

# The Statecraft of Small States

## Foreign Policy and Survival Strategies

By **Fanar Haddad**

### Abstract

*The Arab boycott of Qatar in 2017 has reignited the debate about how small states should pursue their strategic interests in an increasingly uncertain geopolitical environment. In February 2019, the Middle East Institute organised a workshop titled “The Statecraft of Small States: Foreign Policy and Survival Strategies” to examine the various strategies and policies that small states adopt to navigate their regional environments. In this Insight, Fanar Haddad elaborates on the challenges facing small states and introduces the papers from the workshop that will appear in subsequent issues of Insights.*

International relations theory and political scientists have long debated the concept of small states and how best they should formulate their defence and foreign policies. Complicating matters is what, besides “smallness”, can be universally said about small states. What, besides being small, does the diverse group of countries that are described as small states have in common? This is an important question when considering how best small states should go about creating their security. Variances in economic strength, diplomatic reach, regional environments, political systems and so forth preclude a one-size-fits-all prescription for the statecraft of small states.

In 2017, the official boycott of Qatar by its larger neighbours, Saudi Arabia and the United Arab Emirates, in addition to Bahrain and Egypt, rekindled the debate around small states and how they should go about pursuing their interests. In Singapore there were voices that saw in the Qatar example a lesson on the need for small states to “always behave like small states”.<sup>1</sup> In this view, small states must be careful not to overreach and must stay out of superpower conflicts. They have to also scrutinise where their national interests lie and how they are best served on the international stage without antagonising larger powers. Others however were quick to push back against this line of thinking. The example of Qatar may have lessons on overreach and how not to antagonise more powerful neighbours but, some argued, this should not be taken to mean that small countries must be forever deferential to larger powers or that they should think small or be craven in their dealings with larger partners.<sup>2</sup> Indeed, some have argued that rather than thinking small, small states need to create relevance through extraordinary achievement and proactive diplomacy as a matter of strategic necessity.<sup>3</sup>

Traditionally, the literature on small states has suggested that the strategic posture of small states will gravitate towards either balancing their relations with multiple powerful states through, for example, balancing their alliances; bandwagoning, whereby a small state attaches itself to the position of a larger, more powerful state; hedging, which involves adopting a policy of proactive diplomacy that maintains a non-aligned posture; or trying to sit on the sidelines by adopting a policy of neutrality and relinquishing responsibility to more powerful states — “buck-passing”, as some studies call it.<sup>4</sup>

<sup>1</sup> Kishore Mahbubani, “Qatar: Big lessons from a small country,” *The Straits Times*, 1 July 2017, <https://www.straitstimes.com/opinion/qatar-big-lessons-from-a-small-country>.

<sup>2</sup> Nur Asyiqin Mohamad Salleh, “Minister Shanmugam, diplomats Bilahari and Ong Keng Yong say Prof Mahbubani’s view on Singapore’s foreign policy ‘flawed,’” *The Straits Times*, 2 July 2017, <https://www.straitstimes.com/singapore/prof-kishore-mahbubanis-view-on-singapores-foreign-policy-deeply-flawed-ambassador-at>.

<sup>3</sup> Bilahari Kausikan, “The Sovereignty of Small States,” *IPS Commons*, 27 January 2015, <https://www.ipsccommons.sg/sp2015-speech-by-ambassador-bilahari-kausikan/>.

<sup>4</sup> Leah Sherwood, “Small States’ Strategic Hedging for Security and Influence,” *TRENDS Research & Advisory*, 14 September 2016, <http://trendsinstitution.org/small-states-strategic-hedging-for-security-and-influence/>.

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In February 2019, the Middle East Institute hosted a group of leading scholars to discuss the concept of small states at a workshop titled “The Statecraft of Small States: Foreign Policy and Survival Strategies”. The Insights that will follow over the next few weeks are based on the research notes submitted to that workshop. These contributions go beyond the neat demarcations described above and, in doing so, reflect the fact that reality is usually far messier.

**Rory Miller and Sarah Carduan’s** contribution notes that the nature of alliances and foreign policy in the Middle East has undergone fundamental shifts in recent years that necessitate a rethink of much conventional wisdom. They note that the international relations of the Middle East have been marked by an increase in multinational, ad hoc and informal security coalitions. Examples would include the anti-Qatar coalition that was started in June 2017 or the Arab Coalition in Yemen that was put together in December 2015. Saudi Arabia and the UAE in particular have looked to such informal alliances to respond to a series of challenges: ungoverned spaces, insurgencies, violent transnational non-state actors, a rising Iran and continued uncertainty as to America’s commitment to uphold its traditional role as the region’s policeman and as the guarantor of its allies’ survival. Where small states are concerned, the proliferation of such informal arrangements can bring significant security implications with regard to stability, predictability and strategic alignment options. The contributors argue that this goes beyond the Middle East and in fact reflects a global trend towards ad hoc coalition building and improvised strategies of collective action.

Traditionally, small states have preferred formal agreements through multilateral institutions for the stability, predictability and security guarantees that such official agreements provide. By contrast, a key characteristic of informal alliances is that they tend to be issue-specific rather than long-term political alignments. Miller and Carduan argue that it is not impossible for such informal alliances to provide small states with benefits similar to more formal arrangements, but whether or not this actually becomes the case will depend on the relationship between a small state and the dominant actor in an informal coalition and the extent to which their interests converge.

Taking a different approach, **Heinz Gärtner’s** contribution looks at the utility of neutrality as the basis for the defence and foreign policies of small states. This may raise questions as to whether non-alignment is a more beneficial posture in that it allows for a more flexible and potentially more assertive stance. However, Gärtner’s framing of neutrality departs from common understandings of the term that are shaped by the context of the Cold War; rather, he argues that in the 21st century small neutral states are not evading conflict nor are they avoiding alignments as was the case with neutrality in the Cold War. Instead of disengagement and evasion, what we are seeing today is “engaged neutrality”, which entails active participation in international security policy in general and in international peace operations in particular. Gärtner argues that it is simply not feasible for small states to try to evade crises; rather, “engaged neutrality means involvement whenever possible and staying out if necessary; it does not mean staying out when possible and engagement only if necessary.” The challenges of the 21st century — proliferation of weapons of mass destruction, terrorism, fragile and dysfunctional states, immigration, organised crime, climate change — require small neutral states to be proactive and engaged through multilateralism, diplomacy, global partnerships and the like.

In **Mehran Kamrava’s** contribution the analytic lens zooms into one of the most fascinating case studies of small state theory in recent years, Qatar. In Kamrava’s analysis, rather than relying on soft power or hard power or even a combination of the two (“smart power”), Qatar’s foreign policy consists of what he refers to as “subtle power”. There are four primary components underpinning the concept: hedging, military security and protection (which echoes “shelter theory”, discussed below), branding and hyperactive diplomacy, and international investments. Kamrava argues that these were the main planks underpinning Qatari foreign policy under Sheikh Hamad bin Khalifa Al Thani in the 1990s and until his abdication in 2013. That foreign policy reflected a regional context in which Qatar stood out for its proactive and assertive projection of influence in the region at a time when the traditional powers were

either mired in their own problems (Iraq, Syria, Iran) or too inward looking under stagnant and ageing leaderships (UAE, Egypt, Saudi Arabia). By the time of Al Thani's abdication, the regional context had changed: new leaderships emerged in Abu Dhabi and Riyadh championing a more assertive foreign and defence policy, forcing Qatar to scale back its attempts to project power.

Qatar also features in **Ahmed Hashim's** contribution in a comparative framework alongside the UAE and Singapore. Specifically, he looks at these cases as relatively rare examples of small states seeking to create their own security by investing in military capabilities and developing their own hard power. In this way, Qatar, the UAE and Singapore challenge the conventional wisdom regarding how small states formulate foreign and defence policies in that they have all attempted to punch above their weight in more than just diplomacy by seeking to develop their own military capabilities.

In Hashim's analysis, Qatar is presented as a case of soft power overreach without sufficient hard power to back it up. This ultimately led to the Saudi and Emirati-led blockade against Qatar that began in June 2017 and has lasted to the present. Recently, Qatar has attempted to build hard power but its miniscule population presents an insurmountable obstacle. As such, the immediate benefit of the billions of dollars that Qatar has spent on military purchases lies in the effect it will have on cementing political ties to major powers and further strengthening Qatar's security alliances. In Hashim's analysis, any actual build-up of independent Qatari hard power remains unlikely in the foreseeable future.

The UAE, by contrast, has been engaged in strengthening its military through signing defence and security agreements with major powers and by building its own military capabilities since the 1990s. Today, and particularly since 2011, the UAE has the most capable military of all the Gulf countries. As for Singapore, its investment in hard power goes back even further. Singapore was left practically defenceless upon its sudden independence in 1965. The British declaration three years later that they would withdraw from the region by 1971 further added to Singapore's vulnerability. This forced Singapore to invest heavily in its military capabilities to the extent that today it is Southeast Asia's best equipped and best trained force.

An interesting point that emerges from Hashim's comparison of the three cases is the fact that defence policy in all three cases was dependent on dynamic leadership in contexts of weak or under-institutionalisation. Singapore was the first to realise the need for hard power and paid much attention to defence policy from its inception. This was a function of the many vulnerabilities that threatened Singapore's survival, whereas Qatar and the UAE were sufficiently cushioned by hydrocarbon wealth in their early years and have only recently felt the need to seriously invest in hard power and in creating their own security.

Moving away from hard power and more towards economic muscle, **Juergen Braunstein's** contribution looks at Singapore and the role that it has built for itself in the global carbon economy in the form of downstream activities, mainly, fossil fuel refinement, in addition to its role in shipping, bunkering and oil storage and its role as a centre for breaking down larger oil cargoes for regional markets. While this has given Singapore several obvious advantages and has aided the city state's remarkable economic growth, Braunstein notes that it has also increased Singapore's vulnerability to international market developments. This is especially pertinent moving forward as energy markets are set for major changes in the years ahead in ways that will present Singapore with profound challenges. The shale gas revolution, the increasing emphasis on renewables and the effects of global climate change will allow oil consumers opportunities for diversification but will also bring new economic risks to small open economies such as Singapore's. Further, producer countries are investing in downstream activities, thereby reducing Singapore's leverage. Indeed, the need for transit countries such as Singapore in the global oil value chain will decrease as consumer countries seek to trade directly with producers. To weather these coming shifts Singapore will have to diversify its economic model to ensure that its likely diminishing role in the global carbon economy does not have a calamitous impact on its economic security.

The final contribution by **Baldur Thorhallsson** examines shelter theory with reference to Iceland. Thorhallsson notes the diversity of small states and points out that what they have in common across the board is that they all have to compensate for size-related problems both domestically and internationally. Shelter theory concerns the latter and Thorhallsson argues that small states are

fundamentally dependent on it — be it political shelter, economic shelter or social shelter. Yet, none of these is entirely straightforward and small states have to manage and navigate the costs of shelter to make sure they do not outweigh the benefits. Historically, Iceland's relations with the United States, the Nordic States and the European Union have provided it with essential political, economic and social shelter. Thorhallsson argues that Iceland's diplomatic history shows that multilateralism is an indispensable survival strategy for small states. The Icelandic case, in his view, highlights the necessity for small states to have more than one shelter provider and the long-term dangers of overdependence on bilateralism. Iceland's relationship with the United States is particularly relevant in that regard. The United States was Iceland's main shelter provider until it withdrew its military assets from Iceland in 2006 and then, two years later, refused to provide assistance to Iceland during the financial crisis of 2008.

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These diverse case studies show the varying strategies that small states need to employ and how these differ across different regions and between different contexts. Small state security is likely to be further tested in the future by an increasingly anarchic international system that fits even less well than normal with the mythology of a “rules-based international order”. The role of the United States in upholding global order is likely to become more ambiguous moving forward and the deepening of multipolar competition will inevitably pose new challenges and opportunities for small states.

## About the author

Fanar Haddad is Senior Research Fellow at the Middle East Institute, National University of Singapore. He is the author of *Sectarianism in Iraq: Antagonistic Visions of Unity* (2011) and *Understanding “Sectarianism”: Sunni-Shia Relations in the Modern Arab World* (2020). He has taught the politics of the modern Middle East at the University of Exeter, the University of London and the National University of Singapore. Prior to obtaining his PhD he was a Research Analyst at the British Foreign and Commonwealth Office. He is also an Associate Fellow at the International Centre for the Study of Radicalization, King's College, London, and a Non-Resident Senior Fellow at the Middle East Institute, Washington, D.C.