

Lilliputian Choice

Explaining Small State Foreign Policy
Variation

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4/1/2014

International Affairs Departmental Honors Thesis
University of Colorado-Boulder

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Small states are often argued to be negligible in the big picture of international relations with little agency to pursue their interests. However, this view has recently been challenged by the actions of a number of particularly active small states taking advantage of new avenues of influence which are more suited to their diminutive size. Yet this does not explain why some small states have pursued a highly active foreign policy while others have continued to stay on the sidelines. This paper argues that a high degree of internal stability and external ambiguity is linked to a small state with a high level of foreign policy initiative. This theory is supported through an OLS regression analysis utilizing new meta-data to measure external activism. A comparative exploration of a highly active Qatar and a more timid Kuwait demonstrates how small states with similar characteristics can display varying levels of foreign policy initiative.

Introduction

In the Westphalian system states come in a variety of sizes. In international relations these sizes matter a great deal. From military capabilities to economic clout, size is a significant and ubiquitous aspect in understanding the behavior of states. Small states are often seen as negligible in the larger context of great power politics. Yet in recent years there have been a number of small states taking on an increasingly active role on the global stage. Changes in the international system have given these bantam states new avenues to try to influence others and take on a foreign policy profile above their diminutive stature. Present day Lilliputians have a choice to pursue a foreign policy beyond what previous literature would limit them to. However, there is substantial variation among small states in the extent to which they have pursued an outsized foreign policy. Why have some small states demonstrated a higher level of foreign policy initiative than others? I argue that confidence in internal stability alongside a perception of external ambiguity leads a small state to pursue a high level of

foreign policy initiative. A stable domestic political environment and a lack of external certainty or direction are drivers of a small state taking an active role beyond its borders.

States with global or regional hegemonic capabilities possess the incentive to develop a high level of foreign policy initiative in order to further their interests and security in an attempt to increase their power. The size of these state's influence in the international realm along with the benefits of shaping international institutions and structure once in charge make their activity in international relations a part of their political culture. For a small state these benefits are likely outside the realm of possibilities as they increase their level of foreign policy initiative. For this reason it is important to look at small states differently than middle or large powers when talking about the development of foreign policy preferences.

Small states make up the vast majority of the international system. Of the 191 UN member-states it is estimated that no more than two dozen would assuredly fall outside this category¹. Despite this numerical superiority the study of small states foreign policy is often overlooked. It is important to understand the place of small states in terms of international relations. A vital aspect of this in the 21st century is providing answers to explain the variation in these small state's foreign policies. To start this paper will first give an overview of the previous academic literature on small state foreign policy. The next chapter will present the theoretical argument of this thesis in explaining the variation in small state foreign policy. This theory will then be tested quantitatively through a multiple regression analysis. Lastly, an in-depth investigation of relevant case

¹ Iver B. Neumann and Sieglinde Gstohl, "Introduction: Lilliputians in Gulliver's World?," in *Small States in International Relations*, ed. Christine Ingebritsen et al. (Seattle: University of Washington Press, 2006), 3.

studies will exhibit how small state foreign policy is shaped and expressed as well as illustrating both the validity and difficulty in applying my theory to real-world circumstances. This paper will explore a dichotomous case study, Qatar/Kuwait.

Literature Review

What Makes a State “Small?”

The first attempt to categorize states according to size was the Treaty of Chaumont in 1817¹. The wave of newly independent states during the 1960's gave rise to a debate on how to define a small state². The most commonly applied criteria are an objective classification based on population, geographic area and economic capacity³. For instance Clarke & Payne defines a small state as one with a population under 1 million people⁴, while East partitions small states as those with a population under 23.7 million people⁵. Moving beyond only a population classification, Crowards utilizes a cluster analysis taking into account the population, area and wealth of 190 states in order to create 5-tier classification system of state size⁶. These definitions allow for a coherent classification for possible testing, but are hampered by their arbitrary nature and inability to include possible economic or geographic outliers.

A more subjective classification is also commonly utilized. Small states are often defined by their position within the international system. Vital argues that a small state is ‘small’ in relation to a greater power it is interacting with⁷. According to Keohane, small states are those that are “system ineffectual,” that is they are unable to influence

¹ Robert Rothstein, *Alliances and Small Powers* (New York: Columbia University Press, 1968), 12–3.

² Nazrin Mehdiyeva, *Power Game in the Caucasus* (New York: Palgrave Macmillan, 2011), 16.

³ Tom Crowards, “Defining the Category of ‘Small’ States,” *Journal of International Development* 14, no. 2 (March 2002): 143.

⁴ Colin Clarke and Tony Payne, eds., *Politics, Security, and Development in Small States* (Winchester, MA: Allen & Unwin Inc., 1987), XVII.

⁵ Maurice A. East, “Size and Foreign Policy Behavior: A Test of Two Models.,” *World Politics*, 25, no. 4 (July 1, 1973): 563.

⁶ Crowards, “Defining the Category of ‘Small’ States.”

⁷ David Vital, *The Survival of Small States* (London: Oxford University Press, 1971).

the international system⁸. Rothstein defines small states not as “great powers writ small,” but as states that see themselves as weak within the international system and require the security of outside help⁹. This definition however includes many large or medium sized states that do not have complete military self-reliance. Hey also looks to perception, both from within and outside the state, in order to define small¹⁰. Maass identifies a division between definitions based on ‘hard’ quantitative data and those utilizing a more subjective qualitative approach. He however argues that the lack of consensus on a definition is in fact beneficial to the field by allowing flexibility in order to match different research designs, “the study of small states allows for – it may even call for – a variety of different conceptualizations”¹¹.

Small States Confined by the Cold War

The initial research focusing on small states in international relations came out of the rise of the non-aligned movement during the Cold War. It thought of small states in terms of the realist perspective at an international systemic level, or what Waltz terms *the Third Image*¹². David Vital was one of the first to concentrate on small states. His book focuses on small states in conflict with larger powers within a hierarchical international system. He utilizes three case studies to demonstrate how small states are disadvantaged in their interactions with larger states due to their inability to utilize force. Because of their lack of capability to defend themselves within the international

⁸ R O Keohane, “Lilliputians’ Dilemmas: Small States in International Politics,” *International Organization* 23, no. 2 (1969): 291–310.

⁹ Rothstein, *Alliances and Small Powers*, 1–30.

¹⁰ Jeanne A. K. Hey, “Introducing Small State Foreign Policy,” in *Small States in World Politics: Explaining Foreign Policy Behavior*, ed. Jeanne A. K. Hey (Boulder, CO: Lynne Rienner, 2003), 3.

¹¹ Matthias Maass, “The Elusive Definition of the Small State,” *International Politics* 46, no. 1 (2009): 81.

¹² Kenneth N Waltz, *Man the State and War: A Theoretical Analysis* (New York: Columbia University Press, 1959).

system it is argued that small states are first and foremost concerned about their security and are therefore forced to react to their external environment much more than domestic conditions¹³. Vital tries to show that in conflict between a power and a tertiary state the end result depends on the role the small state plays in the goals of the great power¹⁴. However, Vital does make a distinction between the intrinsic and the contingent capabilities of small states¹⁵. The significance of a minor power is determined by its contingent role within the international system despite its lack of intrinsic capability, either politically or militarily.

Rothstein and Keohane both look at small states as subservient to their external environments and primarily concerned with their insecurity in the same manner of Vital. Rothstein argues that small states are much more likely to utilize international organizations in order to more effectively pursue their foreign policy aims¹⁶.

International organizations are likely to treat states equally and provide security to its membership, thereby creating a more equalized playing field for the small state¹⁷.

Keohane furthers the discussion by arguing that at least some of a small state's behavior can be explained by the ideas that the state holds about itself and its position within the international system¹⁸. This is the first instance of an argument for domestic factors having an influence in shaping small state foreign policy

East produces the first quantitative analysis of small state foreign policy patterns. Utilizing the *Comparative Research on the Events of Nations* dataset, East explores the

¹³ Vital, *The Survival of Small States*, 124.

¹⁴ *Ibid.*

¹⁵ *Ibid.*, 9.

¹⁶ Rothstein, *Alliances and Small Powers*.

¹⁷ *Ibid.*, 42.

¹⁸ Keohane, "Lilliputians' Dilemmas: Small States in International Politics."

similarities and differences in foreign policy between large and small states during the 1959-68 period. He finds that even when controlling for level of development, small states are less active within the international system than their larger counterparts¹⁹. He also shows that small states have a higher percentage of events initiated while partnering with other states, as well as events targeted at an entire international organization²⁰, supporting Rothstein's argument. East also found that small states are more likely to engage in nonverbal behavior, indicating a greater inclination to actual foreign policy 'actions' instead of 'words.' In a separate article East explains his previous findings by focusing on the ineffectiveness of the Ugandan Ministry of Foreign Affairs to influence policy in a small developing state²¹. In general, early literature concerning the foreign policy behavior of small states focused on their inherent 'weakness' within the international system and the manner in which they can confront the dependence which derives from it.

New Levels of Analysis

After the end of the Cold War a new wave of small state foreign policy literature emerged outside of a *Third Image* analysis. Miriam Elman challenges the assumption that the foreign policy of small states can be accounted for by external structural or systemic factors²². Utilizing 19th century US foreign policy as a case study she argues that domestic rules and structures have more effect on military strategy than external factors. In general, Elman argues that both domestic and external levels of analysis are

¹⁹ East, "Size and Foreign Policy Behavior: A Test of Two Models.," 563.

²⁰ Ibid., 565-6.

²¹ Maurice A. East, "Foreign Policy-Making in Small States: Some Theoretic Observations Based on a Study of the Uganda Ministry of Foreign Affairs," *Policy Sciences* 4, no. 4 (1973): 491-508.

²² Miriam Fendius Elman, "The Foreign Policies of Small States: Challenging Neorealism in Its Own Backyard.," *British Journal of Political Science* 25, no. 2 (April 1995): 171.

important because “while international environment influences domestic political choices, these institutional decisions shape foreign policies in later periods”²³. Doeser argues that changes in the domestic political situation can impact foreign policy change in small states²⁴. Looking at the change in Danish policy towards NATO during the late-80s the author contends that the changes in political party opposition as well as public opposition brought about a reversal of long-standing foreign policy, regardless of the external environment.

Hey takes the analysis a step further by investigating Luxembourgish foreign policy in the 1990’s at a systemic, domestic *and* individual level²⁵. The article finds that Luxembourg uses its lack of size as an advantage. At the systemic level, Luxembourg can be highly active within the European Union without posing a threat to other states. At the domestic level its small population allows for the development of a national consensus on foreign policy goals among both the elite and public. At the individual level there are few if any drawbacks or advantages to size, but it is pointed out that their skilled and well-respected Prime Minister is beneficial to their foreign policy ambitions²⁶. However, even when accounting for all three levels of analysis, Hey still finds that Luxembourg’s wealth is its most important factor in explaining its active role.

According to Gvalia et al. elite ideas are more important than structural or material factors in explaining small state foreign policy. The article looks towards constructivism to explain small state foreign policy behavior. The authors focus on elite

²³ Ibid., 217.

²⁴ Fredrik Doeser, “Domestic Politics and Foreign Policy Change in Small States: The Fall of the Danish ‘footnote Policy’,” *Cooperation & Conflict* 46, no. 2 (June 2011): 222–41.

²⁵ Jeanne A. K. Hey, “Luxembourg’s Foreign Policy: Does Small Size Help or Hinder?,” *Innovation: The European Journal of Social Sciences* 15, no. 3 (September 2002): 211–25.

²⁶ Ibid., 217–22.

ideas about the identity and purpose of the state²⁷, in doing so they contend that the pattern of Georgia's foreign policy can be explained by the western outlook of their elites. Employing interviews with decision-makers within the Georgian government, the article finds that "Joining NATO and the EU are valued not only in terms of the security and prosperity they afford, but equally as an external affirmation of Georgia's European identity"²⁸. While many realists may argue that Georgia should be bandwagoning with Russia, the small Caucasus state has instead continued to position itself closer to the West despite changes in the external environment (e.g. 2008 Russia-Georgia War). This assertion of identity over structure runs contrary to much of the early literature on small state foreign policy. In explaining small state foreign policy-making it is important to take into account multiple levels of influence.

Small State Foreign Policy in the 21st Century

For many scholars it became apparent that in the post-Cold War era small states have shown themselves to participate in the international system in ways unaccounted for in previous literature. The explanations for why and how these changes have occurred vary. Cooper & Momani argue that the 21st century presents a far greater range of choices and outcomes for small states, both in terms of failure and success²⁹. Interdependence creates a greater opportunity for a small state to become a failed state, but at the same time presents opportunities for it to be upwardly mobile in international relations. The authors argue that the literature on small states cannot accurately explain

²⁷ Giorgi Gvalia et al., "Thinking Outside the Bloc: Explaining the Foreign Policies of Small States.," *Security Studies* 22, no. 1 (February 2013): 100.

²⁸ *Ibid.*, 116.

²⁹ Andrew F. Cooper and Bessma Momani, "Qatar and Expanded Contours of Small State Diplomacy.," *International Spectator* 46, no. 3 (September 1, 2011): 115.

the unique diplomatic role of Qatar. The article argues that for small states' foreign policy to "punch above their weight" they must be resilient economically and politically. This resilience is adaptive and pragmatic policymaking in order to overcome the vulnerability of their size, while taking advantage of the opportunities that interdependence presents³⁰. Qatar is the exemplifier of this resilience by upgrading its diplomatic reputation through a variety of ways over many different areas and crises.

Mehdiyeva also argues that the 21st century presents new opportunities by introducing the strategy of *strategic maneuvering* to explain the post-Cold War foreign policy of Azerbaijan. This strategic maneuvering "has the enhancement of sovereignty and autonomy over its domestic and foreign policy as the main goal"³¹. It is different from neutralism in that it pursues areas of mutual interest through pro-active engagement with a variety of large states, thereby maintaining a high international position³². With its abundant energy reserves Azerbaijan is able to have a high level of interaction with great powers without falling under any one sphere of influence. "In essence, strategic maneuvering envisages a partial accommodation of great-power interests without a formal alliance with any of them"³³. Chong believes that symbolic, or soft power, is especially efficient for small states to enlarge their importance to the international community. The article cites Singapore and the Vatican City as two small states that have utilized their soft power in political economy potential, models of good governance and diplomatic mediation³⁴. As he claims, these two states "manifest these

³⁰ Ibid., 117.

³¹ Mehdiyeva, *Power Game in the Caucasus*, 26.

³² Ibid., 27.

³³ Ibid.

³⁴ Alan Chong, "Small State Soft Power Strategies: Virtual Enlargement in the Cases of the Vatican City State and Singapore," *Cambridge Review of International Affairs* 23, no. 3 (September 2010): 383.

characteristics of small state soft power by converting their bases of anomalous power into instruments for virtual enlargement”³⁵.

Both Browning and Aaltola discuss the importance of identity in shaping small state foreign policy. Adopting a constructivist perspective, both argue that Finland has utilized its diminutive stature as an important part of their identity and the resulting foreign policy. Browning rejects that ‘smallness’ inherently results in weakness and that it can in fact be seen in a more positive light³⁶. Smallness is formulated differently in different national identity narratives. In Finland’s case this “has been narrated at different times as both a restriction and an opportunity and facilitating condition,” while in recent years the Finnish identity has put a greater emphasis on innovation and smartness over size³⁷. Aaltola furthers the identity argument by postulating that the tradition of Finnish foreign policy flexibility which developed during the Cold War has given Finland greater agency in international politics because “small state agency may be based on flexibility, agility, and innovativeness”³⁸.

Braveboy-Wagner attempts to redeem the place of realism within the study of small state foreign policy by employing a perspective of power and anarchy to understand the use of *soft power* by small states, explaining the foreign policy behavior of Trinidad & Tobago.³⁹ Braveboy-Wagner argues that small states will generally focus on smaller foreign policy circles; for Trinidad & Tobago this is their regional neighbors

³⁵ Ibid., 386.

³⁶ Christopher S Browning, “Small, Smart and Salient? Rethinking Identity in the Small States Literature,” *Cambridge Review of International Affairs* 19, no. 4 (2006): 669–84.

³⁷ Ibid., 682.

³⁸ Mika Aaltola, “Agile Small State Agency: Heuristic Plays and Flexible National Identity Markers in Finnish Foreign Policy,” *Nationalities Papers: The Journal of Nationalism and Ethnicity* 39, no. 2 (2011): 258.

³⁹ Jacqueline Braveboy-Wagner, “Opportunities and Limitations of the Exercise of Foreign Policy Power by a Very Small State: The Case of Trinidad and Tobago,” *Cambridge Review of International Affairs* 23, no. 3 (September 2010): 407–25.

as well as a strong bilateral relationship with the US. For Braveboy-Wagner “even very small states can exercise power within limited domains as long as they possess certain capabilities....and are ready to seize available opportunities”⁴⁰. For Trinidad & Tobago these *capabilities* are their vast energy reserves, making them a relative economic hegemon within the Caribbean Basin (i.e. CARICOM). Any power that Trinidad & Tobago exerts is, according to Braveboy-Wagner, based on its possession of large natural gas reserves⁴¹. This argument is analogous to that made by Hey concerning Luxembourgish foreign policy being directly connected to its wealth. With appropriate resources and values a small state can craft a proactive and influential foreign policy in targeted areas. In general, Braveboy-Wagner takes a more judicious stance on small state capabilities in the 21st century by setting limits to their foreign policy realms.

In an overview of recent literature concerning small state foreign policy there is a discernible pattern of small states pursuing policies in international relations which are beyond what would be expected of them during the Cold War. Since that time small states have demonstrated an ability to act as a bigger player than their size should warrant. However, the explanation for why these states are both able and willing to pursue an outsized foreign policy has still not been established, or explored on a broad scale. This academic investigation will attempt to provide possible answers to this mystery.

⁴⁰ Ibid., 407.

⁴¹ Ibid., 412.

Determinants of Small State Foreign Policy

More Room for Small States

The international system in the 21st century has up to this point been characterized by greater economic interdependence¹, a high level of transnationalism and a devolved unipolarity². In this environment, small states possess a greater range of both foreign policy choices and outcomes³; their room for maneuvering has expanded. The new rules of the post-Cold War order have given small states more avenues to participate on the international stage in new ways. As Cooper & Momani note, during the 1990's many small states "were able to take advantage of the removal of barriers to international trade and investment through a variety of means"⁴. Simultaneously, the increase in energy and commodity prices that began near the start of the 21st century allowed small resource-rich states to vastly increase their wealth while at the same time providing them with an asymmetrical advantage in foreign policy⁵.

As large and lumbering universalist IGOs (usually dominated by great powers) falter in the devolved 21st century, new regional, ad-hoc or issue-specific groupings and organizations are taking a greater role in global governance⁶. Small states can have a

¹ Robert O. Keohane, *Power and Governance in a Partially Globalized World* (New York: Routledge, 2002).

² Amitai Etzioni, "The Devolution of American Power," *The Fletcher Forum of World Affairs* 37, no. 1 (2013): 13–34.

³ Cooper and Momani, "Qatar and Expanded Contours of Small State Diplomacy.," 115.

⁴ *Ibid.*, 116.

⁵ Kristian Coates Ulrichsen, *Small States with a Big Role: Qatar and the United Arab Emirates in the Wake of the Arab Spring*, HH Sheikh Nasser Al-Mohammad Al-Sabeh Publication Series (Durham University, October 2012), <https://www.dur.ac.uk/resources/alsabah/SmallStateswithaBigRole.pdf>.

⁶ Stewart Patrick, "The Unruled World," *Foreign Affairs*, 2014.

greater say in these newly salient actors. New Zealand has more influence in the free trade negotiations of the regional Trans-Pacific Partnership than in the Doha Rounds, while Qatar and the UAE can join an ad-hoc NATO led coalition intervening in Libya if they feel their interests align with the goals of the mission. The escalation of complex interdependencies between states has broadened the range of tools to expand foreign policy beyond military capabilities⁷. In this way this paper concurs with the liberal view that state power can vary across policy areas and that economic and cultural influences have become viable, and possibly more effective, foreign policy instruments⁸. Furthermore the perception of power has become more nuanced creating greater uncertainty in a state's perception of their own power. This uncertainty benefits small states by curbing great power's confidence in their ability to dominate smaller neighbors and control the unintended consequences of their actions⁹.

For a small state there are risks and benefits to pursuing an active foreign policy. It may bring the state political security and power, economic development and prestige while providing policy-makers with a higher level of approval. But as Chong remarks "Vocal diplomatic roles can generate negative side-effects in other political, economic and military dimensions if not adroitly managed."¹⁰ Or as Vital solemnly warns, mistakes by leaders of great powers can be disguised, but small state's mistakes are "too often beyond repair"¹¹. A small state with an outsized degree of foreign policy initiative

⁷ Joseph S. Nye, *Soft Power: The Means to Success in World Politics*, 1st ed (New York: Public Affairs, 2004).

⁸ Robert O. Keohane and Joseph S. Nye, *Power and Interdependence*, 3rd ed. (New York: Longman, 2001).

⁹ Toms Rostoks, "Small States, Power, International Change and Uncertainty," in *Small States in Europe*, ed. Robert Steinmetz and Anders Wivel (Burlington, VT: Ashgate Publishing, 2010), 95–99.

¹⁰ Chong, "Small State Soft Power Strategies: Virtual Enlargement in the Cases of the Vatican City State and Singapore," 384.

¹¹ Vital, *The Survival of Small States*, 12.

may find themselves isolated, weakened and, if not careful, threatened. Leaders who are responsible for these policy errors are likely to see their support dwindle. A high level of foreign policy initiative is not necessarily a smart decision for a state, but brings with it a large list of possible results.

What Constitutes Foreign Policy Initiative?

This paper will attempt to capture differences in the activeness of small states in the global system of states. This activity is termed in this paper as *foreign policy initiative*. A high level of foreign policy initiative is described as a state actively attempting to further their interests and increase their influence on the international stage. This term does not care about the end result of power or the effectiveness of such action, but instead on the attempt made by the state. This attempt is characterized by a large amount of substantial and autonomous activity initiated by the state, or in conjunction with other states, in events occurring abroad. A high degree of foreign policy initiative is also likely to be expressed as a greater degree of interaction in the international arena. For although North Korea may be a loud and contrarian voice, its lack of meaningful interaction outside of its borders does not demonstrate a high level of initiative.

Theory

Considering the uncertainty arising from a small state engaging in an active foreign policy it should be asked why they do so. Certainly states will develop policy to pursue their interests, but interests are one of the few ubiquitous feature of all states and therefore unable to explain the variation in question. Large and middle powers are

likely to see discernable outcomes from their foreign policy decision-making and have endogenous reasons for an active stance abroad.

In looking globally at small states there are two prominent factors determining foreign policy initiative. The first is the stability of the internal political environment. A regime that is unable to effectively govern or feels threatened is not as likely to pursue an active foreign policy. This domestic insecurity can derive from a variety of sources. At the lowest end of the spectrum is a “failed state” who has lost their *de facto* statehood of a monopoly on legitimate violence¹². On the other end would be an established democratic state whose leadership is facing an imminent political challenge from an opposition party, or is in a coalition or mixed government that is unable to form dynamic foreign policy preferences. The second important factor is the volatility of a state’s external environment. The more changeable a state views their position vis-à-vis their regional or international system the more likely they are to take on a high level of foreign policy initiative. The most concrete iteration of this would be a belief that another state poses a serious threat to their survival. This volatility is not always derived from a threat though, it can also be seen in the context of potential opportunities. A declining hegemon will open up new avenues for a small state to increase its influence, while a regional IGO may give a small state a greater ability to shape policy versus a bilateral relationship.

To be able to understand the preferences and behavior of states it is imperative to consider influences across levels of analysis. This theory does just that by taking into account state and systemic levels of analysis. It accepts Putnam’s premise that foreign

¹² Robert H. Jackson and Carl G. Rosberg, “Why Africa’s Weak States Persist: The Empirical and the Juridical in Statehood,” *World Politics* 35, no. 1 (October 1982): 2.

policy is determined at two-levels simultaneously¹³. Alons proposes a similar theory in answering what determines if states are more concerned with international or domestic constraints when shaping foreign policy¹⁴. She argues that when internal polarity is high and external polarity is low a state is more likely to take international considerations into account, and vice-versa. According to Alons internal polarity is “the degree of concentration of power in the hands of the government relative to society” and external polarity is “the degree of power concentration in the international system”¹⁵. My theory diverges in that it is trying to answer a different question and that my definitions of stability encompass much more than her polarities.

Internal Stability

Domestic factors are important in understanding foreign policy decisions and outcomes. Taking into account state level constraints allows for a greater range of possible variables to consider when developing theory¹⁶. Domestic political and institutional variation, it is argued, have a direct link in explaining international relations¹⁷. The state-society relationship can shape national preferences and identity¹⁸, while even in authoritarian systems institutions can allow regime insiders to hold

¹³ Robert D. Putnam, “Diplomacy and Domestic Politics: The Logic of Two-Level Games,” *International Organization* 42, no. 3 (Summer 1988): 427–60.

¹⁴ Gerry C. Alons, “Predicting a State’s Foreign Policy: State Preferences between Domestic and International Constraints,” *Foreign Policy Analysis* 3, no. 2 (2007): 211–32.

¹⁵ *Ibid.*, 212.

¹⁶ Derek Beach, *Analyzing Foreign Policy* (New York: Palgrave Macmillan, 2012), 62.

¹⁷ James N. Rosenau, *The Domestic Sources of Foreign Policy* (New York: The Free Press, 1967); Bruce Bueno De Mesquita and Alastair Smith, “Domestic Explanations of International Relations,” *Annual Review of Political Science* 15 (2012): 161–81.

¹⁸ Andrew Moravcsik, “Taking Preferences Seriously: A Liberal Theory of International Politics,” *International Organization* 51, no. 4 (1997): 513–53.

leaders accountable for foreign policy decisions to varying degrees¹⁹. Internal factors cannot be overlooked in explaining foreign policy.

Domestic stability is crucial for a small state to develop a high level of foreign policy initiative. It is assumed that any leader's first priority is to stay in power, whether through re-election or quelling opposition. Leaders who are overly constrained by their domestic weakness are unable to take on the risks and complexities of an active foreign policy despite the possible benefits. Small states need to develop pragmatic and agile policy in order to try to take on a role beyond their size in the international system. A stable domestic political environment is a cultivator of this dynamic external strategy.

Different regime types are likely to define domestic stability differently, especially when the instability comes from the elite level. An established democracy with low stability is likely to exhibit leaders lacking a public mandate and a contentious environment characterized by brinkmanship and a lack of bipartisanship. Instability for a fledgling democracy is likely to be a threat to the actual democratic institutions themselves. A party-based authoritarian system with internal instability is likely to see inter-party competition for leadership. A personalistic authoritarian regime would be worried about rivals, either in the family or in the junta, vying for a change in powers. In all cases widespread protests and unrest below the elite level are also a marker of low internal stability. The same can be said for an actual internal threat to the state itself (e.g. ETA in Spain, Boko Haram in Nigeria). My definition of internal stability differs from other ones like Alons which focus more on fixed institutional and societal inputs

¹⁹ Jessica L. Weeks, "Strongmen and Straw Men: Authoritarian Regimes and the Initiation of International Conflict," *American Political Science Review* 106, no. 2 (May 2012): 326–47.

on government. Mine deals more with the fluid dynamics of the political environment shaping foreign policy preference making.

External Ambiguity

States do not exist in a bubble fit neatly around their borders. They are part of an international system which shapes the actions and characteristics of them. In understanding foreign policy behavior the systemic level is crucial to place policy-making in a fully-fledged context. It has been argued often that small states in particular are susceptible to systemic pressures because of their vulnerability²⁰. As has already been described, it is changes at this level which have resulted in a new environment for small states to pursue a high level of foreign policy initiative. Perhaps it is at this same level where variation will be able to be explained.

Small states lack the material capacity to be an influential force around the world and across the totality of issue areas. They instead must prudently react to the extraneous circumstances forced upon them. By viewing small state diplomacy in this light, some external conditions would favor a large foreign policy initiative more than others. If a state feels that the pressure and constraints of their external environment are not likely to change from the status quo they will be less likely to pursue extensive foreign policy. Extending from that proposition, a small state that believes that its actions can create discernable benefits for itself will demonstrate a high level of foreign policy initiative. A small state comfortable with the status quo will not.

²⁰ Vital, *The Survival of Small States*, 8; Jeanne A. K. Hey, "Refining Our Understanding of Small State Foreign Policy," in *Small States in World Politics: Explaining Foreign Policy Behavior*, ed. Jeanne A. K. Hey (Boulder, CO: Lynne Rienner, 2003), 186–93.

External environment is highly malleable to the perceptions of a state. What constitutes the environment of a state is not fixed by geographic boundaries. Because Chile perceives itself as a Pacific Rim nation it will pursue an active foreign policy in order to take advantage of the opportunities which come from interaction with Asia and North America, this includes membership in APEC and the Pacific Alliance²¹. Ecuador also lies on the Pacific coast, but does not hold the same western outlook. It instead looks closer to the more statist Latin America where fewer opportunities for change exist in the Brazilian and Venezuelan dominated system²². This may help to explain why Chile has demonstrated a more active foreign policy, particularly in free trade.

Connecting the Internal and External

When two variables are introduced as causal factors it is important to understand how they interact with one another. Does one possess greater explanatory power than the other? On their face it would be easy to make the assumption that internal stability is a necessary condition for external ambiguity to come into play. After all a state unable to effectively govern within their own borders isn't going to be able to pursue an active foreign policy. But I would argue that if the possible external changes are great enough even the weakest leaders will attempt an active foreign policy. Mitigating a threat or achieving a prominent foreign policy success might actually create greater domestic stability.

²¹ Eddie Walsh, "Latin America's Pacific Gateway," *The Diplomat*, November 30, 2011, <http://thediplomat.com/2011/11/latin-americas-pacific-gateway/>.

²² Moises Naim, "The Most Important Alliance You've Never Heard Of," *The Atlantic Monthly*, February 17, 2014, <http://www.theatlantic.com/international/archive/2014/02/the-most-important-alliance-youve-never-heard-of/283877/>.

Certainly some states are going to be more responsive to either a state level or systemic variable. I argue that a democracy is more likely to be effected by external ambiguity while an authoritarian regime is going to care more about domestic stability. In a democracy the stakes are not as high to keep power, a party could always come back into power in the next round of elections. Authoritarian regimes on the other hand rely on keeping power for their wealth and safety; few dictators once deposed ever return to office. At the same time an authoritarian regime with a high level of internal stability has a lot more room to take risks in an only somewhat favorable external environment than a democratically elected leader who is confident in their position. The democrat must confront bureaucratic constraints and her temporal limitations, while the authoritarian leader has few if any inherent restrictions on her ability to develop a maneuvering foreign policy.

Hypotheses

Considering the theory proposed this paper will investigate three different hypotheses both quantitatively and qualitatively.

H₁: *A greater degree of trade diversification will lead a small state to pursue a high level of foreign policy initiative.*

Although this relationship is not directly related to the theory discussed it will be tested because of its pervasiveness in previous small state foreign policy literature²³. These arguments revolve around a small state's dependence on a larger power. Trade dependence can be seen as an economic measure of this condition. This is particularly relevant for states whose economy has been traditionally driven by a single commodity,

²³ For examples see Jacqueline Braveboy-Wagner, "Opportunities and Limitations of the Exercise of Foreign Policy Power by a Very Small State: The Case of Trinidad and Tobago," *Cambridge Review of International Affairs* 23, no. 3 (September 2010): 421; Mehdiyeva, *Power Game in the Caucasus*, 52–5.

fossil fuels being the most pronounced and prevalent example. The belief is that as they continue their mediocre economic rise, the diversification of their sectoral or state-to-state trade relationships will allow these small states to break away from the traditional patron-client relationship²⁴. This relationship can be broken and reestablished based upon fluctuating economic and political circumstances. The state's ability to devote energy to the management of foreign affairs is crucial in order to demonstrate a willingness to take on a larger role, regardless of the inherent risks in such a policy. In poliheuristic terms a relationship becomes patron-client once the possibility of damaging the connection becomes too great of a loss for the small state leaders to allow as a conceivable option²⁵. States need to be much less dependent on a larger power in order to attempt to function as an active small power.

H₂: *A more stable domestic political condition will lead to a higher level of foreign policy initiative. In other words, a regime who feels threatened by domestic challenges to their survival is less likely pursue international engagement.*

This is the hypothesis for the internal stability discussed previously. The idea that a stable domestic atmosphere is directly related to small state foreign policy activity is a common thread. For Gvalia et al. the elite consensus around Georgia's Western orientation allows it to actively pursue its goals. Panama successfully negotiated with the United States over the transfer of the Panama Canal in 1977 while negotiations for the Multinational Antidrug Center agreement with the US in 1999 failed. Sanchez argues this is because while Panama had a strong military government during the earlier agreement, the relatively democratic environment

²⁴ Christos Kassimeris, "The Foreign Policy of Small Powers," *International Politics* 46, no. 1 (January 2009): 94, doi:10.1057/ip.2008.34.

²⁵ Alex Mintz, "How Do Leaders Make Decisions?: A Poliheuristic Perspective," *The Journal of Conflict Resolution* 48, no. 1 (February 2004): 3-13.

during the 90's led to weak governing and ineffective Panamanian negotiations²⁶. McGlinchey argues that the weak and aging autocrats of Kazakhstan and Uzbekistan are unable to pursue multi-directional foreign policy because of the paranoia in their leadership position. On the other hand neighboring Kyrgyzstan had a more dynamic external policy because the comparatively more democratic President of Kyrgyzstan is comfortable in his domestic position knowing his level of support through a recent election victory. A "domestic mandate.....frees the Kyrgyz president's hand in the conduct of international relations"²⁷. An authoritarian/democratic dichotomy does not lead to a thorough explanation of internal stability.

A lack of governing capacity is also indicative of a dearth in internal stability. Countries which have not completed the state-making process are primarily concerned with ensuring the survival of their regimes. The security threat does not come from an external source but from competing domestic foci of authority²⁸. Fragile states must contend with their own internal threats before they have the ability to dedicate the necessary political effort to pursuing an active foreign policy. The strength of the international system in upholding the norm of territorial sovereignty actually creates an external security for these internally weak states²⁹. This makes foreign policy even less of a priority for these governments. Fragile

²⁶ Peter M. Sanchez, "Panama: A 'Hegemonized' Foreign Policy," in *Small States in World Politics: Explaining Foreign Policy Behavior*, ed. Jeanne A. K. Hey (Boulder, CO: Lynnee Rienner, 2003), 68.

²⁷ Eric McGlinchey, "Foreign Policy and Aging Central Asian Autocrats," *Demokratizatsiya* 20, no. 3 (2012): 266.

²⁸ Mohammed Ayoob, "The Security Predicament of the Third World State," in *The Insecurity Dilemma: National Security of Third World States*, ed. Brian L. Job (Boulder, CO: Lynnee Rienner, 1992), 66.

²⁹ Robert H. Jackson, "The Security Dilemma in Africa," in *The Insecurity Dilemma: National Security of Third World States*, ed. Brian L. Job (Boulder, CO: Lynnee Rienner, 1992), 81-94.

states have neither the resources nor motivation to pursue a high level of foreign policy initiative.

H₃: *Small states are more likely to engage in a high level of foreign policy initiative if decision makers perceive their state's external environment is **not** fixed. The perception of meaningful threats or possible gains to their security and prosperity will lead to a more active foreign policy.*

Here is the proposed external ambiguity hypothesis. The perceived position of a state relative to their external environment is often said to determine a small state's foreign policy. Many have argued that small states in particular are effected by outside influences, as Handel claimed "Domestic determinants of foreign policy are less salient in weak states"³⁰. Small states have been shown to be active if they feel a benefit from altering their status quo position. Browning shows that Finland's foreign policy at the beginning of the Cold War was passive due to of the Finnish perception that the status quo meant security contra the USSR³¹. The Soviets were not seen as an immediate threat, but activism was viewed as antagonism towards their more powerful neighbor. The second half of the Cold War saw an increase in the level of Finnish external involvement. By the 1960's the Soviet Union no longer appeared as great of a threat to their survival. "Instead of limiting its scope for action, increasingly Finland's geopolitical position was reconceptualized as a resource, in particular to enable the country to play the role of an arbiter and bride-builder between East and West"³². This demonstrates that

³⁰ Michael Handel, *Weak States in the International System* (London: Frank Cass, 1981), 3.

³¹ Browning, "Small, Smart and Salient? Rethinking Identity in the Small States Literature," 676.

³² *Ibid.*, 677.

a small state's shifting belief in the benefits of the systemic status quo can transform its level of foreign policy initiative.

Quantitative Test of Small State Foreign Policy

This paper will investigate small state foreign policy through two avenues, a quantitative regression analysis and a qualitative case studies component. It is a mixed analysis. Both of these methods will provide different manners of insight to help create a more substantive and robust argument. In both cases research will be done through the use of available academic resources and data. As was demonstrated in the literature review there is not a consensus classification for small states versus those that are not. It does not appear that a subjective definition measured in terms of a state's capabilities or self-image would be a fruitful distinction as these factors may be endogenous variables to the pattern which this paper is investigating. Instead a small state will be classified as those with a population between 250,000 and 20 million people as well as a total, nominal GDP below \$500 billion. These qualifiers take into account the relevance of both population and economic clout in determining state size, while the lower population limit will exclude what are traditionally termed *micro-states*. These are often small island nations whose state'ness' is in dispute and which may distort any findings. This leaves a count of 112 states which fit this definition of small.

Methodology

Because of the generalized nature of the theories proposed a quantitative analysis is conducive to this thesis. A regression analysis is an excellent tool to establish a strong correlation between two or more variables. In trying to explain a wide-spread pattern it is important to test a broad, international set of data. However, conceptualizing my variables into quantifiable and testable values is a complicated endeavor. In general the

field of foreign policy analysis has been slow to adopt a positivist, quantitative approach to the degree that the rest of the international relations field has, instead it has traditionally relied more on narrative sources¹. This lack of related models of testing makes these possible tests more difficult as the basis for the selection of variables, causal relationship and testing methods are not solidified in the academic field.

Because of the lack of quantitative testing in foreign policy analysis there is a dearth of relevant databases from which to utilize. The most difficult variable to conceptualize for this purpose is my dependent variable, an attempted active foreign policy. The best hope to quantify this concept would be derived from *foreign policy event data* similar to the dataset utilized by East². These event datasets are problematic for a number of reasons, but the greatest issue is that they have not been continued past the Cold War and creating one is a difficult and time-consuming process³. However, the new *Global Database on Events, Language, and Tone* or GDELT is a relevant source to capture the concepts discussed in quantities.

GDELT Event Count

GDELT is a database of human societal-scale behavior and beliefs across all countries of the world through the collection and detailed coding of millions of events from 1979 to the present⁴. GDELT is a massive dataset that was released very recently and appears to have yet to be employed in pertinent academic literature. GDELT is a source of meta-data derived from a large collection of news sources and machine coded

¹ Philip A. Schrodtt, *Event Date in Foreign Policy Analysis* (Lawrence, KS: University of Kansas, October 1993), 2, <http://eventdata.psu.edu/papers.dir/Haney.pdf>.

² East, "Size and Foreign Policy Behavior: A Test of Two Models."

³ Schrodtt, *Event Date in Foreign Policy Analysis*, 5.

⁴ Kalev Leetaru and Philip A. Schrodtt, *GDELT: Global Data on Events, Language, and Tone, 1979-2012* (San Diego, CA: International Studies Association Annual Conference, April 2013), <http://gdelt.utdallas.edu/data/documentation/ISA.2013.GDELT.pdf>.

according to the Conflict and Mediation Event Observations coding scheme. Because of its exhaustive nature, GDELT is able to code a massive number of events both in terms of variety and sheer quantity. For 2008 GDELT coded over 6 million events. A database this size can be very difficult to manage. To try to obtain a useful count of events for each state there had to be a process of aggregation.

Using the 2008 reduced file I first selected only events which fell under the broad CAMEO categories of “Consult,” “Engage in Diplomatic Cooperation,” “Engage in Material Cooperation” and “Provide Aid.” This aggregation eliminates actions which may only deal with appeals or expressions of intent or are indications of a lack of foreign policy initiative like a reduction in relations. To obtain a count of events by a state the actor1 variable had to be that state’s three-letter CAMEO code either on its own or with an additional specification for government, military, or media. In order to not measure domestic events the actor2 code could not contain the same three-letter country code and could not be solely a three-letter societal role code without the designation of a foreign country⁵. This aggregation process did not eliminate all domestic events for a variety of reasons, but it did mitigate their influence enough to warrant a belief that the counts were not significantly influenced by internal circumstances. Unfortunately, the codes for Bosnia & Herzegovina, Slovenia and Montenegro were unable to be located within the dataset and so the three were dropped from the test.

While the GDELT event count does give a new measure of foreign policy initiative there are discrepancies in the data which puts its validity into question. The first is that regions are over or under reported because of both their inherent instability as well as

⁵ The codes taken out of the count were: CVL, EDU, COP, AGR, BUS, HLH, CRM, DEV, ENV, ELI, LAB, HRI, REB, INS, OPP, MED, UAF, PTY, MIL, GOV, LEG, REF, JEW, CHR, MOS, BUD, ZRO, CON, HIN, SPY, GYP, JUST, REL, SEP.

possible news services biases⁶. On the two extremes the MENA region has an average count of 4028.8, while the Sub-Saharan African region average is only 749.9. Certainly this sort of regional variation may in fact be simply an indication of more active states in the Middle East, but a one-way ANOVA test of the event count across the five regions gives an F value of 11.46. However, a Bonferroni test shows that only the differences in means between MENA and the other four regions are statistically significant at a .05 level. The Middle East regional system may just be an exception.

However, that difference may derive from the fact that the Middle East has a large proportion of over reported states versus the rest of the world. In looking over the data it becomes apparent that some states are likely over reported because of their political situation. This can be seen in the high numbers for states like Cuba and Zimbabwe. They both have the highest count for their respective regions, and although they may be the most active small states in their region it could be argued that their historical and political circumstances means that media is likely to focus on their activity to a higher degree than states such as Botswana or Trinidad & Tobago. This problem is particularly evident in looking at Israel. The Israeli count is double that of any other state, this outlier skews the dataset and creates an unrealistic measurement of foreign policy initiative. Undoubtedly Israel is a small state with a very high level of foreign policy initiative, but to say that it is twice as active as any other small state would be unrealistic. Once again Israel's historic and political circumstance leads to its over coverage in reporting.

⁶ Joshua Keating, "What Can We Learn from the Last 200 Million Things That Happened in the World?," Foreign Policy, April 10, 2013, http://ideas.foreignpolicy.com/posts/2013/04/10/what_can_we_learn_from_the_last_200_million_things_that_happened_in_the_world.

Creation of a Foreign Policy Initiative Variable

Considering that the GDELT event count possesses some inherent problems as a measurement of foreign policy initiative there is a need to create a better gauge. This paper does so by first turning it into only half of what constitutes as the foreign policy initiative variable. The other half of the variable is determined by the number of free trade agreements and highly-structured IGOs (HSIGOs) the state is a part of. FTA data is taken from The Design of International Trade Agreements Dataset (DESTA)⁷. This count is indicative of the degree to which a state is active in the global economy. The HSIGO count derives from the number of IGOs designated as highly-structured by Karreth & Tir that a state takes part in. These IGOs possess “tools for enforcing organizational decisions and norms; they are capable of coercing state compliance with IGO policies”⁸. Membership into these organizations are a sign of a state’s institutional foreign policy initiative. The highly structured nature of these IGOs signifies that membership means a state is more fully a part of the international regime, while low-structured IGOs are more likely to be weak organizations in which membership is not an indication of prolonged interaction with other states. Between these three counts there are measurements for different iterations of foreign policy initiative; diplomatic activity, economic interaction and institutional embeddedness.

An additive index will be utilized to combine these variables. Because of the disparate nature of the counts, a standardization is applied to each before joining them. For the FTA and HSIGOs counts this standardization transformed into a recognizable

⁷ L Dur, L Baccini, and M Elsig, “The Design of International Trade Agreements: Introducing a New Dataset,” *The Review of International Organizations*, 2014, <http://www.designoftradeagreements.org/>.

⁸ Johannes Karreth and Jaroslav Tir, “International Institutions and Civil War Prevention,” *Journal of Politics* 75, no. 1 (2013): 98.

normal distribution. Because of the variance of the GDELT count a simple standardization into z-scores did not produce a normal distribution, but a skewness of 4.09 and Israel persisting as an outlier with a z-score of 7.3. This would have put an undue amount of statistical influence on those states, like Israel, which have a particularly high event count. To mitigate this problem the GDELT count was first logged and then standardized. This produced a much more robust variable for the additive index of normalized counts. To make the event count weighted as half the DV its logged standardization was doubled before adding. In formulaic terms the final dependent variable is constructed as

$$\text{Foreign Policy Initiative} = \text{std}(\ln(\# \text{ of Events}) * 2 + \text{std}(\# \text{ of FTAs}) + \text{std}(\# \text{ of HSI GOs}).$$

Hypothesis Testing

A multivariate regression analysis model is utilized in order to test the validity of hypotheses on the foreign policy initiative dependent variable. I first control for a number of factors drawn from the previous literature review on small state foreign policy. As has been pointed out in previous literature the wealth of a small state is an important variable in explaining an active foreign policy⁹. This paper does not dispute that relationship, but sees wealth as a mediating variable and will examine it as such in its relationship with the proposed hypotheses. Democracy is also controlled for through the Economist Intelligence Unit 2008 Democracy Index¹⁰. Finally, regional controls are utilized. This is due to both the over reporting problems discussed above, as well as the fact that regional systems do have an impact on a state's foreign policy. Table 1 shows

⁹ Braveboy-Wagner, "Opportunities and Limitations of the Exercise of Foreign Policy Power by a Very Small State: The Case of Trinidad and Tobago," September 2010; Cooper and Momani, "Qatar and Expanded Contours of Small State Diplomacy."; Hey, "Luxembourg's Foreign Policy: Does Small Size Help or Hinder?"

¹⁰ *Democracy Index* (Economist Intelligence Unit, 2008).

an ANOVA test for our foreign policy initiative variable across regions. It demonstrates that there is a significant difference in the mean across the five regions.

Table 1		ANOVA Across Foreign Policy Initiative				
<i>Region</i>	<i>Mean</i>	<i>Std. Deviation</i>	<i>N</i>			
Americas	-0.4225	2.215	21			
Europe	3.114	2.624	26			
Asia/Oceania	-1.022	2.638	19			
Africa	-2.304	2.018	33			
MENA	2.336	2.323	10			
<i>Total</i>	0	3.162	109			
		<i>Sum of Squares</i>	<i>df</i>	<i>Mean Square</i>	<i>F-ratio</i>	<i>P Value</i>
Between Groups	505.31	4	126.33	22.87	0.0000	
Within Group	574.49	104	5.52			
<i>Total</i>	1079.8	108	10			
N	109					
Adj R ²	.448					

H₁ is tested using a trade dependence variable derived from the IMF Direction of Trade Yearbook¹¹. The percentage of a state's imports and exports with its largest trading partner in 2008 is multiplied by the percentage of their GDP which derives from trade in goods and services. This variable measures how much of the small state's economy is tied to trade with another state, an indication of dependence. There are other measures of dependence beyond economic connectivity such as arms transfer reliance which take into account military dependence. For the purposes of the type of dependence described above this trade dependence variable is a valid measure. If H₁ is a factor in accounting for variation in the dependent variable then we should see a negative correlation between trade dependence and foreign policy initiative.

In order to test H₂ I need to create a measure of internal stability. To quantify this stability I add together two different indicators of the 2008 Fund for Peace Failed States

¹¹ *Direction of Trade Statistics Yearbook* (Washington DC: International Monetary Fund, 2010).

Index¹². The indicators for both *State Legitimacy* and *Factionalized Elites* are on a 0 to 10 scale. These two indicators do well to capture the idea of domestic stability. *State Legitimacy* does take into account level of democracy but also includes measures of government effectiveness, corruption and civil discontent. *Factionalized Elites* is meant to measure struggles for power, elite discontent and political competition. These scales gauge the two sources of domestic insecurity, lack of governance capacity as well as a highly contentious and adversarial political environment. They also measure instability from both the general public and from the elite. A positive relationship between foreign policy initiative and domestic confidence will support H₂.

The indication of a state's external ambiguity is measured jointly by its military spending as a percentage of its GDP from the Stockholm International Peace Research Institute as well as the Major Episodes of Political Violence dataset from the Center for Systemic Peace¹³. The former is the sum of each state's region rated magnitude of interstate and civil violence score for the years 2004-2008 (divided by the number of states in the region). Because of the ambiguous nature of the designated regions, events in bordering states are given double magnitude while events involving the state in question are given triple magnitude. This helps to take into account a state's more pressing concerns about its security and stability. For instance, although both the Gambia and Central African Republic are designated as West Africa, the CAR has a higher magnitude score because of its domestic conflicts as well as instability in neighbors like Chad and Democratic Republic of Congo during the 5-year period.

¹² *The Failed States Index 2008* (Washington DC: The Fund for Peace, 2008), <http://ffp.statesindex.org/rankings-2008-sortable>.

¹³ "Center for Systemic Peace, Major Episodes of Political Violence, 1946-2012," n.d., <http://www.systemicpeace.org/inscr/inscr.htm>.

A state which exists in a volatile regional system is likely to feel that they're position is changeable, while a high degree of military spending is indicative of a state which is expressing this insecurity through an emphasis on military capabilities. In this way an uncertain state is likely to pursue both a high degree of foreign policy initiative as well as large military expenditures. If H₃ is supported then our test should produce a positive correlation between both these independent variables and foreign policy initiative.

While these two measures of external ambiguity are able to capture insecurity, they are not a yardstick for perceived opportunity. This is an extremely difficult concept to quantifiably distinguish because of its adaptable and subjective nature. However, membership in the European Union creates a higher level of perceived opportunities. The EU provides small member-states with a unique set of external circumstances because it “governs itself in new ways that moderate the traditional realist calculus of big-small state relation”¹⁴. Small states have the ability to disproportionately benefit from the strong institutions of the EU, while also facing the potential costs of decreased autonomy¹⁵.

Small EU member-states are in a position to take advantage of both the formal structures and informal aspects of integration. Formally, EU institutions make traditional power capabilities less important and codify acceptable member-state behavior, thereby protecting small state influence¹⁶. While in both the European

¹⁴ Alyson J.K. Bailes and Baldur Thorhallsson, “Instrumentalizing the European Union in Small State Strategies,” *Journal of European Integration* 35, no. 2 (2013): 101.

¹⁵ Robert Steinmetz and Anders Wivel, “Introduction,” in *Small States in Europe*, ed. Robert Steinmetz and Anders Wivel (Burlington, VT: Ashgate Publishing, 2010), 9.

¹⁶ Anders Wivel, “From Small State to Smart State: Devising a Strategy for Influence in the European Union,” in *Small States in Europe*, ed. Robert Steinmetz and Anders Wivel (Burlington, VT: Ashgate Publishing, 2010), 23.

Parliament representation and in the Council's qualified majority voting small states have proportionately more say than their population should warrant. Informally, the consensus culture of EU decision-making ensures that a small member's voice will be heard. At the same time the European Commission's supranational interest means that small states can develop close ties to it on specific policy areas regardless of which post their national Commissioner holds¹⁷. Overall the convoluted mix of supranational and intergovernmental policy-making in the EU provides small states with openings to change their external position in order to further their interests and increase their influence beyond what would be conceivable otherwise. A positive correlation between EU membership and foreign policy initiative supports H₃.

Results

Table 2 presents the results of our regression analysis. Initial evidence in support of H₂ and H₃ can be seen in Model 1 where the coefficients for both are positive and significant, except for regional insecurity. Greater domestic confidence, military spending and EU membership correlates to a country more likely to pursue an active external policy. Model 1 also demonstrates a lack of support for H₁ with a positive, insignificant coefficient. This lack of correlation is present across all three models. Therefore I am unable to reject the null hypothesis of H₁; it appears that economic dependence does not meaningfully alter a state's foreign policy initiative. Model 2 tells a somewhat different story. The addition of control variables takes away the significance of domestic confidence. In its place it appears that wealth has a positive significant

¹⁷ Baldur Thorhallsson, "The Role of Small States in the European Union," in *Small States in International Relations*, ed. Christine Ingebritsen et al. (Seattle: University of Washington Press, 2006), 3–36.

correlation in this second test. Both of the control variables behave as predicted, yet the adjusted R² value does not increase substantially from model 1 indicating that these variables do not explain that much more of the variation in foreign policy initiative.

Table 2	Multivariate Regression of Foreign Policy Initiative		
Variables	Model 1	Model 2 <i>(Controls)</i>	Model 3 <i>(Regional Controls)⁺</i>
GDP/Capita		0.00004* (0.00001)	0.00002 (0.00001)
Democracy		0.314 (0.188)	0.043 (0.187)
Trade Dependence (H1)	1.203 (2.085)	1.259 (2.009)	0.032 (1.83)
Domestic Confidence (H2)	0.302* (0.068)	0.111 (0.0926)	0.178* (0.08)
Regional Insecurity (H3)	0.131 (0.117)	0.168 (0.118)	0.241* (0.107)
Military Expenditures as % of GDP (H3)	0.583* (0.161)	0.56* (0.155)	0.41* (0.148)
European Union ⁺⁺ (H3)	2.7* (0.752)	2.032* (0.744)	
MENA			0.494 (1.056)
Europe			2.062* (0.695)
Asia/Oceania			-0.629 (0.796)
Sub-Saharan Africa			-2.497* (0.739)
Constant	1.7	-2.831	0.617
N	90	88	88
Adj R ²	.448	.498	.619
*Statistically Significant at p<0.05 +=Americas is omitted region from test. ++=EU member-state coded a "1"			

Despite the lack of significance both domestic confidence and regional insecurity do still remain positive.

Model 3 controls across geographic world regions regardless of organizational membership, dropping the EU variable because of its congruity with the Europe region¹⁸. A regional control model produces further evidence in support of both H₂ and H₃. Once again domestic confidence and military spending have positive and significant coefficients, while the positive relationship to wealth is no longer significant. It appears that that correlation can be explained through the significant coefficients of Europe and Africa, which are positive and negative respectively. By controlling for regions the regional insecurity variable now becomes significant indicating that within regions proximity to unrest increases foreign policy initiative, this supports H₃. Model 3 explains more variation in foreign policy initiative than the other models with an adjusted R² value of .619. By controlling for regional disparities it appears that the correlation between wealth and small state foreign policy initiative cannot explain variation to the extent that internal and external political dynamics are able to.

Because of the strength of regional controls in the model it is reasonable to assume that regional systems do have a significant impact on small state's activeness abroad. This begs the question of whether the evidence in support of the European Union leading to higher foreign policy initiative in Models 1 and 2 is a legitimate connection or whether it is just indicative of a European region which is conducive to active small states. To explore this further I run an ANOVA test for foreign policy initiative for all small states in the Europe region. I test for variance across three levels

¹⁸ A regional controls test including the EU variable produces a positive, insignificant correlation for it while not increasing the adjusted R² value.

of integration. Non-EU membership, EU membership outside of the Eurozone, and EU membership with monetary union¹⁹. The distinction between the latter two forms of membership is important because small states economies are particularly vulnerable to international pressures²⁰. Membership into the euro area should increase a small state's perception of external ambiguity beyond non-monetary membership. This is due to the fact that institutions like the European Central Bank help to diminish the control of large states in monetary policy. At the same time a small state's adoption of the Euro increases the benefit from engaging in the international economy but also presents exogenous risks including real exchange-rate appreciation if they are unable to compete with Germany's productivity and export growth²¹. By using the Euro small states have more reason to pursue an active foreign policy. If external ambiguity does increase foreign policy initiative then we should find an increase in activeness alongside deeper integration.

Table 3		ANOVA Across Foreign Policy Initiative For European Region				
<i>EU Integration</i>	<i>Mean</i>	<i>Std. Deviation</i>				
Non-Member	1.773	1.594	8			
Non-Eurozone	2.251	2.415	11			
Eurozone	6.001	1.585	7			
<i>Total</i>	3.114	2.624	26			
		<i>Sum of Squares</i>	<i>df</i>	<i>Mean Square</i>	<i>F-ratio</i>	<i>P Value</i>
Between Groups		80.95	2	40.47	10.21	0.0007
Within Group		91.22	23	3.97		
<i>Total</i>		172.16	25	6.89		
N	26					
Adj R ²	.424					

¹⁹ States which adopted the Euro during the 2008 period were counted as non-Eurozone

²⁰ Peter J Katzenstein, *Small States in World Markets: Industrial Policy in Europe*, Cornell Studies in Pol. Economy (Cornell Univ Pr, 1985), <http://search.proquest.com/docview/59371159?accountid=14503>.

²¹ Rainer Kattel, Tarmo Kalvet, and Tiina Randma-Liiv, "Small States and Innovation," in *Small States in Europe*, ed. Robert Steinmetz and Anders Wivel (Burlington, VT: Ashgate Publishing, 2010), 78.

The results shown in Table 3 provide initial support for the effect of European integration on small state foreign policy. The mean increases along with deeper integration and the p-value is well below the .05 threshold, while the adjusted R² value is .424. It should be acknowledged that this test does not control for other factors whose correlation to foreign policy initiative have been established. However, similar tests across these classifications for both wealth and domestic confidence result in an insignificant p-value.

Lilliputian Choice in Action

The Selection of Case Studies

An extensive exploration of the political, economic and cultural factors which shape the foreign policies in a limited set of small states will allow for a greater understanding of a generalized theory put into real-world context. A qualitative approach is an effective compliment to quantitative testing to create a stronger causal connection. Case studies are the dominant approach to foreign policy analysis and are heavily utilized in small state literature in particular. For these reasons they will be used for the purpose of furthering the arguments made in this paper.

Choosing which small states to delve into is a crucial step in the research process. The cases need to be able to illustrate discernable differences in foreign policy initiative while at the same time highlighting key differences and similarities in internal stability and external ambiguity. This section of the paper will lay out the recent policies in international affairs for each case followed by an examination of the political processes and state characteristics which may add insight into their development of foreign policy preferences and decision-making. By contrasting these two external behaviors I will illustrate what small state activity can look like in the changed international system previously described. While Qatar has taken advantage of the new avenues at their disposal to maneuver and influence, Kuwait has pursued a foreign policy lacking distinctive small state strategies. Following these illustrative contemporary examples of small state foreign policy variation, the domestic stability and external ambiguity of

each state will be explored. This paper will utilize a dyadic comparisons based upon an attempt to develop a *most-similar* case study.

Both Qatar and Kuwait are energy-rich Arab monarchies which share a similar history, culture and geography. Both would be considered small by nearly any definition with populations under four million (of which citizens make up only a fraction)¹, and are surrounded by larger powers and a US military presence. Qatar and Kuwait have two of the wealthiest populations in the world, with a 2011 GDP per capita, PPP of \$82,348 and \$45,455 respectively². In both instances these Gulf sheikhdoms have experienced a large influx of petrodollars which have led to immense economic growth and little domestic dissent from their authoritarian rule. Yet, they have exhibited noticeable differences in the extent to which they have played in active role internationally to try to influence events in other countries independently of any larger power.

Wealthy Arab Monarchies

Qatari Foreign Policy: Exemplar of Small Power

For over a decade Qatar has arguably demonstrated the highest level of foreign policy initiative among small states. Since Sheikh Hamad bin Khalifa Al-Thani took control of the country from his father through a bloodless coup in 1995 Qatar has made an effort to build itself into a regional power³. This has resulted in the emirate being involved with so many conflicts over that time period that it has become expected that

¹ Lin Noueihed, *The Battle for the Arab Spring: Revolution, Counter-Revolution and the Making of a New Era* (New Haven: Yale University Press, 2012), 249.

² World Bank, "Data | The World Bank," accessed December 5, 2013, <http://data.worldbank.org/>.

³ Elisheva Rosman-Stollman, "Qatar: Liberalization as Foreign Policy," in *Political Liberalization in the Persian Gulf*, ed. Joshua Teitelbaum (New York: Columbia University Press, 2009), 204.

no matter the crisis Qatar will find a role to play⁴. Qatari foreign policy initiative is seen through its mediation, assistance (both humanitarian and military), diplomatic ambition and cultural influence.

The first sign of Qatari ambitions was the launch of the satellite news channel Al-Jazeera in 1996. Although privately owned, the royal family (and by extension the state) finances the large media operation which is seen across the Arabic speaking world⁵. Since its launch the network has been an active voice in shaping Arab public opinion and framing issues in a manner analogous to Qatari foreign policy. During the US invasion of Iraq in 2003 Al-Jazeera was criticized by American officials for its harsh coverage. The Arab Spring uprisings provided an amazing opportunity for Al-Jazeera to influence events outside of Qatar. Its non-stop positive coverage of the uprisings in Tunisia and Egypt as well as the rebels in Libya and Syria galvanized support for their causes and has been called “Al Jazeera’s moment”⁶. Through its indirect influence on the network Qatar has attempted to alter regional, and now global⁷, public opinion to further Qatari interests.

Qatar has utilized its small size to act as a “neutral” mediator in a variety of conflicts. Qatar was the only Arab state to take on the Lebanese crisis following the 2006 fighting between Israel and Hezbollah as the Doha Agreement of 2008 created a new national unity government in Beirut. Qatar has also pushed for peace talks between

⁴ Lina Khatib, “Qatar’s Foreign Policy: The Limits of Pragmatism,” *International Affairs* 89, no. 2 (2013): 417, doi:10.1111/1468-2346.12025.

⁵ Cooper and Momani, “Qatar and Expanded Contours of Small State Diplomacy.,” 122.

⁶ Robert Kirkpatrick, “Seizing a Moment, Al Jazeera Galvanizes Arab Frustration,” *The New York Times*, January 28, 2011, Section A; Column 0; Foreign Desk; Pg. 1.

⁷ Al-Jazeera English was launched in 2006, while Al-Jazeera America began broadcasting in 2013. The degree of Qatari editorial control of these non-Arabic networks is much weaker, but it is still unknown how truly independent they will be.

Israel and Hamas and hosted the political offices for the Taliban during failed talks with the Afghan government in 2013⁸. Through mediation Qatar has attempted to expand its influence as a regional player⁹, and has been able to initiate such a foreign policy behavior because of its small size and increased relevance of its economic and social prominence.

Qatar has attempted to achieve its goals by utilizing its vast wealth to support those governments and groups which it feels align with their interest. Qatar was the loudest Arab backer of the Libyan rebels and the NATO-led mission against the Gaddafi regime. Early on in the conflict it provided rebels with military, financial and logistical support which included sending in hundreds of Qatari Special Forces to train fighters¹⁰. It even committed military resources in support of the UNSC resolution in the form of F-16 fighter jets, a move which went beyond anything done by other members of the Gulf Cooperation Council (GCC)¹¹. In the Syrian Civil War Qatar has been a major backer of the anti-Assad forces by arming rebel groups it sees as supporting their interest as well as brokering the creation of the umbrella Syrian National Council in Doha¹². In Egypt, Qatar was the only Gulf state to support the Muslim Brotherhood government providing them with strong financial and diplomatic support including large aid packages and favorable Al-Jazeera coverage¹³.

⁸ Rob Nordland and Alissa J. Rubin, "Mixed Signals as Taliban Try Another Tactic," *The New York Times*, June 26, 2013.

⁹ Khatib, "Qatar's Foreign Policy: The Limits of Pragmatism," 419.

¹⁰ Noueihed, *The Battle for the Arab Spring*, 182–5.

¹¹ Steven Wright, "Qatar," in *Power and Politics in the Persian Gulf Monarchies*, ed. Christopher M Davidson (New York: Columbia University Press, 2011), 131.

¹² Khatib, "Qatar's Foreign Policy: The Limits of Pragmatism," 422.

¹³ Robert F. Worth, "Egypt Is Arena for Influence of Arab Rivals," *The New York Times*, July 10, 2013.

Qatar has demonstrated *strategic maneuvering* in their relations with larger powers. With its size, wealth and religious status Saudi Arabia should be the regional hegemon of the Sunni Arab world. Yet Saudi-Qatari relations have often times been tense as the upstart peninsular nation is seen as a thorn in the side of Saudi dominance. While both monarchies have taken similar stances to issues like the opposition to the Shiite-led Bahraini protests, support for Syrian rebels and possible GCC expansion they have more often than not gone head to head because of Qatar's high level of foreign policy initiative. This has even led to a feeling among Qataris of a 'cold war' with Saudi Arabia as the two states vie for control of the Arab world¹⁴. The Qatari-US relationship is considered to be strong, particularly considering the security guarantee that comes along with housing US Central Command as Qatar does at the Al-Udeid air base. But while the US may appreciate Qatar's mediation role in promoting stability and as a counterweight to Saudi supremacy, its close relations and support for organizations like Hamas and public denunciation of US policy in the region ruffles feathers in the relationship. In terms of Iran and Israel Qatar has generally taken the normal Arab confrontational position. However, it has been much more willing to engage in opportunities to improve relations. Such actions include opening an Israeli interest office in Doha and voting against Iranian sanctions while on the UNSC¹⁵.

Soft power is key to understanding Qatar's foreign policy initiative. It has utilized it to further its prestige and increase what Peterson termed their "branding"¹⁶. The funding and establishment of Education City in Doha brings to Qatar branches of some

¹⁴ Allen J. Fromherz, *Qatar: A Modern History* (New York: I.B. Tauris, 2012), 92.

¹⁵ *Ibid.*, 23; 103.

¹⁶ J.E. Peterson, "Qatar and the World: Branding for a Micro-State," *Middle East Journal* 60, no. 4 (Fall 2006): 732-48.

of the top American universities including Georgetown, Carnegie Mellon, Northwestern and Texas A&M¹⁷. The country has also lured many think-tanks to open up shop in Doha, the most prominent being the Brookings Institute and RAND Corporation. This collection of Western centers of academia and research allows for Qatar to be seen as the leader in educational excellence in the Middle East increasing its cultural importance¹⁸. A recent victory for Qatar in terms of prestige is being selected to host the 2022 World Cup. Qatar faces a massive challenge to ready itself for the tournament, but hosting will make the tiny country a household name around the world¹⁹.

Contrary to Peterson Kamrava argues that Qatar is too small, and that its cultural influence is too miniscule to claim that it possess soft power. Instead the author says that Qatar's power can be described as "subtle." This subtle power is contingent on four elements: military security, wealth, branding and active diplomacy²⁰. The distinction between soft and subtle power may seem unimportant, but it demonstrates that small states like Qatar can manifest their influence and power in a variety of ways.

Kuwaiti Foreign Policy: Something Left to be desired

Since the Iraqi invasion of Kuwait in 1990 Kuwaiti foreign policy has been both single-minded and safe. These two descriptors help to understand the manner in which Kuwaiti foreign policy initiative has been comparatively low. Kuwait has played a subdued role in regional events despite its oil wealth, instead depending on larger powers and quieter methods of diplomacy. Kuwaiti foreign policy can be described by a

¹⁷ Ursula Lindsey, "Qatar Sets Its Own Terms for US. Universities.," *Chronicle of Higher Education* 60, no. 12 (November 22, 2013): A23–A26.

¹⁸ Fromherz, *Qatar: A Modern History*, 153.

¹⁹ "Qatar's World Cup Win: What Cash Can Do.," *Economist* 397, no. 8712 (December 11, 2010): 58–58.

²⁰ Mehran Kamrava, *Qatar: Small State, Big Politics* (Ithaca: Cornell Univ Press, 2013), 9.

reliance on foreign aid, the avoidance of major confrontation and a lack of independent action.

While Kuwait has demonstrated a low level of international engagement it has been active in terms of foreign aid. In fact Kuwait was the largest donor of foreign aid outside of the OECD's Development Assistance Committee in 2007²¹. Kuwait has used the foreign aid as a tool to extend its presence, but it appears that it does so as a safe and quiet option. Much of this aid is also distributed through multilateral development groups like the Arab Bank for Economic Development in Africa (BADEA) or the Islamic Development Bank, thus making the gesture even less a part of direct Kuwaiti foreign policy interests.

In response to the Arab spring Kuwait took a much more passive approach to changing events. Like the rest of the Gulf states Kuwait has been politically supportive of Syrian rebels and the uprisings with the exception of Bahrain. However, beyond these actions Kuwait has stayed muted when it comes to these new regimes. It has followed the political path of Saudi Arabia on most issues without committing any substantial political capital to the effort. After the ouster of the Muslim Brotherhood in Egypt, Kuwait provided half the aid to the new military government that both Saudi Arabia and the UAE did²². In the new Arab media battleground Kuwait has no players while Al-Jazeera and the Saudi conglomerates of Al-Arabiya and the Middle East Broadcasting Company look to shape opinion.

Kuwait has looked to smooth over relations with larger powers in order to avoid confrontation. Kuwait and the US have developed a strong relationship since the Iran-

²¹ Kalid S. Almezaini, *The UAE and Foreign Policy* (New York: Routledge, 2012), 11.

²² Worth, "Egypt Is Arena for Influence of Arab Rivals."

Iraq War. For Kuwait the US has been a vital security partner and in 2004 was named a Major Non-NATO Ally (MNNA). In relations with Iran, Kuwait must contend with a large Shiite minority as well as geographic proximity. Because of this Kuwait has been less eager than other Arab states like Saudi Arabia to ratchet up tension with the Persian state²³.

Internal Stability

In comparing the political structures of Qatar and Kuwait it becomes evident that no two sheikhdoms are created equal. As Almeziani notes “In the Arab Gulf states, foreign policy decision-making is concentrated in the hands of ruling families, particularly when there is one influential leader within the ruling family”²⁴. The Emir of Qatar has gone through his reign with few challenges to his leadership weighing on his mind. There was an attempted counter-coup orchestrated by his father and Saudi Arabia in 1996 which failed²⁵. Since that time, in Qatar the only real constraint on the power of the ruler are internal Al-Thani family disputes²⁶. Even within the family Sheikh Hamad has effectively monopolized both power and control over policy by placing trusted cousins in key positions of power²⁷. The most important of these nepotistic policymakers is Sheikh Hamad bin Jassim, both the Prime Minister and Foreign Minister. HBJ, as he is commonly known, is credited with several of Qatar’s international accomplishments²⁸. As the second most powerful position in Qatar, the

²³ Kenneth Katzman, *Kuwait: Security, Reform, and US Policy* (Congressional Research Service, March 29, 2013).

²⁴ Almezaini, *The UAE and Foreign Policy*, 46.

²⁵ Fromherz, *Qatar: A Modern History*, 85.

²⁶ *Ibid.*, 24.

²⁷ *Ibid.*, 134–5.

²⁸ Kamrava, *Qatar: Small State, Big Politics*, 121.

merger of PM with Foreign Minister is another indication of the importance that Sheikh Hamad has placed on external policy.

By law Qatar is a constitutional monarchy; however the Consultative Assembly has no real authority and is appointed by the Emir. The first elections to the Assembly were originally set for 2007, but have been pushed back on numerous occasions with little public discontent²⁹. Even with a lack of democratic values there is still an absence of public unrest weighing on the Qatari government. Both at the elite and public level there is little indication of dissent.

Of all the Gulf states Kuwait has far and away the most powerful legislative body. The National Assembly is a freely elected body with limited, but still substantial policy-making influence. Opposition MPs clash with the ruling family over a variety of policy issues, although the National Assembly can and has been dissolved by the Emir³⁰. The parliament has on occasion brought the political process to a grinding halt over contentious issues³¹.

Sheikh Sabah Al-Ahmad Al-Jaber Al-Sabah only ascended to the throne in 2006 through the forced abdication of the gravely ill heir apparent. Since that time the Emir has dealt with numerous instances of challenges to his authority. These include stemming rival claims from other parts of the Sabah family as well as tense political standoffs with Parliament, this was manifested in 2011 when the Emir's cabinet was forced to resign including his then Prime Minister nephew. Prior to that time the

²⁹ "Reforms Designed with International Reputation in Mind," *Business Monitor Online*, November 7, 2011.

³⁰ Anonymous, "A Desert Flower Wilts; Kuwaiti Democracy," *The Economist*, October 27, 2012, 1115552175, ProQuest Central.

³¹ Kamrava, *Qatar: Small State, Big Politics*, 138.

position of Prime Minister was usually given to the heir apparent to the crown and was considered to be above reproach³².

None of the other Gulf states come close to the level of elite cohesion seen in Qatar³³. Compare that to the relatively unpopular Kuwaiti Emir and his adversarial Parliament and it becomes evident that Qatar's internal political stability is much higher than that of Kuwait. Without fear of a domestic challenge to the regime, the Emir has a free hand to try to enhance Qatar's external influence through a resilient and active foreign policy. The kind of foreign policy initiative that Qatar has demonstrated could not be conducted unless a regime was self-assured of their domestic security.

Recent developments in Qatar also demonstrate the power of internal stability on foreign policy. In June 2013 Sheikh Hamad surprised the world by announcing that he would be abdicating his throne in favor of his 33-year old son, Sheikh Tamin bin Hamad Al-Thani. This change in leadership has still not been totally explained. Yet the rise of a new leader is indicative of a drop in internal stability. In the few months since this occurrence Qatar has shown less willingness to press its influence abroad. Domestically this can be seen in the fact that the new Prime Minister has a dual role as Interior Minister instead of HBJ's double role as Foreign Minister³⁴.

External Ambiguity

Both Qatar and Kuwait exist in the same regional system, but geographic position alone does not determine a states feeling of external doubt. They are both part of the US

³² David B. Roberts, "Kuwait," in *Power and Politics in the Persian Gulf Monarchies*, ed. Christopher M Davidson (New York: Columbia University Press, 2011), 96–7.

³³ Kamrava, *Qatar: Small State, Big Politics*, 138.

³⁴ "Qatar's New Emir Sheikh Tamin Unveils New Cabinet," *BBC News*, June 26, 2013, <http://www.bbc.com/news/world-middle-east-23071586>.

security umbrella and both are surrounded by larger, unfriendly neighbors. However, Kuwait still develops policy with the specter of invasion looming. It was through the prism of Iraq that Kuwait developed foreign policy during the 1990's and gave support to the US invasion in 2003. Since then, relations with a Post-Saddam Iraq have only improved marginally. Along with its proximity to Iran, Kuwait has developed a foreign policy preference based upon the need for external security. They have fulfilled this security through US and Saudi protection. Kuwait feels that they are in a known external environment in which changes in the status quo are not in their interest. This does not drive an active foreign policy. If a US security guarantee did not exist the feeling of insecurity would be so great that you would likely see a Kuwait with a higher level of foreign policy initiative.

Qatar initially feels much more secure than Kuwait because of its more favorable geographic position and no recent memory of invasion. With the demise of the traditional Arab hegemon in Egypt and a more manageable Saudi Arabia Qatar sees an opportunity to further its interests and extend its prestige and brand across the Arab world. Kamrava notes that Qatar is trying to shape what Arabism is today³⁵. These two case studies also provide empirical support to a positive relationship between foreign policy initiative and external ambiguity. While Kuwait is handcuffed by their benefit in the status quo, Qatar sees opportunities to benefit from an active policy abroad. Overall however the state level of analysis seem to have a greater causal relationship in this comparison. This follows the democratic-authoritarian prediction made earlier concerning which level presents itself as more of a factor.

³⁵ Kamrava, *Qatar: Small State, Big Politics*, 42.

Conclusion

Small states are in a precarious position as they try to navigate the complicated waters of international relations. They now have an opportunity to be a larger force in those waters instead of being controlled by the current. Whether or not they attempt to change their position is a question that is important in understanding global interactions and international relations in the future. This paper presents a useful framework to understand the factors influencing foreign policy development in small states. Internal stability and external ambiguity are two key factors in understanding both the why and how of a small state's foreign policy initiative. This model of preference making can be applied broadly to understand the level of foreign policy activism in small states across regional systems.

This model is also supported through a quantitative regression analysis. Considering the lack of quantitative methods in the academic subfield of foreign policy analysis this thesis breaks ground in utilizing meta-data to analysis broad variation in diplomatic activity. This manner of testing could provide robust and new results to a wide range of possible research questions. Concerning this paper meta-data has been utilized deductively to develop a systematic theory concerning small state foreign policy supported through mixed methodology testing, another apparent first in the field. That being said, I acknowledge the shortcomings of the testing done.

In the future this theory would be further supported by a time-series regression analysis and a deeper insight into each state's event count. This paper does not address some important questions concerning small state foreign policy. In particular the causal factors leading to specific small state external strategies as well as the determinants of

success for these bantam actors. Keeping in mind the findings of this thesis it would also be beneficial for future research to explore in more detail small states in a specific regional system as well as the factors which determine the salience of internal and external factors on them. This paper treats size as a generalizing feature determining foreign policy behavior. Yet the states which make up my classification of small have vastly different political characteristics, levels of development and historical circumstances. Smaller studies investigating certain types of small states would as well add to our understanding of how these Lilliputian players interact on the international stage.

It is likely that in the future small states will continue to emerge as unexpected forces in certain policy areas or key events. Small states exist in a position in which this sort of behavior lacks simple or intuitive explanation. This paper has shown that the likelihood of a small state engaging in the active, smart foreign policy that the recent changes in the international system allow is based primarily upon internal stability and external ambiguity. This framework has practical applications for scholars, analysts and policymakers to better understand global events and patterns of behavior.

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