

Small States

Whatever the success of any given solution, the type of specialization open to small states and the nature of their dependency may change throughout history. One of the great problems of small states is that they may become so attuned to one type of international market that they collapse entirely if this market changes. A famous classical illustration from history is that of Venice, which for several centuries was wonderfully adapted to a certain type of international market and of international trade routes. Venice evolved into a very complicated and sophisticated commercial sector which was oriented to this market. At the same time, the Venetian diplomatic service was among the best in the world, and helped Venice to maintain its special position in international trade. But once the Mediterranean was no longer the centre of international trade routes, Venice started to decline - it did not have enough flexibility to change. Thus a basic problem faced above all by the small states is the need for a high degree of flexibility vis-a-vis those international markets on which they are dependent.

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In the context of these problems it is possible to analyze and understand some of the specific characteristics of the structure of centers and of center-periphery relations that have developed in most 'successful' small states, especially in the European small states. These characteristics are evident above all in the political structure.

The most important of them have been:

(a) A high degree of concentration of the decision-making powers in the hands of the executive and/or bureaucracy with a comparatively limited scope for open parliamentary conduct of affairs.

(b) An emphasis on internal arrangements on 'allocative/distributive' policies and relations between different sectors, compared to ideological or class distinctions more prevalent in the larger states.

(c) A relatively great importance of vertical multifaceted sectors or at least the continuous cross-cutting among the more vertical segments, as against 'class conscious' socio-political groupings in the larger states.

(d) The combination of a comparatively high degree of segregation between external and internal issues in the actual policy-making process, and of the concentration of decision-making, both internal and external, in the hands of strong executive and/or bureaucratic organizations.