is not only an administrative question but, above all, a political question – which should be debated widely and on which a wide measure of general consent should be achieved before large-scale changes are implemented.

The organisational environment of the public services in small states has been the subject of a number of studies. They usually begin with the observation of a mismatch between the universalistic and achievement criteria of Weberian models of bureaucracy and the particularistic and ascriptive characteristics of small state society (for example Baker, 1992). This makes the fit between inherited systems, such as the Westminster–Whitehall model, and political reality less than perfect. In administrative terms it means the individual often defines the role rather than vice versa, making a functionally differentiated public service more difficult to achieve. There can be problems of recruitment through merit and competition because of family and local concerns. (The widespread adoption of public service commissions in small states is an attempt to mitigate this problem.) There are difficulties in rewarding good and disciplining poor performance, particularly in very small societies where face-to-face interaction and local values hold sway. The prevailing ethos also acts to stifle change;

and to reinforce a tendency to measure the effectiveness of the public service in terms of procedures and compliance rather than focus on outcomes. For these and other reasons, a substantial body of opinion argues that public sector reform in small states must be more aware of local cultural factors and design systems appropriate to them, particularly in the smallest states. It also suggests that successful public sector reform must start with (or at least embrace) attitudinal as well as organisational change.

In many small states the politician is said to dominate the bureaucrat; and in others the bureaucrat the politician. Whatever the case, the relationship between the executive and the public service is at the core of public policy in small states. Most policy is initiated by a small directorate of senior ministers and officials, and while there may be consultation with various groups and people in formulating policy, the temptation and the reality in many small states is for the executive to centralise authority at the top. Issues all too often get referred upward and the prime minister/executive president becomes involved in the minutiae of decision-making. This may be deliberate, particularly in those political systems where patronage is the key to maintaining power, but the effect is to politicise administrative decision and compromise the autonomy of the public service. Senior public servants find themselves closely identified with particular leaders, parties and policies, creating difficulties when there are changes of government and/or direction. Lower down in the public service, initiative is discouraged and partisanship in the delivery of services often overlooked. The fact that these features are reported in so many small states (Baker, 1992) suggests they are generic to small scale (though not exclusively confined to small states). Their resolution is thus difficult and stands in the way of the recommendations for reform that spell out the importance of more autonomous decision-making in the delivery of services at middle and lower levels.

Corruption and integrity

There is no evidence that small states are any more corrupt than larger ones.⁶ Indeed, the opposite is the case, with a general impression that some small states have a not far from exemplary record of integrity (e.g. none of them are listed among the 32 states subject to particular attention in the most recent survey of Transparency International (2004) which focused on political corruption). However, this does not mean that small states are free from corruption and political abuse or that being small does not carry special risks to the security of small states.

The importance of robust accountability and transparency to limit the dominance of personality in politics and in administration in small states, as well as to oversee the proper exercise of the powers of patronage, has been made on several occasions. It needs to be underlined once again. The formal mechanisms available to do so include the office of ombudsman, auditor general, chair of the public accounts committee, chair of various service commissions (the public service, judicial service, teaching service and protective services), and the disciplinary rules exercised within the public sector. Most small states have provision for such mechanisms, although evidence pre-

sented in various Commonwealth workshops on their operation often shows serious deficiencies in funding and staffing, as well as delays in procedure and reporting. There are also informal mechanisms within the political system to limit abuse and corruption, including independent political associations, a vigorous investigative media, and an active civil society. Again many small states have a good record in establishing such bodies, but weaknesses are not uncommon, allowing government to go unchecked. Lastly, the separation of powers between the legislature, executive, and judicial system constitutionally protects the independence of the judiciary and the powers and prerogatives of the legislature from the political executive. Fortunately, many small states are well served by their judiciary who are not afraid to rule against the government. The independence of the legislature – particularly in the Westminster model – is more difficult to ensure. The recent adoption of the ‘Latimer House Guidelines’ for implementing the principles of responsibility, transparency, and accountability in the three branches of government constitute a step forward in this regard and are commended to small states.

None of the above, however, will work effectively unless there is ‘a culture of integrity’ in small states. This concept makes it clear, among other things, that the general requirements of accountability, as well as the more specific requirements of public scrutiny and institutional oversight, demand ‘that national governments accept their responsibility to promote a system-wide commitment to public integrity among leading decision makers’ and civil society nurture a sense of ‘civic responsibility’ among citizens to ‘honour their obligations to help others manage their own affairs’ (Uhr, 2003, p.35). In short, the battle against corruption needs to be engaged by everyone to ensure that the public interest prevails over those individuals in small states who see public office as an opportunity to serve private interests, when the proper distinction between the two in situations of familiarity may sometimes be difficult to determine. The promotion of citizenship education in developing a ‘civic culture’ in small states has an important part to play.

Lastly, there is an important link between corruption and the national interest in small states. Twenty-one Commonwealth small states are host to tax havens. These provide valuable revenues for development. They also provide opportunities for money laundering and tax evasion; and fertile ground for corruption. The financial rewards for facilitating such criminal action are very tempting: they are also very damaging to the security of the state, especially when linked to drug trafficking and international criminal syndicates. These issues have attracted a great deal of attention in recent years and sometimes put small states unfairly under suspicion. There is, however, a limit to what small states can realistically be expected to do. One is the vigorous prosecution of corrupt officials when they are caught, bearing in mind the costs of such corruption to the political and economic reputation of the state. Another is regional co-operation in intelligence and policing. But above all international action is needed as the Commonwealth Secretariat made clear some years ago (Commonwealth Secretariat, 2000b). The promotion and enforcement of international conventions on corruption, which was then proposed, are very much in the interests of small states and should be sup-

ported by them, not only to further their own 'good governance' but that of 'global good governance' as well.

Conclusion

In their submission to the Commonwealth Secretariat/World Bank Task Force the Caribbean states wrote: 'the costs of poor governance in a small society is very large, given the extreme difficulty in recovering from the consequences of inappropriate policies and practices sustained over a long period. A national consensus on the importance of government is needed in many small states, as is an appreciation of the ease with which the system can go off-track as a result of both domestic and external shocks' (Commonwealth Secretariat/World Bank, 2000, p.40). Small states are vulnerable but they are also in the main democratic. More to the point, the political system is crucial to their survival and development. In its 1997 report *A Future for Small States: Overcoming Vulnerability*, the Commonwealth Advisory Group identified the resilience of small states as a positive attribute that offsets some of the disadvantages of small size. At the core of resilience are the political and social systems. In recognition of this fact a recent workshop on small states set out as its first recommendation the proposal that small states should 'take steps to promote good governance by pursuing appropriate policies to ensure political stability and the enforcement of the rule of law, to address issues of corruption, as well as to promote accountability, transparency and efficiency in the delivery of public services' (Commonwealth Secretariat, 2004). A few months before this meeting, in his 'opening remarks' to the CMGSS prior to the Abuja CHOGM, the Commonwealth Secretary General, Don McKinnon, pointed out that 'a country is more likely to achieve sustained development if it inspires confidence and it will only inspire confidence if it is founded on a strong democratic culture'. He also noted that 'democratic institutions are often more costly to establish and maintain for small states (which is) why the Commonwealth provides support in promoting good governance and assists in the process of civil service reform' (Commonwealth Secretariat, 2003b). It follows that 'getting the politics right' and 'smart government' are essential in small states. The record to date is generally good and most small states are following sound policies, but there is always room for improvement, and deepening democracy and promoting good governance are not incidental to, but essential for, their future well-being.

Notes

1. The Commonwealth defines small states as those with a population under 1.5 million. Twenty-seven countries currently meet this criterion. Five larger countries are also considered as small states since they share some or all of the characteristics of small states. In this chapter reference to Commonwealth small states includes all 32 states.
2. The Freedom House surveys are not universally accepted, although they are by far the most common measure used in empirical studies of democracy. In this instance the surveys provide a guide since they employ a methodology that gives particular weight to features that are essential to liberal democracy. The status of 'free', 'partly free' and 'not free' are obtained by

averaging political rights (rights to participate meaningfully in the political process) and civil liberties (rights to free expression, to organise or demonstrate, as well as rights to a degree of autonomy such as is provided by freedom of religion, education, travel and other personal rights).

3. The study unfortunately excludes five small states (Nauru, Tonga, Tuvalu, the Federated States of Micronesia, and the Marshall Islands).
4. Amnesty International's *Amnesty International Report* for 2002, for example, lists 23 small developing states (16 Commonwealth). While the *Report* emphasises that exclusion of a state does not mean it does not have a human rights problem (and it is evident that information on small states may be difficult to obtain) the situation is nevertheless generally positive. Many of the reports for Commonwealth countries focus on retention of the death penalty, poor prison conditions, and police brutality, rather than the more gross violations such as torture, political detention and disappearance, and restriction of political freedoms.
5. Ott challenges this finding but accepts that further empirical work is necessary to confirm or refute it (Ott, 2000, pp.125-7).
6. The most recent Transparency International Corruption Perceptions Index (2003) carries reports on only 12 small developing countries, nine of which are from the Commonwealth, out of a total of 133 entries. The sample is (a) too small to draw any real inference and (b) demonstrates a bias towards the exclusion of small states from consideration. The methodology of the index is also subject to challenge.

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