

GOVERNANCE AND ECONOMICS IN MICROSTATES AND SMALL TERRITORIES

EDUCATION | SAMFUNDSVIDENSKAB – SOCIAL SCIENCE

COURSE START | 26-02-2018

COURSE END | 09-03-2018

COURSE REQUIREMENTS | Open to BA and MA students

TEACHING LANGUAGE | English

COURSE CONTENT |

- BA: 5 ECTS – MA: 10 ECTS
- 36 classroom hours
- Written examination (homework).

LEARNING OUTCOMES | Upon course completion, students should be able to demonstrate familiarity with key concepts as well as an understanding of various strands of argument within microstate and small territory governance and economics. Students should be able to apply this knowledge to specific problems in the context of a particular community. These skills will be tested via a written exam.

COURSE DESCRIPTION | Governance (including electoral politics, public administration, and informal decision-making processes) and economics work differently in microstates and small territories (often islands) than they do in larger states and jurisdictions. Small population size and/or small land area, often accompanied by geographical remoteness, place constraints on the ways that economies function and can encourage problematic governance forms and practices (including conflicts of interest, anti-competitive policies, and economic dependency on the public sector).

Nevertheless, microstates and small territories also possess certain economic and governance advantages. This elective course will consider how and why microstate and small territory governance and economics differ from those of larger jurisdictions and will explore practical approaches to making the most of smallness. This course introduces key concepts from small territory political science and economics (three-sector theory, governance, jurisdictional capacity, competitive advantage, economies of scale, social capital, the rentier state, machinery of governance, MIRAB model, PROFIT model, SITE model, vulnerability/resilience index). We will contextualise these sometimes-abstract theories using practical cases from microstates and small territories around the world, thereby improving our understanding of circumstances in Greenland. We will discuss contrasting models and theories of island development. We will look at the complex economic and political effects of remoteness and poor mobility for microstates and small territories. We will consider the arguments that microstates and small territories encourage exceptional democracy or exceptional lack of democracy. We will analyse economic and other statistics of microstate and small territory performance, both in order to gain

knowledge of which kinds of development strategies are successful and in order to highlight the limitations to quantitative measures. We will discuss the relative merits of economic specialization versus economic diversification, of natural resource-based economies versus service sector-based economies. Special emphasis will be placed on how the reality of microstate and small territory conditions diverges from mainstream economic and political theory. Although this course will deal with economic concepts, maths skills are not required.

This course seeks to show that although Greenland faces political and economic challenges, it also possesses many opportunities: The Greenlandic economic and political system must be understood from the perspective of research into microstates and small territories in particular. Throughout the course, we will relate our international cases back to the situation in Greenland. Students will gain knowledge and skills that they can use in the future to guide policymaking and community development and to improve governance practice.

ESSENTIAL READING

- Baker, R. (1992). Scale and administrative performance: the governance of small states and microstates. In R. Baker (ed.), *Public Administration in Small and Island States* (pp. 5-25). West Hartford: Kumarian.
- Baldacchino, G. (2010). *Island Enclaves: Offshoring Strategies, Creative Governance, and Subnational Island Jurisdictions*. Montreal & Kingston et al.: McGill-Queen's University Press. Pages 65-88.
- Baldacchino, G. (2005). The contribution of 'social capital' to economic growth: lessons from island jurisdictions. *The Round Table*, 94(378), 31-46.
- Baldacchino, G. (1993). Bursting the bubble: the pseudo-development strategies of microstates. *Development and Change*, 24(1), 29-52.
- Bates, S., & Angeon, V. (2015). Promoting the sustainable development of Small Island Developing States: insights from vulnerability and resilience analysis. *Region et Developpement*, 42, 15-29.
- Bertram, G. (2015). Is independence good or bad for development in small island economies? a long-run analysis. *Region et Developpement*, 42(1), 31-54.
- Bertram, G. (1999). The MIRAB model twelve years on. *The Contemporary Pacific*, 105-138.
- Briguglio, L., Cordina, G., Farrugia, N., & Vella, S. (2008). *Economic Vulnerability and Resilience: Concepts and Measurements*. United Nations University, Research Paper No. 2008/55.
- Briguglio, L.P. (1998). Small country size and returns to scale in manufacturing. *World Development*, 26(3), 507-515.
- Connell, J. (2006). Nauru: the first failed Pacific state?. *The Round Table*, 95(383), 47-63.
- Duncan, R. (2016). Sources of growth spurts in Pacific island economies. *Asia & the Pacific Policy Studies*, 3(2), 351-365.
- Grydehøj, A. (2018). Scaling down microstate and island development policy: rethinking infrastructure investment and industrial policy in Greenland. Forthcoming.
- Grydehøj, A. (2016). Toward subnational democracies of scale: tensions between democratic legitimacy, legality, and effective governance. *Geopolitics*, 21(1), 22-42.
- Grydehøj, A. (2012). Making the most of smallness: economic policy in microstates and sub-national island jurisdictions. *Space and Polity*, 15(3), 183-196.
- Grydehøj, A., & Hayward, P. (2014). Social and economic effects of spatial distribution in island communities: comparing the Isles of Scilly and Isle of Wight, UK. *Journal of Marine and Island Cultures*, 3(1), 9-19.
- Hampton, M.P., & Christensen, J. (2007). Competing industries in islands a new tourism approach. *Annals of Tourism Research*, 34(4), 998-1020.
- Karlsson, A. (2009). Sub-national island jurisdictions as configurations of jurisdictional powers and economic capacity: Nordic experiences from Åland, Faroes and Greenland. *Island Studies Journal*, 4(2), 139-162.
- McElroy, J.L., & Hamma, P.E. (2010). SITEs revisited: socioeconomic and demographic contours of small island tourist economies. *Asia Pacific Viewpoint*, 51(1), 36-46.
- Overton, J., & Murray, W.E. (2014). Sovereignty for sale? coping with marginality in the south Pacific—the example of Niue. *Hrvatski geografski glasnik*, 76(1.), 5-25.
- Spilanis, I., Kizos, T., & Petsioti, P. (2012). Accessibility of peripheral regions: evidence from

- Aegean islands (Greece). *Island Studies Journal*, 7(2), 199-214.
- Veenendaal, W.P. (2015). Democracy in microstates: why smallness does not produce a democratic political system. *Democratization*, 22(1), 92-112.
- Wettenhall, R. (2001). Machinery of government in small states: issues, challenges and innovatory capacity. *Public Organization Review*, 1(2), 167-192.

EXAMINATION | Written examination.

Deadline for submission: Before 12:00 on 28 March 2018.

Minimum length: BA: 24,000 characters/*tegn*; MA: 36,000 characters/*tegn*.

Aim: Describe and analyse the economy or governance of one or more microstates and/or small territories, making use of key concepts from the course. Your analysis must place focus on factors associated with microstate or small territory status. If you choose Greenland as the focus of your paper, you will be expected to pay exceptional attention to discussing the course themes and offering comparative examples from elsewhere in the world: It is not acceptable to, for example, simply describe aspects of Greenland's economy.

References: BA students must cite (reference) at least three of the course texts as well as at least three other texts. MA students must cite at five course texts as well as at least five other texts. Please cite these within the body of the text and then give a list of the full citations at the end of the essay. Make use of but do not cite classroom discussions and lectures. You can go to Wikipedia to learn things and discover other sources to reference, but do not cite Wikipedia itself.

Example of in-text citation: (Baker, 1992, p. 6)

References; See the syllabus for examples of references at the end of the essay.

Politics: We all have political opinions, but it is important to try to consider your topic in a non-partisan (open-minded) way. If you want to make a political point, make sure to actually argue the details of this point. Do not just state that one side is wrong or another side is right; tell us *why* they are wrong or right.

Plagiarism: All direct quotes must be placed in quotation marks (“...”) and cited. If you copy text directly from another author without correctly attributing it and showing which words are your own and which are those of someone else, your paper will be marked down.

Note: Papers will be marked down and receive a lower grade for being too short or citing too few sources.

CRITERIA FOR ASSESSMENT | Written examination + classroom participation.

TEACHER | Adam Grydehøj, agrydehoj@islanddynamics.org

CONTRIBUTING TEACHER | [Name of teacher], [Mail]

COURSE SCHEDULE

Lesson no.	Date/Time	Subject	Essential reading	Supplementary literature
1	26/02/18 09:00-12:00 & 13:00-16:00	Big governments in small places	Wettenhall (2001), Baker (1992), Veenendaal (2015), Grydehøj (2016)	
2	28/02/18 09:00-12:00 & 13:00-16:00	Big economics in small places	Briguglio (1998), Briguglio et al. (2008), Duncan (2016), Baldacchino (1993)	
3	02/03/18 09:00-12:00 & 13:00-16:00	Small territory economic models: MIRAB, PROFIT, SITE	Bertram (1999), Baldacchino (2010), McElroy & Hamma (2010)	
4	05/03/18 09:00-12:00 & 13:00-16:00	Questioning the models	Bertram (2015), Bates & Angeon (2015), Karlsson (2009), Grydehøj (2018)	
5	07/03/18 09:00-12:00 & 13:00-16:00	Social capital & population dispersion	Baldacchino (2005), Grydehøj (2012), Spilanis et al. (2012), Grydehøj & Hayward (2014)	
6	09/03/18 09:00-12:00 <i>Exam preparation:</i> 13:00-16:00	Three cases: Nauru, Niue, Jersey	Connell (2006), Overton & Murray (2014), Hampton & Christensen (2007)	