

### *Organizational choice: theoretical expectations versus reality*

like the University of the West Indies, an example of an international cooperation among VSC.

To sum up, young citizens of island economies have the clear disadvantage that they normally cannot attend a university at home. Although it could not be verified, we suppose that most VSC have support schemes for their students abroad to cover tuition fees and other expenses. Hence, tertiary education is at least partially sourced out. If universities are viewed as public institutions, VSC only bear a fraction of the costs of operating an own university when they support young citizens completing their higher education abroad. In the case of university education being considered a private good, students do, of course, not differ with regard to the size of their country of origin. Note that due to their size, it is very difficult to imagine a small island economy supporting even a private university, with the possible exception of small, very specialized institutions.

#### *4.3.4 Theoretical expectations versus reality – airports*

Table 4.5 provides evidence of the existence of airports in VSC. Airports should be viewed as important infrastructure with high establishing and maintenance costs. One naturally expects island economies to have their own airports despite the cost argument, because they are indispensable for the transport of people and goods. On the contrary, one presupposes that landlocked VSC switch to airports of adjacent countries.

It is not surprising that our hypothesis turns out to be confirmed. Given the large number of islands and archipelagos among VSC, the result in Table 4.5 is highly dependent on geographic circumstances. A reliable source for testing our hypothesis are, nevertheless, landlocked VSC. With the exception of Luxembourg, they actually exhibit the expected characteristic of not operating their own airport, which is a result that clearly proves the importance of international outsourcing for smaller countries.

Specifically, Andorra, Liechtenstein, Monaco and San Marino do not operate an airport; not even airports with unpaved runways or airports with runways shorter than 914 meters, both of which we neglected for Table 4.5. The citizens of these VSC, though, have relatively easy access to airports in adjacent countries. A contrasting example of an