Small State Diplomacy after the Corona Crisis

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Published in:
The Hague Journal of Diplomacy

DOI:
10.1163/1871191X-BJA10044

Publication date:
2020

Document version
Peer reviewed version

Citation for published version (APA):
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Summary

The aim of this article is to discuss and assess the effects of the 2020 Covid-19 pandemic on small state diplomacy. We identify the characteristics of successful small state crisis diplomacy and unpack the implications for small state diplomacy in general. Small states crave stability and predictability and seek shelter from international institutions and great powers. International crises are understood as particularly acute for small states because the limited capacity and capabilities of these states leave them with a small margin of time and error and vulnerable to risks and threats. However, small state diplomacy in the spring 2020 corona crisis illustrates the potential of activist small state diplomacy using smart and entrepreneurial policies to forge plurilateralist small and middle power cooperation.

Keywords

small states; corona; Covid-19; diplomacy; crisis; shelter; smart state; entrepreneurial state

1 The Corona Crisis Challenge to Small State Diplomacy

Small states are particularly vulnerable to crises. By definition, they suffer from ‘limited capacity of their political, economic and administrative systems’¹ and internationally, they typically find themselves as ‘the weaker part in an asymmetric relationship, unable to change the nature or functioning of the relationship on [their] own.’² Consequently, small states lack a ‘margin of

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¹ Baladacchino and Wivel 2020, 7.
² Wivel, Bailes and Archer 2014, 9.
time and error” when facing dramatic new developments leaving them ‘more exposed to the vagaries of economic and security competition’. For those non-great powers sometimes termed ‘middle powers’ due to their ability to influence issue specific or regional agendas (e.g. Australia and Canada), the consequences are likely to be similar. Middle power priorities such as development, human rights and sustainability are marginalized to meet the short-term challenges of the crisis. To be sure, countries such as Nauru and the Netherlands are in very different positions, also vis-à-vis Covid-19. However, the corona crisis has – at least temporarily - levelled the playing field between small states and middle powers. Typically, these states benefit from bilateral and multilateral shelter from great powers and international organizations, but as the corona crisis deepened in the first six months of 2020, these shelters were largely ineffective or even absent. While we would expect this to challenge small states, we argue that the ineffective responses to the crisis from great powers and international organizations created both incentives and opportunities for small states to take action and seek influence and status.

The corona crisis is a diplomatic challenge for small states in both the short and medium to long term. In the short term, the acquisition of protective clothing and equipment proved to be a challenge from the earliest stages of the crisis in March. Small states suffered from small stocks of the necessary equipment. A sharp increase in demand on the world market resulted in high prices and a lack of supply with big economies outbidding the smaller economies. Even highly resilient small states such as the Denmark and the Netherlands decided to accept gifts from Chinese donors, although part of the equipment was discarded due to low quality. Other states such as Canada and Sweden saw equipment ordered and on the way being redirected or bought by stronger powers, France, and the United States.

For many developing small states, these are literally first world problems. In a diverse group of small states in Latin America, Central and South Asia, the Caribbean, the Pacific, Africa and Europe – including Tonga (37.6), Haiti (37.1), South Sudan (34.4), Kyrgyz Republic (29.2), Tajikistan (28.2), Nepal (27.3), Montenegro (25.4), Honduras (22.0), Lesotho (21.3) and El Salvador (21.0) – remittances make up more than 20 percent of GDP. Many of these countries are now suffering from what the International Chamber of Commerce expect will be a 20 percent decline of remittances in 2020. The lack of income threatens to undermine their ability to meet the challenges of both the health crisis and the economic crisis that follow.

In the medium to long term the corona crisis is likely to accelerate and deepen the crisis in the liberal international order. The undisputed US hegemony underpinning this order in the first decade after the end of the Cold War had its costs, but for small states and middle powers it had the benefits of creating stability, predictability and order reducing the consequences of operating on narrow margins. In addition, it was a relatively liberal hegemony allowing for a range of socio-economic models from market capitalism to social democratic welfare states and with an

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4 Snyder 1991, 318.
5 Brady and Thorhallsson 2021.
6 Latest figures from 2018, KNOMAD 2020.
7 See https://iccwbo.org/publication/remittances-in-crisis/.
explicit (if sometimes hypocritical) agenda of eradicating spheres of influence and securing sovereignty for both small states and great powers. It expanded and deepened the institutional infrastructure and free trade regimes of the Cold War West, which allowed small states to voice their concerns and pursue their interests in international organizations and to compensate for small home markets by selling their goods overseas.

The corona crisis has accentuated and accelerated the crisis of this order. Since his election in 2016, President Trump’s ‘America First’-approach to international relations - including relations with friends and allies – has spurred a debate on the United States’ ‘abandonment’ of the liberal international order. In the corona pandemic, abandonment has been followed up by active measures to prevent other states from buying US protective equipment and overbidding friends and allies attempting to buy from other sources. However, neither China nor the European Union (EU) has been able to fill the soft power vacuum left by the inward-looking superpower.

Initially on track for a nation-branding success, China was soon on the defensive and accused of misinformation and cajoling the World Health Organization (WHO) into downplaying China’s responsibility for the pandemic and silencing the success of Taiwan in responding to it. The EU continued its track record of turning crisis management into a crisis in itself. Member states unilaterally closed their borders, focused on domestic crisis management, and competed over acquisition of protective equipment. As summed up by Joseph Nye, the United States and China engaged in a lengthy blame game and disinformation war over the origins and spread of the virus, whereas the European Union ‘dithered in the face of disunity’. Meanwhile, small states could find little comfort in looking to the United Nations. Secretary General António Gueterres described the pandemic as the biggest international threat in the 75-year history of the organization, but the UN Security Council seemed to be ‘missing in action’. In April pressure was mounting on the WHO for being too trusting of China and too slow to declare a global health crisis, and in May, the UN Security Council was subject to widespread criticism from civil society leaders as the Security Council failed to agree on a resolution calling for a global ceasefire.

For small states this has dire consequences. With limited capacity and resources, they rely on organizations such the WHO for scientific advice and information and on great powers and international institutions like the UN and the EU for bilateral and multilateral shelter, i.e. external arrangements cushioning them from the effects of conflict and crises and thereby underpinning their survival and prosperity. Small states seek political, economic, military, and societal shelter from great powers and international organizations in order to reduce risk and better absorb shocks in times of crisis and speed up recovery afterwards. They use institutional forums as platforms for voice and influence and international norms and rules to bind great powers and create a (more) level playing field in international affairs. However, in the corona

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8 Kristensen 2017.
9 Nye 2020.
10 Gladstone 2020.
11 Brady and Thorhallsson 2021.
12 Thorhallsson and Steinsson 2017.
crisis the great powers were unwilling to provide shelter and the international institutions were unable to take over. How did small states respond to this challenge? The short answer is that the lack of defensive shelter was in large measure compensated for by use of offensive diplomatic strategies.

2 Lessons from the Corona Crisis: The Rise of Plurilateralism

The offensive small state strategies in the corona crisis can be summed up as ‘smart’ or ‘entrepreneurial’. They begin from an understanding of smallness as a platform for action, rather than an inherent weakness in need of shelter from the vagaries of anarchy. Small states are often agile and because of their weakness they can foster networks that are informal and ad hoc without creating fears of dominance among their partners. They can act ‘smart’ by focusing on niche goals underpinning the common interest as well as their own preferences and take advantage of entrepreneurial tactics, i.e., act on new opportunities by introducing novel ideas and policies made to fit the specific context and thereby increase their international status and influence. Three patterns of small state diplomacy during the Covid19 pandemic stand out: 1. regional clusters and networks of cooperation; 2. like-minded states activism; and 3. status seeking amid crisis.

2.1 Regional Clusters and Networks of Cooperation

The lack of a meaningful global response (or effective regional responses) to Covid-19 prompted small states to turn to their neighbouring countries for assistance. Regional cooperation was issue-specific and came in many different shapes and forms. It included sharing good practices and plans for the return of expatriates, as in the case of Cyprus and its neighbours in the Eastern Mediterranean. Cyprus also collaborated with Israel in exchanging treatment methods and protocols and to secure 5 tons API chloroquine from India that arrived in Cyprus through ‘a joint effort and Israeli logistical support’. Sammy Revel, the Israeli Ambassador in Cyprus noted that ‘[T]he successful partnership between our countries in the health field, over many years, is very important in normal times and even more so in this time of emergency’, and suggested that the two countries expand their cooperation in medical research and development through joint projects. Cyprus, Israel, and Greece also explored cooperation in the area of tourism, which is of high importance to all of them. In a similar context, New Zealand joined forces with Australia. New Zealand’s PM, Jacinda Ardern, even participated in an Australian cabinet meeting discussing lockdown exit strategies and economic recovery. Similarly, the Baltic States coordinated their actions to ease restrictions related to the pandemic and stimulate economic

\[13\] Grøn and Wivel 2011; Pedi and Sarri, 2019, 12-13.
\[15\] Carassava, 2020.
\[16\] Murphy and Graham-Mclay, 2020.
recovery.\textsuperscript{17} The Nordic countries cooperated closely on bringing home the many Nordic citizens travelling abroad, and Nordic ministers of health held digital meetings to share information and best practices.

All those were existing partnerships or clusters of cooperation, which provided mutual support in crisis management during the pandemic. In a fluid international system such clusters have more importance as they can function as a safety net and source of resilience for small states. They function as platforms for plurilateral initiatives that improve stability, prosperity and security and empower the participating states in international diplomacy.

2.2 \textit{Like-minded States Activism}

In addition to strengthening existing small state clusters and networks, at least two different groups of like-minded small states have been formed during the pandemic. They seek to build on the initial success of the participants in responding to the pandemic by forming communities of best practice and coordinating future action. The \textit{Smart Covid 19 Management Group} was initiated by Austria’s Chancellor Sebastian Kurz. Participating states view themselves as forerunners and potential benchmarks in overcoming the crisis. In addition to Austria, it includes Australia, Denmark, Greece, Israel, Singapore, and New Zealand. By mid-June, the group had already convened three high-level meetings focused on exchange of good practices about public safety and economic recovery, international cooperation in fighting coronavirus, and closer cooperation among its members on issues of mutual interest, e.g., tourism during the Covid19 crisis.\textsuperscript{18} The \textit{Group of Friends of Solidarity for Global Health Security} includes Qatar, South Korea, Canada, Denmark and Sierra Leone. In addition to strengthening multilateral cooperation on meeting the challenges from Covid19, the group explicitly aims to be proactive against other health security challenges that affect international peace and security as well as human rights protection and development.\textsuperscript{19} The group was formed in the context of the UN as an informal platform open to interested UN members and the Deputy UN Secretary General commended the participating states for their leadership and initiative in times when multilateralism and international cooperation are much needed.\textsuperscript{20}

Informal and issue specific grouping among small states and middle powers was also a trend before the pandemic. Small states and middle powers have long been the ‘loyal supporters and helpful fixers’\textsuperscript{21} of the liberal international order on issues like WTO reform, climate change and regional trade agreements.\textsuperscript{22} Typically, middle powers such as Australia and Canada have shouldered the burden of passing from concerns to action and have provided leadership in such informal arrangements, but in the corona crisis, weaker countries like Austria and Greece have taken a more proactive role. However, when it came to confronting China by demanding an

\begin{footnotesize}
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\item[21] Abrahamsen, Andersen and Sending 2019, 13.
\item[22] Paris, 2019.
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inquiry into the initial stages of the pandemic, Australia took the lead in a campaign, which eventually led the World Health Assembly to pass a European Union motion proposing an impartial and comprehensive evaluation.23

2.3 Status Seeking during a Pandemic
Small states relying on scientific expertise and securing a social and economic safety net for their citizens made international headlines several times during the pandemic, e.g. in the cases of New Zealand and Denmark for their proactive and innovative response plans and in the cases of Taiwan and Greece for flattening the curve and beating the coronavirus against all odds. Small states actively used the crisis to polish or build status as forerunner countries and potential benchmarks for others. Taiwan promoted the Taiwan Model to fight Coronavirus through its Ministry of Foreign Affairs website and by showing how Taiwan can help others, i.e. illustrating what the world is missing due to the country’s non-participation in the WHO.24 The Taiwanese also bet on the competition between China and the US to convince the latter to support their position.25 Likewise, Greece used its domestic success to improve its international image. As a top official of the Greek Prime Minister’s Office, Alex Patelis put it:

We want to show that Greece is a serious country. We want people to say that Greece handled this well, [...] If we succeed, it will have a multiplier effect on our reputation. Greece emerged from a 10-year economic crisis with its credibility crippled, and we want to get past being labelled as the black sheep of Europe.26

Consequently, Greece harnessed the opportunity of assuming the Chairmanship of the Council of Europe by making public health and responding to the health crisis top priorities.27 In addition, rich small states like Kuwait and Denmark were quick to offer humanitarian donations for Covid19,28 Switzerland took the lead in a call for action to keep remittances flowing to low-income countries during and after the pandemic,29 while other small states made proposals regarding the post-Covid19 economic recovery within the EU,30 or suggested ways to safeguard vaccines and tests for all.31

3 Conclusion

24 Ministry of Foreign Affairs Republic of China (Taiwan), 2020.
27 Ekathimerini.com. 2020
28 Parker 2020
31 Reuters 6 April 2020.
The corona crisis in the first six months of 2020 proved a surprising success for small state diplomacy. To be sure, the consequences of the pandemic in many developing countries are yet to be seen, and the unravelling of the liberal international order is a long term development, which will continue to challenge small states and middle powers in the years to come. However, so far, several small states have demonstrated their ability not only to withstand pressure from external shocks and the breakdown of shelter, but also to use the crisis proactively as an opportunity for diplomatic activism.

Some successes were more surprising than others. One group of states continued doing what they usually do. Canada and Denmark, which spent decades building a brand as international humanitarians, continued their activist policies in the corona crisis. Likewise, by standing up to China, Australia continued its policy as ‘first among equals’ among small states and middle powers, and Singapore and Qatar demonstrated their continued competencies in ‘virtual enlargement’. The content of their diplomatic initiatives was not surprising in itself, but it was surprising that they were able to continue their diplomatic activism in the biggest health crisis in a century – in particular in a context of great powers and international institutions failing to respond effectively to challenges following from the pandemic. This may indicate that multilateral and bilateral shelter matters less to small states and middle powers when facing risks such as a global pandemic than when facing traditional security threats. However, the importance of shelter is likely to vary along a continuum as the crisis develops. In the initial phase analysed above, successful management of the pandemic required leadership, competence and societal buy-in rather than a big economy or a strong military defence. International credit ratings and agile private and public sectors mattered more than the size of the economy in limiting the spread of the virus and keeping the economy afloat. Thus, whether a state was a small state, middle power or a great power mattered less than governance structures and societal models. However, at later stages, international coordination is vital to ensure regional and global economic recovery and effective distribution of vaccines. Thus, at the July 2020 special meeting of the European Council discussing European post-pandemic recovery, small states played an active role in negotiations seeking to influence the result.

The diplomatic activities of another group of states is even more surprising. Taiwan, a country with few diplomatic relations and disputed legal and political status, and Greece, humiliated and disciplined by international institutions and partners for its economic policies, used the absence of their nemesis hegemons and their domestic success in containing the corona virus as a platform for nation-branding and increasing international status. Also for Israel, a highly controversial country in the EU and the Middle East, and for Austria, scorned across Europe for its role in the spread of the virus across the continent, corona activism was a welcome branding success. For all of these ‘comeback kids’, it was the absence of attention from great powers and international institutions, which left them with the action space for diplomatic activism. Thus, while the literature on small states point to the necessity of shelter, small state diplomacy during

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32 Chong 2010; Eggeling 2017.
the corona crisis reminds us that shelter has costs and its absence may lead to surprising opportunities.

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