

I.

The institutional features and dynamics of small states are shaped by several major factors: first by some of the basic characteristics inherent in their "smallness", second by their ideological-cultural premises; and third by major characteristics of the broader international settings in which they exist.

In the following essay I would like to examine some possible changes in the institutional formations of small, especially European, states which may develop in the wake of the development of the so-called post-industrial or postmodern societies, especially as they became manifest in the European state system.

I shall start first with the recapitulation of some of the basic characteristic problems of the European small states.¹

II.

The most common problem of the small states has been and still is how it is possible to maintain a general standard of economic and socio-cultural development which is more or less on the same level as the one prevailing in the respective international system. Thus, first of all, out of attempts to maintain such a standard certain problems are generated which were indicated a quarter of a century ago by Simon Kurnerts in a lecture he gave in Jerusalem on the economics of small states. He pointed out that the basic problem of these states is that their internal markets are not large enough to create economic momentum for development. The internal markets of small states are neither large enough nor diversified and complex enough to

¹ Sections I-IV are based on S. N. Eisenstadt - Reflections on Centre-Periphery Relations and Small European States, in: *Small States in Comparative Perspective*, Norwegian University Press, 1985, pp. 41-49.