SMALL STATES AND REGIONAL ECONOMIC INTEGRATIONS IN THE MULTI-POLAR WORLD

Regional Differences in the Levels of Integration and Patterns of Small States' Vulnerability

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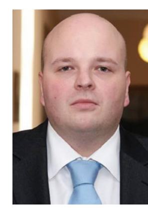

Abstract: The contemporary world is a world of multi-polarity, signifying that US attempts to achieve hegemony have failed and there are no signs that this is likely to change in the near future. What about the position of small states, which by most of the widely accepted criteria comprise at between half and two thirds of all the world's states? Small states, because of their constraints, such as the size of population and/or economy are often considered more vulnerable to external pressures than mid-size or especially large states. What strategies should then small states pursue to assure their survival and increase their economic development and political influence? The responses of small states to multi-polarity in different regions of the world are different. In Europe, economic integration along with certain forms of political integration has been going on for more than six decades. In other parts of the world, in most cases, the integration has not developed beyond the level of free-trade area. It is the intention of this article to study the differences in small states' relation towards regional economic integrations in various regions of the world. The thesis that deeper economic integration contains the influence of large states (albeit only outside the integration itself) is then tested through comparative analysis of regional economic integrations' effects on small states in the various regions of the world.

Key words: small states; multi-polar world; regional economic integrations; the European Union

Introduction

Multi-polarity, as an evolving condition, indicates that here are more power centres than before and that this trend will very likely continue. Among the several theories that explain the contemporary world political economy, the theory of uneven and combined development (UCD) about the dominant and contender states' struggle is considered most suitable for explaining the patterns of dominance and challenging that same dominance in the world economy (see Desai 2013, 2–3, 10–11). It frames our understanding of the reactions of small states to the dominant and contender states distributed across the world's regions in our multi-polar world.

After the bipolarity of the Cold War era and its geostrategically constrained alliances, and the perceived unipolarity of the post–Cold War era, which briefly lent credibility to visions of the unipolar world and the "benevolent hegemony" of the United States ("*the unipolar moment*" of C. Krauthammer and neoconservatives), we are now living in the age of multi-polarity. It can be studied through the framework of geopolitical economy, as the discipline of multi-polarity (Desai 2015, 2–3). The term *geopolitical economy* signifies the full integration of economic, political, and military dynamics between states in ways that elude not only international relations but also international political economy to generate a more accurate understanding of multi-polarity and its history. In this understanding of international affairs, the dynamic interaction of chief dominant and contender states would provide the framework for the understanding of other international interactions.

The contemporary world is a world of multiple powerful actors on the global level, as well as on the regional level, with conflicting interests, economic difficulties of large number of economies, and the inability of "international community" to "manage" the world's most intense conflicts or rivalries.

While the term *superpower* was current during the Cold War, this category is losing its only remaining member, as the United States declines and the emerging powers rise into the great power category. The likely candidates for places at the high table are obvious: the United States, China, India, Japan, Russia, and the EU make up roughly half the world's people, account for 75% of GDP and 80% of global defence spending (Stockholm International Peace Research Institute 2008). Then there are Brazil and Germany of course, as contenders as well, as *SIPRI Yearbook 2008* mentions. The meaning of the dominant and contender states in this report is not the same as in geopolitical economy, which designates the United States as the dominant state, and China, Russia, India, and Brazil as the (main) contenders.

The *National Intelligence Council Report, Global Trends 2030: Alternative Worlds*,[1] points out that by 2030, no country—whether the United States, China, or any other large country—will be a hegemonic power. The empowerment of individuals and diffusion of power among states and from states to informal networks will have a dramatic impact, largely reversing the historic rise of the West since 1750.

This does not mean that the rise of one or the other is inevitable; one or more of these may prove unable or unwilling to act as a great power (Toje 2010, 4).

According to Wallerstein,

> We are at the stage where all the centers are seeking to maintain relatively good relations with all the other centers. This is of course impossible in any medium term, but this is a fair description of the current policies of the multiple eight to ten centers. In addition, none of these centers is internally unified in a very stable fashion. (Wallerstein 2010, 191–92)

For example, in South America, Brazil promotes regional integration through Mercosur and Unasur. China is also broadening its relations with the states of Southeast Asia through regional initiatives such as ASEAN+1, which has succeeded in establishing a free-trade zone between China and the ASEAN states. These regional integration efforts all exhibit some striking similarities, suggesting that leaders in Moscow, Beijing, and Brasilia see regional integration as a strategy for preparing for a more uncertain and volatile future (Krickovic 2014, 505) and reinforcing the argument that regionalism is among the dominant trend in the geopolitical economy of recent decades (Hirst, Thompson, and Bromley 2009).

Multi-polarity is clearly not welcomed in Washington. Neoconservatives and the hard-line realists in the first G. W. Bush Administration sought to reverse it in the post–Cold War era (see Kurecic 2011) and the US administrations since have followed suit, creating the conditions for great power rivalry, hence the elites of the primary contender states, China and Russia, prefer some form of multi-polarity. For example, China regards participation in multilateralism as a useful means to push for a more equitable and fair international political and economic order and ultimately to strive for a larger share of decision-making power in various international institutions, especially in the economic and financial institutions (the World Bank and the International Monetary Fund), and boost its international influence (Li 2011, 335).

For the elites of the dominant states, under the influence of liberal internationalism, making the world outside the Lockean heartland divided into many, formally sovereign and equal smaller units would become a prerequisite for the easier supremacy over that same world (see van der Pijl 2014, 24).

The conduct of the dominant and contender states generates the dominant dynamics of the international system of our time, and these are usually beyond the capabilities of small states. Therefore, the world can be studied as a system in which small states, though they have more than a negligible role, do not have a crucial one. Concurrently, the international system and its dynamics do not entirely explain the responses of small states. The dominant and the contender states are considered responsible, because they have a crucial role in the creation and maintenance of the system. The reactions of small states to the contemporary multipolarity differ if observed regionally. The regional position of small states influences their relative power, alliances, political history and tradition, the level of economic development, and the interest of more powerful and larger states in the foreign policy orientation and the economic policy of small states.

Are limited possibilities of small states changing with the rise of the multi-polar world? It would seem so; hence, multi-polarity seems to offer more possibilities for small states than bipolarity or unipolarity, with more centres of power with whom they can cooperate and turn to. At least, that is what the International Relations discipline scholars claim. The difference of multi-polarity from the perceived unipolar world can be seen in Lewis's (2002, 31) claim about small states' lack of strategic choices in the late 20th and the beginning of the 21st century: "The alleged strategic choices about geopolitical positioning in the world, and the choice of economic development model which many new states in the post-war period found themselves, either forced, or simply chose to make, now no longer exist."

> The 21st century highlights a far greater range of choices—and outcomes—for small states. At one end of the spectrum, the theme of vulnerability is accentuated. Dominant images of structural weakness cannot be completely set aside, as witnessed by the number of failed or fragile states that fit the category of small states (from Vanuatu to Haiti). Globalisation has served to exacerbate this sense of divergence between strong and weak actors. Small states can be upwardly mobile. But there is also an alternative race to the bottom, most visible in the South Pacific. (Cooper and Momani 2011, 115)

Wivel points out the fear of abandonment as one of the main motives of small states to join alliances and/or integrations, although they play a marginal role, especially in the domain of security.

> Small states have played a marginal role in the development of the EU as a security actor. Agreement between two or more big EU Member States has most often been a prerequisite for major initiatives and decisions in the development of a common European foreign, security and defence policy. (Wivel 2005, 393)

On the contrary, Wivel accentuates benefits of the EU for small states when it comes to security:

> The EU continues to provide at least two vital security functions for the region's small states: it helps to prevent a return to the military great power competition of the past and it mitigates instability in the European periphery. As a result of this stable security order, small EU Member States avoid some of the traditional problems of small states in international relations. (Wivel 2005, 407–8)

It is clear that small states usually make up the majority of members in regional economic integrations. Nevertheless, mid-size and large states are the ones which hold the majority of economic and, consequentially, political power in these organisations, thereby having the ability to create the rules, especially in the economic arena. The purpose of this article is to analyse, through comparative analysis, the responses of small states to contemporary multi-polarity, that is, the multi-polar world of the present day, when it comes to regional economic organisations. The main hypothesis of this article is that the variety of these responses is reflected in the different levels of regional economic integration in which small states participate, and it is dependent upon the specific regional position of the small state(s) and historical patterns of their foreign policy developments.

By using a regional approach, studying the matter from a regional perspective, that is, putting the regions in focus, after accepting multi-polarity as a present condition, we can see what strategies small states use in ensuring the goals that extend beyond mere survival. It is through the active policies of regional cooperation that most small states try to fulfil their foreign policy goals. This is visible especially in the form of regional economic integrations (see Table 1), which can be perceived as reflections of "the need for transnational pooling and coordination of state functions to adjust to and facilitate the transnationalisation of capital" (van der Pijl, Holman, and Raviv 2011, 388). Therefore, it is the intention of this article to study the effects of regional economic integrations on small states in the multi-polar world, in various regions of the world, with an emphasis on Europe, through the theoretical framework of geopolitical economy. The thesis that deeper economic integration contains the influence of large states (albeit only outside the integration) is put into the test through comparative analysis of the world's regions.

The classification of small states based on the mix of relational and quantitative criteria, taking into account the specificities of every region of the world found in Kurecic, Kozina, and Kokotovic (2017), is used to determine which states should be analysed here. In this classification, the position of the states in the region was used as the main criterion, and the total population was the second criterion. In the aforementioned article, the authors have classified 124 states as small: 39 in Europe, 19 in Asia, 23 in the Americas, 31 in Africa, and 12 in Oceania. The complete list of states can be found in the Appendix.

The Difference of Regional Responses of Small States to Economic Integration in the Multi-polar World

The mere survival of states today does not represent a challenge as it did in some previous period of history. However, new challenges have arisen, such as economic dependence on foreign actors (including the dependence on only a couple of export products, import of fuel, indebtedness etc.), the openness to foreign, often predatory, capital, and proneness to climate change, just to name a couple.

Nevertheless, Hanggi and Regnier have claimed,

> Small and open economies are better prepared than larger states to meet the challenges of globalization because they have traditionally been more exposed to the outside world and have developed strategies of adaptation to external pressures. Furthermore, small states enjoy greater freedom of action in the international system including free riding, which is more easily accepted by the international community if non-system-affecting small states are employing it. (Hanggi and Regnier 2000, 5)

Bailes (2009, 8), discussing states' strategies, poses a question whether a state needs a strategy at all, and whether it needs one of its own. The obvious alternatives to an autonomous, national owned strategy, which small states usually do not need/develop (due to their objective inability to influence the system of states and in most cases, the self-awareness of the elite that they indeed are leading a small state) are:

i. To adopt, voluntarily or under compulsion, the strategy of a larger national power ("satellite" states such as the Soviet Union's smaller neighbours in the Warsaw Pact, partner states that adopted the US's post-9/11 agenda);
ii. To work within a group, either a limited group of neighbours or a larger institutional entity, that owns or is building a collective strategy—sometimes aimed at balancing or containing a large national power or powers (small scale: the Visegrad group when working for enlargement, GUAM (Georgia, Ukraine, Azerbaijan, and Moldavia) attempting to balance Russia; large scale: the EU and North Atlantic Treaty Organization [NATO], the African Union and ASEAN, etc.);
iii. To adopt a model of strategy that is shared by other states of a similar kind and/or similar convictions, not necessarily geographically linked (members of the Cold War non-aligned movement, non-European states adopting communism, *small island states campaigning on the dangers of climate change*).

A small state's choice of model depends on its regional position, its neighbours, and the predominant type of relations that it has with them, and of course of its own capabilities.

Smallness does not prevent some states from finding their niche of activism in international politics. Sweden, Finland, and Denmark are well known and respected as international mediators and diplomats. These and other countries, such as Ireland, actively participate in international military operations. Small states do not hesitate to speak loudly in international fora, or to bring to the table controversial security issues that are not welcomed by the big states: Lithuania was the only EU member state daring to veto the new EU-Russia Agreement in the aftermath of the Russian-Georgian War (Rublovskis, Šešelgyte, and Kaljurand 2013, 33). The examples of large states putting enormous pressures on small states, which include changing of the regimes, are visible through the US policy towards Cuba, that lasted for over half a century, or the US policy towards Venezuela that has been going on for more than 15 years. Numerous other examples from the Cold War era exist in the Americas.

Very small states attach the highest priority to multilateral diplomacy, in part because it makes sense to work within the large framework that the United Nations (UN) and its agencies provide, and partly because missions in New York, Brussels, and Geneva can serve as a base for bilateral contacts (Rana 2007). For all small states, the virtues of multilateral diplomacy are as symbolic as they are practical. Participation itself reaffirms the dignity, sovereignty, and the legal equality of all states at the table (Stringer 2013, 17). The role of small states is circumscribed to one of seeking to influence global rule making and policy making by means of lobbying. Small states can make this role meaningful. Lobbying capacity is very important (Bourne 2003, 8).

The key reason why small states highly value international law and international regimes can be explained through the fact that although large states may have institutional privileges, such as a permanent seat in the UN Security Council or extra voting power in the Bretton Woods institutions, international institutions make resource-based power effects more visible, and therefore contestable, because norms and rules are formalised and thus require justification (Neumann and Gstöhl 2004, 2).

In the regions in which a high level of economic and political cooperation or regional (economic and possibly political) integration exists, small states have better chances of gaining influence and protecting their interests as well as accomplishing their goals—but only in relation with the outside actors—and that is the most important moment that needs to be emphasised. This premise is in accordance with Hey's (2003) argument: "Small states choose to participate in multilateral organizations to attain foreign policy goals."

Nevertheless, when it comes to dealing with the large actors inside the same regional organisations, and particularly regional economic integrations, the capabilities of small states to resist the influence of large states from the same organisation/integration diminish with the rise of the level of integration. If we use Balassa's (1961) classification of regional economic integrations, free-trade area would be the lowest level of integration, followed by a customs union, common market, economic and monetary union, and at the highest level of integration, a political union. This classification was used in Table 1. The thesis that follows would be the following: Regional economic integrations, while protecting small states from the influence of outside actors (whether dominant, contender, or mid-size states), are concurrently exposing small states to the higher influence of large states from the same regional organisation/integration that can turn into dominance.

Europe

Europe is a continent in which small states comprise the majority of all states. However, the large and mid-size states are the ones that are determining the fate of Europe, plus the dominant (the United States) and contender states (primarily Russia, with a rising Chinese economic influence not to be overlooked). It is noticeable that most states of Europe and therefore small states as well are members of the EU or want to join the EU.

"After the last major enlargement in 2007, the EU consists largely of small states" (Kutys 2009, 1). With the accession of Croatia in 2013, the EU accepted another small state. The full implementation of Brexit, when it occurs, will make the EU a union of small states even more. The International Relations discipline scholars point out that small states of the EU have better opportunities of taming the influence of the EU's big members if they cooperate, first through regional groupings and then by forming already agreed positions before voting. The EU offers small states a level of integration and influence on decision-making processes that are *sui generis* compared with the other parts of the world. On the contrary, small states of the EU have limited capabilities of making their interests protected. The overrepresentation of small states in the European Parliament, the fact that each state, regardless of its size, has one European Commissioner, and the right to veto certain decisions are of little use in every day decision-making processes or in resisting the pressures of transnational capital, mostly comprised in the Directives.

It is no wonder that Lehne (2012, 1) differentiates the Big Three of the EU (Germany, France, and the United Kingdom) from the other states due to three reasons:

- The Big Three can still rely on their own weight to influence developments and are less dependent on multilateral institutions;

Table 1 Groups of Small States of the World (Classified in the Appendix): Regional Economic Integrations, Regional Political Associations and Military Alliances, and the Previous and Present Influences of the Larger More Powerful States

Continent or the region of the world	*The small states and the region they belong to*	*The level of regional economic association/ integration*	*Important regional military alliance(s) and/ or political associations*	*The previous and present, mostly stable or declining influence of a dominant/ contender state, former colonial power (or integration—the EU)*	*The rising and ambivalent influence of a contender state or a regional power*
Europe	The European Union	Economic union or economic and monetary union (EMU) +customs union: Regional economic integration with the elements of political integration.	NATO (14 out of 20 small EU member states are members), 22 out of total 28 EU members are NATO members as well	The United States	/
	States that opted to stay outside the European Union	Common market: EFTA EEA (except Switzerland)	NATO (Iceland, Norway)	The United States (except Switzerland)	/
	The European microstates	Acceptance of the Euro. Common market: EFTA, EEA (Lichtenstein) Customs union: EUCU (Andorra, Monaco, San Marino)	Protection by the larger, neighbouring states	The influence of certain EU states (Italy, France, Austria, Spain) and the EU	/
	The Western Balkans	Free-trade area: CEFTA. Declared wish to join the EU (all states) and NATO (all minus Serbia).	NATO (Albania, Montenegro invited to join)	The EU The United States	Russia (Serbia)

Continent or the region of the world	*The small states and the region they belong to*	*The level of regional economic association/ integration*	*Important regional military alliance(s) and/ or political associations*	*The previous and present, mostly stable or declining influence of a dominant/ contender state, former colonial power (or integration—the EU)*	*The rising and ambivalent influence of a contender state or a regional power*
	European and Caucasian part of Post-Soviet space	Economic union: EEU (Belarus, Armenia)	CSTO (Belarus, Armenia)	Russia (Armenia, Belarus) The United States (Azerbaijan, Georgia)	/
Asia	Central Asia	Economic union: EEU (Kyrgyzstan)	CSTO, SCO (Kyrgyzstan, Tajikistan)	Russia	China
	The Near East	Free-trade area: CAEU (except Israel)	Arab League (except Israel)	The United States (Israel, Jordan)	/
	The Arabian Peninsula	Free-trade area: CAEU, GCC	GCC Arab League	The United States	/
	South Asia	SAFTA	SAARC	India	/
	South-East Asia	Free-trade area: AFTA	ASEAN	The United States	China
The Americas	The Caribbean	Economic and monetary union: CARICOM & CSME. ECCU.	ALBA (six small Caribbean states plus Cuba are members)	The United States	/
	Central America	Free-trade area: SICA (all states plus Belize)	ALBA (Nicaragua)	The United States	China
	South America	Customs union: MERCOSUR	UNASUR ALBA (Bolivia)	The United States	Brazil China
Africa	Northern Africa	Free-trade area: CAEU (GAFTA)	Arab League	Former colonial power (France)	/

Continent or the region of the world	*The small states and the region they belong to*	*The level of regional economic association/ integration*	*Important regional military alliance(s) and/ or political associations*	*The previous and present, mostly stable or declining influence of a dominant/ contender state, former colonial power (or integration—the EU)*	*The rising and ambivalent influence of a contender state or a regional power*
	Western Africa	Customs and monetary union: CEMAC.	ECOWAS	Former colonial powers (mostly France)	China Nigeria
	Central Africa	Customs and monetary union: UEMOA.	/	Former colonial powers (mostly France)	China
	Eastern Africa	Customs union: EAC (Rwanda, Burundi, Uganda). Free-trade area: COMESA.	SADC	/	China India
	Southern Africa	Customs union: SACU.	SADC	/	South Africa
Oceania	Melanesia	/	PIF	/	Australia
	Micronesia	/	PIF	The United States	/
	Polynesia	/	PIF	/	New Zealand

Notes: Only the most important regional economic integrations or political associations/military alliances were presented here. The presentation of all of them would blur the overall picture (especially in some parts of the world, like Europe) about the meaning of the most important ones for each region.

Abbreviations: **Regional economic integrations:** (1) Economic and monetary union: EMU—European Monetary Union, CARICOM (CSME)—CARICOM or Caribbean Single Market and Economy, ECCU—Eastern Caribbean Currency Union. (2) Economic Union: EU—European Union, EEU—Eurasian Economic Union. (3) Customs and monetary union: CEMAC—Customs and Economic Union of Central Africa, UEMOA—West African Economic and Monetary Union. (4) Common market: EFTA—European Free Trade Association, EEA—European Economic Area. (5) Customs Union: EUCU—European Union Customs Union, MERCOSUR—Common Market of the South (Mercado Común del Sur), EAC—East African Community, SACU—Southern African Customs Union. (6) Multilateral free-trade area: CEFTA—Central European Free Trade Area, CAEU—Council of Arab Economic Unity (GAFTA—Greater Arab Free Trade Area), GCC—The Gulf Cooperation Council, SAFTA—South Asian Free Trade Area, AFTA—ASEAN Free Trade Area, SICA—Central American Integration System, COMESA—Common Market for Eastern and Southern Africa. **Political associations and military alliances:** NATO—North Atlantic Treaty Organization, CSTO—Collective Security Treaty Organization, SCO—Shanghai Cooperation Organization, SAARC—South Asian Association for Regional Cooperation, ASEAN—Association of the Southeast Asian Nations, UNASUR—Union of South American Nations, ALBA—Bolivarian Alliance for the Peoples of Our America, ECOWAS—Economic Community of West African States, SADC—Southern African Development Community, PIF—Pacific Island Forum.

- They can also forum-shop; hence, the EU is just one of several relevant institutional frameworks in which they can operate;
- The Big Three are also involved in shaping policies across a much wider range than other states.

To show the asymmetries in the economic power between large and small EU economies, the data about the total GDP of the EU member states are compared. In 2015, the 20 smallest economies of the EU had a combined GDP by current market prices that was just a little bigger than the GDP of the German economy,[2] which is the asymmetry that is very hard, if not impossible to contain with institutional mechanisms of the EU that are "intended to favour" small EU member states.

What is more important, the EU has made possible for its large member states, particularly Germany and its capital, to achieve influence in small and mid-size states, particularly in Central, Southern, and South-eastern Europe that otherwise would not be possible, as van der Pijl, Holman, and Raviv point out:

> The European Union (the new name for the European Communities agreed in the same year, 1991) remains "the central locus for continual, organized consultation and bargaining among the national governments and bureaucracies of Europe." Paradoxically, the newly reunified German state thus finds itself enmeshed in a dense web of European regulation to which it signed up at successive stages of its political and/or economic recovery. In another paradox, however, German capital, along various transmission belts, is able to determine the direction of EU policy to an extraordinary degree. (2011, 385)

Montalbano points out,

> The EU polity represents a good candidate to test the geopolitical-economic approach. Beyond the mainstream intergovernmental and neo-functional grand theorizing, a focus on the regional blocs of state/classes takes into account both recurrent and changing patterns of transnational coalition building among leading member states and influential class agencies in shaping EU economic integration.
>
> The more transnationalized groups are better able to construct cross-border alliances with foreign member states to win their support in influencing EU policy making. (2015, 502)

Because "the dominant social forces in the global political economy are transnational in nature, and states retain the sovereign power of enforcement, but preeminence in transnational networks entails the ability to bring power to bear in specific national contexts." German capital was in the best position; hence, Germany was perceived as the historical bulwark against socialism, to establish historical connections with Atlantic (the United States and the United Kingdom) capital. "Therefore, it was able to regain the position that it has after the two world wars, concurrently fueling the political influence of Germany that spread in its neighbouring regions"—point out van der Pijl, Holman, and Raviv (2011, 386). All of that was possible through the development of the EU, which not only enlarged but deepened the level of integration as well:

> Even if the German financial market grew more slowly compared with other EU member states, the interconnectedness of its banking sector in the circuits of world financial capital has been evident in the development of European financial champions like Deutsche Bank, Commerzbank and Allianz, as well as from the systemic role assumed by structured financial products in domestic private and public-owned banks. (Montalbano 2015, 505)

German economic influence today is visible and increasing in the new members of the EU, making Germany the dominant state for these mostly small states in the terms of economy, while the United States and NATO (still) are still perceived as the guarantors of security, thereby creating double patterns of dominance. These realities expose that there is still a hierarchy of states, leaving small states at the bottom of this hierarchy. So a rhetorical question needs to be raised, at present day—are small states of Europe better off with the EU (and with NATO, when it seems that the era of free-riding is coming to its end, and the United States has more important security issue and crises to deal with) or without it, particularly in light of the fact that it is experiencing the worst crisis of its history. Is any small state realistically capable of exiting the EU (like the United Kingdom decided) or are small states that are trying to access the EU capable of changing their priorities, and opt to stay out? To take the argument further—would small states of the EU be less at the bottom of hierarchy if they were outside the EU, leaving them in the "independent position," and in reality, more subjected to the influence of dominant and contender states outside the EU?

The nature of the EU as a regional economic integration, and the differences between the EU member states, which were not overcome, need to be analysed through the aforementioned UCD framework, claims Serfati, used by geopolitical economy:

> The EU is a unique political configuration which has emerged from the national and international dynamics of capitalism. For over six decades, European integration has continued unabated, despite acute tensions, public disagreements

> and even brinkmanship between member states. Indeed, the severe crises that periodically threatened the very architecture of the EU the 1992 EMU crisis and the recent 2008 financial crisis have often been accelerators of integration, revealing both the irreversibility and path-dependency of EU integration and commitment of ruling classes and national governments to the process. (Serfati 2016, 278)

It is the depth of the integration, developed through the intensity of the ties, and the longevity of the integration, that distinguishes the EU from other regional economic integrations in the world, thereby making the UCD more intensive.[3] Small states of the EU, especially from Central and South-eastern Europe, due mainly to the smallness of their economies and the dependence of these economies on the capital and economies of the large EU states (Germany overwhelmingly), do not have real mechanisms for implying their own agendas and interests. This is the conclusion that can be derived from the analyses of van der Pijl (2014), Serfati (2016), and Montalbano (2015), respectively.

Small states that opted to stay outside the EU have done so "because they can afford it," being wealthy enough and having specific interests that they want to protect. In the matters of security, they have either chosen bandwagoning (Norway and Iceland were among the founding members of NATO) or strict neutrality (Switzerland) as the principal strategy. All three states are the members of the European Free Trade Association (EFTA) (together with Lichtenstein) and want to protect their special status and interests.

Iceland has always identified socially and culturally with Europe, and, for some time, been closely tied institutionally to the EU through the European Economic Area (EEA)—together with Norway and Lichtenstein—and the Schengen border control scheme. However, due to fisheries issues (fishery represents a significant proportion of Iceland's economy; therefore, it was a quintessential issue for Iceland to protect its waters from foreign fishing boats, including the ones originating from the EU member states), and more recently, due to the banking crisis which arose mainly from the lack of transnational capital controls, in the end Iceland opted to stay out of the EU. Dodds and Ingimundarson (2012, 30), however, point out,

> The EU membership bid is highly controversial. Over 70% of Iceland's exports go to EU states. Thus, in 2009, Iceland submitted its EU membership application after experiencing a major economic and political crisis, when its banking system collapsed under the weight of reckless over-expansion abroad, institutional weaknesses and global economic turmoil. The EU application signified a belated and desperate effort to restore economic stability at home and political backing

abroad in a time of national crisis. It did not, however, reflect a domestic political consensus.

European microstates are seeking and receiving protection from the larger, usually neighbouring states. Small states of Micronesia offer a similar example. The sovereignty (even formal) of these states is highly dubious in a way that they are dependent on their protectors. Nevertheless, the relation between the protected states and the protectors is usually asymmetric, that is, the protected states get much more out of this relation than the protectors do. European microstates represent very successful small states, mostly due to their favourable regional position (Western and Central Europe).

The Western Balkans states all share (at least declaratively) the European ambitions and aspire (except Serbia) to become the members of NATO. Regarding the prospects and results of European integration, the enormous political and economic problems, as well as the unsolved bilateral issues, mostly deriving from the fact that these states were once a part of Yugoslavia, which broke up in a series of bloody conflicts (wars), have produced a quite different recent history (compared with post-communist states of Central Europe that became EU members in 2004) for most of these states (except Slovenia). The list of issues and potential "triggers" of future conflicts is long, the worst examples being the non-recognition of Kosovo by Serbia, the geopolitical disintegrative forces in Bosnia and Herzegovina, a possible insurgency and/or breakup of a state in Macedonia, the Greek blockade of Macedonia's accession to NATO, and Macedonia's negotiations on accession with the EU. All these issues are making a path towards European integration of these states very difficult. When the "enlargement fatigue" (with the public opinion in most of the EU states against further enlargements) and the renewed collision of the geopolitical interests of the West and Russia are added into the picture, it can be fairly stated that the European ambitions of Serbia, Bosnia-Herzegovina, Macedonia, and Kosovo are increasingly being hindered, due to numerous endogenous and exogenous reasons, despite the declarative intentions of the governments of these countries, as well as statements from Brussels, that Western Balkans "belong in the EU."

Small non-integrated states in the European and the Caucasian part of the post-Soviet space represent a conglomerate of different states. Two groups of three post-Soviet states each (Belarus-Ukraine-Moldova, and Armenia-Azerbaijan-Georgia, respectively) are territorially connected, albeit very different in their foreign policy positions. Small states from the Caucasus region share borders, while Belarus and Moldova are separated from each other by Ukraine. They are either mostly negatively influencing each other (Azerbaijan-Armenia) or are not significantly influencing each other. Belarus and Armenia are allied to Russia, while

Georgia, Ukraine, and Moldova are trying, each in its own way, to contain the Russian influence. The West and Russia share different and competing geopolitical interests (see, for example, Lane 2016) in each of these states, making them prone to outside influence, and in some cases, even exposed to de facto changing of their borders with Russia. In the eastern part of the continent, in most of the EU member states (the Baltic States, Slovakia, Hungary, and Bulgaria particularly) and outside the EU (in all states adjacent to Russia except Azerbaijan), the Russian influence in energy supply gives Russia a certain edge. A powerful Russian influence in some European small states (Serbia, Belarus, Moldova, and Armenia) is also a very important factor. These countries want to cooperate with Russia.

However, Serbia and Moldova now have at least declarative aspirations regarding the process of European integration. Moldova is a very good example of a land-locked, economically underdeveloped, geopolitically fragmented small state, with unsolved internal problems, and much weaker than its neighbouring states (Gomboş and Mateescu 2012).

Regarding Belarus, it is interesting to track its emergence as a "free radical," a small state without much attachment to any of the centres of power. Belarus is still formally a part of the "union state" formed by treaty in 1996. It actually broke with Russia by 2006, mostly due to the sharp increase in gas and oil prices, and has engaged in increasing flirtations with other partners, including those of the West. The break with Russia, however, was not formal. Belarus has not denounced the treaty, and even joined recently in a "customs union," which includes Russia and Kazakhstan (Shlapentokh 2012, 2). Belarus has been almost continuously bandwagoning towards Russia; however, due to serious events from 2006 until 2011–2012, it was trying to break off and was using its strategic position to balance between Russia, China, Iran, and the West.

The 21st century presents new opportunities by introducing the strategy of strategic manoeuvring to explain the post–Cold War foreign policy of Azerbaijan. This strategic manoeuvring "has the enhancement of sovereignty and autonomy over its domestic and foreign policy as the main goal" (Mehdiyeva 2011, 26–27). Azerbaijan and Armenia are engaged in a "frozen conflict" over Nagorno-Karabakh. Armenia is bandwagoning towards Russia, which is quite understandable considering its very difficult strategic and economic position. In choosing Customs Union membership, Armenia rejected EU offers of preferential trade and association agreements—in effect turning its back on integration with the EU (Socor 2013). Georgia and Azerbaijan, due to their pro-US elites and the fear from Russia, are bandwagoning towards the United States, with Georgia leading the way. These two states are important for the United States and the West because they are on the route of the Baku-Tbilisi-Ceyhan (BTC) Pipeline as well.

The Americas

China's recent economic incursion into Latin America and the Caribbean (LAC) is due to at least three factors. First, the major motivation is economic. In South America, the key interest is access to raw materials: primarily iron ore and steel from Brazil; copper from Chile; and petroleum from both Argentina and Venezuela (Dumbaugh and Sullivan 2005). In Mexico, the purpose is to invest in manufacturing assembly, telecommunications, and textiles to establish an export beachhead to the United States through North American Free Trade Agreement (NAFTA) (McElroy and Bai 2008, 228). Second, these same countries have witnessed intense Taiwanese economic and diplomatic attention over the same period (Cheng 2006). A third factor behind China's presence is the vacuum created by the economic neglect and post–Soviet-era diplomatic downgrading by the region's traditional allies. European market consolidation and World Trade Organization (WTO) regulations have caused the loss of preferences for Caribbean sugar and bananas and resulted in reduced trade and employment (McElroy and Bai 2008, 229).

The Caribbean—this region comprises 15 small states. The Caribbean is a region where many states can be considered to be very small (similar to Oceania) and almost all states are small island states (except Belize, Guyana, and Suriname). There is also a considerable number of dependencies, of which many are tax oases, known as "the Treasure Islands" due to the offshore accounts deposited there. Nevertheless, "even very small states can exercise power within limited domains as long as they possess certain capabilities . . . and are ready to seize available opportunities" (Braveboy-Wagner 2010, 407).

The most important association that most of the Caribbean states belong to with deep and powerful connections outside the region is the Commonwealth, which gives these states protection on the market of the EU for some of their very important products (sugar, bananas). Without this protection, the production of these products would not be competitive against the rivals from Brazil and other South American large states.

Due to the lack of interest from the United States and the EU in the past 10 to 15 years, the intensification of relations with China has occurred, as well as the increase in the Chinese interest for the region, which is in direct connection with the pushing of Taiwan from the region. A particular kind of competition in securing diplomatic ties through providing aid has developed between the two entities (see Erikson and Chen 2007).

A significant number of small Caribbean states (Antigua and Barbuda, Dominica, Grenada, Saint Kitts and Nevis, Saint Lucia, Saint Vincent and the Grenadines, plus Cuba), have joined the ALBA (Bolivarian Alliance for the Americas). Haiti (now in the observer status) also intends to join as a full member state. Therefore, some member states of CARICOM (CSME) are also member states of the ALBA, an initiative of the Cuba-Venezuela-Bolivia axis, which could not be perceived 15 to 20 years ago, and especially not during the Cold War era, when Cuba was completely isolated in the region (and unsuccessfully invaded), while Grenada (in 1983) and Panama (in 1989) were invaded. The data about cheap oil (supplied through the Petro Caribe company) from the oil-abundant Venezuela that will only have to be paid in the future, through the long-term loans with a very low interest, show the benefits for the small island Caribbean states that have joined the ALBA. Only the oil-producing Trinidad and Tobago and Barbados have refused Venezuela's offer. Under this scheme, the importers can receive oil and pay an amount as low as 20% of the price while sending the rest of the cost to a 25-year loan (plus a two-year period) with a 1% interest. In addition, Venezuela accepts debt payments in kind. For the last 10 years, it has received payments in bananas, rice, jeans, medical assistance, and "intelligence" services, from Cuba.[4]

The small states of the region are moving (albeit slowly) towards a higher level of emancipation and self-confidence, and the US policy has changed. The United States is preoccupied with the other parts of the world and the simultaneous crises in the Middle East (Iraq, Syria, and Libya etc.) and Europe (Ukraine), so it cannot spend enough resources and political capital on radically transforming the trend in the Caribbean (similar situation occurs in Central America). That leaves small states of the region more "manoeuvring space" for pursuing policies that are more independent from the overwhelming US influence, which is not surprising.

Central America—this region is the worst victim of the US policy, particularly in the 1970s and 1980s. Nicaragua, Salvador, and Guatemala were torn by the "civil wars" with a deep influence of the United States, other Central American states notwithstanding. This policy left most of the states of the region torn, its economies destroyed, and societies ravaged by these "civil wars." After the peace-making processes in the 1990s started, the situation has improved regarding the ability of the states to pursue their own foreign policies. However, the occasional events, such as the coup d'état in Honduras in 2009, show that new "freedom" has its limitations. Nevertheless, some things were unthinkable a couple of decades ago. As of 2000, the United States has withdrawn from the Panama Canal Zone. Since 2007, Nicaragua has been a full member of the ALBA. It cooperates economically and politically with Cuba and Venezuela, as well as China and Russia.[5] One of the biggest infrastructural projects of this century is being prepared, a canal that would be a bypass to the Panama Canal and if actually ever built[6] would give China the economic and political influence in the region. The presence of China and Russia in the region shows that the contender states are again permeating this part of the world that is historically known as the US "backyard" (more in LeoGrande 2000). The reversal of the US partial pullout from the region is therefore to be expected.

South America—the region is witnessing a gradual decline of the US influence in the past two decades, and a gradual rise of one contender state from the region itself (Brazil), as well as the rise of economic influence of the prime contender state—China. Two states from South America can be considered as truly small—Uruguay and Paraguay. Both states comprise less than 10 million inhabitants (the only ones in the region) and are significantly smaller than their neighbours are. The relational criteria and their limits are again in the focus here since all South American states are small in comparison to Brazil. Therefore, the combination of quantitative and relational criteria was used, as for the other regions of the world. Both studied small states are the members (founding) of the MERCOSUR, and their economies are influenced by that fact. Besides similarities, there are key differences—Uruguay's GDP per capita (PPP) is the third highest (after Chile's and Argentina's) in South America, and Paraguay's is the second lowest (only Bolivia is behind). The land-lockedness of Bolivia and Paraguay (the only two land-locked states in South America), among other negative factors, clearly influences the economic development in a negative way. Bolivia and Paraguay are similar—land-locked states that lost large portions of their territory to their neighbours in the past, economically significantly underdeveloped in comparison with their neighbours, on which they both depend to access the open sea and the foreign markets. The states symbolise the region's turn to the left and breaking of the half-colonial relations that it had towards the United States in the last century.

Asia

Due to its enormous size and diversity, Asia comprises a "myriad" of small states that have very different characteristics, depending strongly on the regional position of a particular state. The biggest clusters of small states are found in the southwest (the Middle East, the Arabian Peninsula) and southeast (South-East Asia) corners of Asia.

Central Asia—the region comprises parts of the former Soviet Central Asia plus Mongolia. Four small states were identified in this region—Kyrgyzstan, Tajikistan, Turkmenistan, and Mongolia. China and Russia represent the true giants for these states, and their mutual relations are the most important feature of the political, economic, and security relations in the region. Both states are interested in keeping the US influence as far away as possible from the region. However, with the US influence decreasing (compared with the situation after the 9/11 and the establishment of the US military bases in the region) and the Chinese influence increasing, the prospects of Russo-Chinese rivalry are again on the rise, with China having the upper hand in this possible rivalry. In the long-term projections, almost everything is on the Chinese side (see Stegen and Kusznir 2015).

The Near East—according to the classification used here, three small states were identified in this region of Asia: Israel, Jordan, and Lebanon. Each state has its own specificities, and they cannot be grouped in any sub-grouping. Israel is an "alien" in the region dominated by the Arab states. Israel is definitely not a typical small state. It is maybe the best example of small power, judging the power of its military forces, its political influence on the centres of power in the West especially, and its developed economy. Jordan is a small state that represents a factor of region's stabilisation and peace efforts. It co-exists with Israel and, at the same time, tries not to jeopardise its relations with its brotherly Arab nations. Because of its objective weakness compared with its neighbours, it is the best policy that has kept Jordan out of war for decades, in a region marked by conflict and instability (Ponížilová 2013). Lebanon is the smallest state of the region, which was torn by civil wars. Lebanon is a weak state that was under a decisive influence of Syria for decades. Now it represents in the neighbourhood of a civil war in Syria, accepting large numbers of Syrian refugees. Until recently, the fact that the world is becoming multi-polar does not have influence on these states. Nevertheless, with the Russian involvement in the Syrian War, and the recent growth of Chinese influence in the Arabian Peninsula, it has become much clearer that the world is increasingly becoming multi-polar.

The Arabian Peninsula—the region comprises more than half of the world's oil reserves, and a significant portion of gas reserves, which gives it the utmost strategic value for the dominant state. However, it is also of the growing importance for the two contender states (China and India) and their still booming albeit currently gradually slowing economies. Small states of the region share a couple of similarities and cooperate between themselves through the Gulf Cooperation Council (GCC), developing military, economic, and political cooperation, all under the watchful eye of the large state in the region, Saudi Arabia, and the world's dominant state, the United States. The alliance between the regimes of Saudi Arabia and small states of the region on one side, and the United States on the other, is a continuity and a fact that defines the security relations in the region, as well as a large proportion of the region's political and economic relations.

South Asia—by the criteria used here, only two small states were identified, Bhutan and the Maldives. Nevertheless, if we would use the relational criteria adjusted only to this region, all states except Pakistan could very likely be considered as small compared with India, although Bangladesh has more than 160 million people. The region is marked by the size and power of India, and the India-Pakistan rivalry, with the important role of China and the United States. These facts leave small states of the region with even less possibilities that they would have if the relations in the region were slightly different. Bhutan is an underdeveloped, land-locked state (similar as larger Nepal) in the Himalayas, dependent on India, and located in the geopolitically sensitive "break" of the India-China border. Maldives are a small island state in the Indian Ocean, dependent on tourism, and threatened (like many other small island states, particularly of the Micronesia) by the rising sea levels. Their powers of persuasion are like in most of the small island states limited to public campaigns and warnings about the rising levels of the sea.

South-East Asia—this is the region of Asia, which is under the most powerful rising influence of a prime contender state, China. Besides being "adjacent" to East Asia, it is also a region where China has significant geopolitical and geoeconomic interests and ambitions. Territorial disputes in the South China Sea, economic influence, military buildup, and the activities of the US Fleet all contribute to the situation that fuels grievances and disputes. The states from the region, large and small, cooperate through the ASEAN and AFTA, with the United States providing the role of a "big brother" that should protect the member states against the rising southward Chinese influence. There are even signs that the ASEAN states could form a defence community in the future (Wivell 2015). By being located geographically far away from the region, the United States seems a better choice of an ally for these states than China does. In the past several years, ASEAN and China, Japan, and ROK (Republic of Korea) paced up their negotiation on bilateral trade agreements; a comprehensive and mature framework of "10+3" (ASEAN+China, Japan, and ROK), even extending to that of "10+6" (ASEAN+China, Japan, ROK, Australia, India, and New Zealand) (Cui 2012, 85). With the pullout of the United States from the Trans-Pacific Partnership (TPP), it will be interesting to see the future complexity of free trade cooperation and exclusion in the region.

Africa

The biggest problem and security challenge for most of the African states, small, mid-size, and large, is the state itself, because of its internal weakness and non-state actors that threaten the survival of that state. Concurrently, non-state rivals present the second most important threat to the African state. Throup (1995) noted that the African state is too weak to govern effectively, to penetrate society more than superficially, or to deliver social services; but it is strong enough to grab scarce resources, to become the key target for rivals in the process of resource allocation, to push economic activity into the black market, and to crush other institutions (Buzan and Waever 2003, 226). These factors are causing the fragmentation of the state, which is more often than in other parts of the world, and it has, since "the Arab Spring," spread in Northern Africa as well. Weak states of Africa are also more prone to the outside influences. Nevertheless, these influences do not threaten their mere survival as states; only the regimes can be threatened and replaced with the similar ones. The dominant and contender states are satisfied with the situation—weak states that export resources almost exclusively fit perfectly into geopolitical economy; hence, resources are necessary for both uneven and combined development. The United States clearly has concerns about the presence of China in Africa, but it is too deeply involved in the crises in the other, more geostrategically important parts of the world that it cannot dedicate enough "attention" to Sub-Saharan Africa.

Northern Africa—the region represents a broad transition zone between the Middle East "proper" and the rest of Africa. Two small states of the region (Libya, Tunisia), as well as the region itself with more or less intensity in its various parts, have been in the past 65 years undergoing a deep and tumultuous period, as a consequence of something that started as "the Arab Spring." It quickly turned into civil wars, internal fragmentation, and strong activity of the so-called Islamic State (IS) terrorist cells. Tunisia has seen a meltdown of its most important export economic activity—tourism, due to terrorist attacks on tourists. The state has, however, managed to avoid a civil war and internal teardown. Both states are faced with severe internal problems and terrorist activity. In these circumstances, the foreign policies cannot be coherent and are at present shaped by these two threats. Larger neighbouring states do not pose a threat for the survival of these states; the real problem is internal strife connected with the Islamist fundamentalist terrorism.

Western Africa—Nigeria is by far the largest state in the region (and in the whole continent). The African states are marked more by internal problems than by threats of their own survival from the neighbouring states. Nigeria is a state towards which small states of Western Africa can bandwagon, seeking help and protection if needed. The region has seen some forms of mutual peace-making cooperation when the Economic Community of West African States (ECOWAS) established the Economic Community of West African States Monitoring Group (ECOMOG) in 1990, as a West African multilateral armed force, in which the dominant force were Nigerian troops. The customs and monetary union, CEMAC, has its limits and is not important outside the region's borders due to the weakness of the economies that participate in it. It goes for the UEMOA customs and monetary union in Central Africa as well.

Central Africa—this is a natural resource–abundant region located in the middle of Africa. States that are located on the coasts (excluding the DR Congo, which has only 40-kilometre-long coastal corridor) are much more politically stable and economically better off than the states in the interior of the region (the DR Congo, the Central African Republic). During the 1990s, large parts of this region experienced a political and social meltdown that resulted in and from the Central African War. The three oil-abundant states from the region, Republic of Congo, Equatorial Guinea, and Gabon, can be considered as small. The long-term influence of the

West in these states, like in many other parts of Africa as well, is slowly retreating because of the influence of China, driven mainly by its "thirst" for oil and commodities in general. This development opens possibilities for the balancing between the West and China for the regimes of Equatorial Guinea and Gabon. The Central African Republic has a small population; it is surrounded by larger states, suffers from poverty and internal weakness, and is a land-locked state, which contribute to its overall economic weakness. The influence of France is still powerful in the Central African Republic and Gabon (Buzan and Waever 2003, 250–51), as in former French colonies of Western Africa. The primary level of threat for these small states is domestic, as in other parts of Africa mostly, and it is connected with the possible threats to the regimes in oil-rich states or with the internal conflict and meltdown like in the Central African Republic. The dominant and contender states so far have not shown a desire to get themselves involved in serious regime-change processes, as long as the oil from the region keeps flowing. With a surplus of oil supply at the world markets and low prices of oil, the importance of oil from Africa has made the region geo-economically and strategically less important.

Eastern Africa—by the classification developed for the purpose of this article, this region of Africa comprises 11 small states, 8 in the mainland Africa (Burundi, Djibouti, Eritrea, Malawi, Rwanda, South Sudan, Uganda, and Zimbabwe) and 3 small island states in the Indian Ocean (Comoros, Mauritius, and Seychelles). The region could also be defined in a different way, divided in smaller sub-regions, such as The Horn of Africa, Eastern Africa (smaller region), and the Indian Ocean could be treated as a separate entity, which would then also include Maldives. However, due to the connectedness of the political, economic, and security aspects and challenges for the overwhelming majority of the states mentioned, as well as the existence of a free-trade area (COMESA), the region was treated as an entity (in African terms, where connections and cooperation between the states of the same region are very often much lower than between the particular states and the outside influences, such as the United States, Chinese, or French influence, for example). In the last decade and a half, the region has been experiencing the rising influence of China. The influence of India, which represents the geographically closest contender state to the region, is also on the rise. These influences are mostly of economic nature. Both contender states mentioned, as the most important emerging economies of the world, which comprise about 35% of the world's population, are very interested in the region since they are resource "thirsty" (hence, oil is the prime object of this interest). Eastern Africa is one of resource rich regions of Sub-Saharan Africa, and at the same time the most vulnerable, and comprising many small and weak, underdeveloped states. The United States focuses on Ethiopia, Uganda, and Rwanda, which are supposed to be an axis that would contain the influence of China. However, it cannot cope with the economic influence of China and the relations that it has with the domestic elites. The region is a stage for Chinese economic influence. Similar goes for Central Africa. In Western and Southern Africa, the influence of Nigeria and South Africa, as well as the West, is more powerful. Therefore, the Chinese influence cannot penetrate these regions with such intensity. Central and Western Africa are the regions whose small states are reacting to multi-polarity mostly by choosing the preferential partner or balancing between the dominant and the prime contender state.

Southern Africa—the region is crucially marked by the influence of South Africa, the largest economy of the continent and a state. If it had not been torn by its internal difficulties and problems, South Africa could be a regional hegemon. Two small states, Lesotho and Swaziland, are especially dependent on South Africa (Lesotho is surrounded by South Africa). Botswana and Namibia have large territories and a very small population. Nevertheless, Botswana was the only Sub-Saharan economy that sustained growth over three, indeed four, decades since its independence, which was in 1966. Botswana averaged 9.3% annual growth (Berthélemy and Söderling 2001, 324–25). Most threats to these small states, besides poverty (in Lesotho and Swaziland particularly) are of the internal nature (the AIDS epidemic notwithstanding). The Chinese influence in Southern Africa is less powerful than in the other parts of Sub-Saharan Africa.

Oceania

Oceania, as a realm, is of small geostrategic and economic relevance for the world in general, so the "battle" between the dominant and the contender states certainly will not be "won or lost" there. Nevertheless, the regions that surround Oceania from the east (the Asia-Pacific Rim) are described as the next hub of the world and the interest of the United States has moved significantly into the Pacific Rim. All three regions of the Oceanic realm, Melanesia, Micronesia, and Polynesia have, their similarities and differences. All together, these regions comprise 12 small island states. Small states of Melanesia, all except Papua New-Guinea, are true small island states, characterised mainly by their smallness and remoteness.

Some small island states are so small and vulnerable that they can be referred to as "microstates" Anckar (2010, 2). In his studies of the connection between smallness and democracy, Anckar defines microstates as states with less than 1 million inhabitants, however, he also leaves a possibility that the threshold could be put at half a million. By using the definitions of microstates, Dumienski (2014, 25) lists three states from Oceania: Federated States of Micronesia, Marshall Island, and Palau (all from Micronesia and under the protection of the United States) and two dependencies: Niue and Cook Islands, from Polynesia and under the protection of New Zealand, as microstates.

In Oceania, the traditional powers have been "buying" various services through donor aid. The aforementioned protected states are also a result of that reality, combined with protection. According to Poirine (1995), aid to islands is a type of trade for "geostrategic services" including use as military bases or missile launching/testing sites, for denying air and sea access to donors' enemies or for voting donor preferences in international fora (in McElroy and Bai 2008, 234). The rising influence of China is visible in Oceania as well.[7] The area referred to as Oceania has witnessed major growth in Chinese commerce, aid, and investment over the past two decades. According to Wesley-Smith (2007, 9), these island states "play a small but increasingly significant role in the PRC's effort to further its economic and strategic interests." For example, Beijing is fast becoming the third largest island trader behind Australia and Japan (Lum and Vaughn 2007). Moreover, it is also reported to be the islands' third largest aid donor after Australia/New Zealand and Japan.

Conclusion

The influence of China on the regional level on small states in some of the world's regions that were until the beginning of this century or even in its first decade, in a way still "reserved" for the world's still dominant state, the United States and former colonial masters (France in Africa for example), is increasing. This rising influence on small states in almost every region of the world is one of the indicators of the process of transformation of the world towards a higher degree of multi-polarity. The Chinese influence cannot be ignored in any part of the world, but it is especially visible in the regions adjacent to China, and the regions which lack powerful economic unions and are composed of mainly small economies. Nevertheless, the conclusion is that Chinese influence is most powerful where the aforementioned conditions are satisfied, so the regions (besides East Asia, which does not comprise any small states, and is the region where China is located) are the following: Central Asia, South-East Asia, all the regions of Africa (except Northern), Central America, and even parts of South America (if it were not for Brazil as a contender state albeit of a much lower significance, the Chinese influence would be much stronger).

The focus of strategic engagement of the United States (the Near East and the Arabian Peninsula, Northern Africa) and/or the economic/monetary unions (the EU—Europe, the Caribbean) keeps the Chinese influence contained in other regions of the world where there are many small states. Nevertheless, the EU, which is a regional economic integration of the highest degree and with enormous economic power, while protecting its small members against an overarching Chinese economic and/or Russian military-political influence (which is a privilege that small states in most regions of the world do not have) concurrently lacks the real mechanisms to protect its small states (economies) against the influence of large EU members and transnational capital of primarily German and Atlantic origin.

It is also important to recognise the influence of other contender states, mainly in their adjacent regions (Russia in Eastern Europe and the Near East, with its allies in the Americas, such as Cuba and Venezuela, Brazil in South America, India in South Asia and Eastern Africa). Some regions are faced with a rising influence of the regional players (Nigeria in Western Africa, South Africa in Southern Africa, Australia in Melanesia, and New Zealand in Polynesia), although their influence is primarily a result of the absence of competitors and a lack of a strategic interest of the dominant and the contender states.

We can revisit the concept of the Triad in the international economy. Initially, the concept of the Triad included Anglo-America, the EU (later the EEA as well), and Japan. In the 1990s, East Asia besides Japan was added, excluding China (and North Korea obviously). It is obvious that small states, which belong to the Triad regions, and the states that are firmly connected with the economic and political structures of the Triad (Australia, New Zealand, the petro-dollar states of the Arabian Peninsula) are the ones who are managing to withhold Chinese influence most firmly in comparison with the states from the other regions of the world. South-East Asia, especially its insular part, is exactly the contemporary and future "battleground" of the US and Chinese influence, evident from the recent developments and the changes in the US global geostrategy. In addition, it is located exactly between the eastern anchor of the Triad (Japan, South Korea, and Taiwan) and the US political and military allies to the south (Australia and New Zealand). The reasons lie in the economic power and the level of economic and political cooperation and interconnectedness between the Triad and these states, which are tied to the United States in particular, economically and politically. It is not just about its political power and its military might, but also about the ability to draw into economic and political organisations (and military alliances) many Western and pro-Western states (or at least states where the elite is mostly pro-Western like in the GCC states). Soft power, manifested through the cultural influence, also makes the United States so attractive for the elites and parts of the population in most states of the world. The Chinese influence in these matters is immeasurably smaller.

China, and Russia and Brazil, albeit at a much lower level, are managing to sustain and increase their influence in the regions where the US influence is waning or the United States is not crucially interested and/or capable of increasing their influence at the moment (Sub-Saharan Africa, and South America). Since the United States clearly has to focus on some regions, Southeast and East Asia are now seeing the rise of both US and Chinese influence. This brings us to the structure of the capitalist world system, that is, the dominant and the contender states, plus mid-size and small states, and also brings us to international but not global economy, and its reflections on the particular regions in which particular small states are located.

One of the most interesting characteristics of small states' actions in the international arena is balancing and "playing on both cards simultaneously" or switching sides, that is, using the rivalries and competition of the great powers or disputes as their comparative advantage in "extracting" a concrete financial help, resources, or certain concessions from large and mutually competitive states. The best examples include switches of the small (island) states of the Caribbean, Central America, and the Pacific Ocean in recognising and withdrawing recognition of China or Taiwan, as well as the actions of the Baltic and some Central European states in using the US-Russia rivalry. With the expected further development of multipolarity in the foreseeable future, the actions of the small states could become even more pragmatic and include playing on the card of a great power rivalry.

The conclusion about the strategies of small states that respond to the multipolar world when it comes to regional economic organisations is the following: Small states' responses differ and represent a product of the state's regional position, history, and economy. The international capitalist economy and the transnational capitalist class have actually narrowed, and not broadened, the choices of small states; hence, a higher level of regional economic integration, while protecting small states from outside influences up to a point, concurrently makes them more vulnerable to the influence of large states from the integration itself.

Appendix

Continent/world region	*Groups of small states on the continent/ world region*	*Small states included*
Europe (39)	Small states of the EU (20)	Austria, Belgium, Bulgaria, Croatia, Cyprus, Czech Republic, Denmark, Estonia, Finland, Greece, Hungary, Ireland, Latvia, Lithuania, Luxembourg, Malta, Portugal, Slovakia, Slovenia, Sweden
	Small European states that opted to stay outside of the EU (3)	Iceland, Norway, Switzerland
	Microstates of Europe (5)	Andorra, Lichtenstein, Monaco, San Marino, the Vatican City State
	The Western Balkans states (6)	Albania, Bosnia-Herzegovina, Kosovo, Macedonia, Montenegro, Serbia
	Small non-integrated states in the European and Caucasian part of the Post-Soviet space (5)	Armenia, Azerbaijan, Belarus, Georgia, Moldova

Continent/world region	*Groups of small states on the continent/ world region*	*Small states included*
Asia (19)	Small states of Central Asia (4)	Kyrgyzstan, Mongolia, Tajikistan, Turkmenistan
	Small states of the Near East (3)	Israel, Jordan, Lebanon
	Small states of the Arabian Peninsula (5)	Bahrain, Kuwait, Oman, Qatar, The United Arab Emirates
	Small states of South Asia (2)	Bhutan, Maldives
	Small states of Southeast Asia (5)	Brunei, Cambodia, Laos, Singapore, Timor-Leste
The Americas (23)	Small states of the Caribbean (15)	Antigua and Barbuda, Bahamas, the; Barbados, Belize, Dominica, Dominican Republic, Grenada, Guyana, Haiti, Jamaica, Saint Kitts and Nevis, Saint Lucia, Saint Vincent and the Grenadines, Suriname, Trinidad and Tobago
	Small states of Central America (6)	Costa Rica, El Salvador, Guatemala, Honduras, Nicaragua, Panama
	Small states of South America (2)	Uruguay, Paraguay
Africa (31)	Small states of Northern Africa (2)	Libya, Tunisia
	Small states of Western Africa (10)	Benin, Burkina Faso, Cabo Verde; Gambia, the; Guinea-Bissau, Liberia, Mauritania, Sao Tome and Principe, Sierra Leone, Togo
	Small states of Central Africa (4)	Central African Republic; Congo, Republic; Equatorial Guinea, Gabon
	Small states of Eastern Africa (11)	Burundi, Comoros, Djibouti, Eritrea, Malawi, Mauritius, Rwanda, Seychelles, South Sudan, Uganda, Zimbabwe
	Small states of Southern Africa (4)	Botswana, Lesotho, Namibia, Swaziland
Oceania (12)	Small states of Melanesia (4)	Fiji, Papua New-Guinea, Solomon Islands, Vanuatu
	Small states of Micronesia (5)	Federated States of Micronesia, the; Kiribati, Marshall Islands, Nauru, Palau
	Small states of Polynesia (3)	Samoa, Tonga, Tuvalu

Acknowledgements

The author would like to thank Professor Radhika Desai for valuable comments and gaining access to relevant papers that helped in devising this article, which represents the first, introductory step in developing a regional approach in studying the specificities of small states and small economies in the multi-polar world using the theoretical framework of geopolitical economy. Further efforts will be devoted to studying the position of small states and small economies in particular regions of the world, through the research of their position in regional economic integrations and political-military alliances, respectively.

Notes

1. https://globaltrends2030.files.wordpress.com/2012/11/global-trends-2030-november2012.pdf, accessed December 14, 2015.
2. German economy had 2,933 billion PPS, while the 20 smallest economies of the EU had 2,985 PPS. The eight largest economies of the EU had 11,648 PPS, which was 3.9 times more than the 20 smallest economies of the EU. Data available at: http://ec.europa.eu/eurostat/statistics-explained/images/4/48/GDP_at_current_market_prices%2C_2005_and_2013%E2%80%932015_YB16.png, accessed March 28, 2017.
   If we consider the nominal GDP of the EU member states, then the situation is as follows: The eight largest economies produced about 12,068 billion Euros (82%), while 20 smallest economies of the EU produced 2,646 billion Euros (18%). Four largest economies of the EU (Germany, the United Kingdom, France, and Italy) were responsible for 62% of the total nominal GDP of the EU. Data available at: http://ec.europa.eu/eurostat/tgm/refreshTableAction.do?tab=table&plugin=1&init=1&pcode=tec00001&;language=en, accessed March 28, 2017.
3. Serfati (2016, 259) also states, "In short, economic and political drivers of EU integration have been closely intertwined, confirming that political institutions form a key component of contemporary capitalism." (. . .) "The strengthening of the institutional architecture of the EU has been a key factor in understanding how UCD works in the EU and how unevenness is perpetuated between and within countries. As has become increasingly clear since the 2008 crisis, imbalances existing between member states have deepened, with Germany increasing the gap with other countries."
4. http://latampm.com/2016/02/29/venezuelan-collapse-poses-a-threat-to-17-nations/, accessed March 5, 2016.
5. http://www.mcclatchydc.com/news/nation-world/world/article24782122.html, accessed February 28, 2016; http://latino.foxnews.com/latino/news/2015/04/30/nicaragua-agrees-to-house-russian-satellite-bases-on-its-soil/, accessed February 28, 2016.
6. http://www.smithsonianmag.com/science-nature/new-canal-through-central-america-could-have-devastating-consequences-180953394/?no-ist, accessed February 28, 2016; http://www.theguardian.com/world/2015/nov/27/nicaragua-canal-postponed-chinese-tycoon, accessed February 28, 2016.
7. http://news.xinhuanet.com/english/2017-03/27/c_136161549.htm, accessed March 28, 2017.

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