



CONCEPT NOTE FOR THE SECOND MODULE OF THE MASSIVE OPEN ONLINE COURSE  
**LEADERSHIP IN SMALL STATES (LIST)**

## Module 2: Leadership in Public Administration and Governance

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*This is the second module of the course “Leadership in Small States”. The module concentrates on leadership issues from the perspective of public administration and governance. First, the special nature of public administration in small states is opened and the impact of small scale on public administration, politics and governance is discussed. Second, the implications of scale for public leadership and leaders’ development are explored. Whereas the first module of the course “Introduction to Leadership in Small States” opens the general issues of small state leadership and the possibilities for small states to act as leaders in the international arena, the second module focuses on leadership mostly from a domestic and individual perspective. The role, opportunities and constraints of individual leaders in devising small state policies are studied.*

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With regard to the special nature of public administration and governance – small countries are not smaller versions of large countries. Differences between large and small states are not merely quantitative, but also qualitative. From a domestic perspective, the small size of a country generally relates to the limited amount of resources available – most of all the shortage of human resources and lacking economies of scale deriving from small populations. Limited amount of resources impacts the states’ capability to deal with complex policy problems, both nationally as well as internationally. For coping with the limits of scale, small state governments tend to manage public policies by relying on selectiveness and prioritization, multi-functionalism of positions and organisations, informal coordination and communication, and a larger autonomy for individual actors.

The distinctive social context of small state governance deserves special attention from the perspective of leadership. Small states are usually characterized by more constrained social fields and closer personal relationships than large states. The smaller the states are in terms of populations, the more outlined can the special social traits expected to be. Small states tend to incline towards particularistic relations and a distinctive social ecology shaping the functioning of politics, administration as well as economy. Importantly, small states tend to be characterized by intertwined elites where politicians, senior civil servants, experts, key business persons etc. operate within informal and personalized networks. Such personalism and reliance on informal structures allows for a much higher degree of individual intervention and room for manoeuvre in policy-making than in larger states. Personal trust facilitates relieving measures for formal control and reduces the costs of communication. These characteristics make small administrations more flexible and adaptable, but also vulnerable to personality politics, corruption, lack of accountability and transparency.

Therefore, the distinctive political and economic context of small state governance also deserves attention. The governance issues are concerned with the potential population homogeneity and alignment of preferences, which might help to reduce distributional costs, and enable easier creation of uniform and sustainable public policies in smaller states. In addition, small states might be more successful in achieving higher quality of governance, as collective action problems can be solved more easily in smaller states, and institutional quality has a character of local public good. This is of particular relevance for smaller states, where assuring institutional quality is much more important, as this serves as one of the tools for conflict management, an issue relevant to balance the impacts of external shocks. Namely, although the size of small states might act as an economic inhibitor and they might be more vulnerable to external shocks, they still can achieve socio-economic success. This can be attributed to the factors like the intangible infrastructure and the implementation of appropriate strategies, thus being very important when addressing governance of small states and the role of the leaders.



Altogether, the special characteristics of small state governance present small state leaders and leadership both with constraints as well as opportunities. On the one hand, the work context of small state leaders allows them to take a weightier role than individual leaders can usually have in large states. Small state politicians and civil servants have both more room and more pressure to act as 'leaders'. It means that there is much bigger role for individuals in small state policy making, both for good and for bad. On the other hand, the special characteristics of small state governance affect the use of different management tools and practices within public organisations thereby framing the leaders' choices in organizational design, public personnel management and performance management. In this regard, training and development of public officials and development of future public leaders deserves special attention in the small state context.

#### Learning outcomes:

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- Analyse the impact of scale on small states' public administration, institutional quality and governance
- Discuss the constraints and opportunities of small states' capacity to deal with complex policy problems domestically and internationally
- Describe the special characteristics of role-relationships in small societies and their impact on political and administrative leadership
- Characterize the impact of state's size on public sector leadership and leadership development.