



Post house on Åland

4

Autonomy plus:

The policy challenges and opportunities faced by subnational (mainly island) jurisdictions

ABSTRACT

The world contains large numbers of subnational jurisdictions, many of which enjoy or suffer a special status, one that is not necessarily shared by the other similar subnational members of the federative state. A particularly unique historical quirk, the existence of an aboriginal/First Nation community, a specific international treaty or similar “one-off” conditions may conspire to produce such circumstances.

However, governance and politics is a dialectic and iterative game. Federal politicians and bureaucracies will seek to expand their leverage and clout over subnational units; while these same units will seek to expand their existing powers to maintain

GODFREY
BALDACCHINO

University of Malta



a fuller sense of autonomy and determination. There is one catch, however: full sovereignty or political independence is a red line that BOTH sides typically do not want to cross.

In this game of “autonomy plus,” therefore, the two sides are likely to agree and support measures that help to secure the goals and ambitions of both parties. In other words, the policies enacted and implemented at the subnational level are more likely to meet central support (and therefore also funding and legislative support) if they are seen as “win-win” initiatives rather than merely concessions. A critical question then becomes: what policy measures, advanced by sub-state units, are likely to meet the blessings of the central state?

In the spirit of how the past may be a mirror of the future, this exploratory chapter reviews the suite of policy capacities deployed by SNIJs and suggests whether these remain “fit for purpose” for the challenges of the twenty-first century.

INTRODUCTION: FRACTURED SOVEREIGNTY

During 2017, Puerto Rico made history by declaring bankruptcy (Williams Walsh, 2017). The regional government of Catalonia announced and ran an independence referendum, which the Spanish Government promptly declared as illegal (Reuters, 2017). A similar independence referendum has been announced for 2018 in and by the Faeroe Islands, with the full acquiescence of Copenhagen (Posaner, 2017). Tax Justice USA has lambasted Bermuda, the Cayman Islands, the Isle of Man, and Mauritius for being the world’s “best tax havens” (Tax Justice USA, 2017). Guam, an island that is administered by, but does not form part of, the United States, has been the target of bellicose rhetoric by North Korea (Cohen & McKirdy, 2017).

These are a few of the recent episodes that alert us to the fractured nature of sovereignty in the modern world. The emergence of the sovereign nation-state model has led to attempts to neatly territorialize the planet’s land area, as well as much of the ocean, locking and binding resources and peoples under the legitimate rule of governments. Political maps of the world represent this clean-cut approach to the division of power, with the representation of sole and unambiguous powers exercising control over discrete and contiguous swathes of land, and adjoining waters (Wood & Fels, 1992). Such powers tend to recognize each other; in this way they can bolster each other’s claims and credentials to authority and power (Elden, 2010; Sack, 1986; Taylor, 1994). Meanwhile, internally, the classic model of governance within the state conceives a series of uniform, nested tiers. The model is clean and elegant, and reaffirms the fundamental notion that states impose the same rules on all citizens and on all subnational jurisdictions at a given tier (Marks et al., 2014).

But such representation is actually more of an exercise in ideal type and wish fulfillment. It masks a variety of tensions and challenges to the exercise of power. These

include the stresses between different layers of government within the same country; the existence of secessionist movements; the travails of failed states; the messy goings-on at (and of) border crossings; the existence of stateless nations and *de facto* states vying for recognition and sovereignty; the real difficulty of governing a motley of national and ethnic groups, possibly spread over large distances; and contested territories claimed by more than one country (e.g., Bahcheli et al., 2004). Subnational governance has become multilevel and multivariate in a dynamic and unplanned way that breaks with the classic mould of neat and nested, mutually exclusive, uniform tiers. The bulk of the change over the past decades has been to create special authoritative arrangements for individual regions. This reflects the accommodation of minority nationalisms, the facilitation of a specific type of economic development in a favoured region, experimentation with jurisdictional design, and/or the preservation of a fragile or unique ecosystem (Marks et al., 2014).

Responses to this complex situation have been at two levels. The first is international, where parties to disputes have either sought arbitration from credible third parties and “honest brokers” (Norway, Switzerland) (e.g., Sanders, 1999); or have resorted to international agencies — such as the United Nations, and the League of Nations before it — to achieve appropriate solutions to what appear to be intractable problems of demarcation (Born, 2015).

The second is domestic. Here, the state may consider supporting, condoning, or even itself pushing for federative arrangements which grant a modicum of power to one or more sub-state units. Federacy is seen as a solution to agitations for self-government, granting some autonomy to domestic units, while preserving the integrity of the state (Ghai, 2008). Here, we witness the tensions involved between self-rule — where decision-making capacity is notionally held by one player — and shared rule — where decision-making capacity is shared between at least two players, typically two tiers of government (Elazar, 1987; Krasner, 2005).

SUBNATIONAL governance has become multilevel and multivariate in a dynamic and unplanned way that breaks with the classic mould of neat and nested, mutually exclusive, uniform tiers.

SHARED RULE VERSUS SELF-RULE: A GLOBAL REVIEW

We first must start by understanding what we mean by “self-rule.” The notion of a sovereign state exercising absolute control in its own domestic field and on its resident population is fiction. Even powerful countries must tactfully assess the implications of their policies with respect to their citizens overseas or to non-nationals in their own country. International relations involve a careful assessment of the implications of politics. By virtue of signing on to international treaties and agreements,

countries lock themselves into obligations and commitments. “Pooled sovereignty” lies at the basis of initiatives such as the Association of Southeast Asian Nations (ASEAN), the European Union (EU), the North American Free Trade Agreement (NAFTA), or the Organisation of Eastern Caribbean States (OECS), with unanimity, simple and qualified majorities, and pre-agreed-upon appeal procedures determining decisions (e.g., Keohane, 2002). The concept of “governmentality” helps us to understand the reach that countries seek to develop to influence behaviour beyond their borders: encouraging the transfer of remittances from the diaspora, or advertising residency and citizenship programs for sale, for example (Baldacchino, 2012). The long and short of this acknowledgement is that sovereign states and subnational jurisdictions may not be as far apart as may be assumed *a priori*.

Second, in the tension between “shared rule” and “self-rule,” the subordinate sub-state player would typically enjoy protective constitutional or some other legal status. This could be an administrative leftover from a previous arrangement (such as autonomous administration under colonial rule); the outcome of an international treaty (which could also specify rights and obligations); the lingering recognition of a distinct cultural and ethnic minority; or it could be an initiative of the central government itself, in which case, the motivation may have come from the central administration willingly (having sensed some strategic advantage to be secured in carving out a distinct jurisdictional status) or begrudgingly (having caved in or succumbed to pressure to offer autonomy in the face of strong, widespread, and sustained opposition, public unrest, or even violent conflict).

THERE ARE some 500 sub-national jurisdictions (SNJs) in the world today. These include some 120 islands, or SNJs that are on islands.

There are some 500 subnational jurisdictions (SNJs) in the world today. These include some 120 islands, or SNJs that are on islands (Baldacchino, 2010, pp. 203–214). The bulk of these units consists of the constituent

parts of federative (and typically large) states. Federations include Canada, India, Russia, Indonesia, Brazil, and Germany — all countries with large populations and/or large land areas.

In most federacies, however, the relationship with the central government is more nuanced; asymmetry abounds and corresponds to the “shared rule versus self-rule” dynamic described above. Indeed, it is common to find countries that have both federative and federacy structures in place, fielding dependencies, asymmetries, and autonomies under the mantle of the same central government. Thus, the United States has 50 states (which largely comprise a federative structure), but also 16 territories (of which five are inhabited) where the relationship with Washington, DC, is more fluid and contested. Puerto Rico and Guam are two such US territories.

Canada has 10 provinces but also three territories, and various First Nations

communities whose policy-influencing capacity cuts across all levels of government. Within this arrangement, there is “considerable scope for asymmetry,” particularly in the operation of federal-provincial agreements, programs, and policies. Such asymmetry seems to have been easily accommodated, when approached pragmatically and in small cautious steps in case-by-case circumstances. The assurances of “continuous communication with the mainland” given to Prince Edward Island when it joined Canada in 1873 are a case in point. However, when demands for asymmetry are approached at the level of principle and/or the differences become extensive and deeply symbolic, asymmetry invariably becomes a delicate matter to propose and resolve, challenging Canadians’ sense of “national political community on the one hand, and their fundamental notion of equality or inequality among provinces on the other” (Milne, 2005, *passim*).

The Russian Federation comprises 85 federal subjects, or divisions, namely: 47 oblasts (provinces); 21 republics (states) which enjoy a high degree of autonomy on most issues and which correspond to some of Russia’s numerous ethnic minorities; eight krajs (territories); six okrugs (autonomous districts); two federal cities (Moscow and St. Petersburg); and the Jewish autonomous oblast. Even though bilateral bargaining has been described as a dangerous institutional choice, contributing to federal instability and potentially threatening the disintegration of Russia, bilateral treaties, unique for each region, have been signed between regions and the central state (Filippov & Shvetsova, 1999).

China has 23 provinces, five autonomous regions, four mega-city municipalities (Beijing, Shanghai, Tianjin, and Chongqing); and two special administrative regions (Hong Kong and Macau), the latter two justifying a “one country, two systems” approach (Leung, 2016). Other than Taiwan, Hainan is China’s only other, fully island province. Between 1980 and 1984, China also established special economic zones (SEZs) in Shantou, Shenzhen, and Zhuhai in Guangdong Province and in Xiamen in Fujian Province; it also designated the entire island province of Hainan as a special economic zone: the only such island designated as a policy enclave in this way.

The world’s six lingering European colonial and postcolonial powers — Denmark, France, the Netherlands, Portugal, Spain, and the United Kingdom — all have federal arrangements. Denmark is amicably steering both Greenland and Faeroes towards self-determination, doing so in a gradual and consensual manner (Ackrén, 2006; Grydehøj, 2016). The Netherlands has “resolved” its Antillean problem by embracing three islands (Aruba, Curaçao, Bonaire) as special municipalities of Holland, while the remaining two-and-a-half islands (Saba, St. Eustatius, Sint Maarten) have a separate status, making them quasi-autonomous (Wathey, 2015). France, a unitary state, has territories in every ocean of the planet (Aldrich & Connell, 1992). Some have been departments of France and effectively decolonized and incorporated into the country since 1946; the latest, Mayotte, has been since 2011. Others are still

considered overseas territories and Paris, jealous of its global reach, would be loath to allow any of them to secede: although an “independence referendum” is due in November 2018 in New Caledonia (Chappell, 2013; Conklin et al., 2014). Spain is the youngest democracy of this set — since 1975 — and this might explain its overall reticence towards allowing any degree of constitutional autonomy to its component parts. But its sub-units do not necessarily agree with this stance: the Basque country was the focus of anti-central state terrorism for many years; and Barcelona has taunted “pseudo-federal” Madrid with its own self-declared referendum on independence (Fuentes, 2016). Portugal’s two archipelagos, the Azores and Madeira, are both autonomous regions (Bartmann, 1996). Finally, the UK maintains 14 overseas territories (UKOTs) which are internally self-governing, and of which all but one are islands or on islands (Dodds, 2002; Winchester, 2009). Some of the sub-state components of France, along with the Canaries (Spain) and Azores and Madeira

IN A FEDERACY, one still comes across a political arrangement whereby a large unit is linked to a smaller unit(s); and while the smaller unit may have only a minimal role, if at all, in the government of the larger one, the smaller unit can still retain considerable autonomy.

(Portugal), are considered “outermost regions” of the European Union. Meanwhile, Greenland and Faeroes (Denmark), as well as the UKOTs and other territories of France and the Netherlands, are not part of the EU but are considered “overseas countries and territories” with their own special relationship with the European Union (Adler-Nissen & Gad, 2013). Note also that practically all these territories, except French Guiana, Gibraltar, and the continental regions of Spain, are islands.

In a federacy, one still comes across a political arrangement whereby a large unit is linked to a smaller unit(s); and while the smaller unit may have only a minimal role, if at all, in the government of the larger one, the smaller unit can still retain considerable autonomy. It is on the nature of the policy fields that lie at the basis of this relationship that this chapter will focus.

THE ISLAND EFFECT

The disposition towards both federative and federacy arrangements is enhanced by the geographical delineation and remoteness that typically concerns islands. Distance from the metropole, the distinct geographically contoured space, and the sense of island identity that this combination of form and distance engenders, make islands premier candidates for jurisdictional design and a specific development trajectory and destiny. This is partly the reason why there are 46 island and archipelagic states in the world — embracing almost a quarter of the world’s total number of states — even though they only include just over 10% of the world’s population.

Hence, islands are disproportionately represented in the family of jurisdictions. In some cases, small island states are themselves federations (Veenendaal, 2015). The most notable example is the Federated States of Micronesia: a microstate with a population of around 120,000, but nevertheless organized as four constituent states; while the Comoros adopted the federative route also to (seek to) quell secessionists within the archipelago (Anckar, 2003), it still lost Mayotte to France. When located at the edges of territorial realms, islands can also be platforms for the projection of central power and reach. Here, and unlike demands for self-determination, the thrust is reversed: designs for special arrangements for islands are likely to be pushed from the centre and may meet either resistance or encouragement from the island population itself. Consider the transformation of the “Peace Island” of Jeju into a naval military base by South Korea (Lee, 2013; Yeo, 2013); the continued militarization of Okinawa, Japan (Davis, 2017) and of the Falklands/Malvinas; the latter continues to be claimed by Argentina (Calvert, 2016).

POLICY CAPACITIES

Subnational units have been categorized in their relationship to central powers. A dependency describes a region that is fully incorporated and subject to direct “top-down” rule from the centre. Here, local government is typically the conduit for the enactment of central (and not local, autonomous) decisions and the distribution of funding. The bilateral relationship is hierarchical, and not negotiable. Galápagos (since 2009), Gozo, Irian Jaya/West Papua, Jeju, and Socotra are examples. An asymmetry conventionally describes a federal system in which one (or more) of the sub-state components exercises some additional powers, typically not shared by other constitutive units of the same state. Here, local government operates in a triadic situation, one involving both bilateral (local-central) and multilateral (peer-to-peer) relations within the country. It flexes this additional clout often with the connivance of the central state which seeks to extract its own mileage and positional advantage from this exceptional status (and to the envy of other state sub-units that lack such additional powers; these may resist the empowerment of one of their number or they may seek to imitate it). Quebec, Catalonia, Flanders, and Gotland are apt examples. The central state may fear competitive regional mobilization for greater self-rule. An autonomy describes a region that exercises significant self-rule, usually as a function of a minority nationalist identity and demands, and engages in almost exclusive bilateral relations with the central state, with no room for comparison with other sub-state units (if and where they exist). Here, the local government may experience a turbulent and bumpy relationship with the central state, now accommodating, now resisting, now taunting, scapegoating, or blackmailing. Åland, Papua, Aceh, Azores, Faeroes, Nunavut, and Tobago each have particular relationships with the central



Red houses on the Faeroe Islands

state, producing unique, *sui generis*, idiosyncratic arrangements (Marks et al., 2014; Stepan, 1999; Watts, 1998, 2015).

A key policy challenge would be for dependencies in federations to “graduate” and become asymmetries; for asymmetries to become autonomies; and for autonomies to consider an expansion of their powers (and, rarely nowadays, outright independence). In contrast, and if unhappy with the exceptionality of the sub-state player — fiscal profligacy, corruption, discrimination, and physical violence are some of the triggers — the central government may seek to rein in the special (but, in its eyes, irksome) status of the sub-state unit, seeking opportunities to demote autonomies to asymmetries; and transforming asymmetries into dependencies.

Evidence suggests that the central state’s resistance to autonomy tends to be far less intense than resistance to asymmetry: in a review of the fate of 201 autonomous regions over a 60-year period (1950–2010), 46 regions have gained autonomous status; whereas just 8 have lost it; losing autonomy may be a result of securing independence, as in the case of Singapore and Tuvalu (Marks et al., 2014; McIntyre, 2012). In sharp contrast, only 4 regions gained asymmetric status in the same period; while 93 lost it (these being mainly within Russia, and part of the moves towards stronger central state control implemented by Putin once in power). A recent case in point concerns Norfolk Island, Australia, which lost its self-government in 2016 following legal reform (Phillips, 2016).

The hierarchical differentiation of these three types of sub-state status is captured in Figure 4.1 (adapted from Marks et al., 2014, p. 20).

FIGURE 4.1 : **Types of differentiation of sub-state units**

	<i>How does the region stand in relation to the central state?</i>	<i>How does the region stand in relation to other regions in the same state?</i>	<i>What is the character of rule in the region?</i>	<i>Examples</i>
Dependency	Unilateral: region receives central state direction	Excluded from any regional standard	Central rule	Isla de la Juventud (Cuba), Labuan (Malaysia), Yukon to 1979, Anticosti (Canada)
Asymmetry	Multilateral: region relates to central state as part of a standard tier	Deviation from a standard: policy-wide frame with differentiation of governance for sub-sets of regions	Some self-rule and some shared rule	Catalonia (Spain), Quebec (Canada), Flanders (Belgium)
Autonomy	Bilateral: region relates to central state directly	Anomaly without a standard: unrelated to a regional tier	More self-rule, less shared rule	Aceh (Indonesia), Greenland (Denmark), Jeju (Korea), Nunavut (Canada), Scotland (UK)

The policy fields over which subnational units may wish to exercise full control, or wrest such control from the central government, are various. Srebrnik (2017) has compiled what he calls a “sovereignty index” that breaks down these capacities into specific policy fields, organized as constitutionally entrenched, legislative, and executive powers (see Figure 4.2). The reference to “control” in the table is, of course, subject to further examination and its operation on the ground may change from one jurisdiction to another.

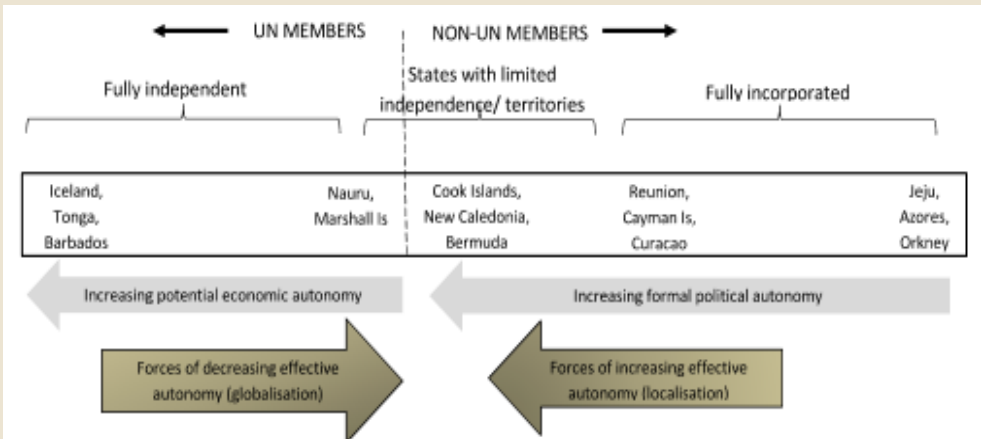
FIGURE 4.2: **Sovereignty index: degree of constitutionally entrenched jurisdictional autonomy**

- **Legislative powers**
- **Judicial powers and control over legal system (civil and/or criminal)**
- **Executive powers**
 - separate electoral system and political parties
 - control over customs, duties, taxation and other banking services and fiscal resources
 - control over the currency
 - control of international trade
 - control of the environment (landscaping, upkeep, waste management)
 - control over the proceeds of natural resources (including offshore resources)
 - control over citizenship, immigration, and rights of residency
 - control over land ownership and use
 - control over aviation, communications, postal services, and transportation
 - control over defence, foreign affairs, and security
 - relations with other jurisdictions (including international representation)
 - control over culture and language
 - control over education and institutions of higher learning
 - sense of national identity and shared history
 - degree of influence and representation in central institutions of decision-making units and bodies of governance in larger entities (such as a federation)

Source: Adapted from Srebrnik (2017, personal communication)

How can one approach such a listing with a more analytic and critical bent? One way is to categorize or group these policies, as attempted by Baldacchino (2006; 2010, pp. 76-83). Kerr (2005, p. 504, Figure 1) suggested that “it is perhaps useful to consider a continuum”: in his case, the continuum dealt with actual island units, from Lindisfarne (no autonomy) to New Zealand (full sovereignty), rather than the actual policy capabilities wielded by those jurisdictions. Bertram and Poirine (forthcoming 2018, Figure 1, reproduced here as Figure 4.3) resort to Kerr’s figure and stick to jurisdictional examples along its spectrum, in their case adding to highlight that, towards the centre of the diagram, there is a group of “states with limited independence” as well as non-sovereign “territories with state-like autonomy” which share many characteristics that span what is, policy-wise, not such a sharp dividing line (as argued above). Thus, one could add, there are examples of “sovereignty minus” — Marshalls, Nauru, Palau — that approach the capacities of jurisdictions that are “autonomy plus” (Cooks, Bermuda, Niue, New Caledonia).

FIGURE 4.3: Continuum from dependency to sovereignty



One can and should go farther than this. Sticking to the idea of a continuum, the suite of policy options can also be grouped in some kind of hierarchy, scale, or gradation, suggesting that some are easier, or more likely, to devolve from central government; while others, much less so. Here, I follow the lead of Watts (2015), who, however, focuses on the constitutional and legal clout and powers of states and territories, rather than on what those powers are used for. One can, therefore, expand and deepen Srebrnik’s listing with a suggested gradation of these executive powers.

SOFT POWERS

I would argue that a number of these competences are relatively “soft,” more easily conceded by central governments; and more easily, safely, and effectively administered by local autonomous units. They hardly threaten the authority of the central state; and they offer a workable accommodation that (largely) avoids secessionism and separatism.

SOFT POLICIES WOULD INCLUDE:

- control over land ownership and use
- control over culture and language
- control over education and institutions of higher learning
- control of the environment (landscaping, upkeep, waste management)
- separate electoral system and political parties

On small islands, identifiable minority groups can be easily overwhelmed demographically via immigration. Hence, **title to land** would be important in order to maintain control over the dynamics of population growth and cultural pluralism. Central governments would tolerate the implementation of stringent criteria governing who can become a resident of a sub-

national unit. Such criteria are typically asymmetrical: they would not apply, *mutatis mutandis*, to the rights of citizens in the home country. Thus, the citizens of the UK overseas territories can all apply for residency in the UK, but for a UK resident to secure residency in an overseas territory like Bermuda, let alone purchase property, strict conditions apply. Guernsey and Jersey operate distinct property markets for expatriate residents. A more nuanced version of this “soft policy” is the property price tag and property tax differential charged between residents and non-residents, or even the limits in the amount of land that could be owned by non-residents. Prince Edward Island charges non-residents double the property tax it charges residents; while in Guernsey, Jersey, and Bermuda, there is a specific housing market for non-residents.

Language is another important marker of identity and the communities of sub-national units will be keen to preserve this marker, especially when faced by the threat of many co-nationals who speak a different language. **Schools and educational institutions** are carriers of culture and language policy: many sub-state units will have provisions for teaching their children in the local (but also the metropolitan) language. Thus, residents of Åland must, by law, be Swedish speakers; “the island” of Quebec in Canada upholds French as the official language in the province and operates its own immigration policy such that Francophones are favourably discriminated; and, for 30 years, public schools in Spain’s Catalonia region have taught most subjects in Catalan, not the national Castilian Spanish language (Ortiz, 2014).

Environmental management is a policy capacity that is often devolved, granted even to municipal government. Sub-state governments may be tasked to protect and enhance particular ecosystems and ensure a harmonious co-existence between people and their biota. Ninety-seven per cent of the land area of the Galápagos Islands is a national park and a UNESCO World Heritage Site. Socotra is a special conservation area of Yemen, and has its own governorate since 2013; while the municipality of the Lofoten islands has (so far) been declared a petroleum-exploration-free zone of Norway (though this may change soon) (Dutton, 2016).

The existence of a **separate electoral system** may be necessary to elect the members of the local house of assembly or local government. In various cases, the parties involved in contesting for such seats bear no resemblance to those involved in national elections, affirming the disposition towards a minority national identity (Hepburn and Baldacchino, 2013).

The other powers help to establish control over policy fields that are often also entrusted to local and municipal governments.

HARD POWERS

Other policy competences should be considered “hard” competences because they are more likely to irk central governments, may have serious implications on fiscal transfers to the central state, or to invite their resistance or hostility to such moves if contemplated or initiated from the sub-state unit and contrary to the grand plans of the centre. On the other hand, should other sub-state members of the state already enjoy such privileges (and responsibilities), then the other sub-state units desirous of a “status upgrade” may lobby effectively to get the state to at least consider extending these (already existing and presumably well-working) policy capacities to additional and deserving subnational units.

Recent history has seen the advancement of sub-state units as **off-shore finance centres** (with mixed results) as an expression of this “win-win” condition. All the more so when the sub-state unit is a subnational island jurisdiction, where the geographical boundedness and isolation help to ring-fence and corral any initiative involving the offer of banking services. This ensures the lack of spillover, while still maintaining purview and oversight. In fact, in a listing of offshore financial centres, 28 out of 43 identified locales are on islands (Roberts, 1994, p. 93).

While fiscal policy can be a “shared” competence, **monetary policy** is usually not. Subnational units do not have the equivalence of central banks and no influence on currency controls. Nor do subnational units usually have powers over the terms of international trade.

Nevertheless, the notion of a **free port and export processing zone** (EPZ) has been practised in various island units of larger states. The first such zone came into being in 1937 at Stapleton, Staten Island, New York (Palan, 2003, p. 119). The model was then perfected with respect to another, larger island, Puerto Rico, and from there on to the setting up of Taiwan’s first EPZ (suggestively, on an artificial island in Kaohsiung harbour) and then in Indonesia (on Batam Island, just off Singapore)

HARD POLICY COMPETENCES WOULD INCLUDE:

- control over citizenship, immigration, and rights of residency
- control over customs, duties, taxation, and other banking services and fiscal resources
- control over the proceeds from natural resources (including offshore resources)
- control over the currency
- control of international trade
- control of offshore resources
- control over aviation, communications, postal services, and transportation
- control over defence, foreign affairs, and security
- relations with other jurisdictions (including international representation)

(Palan, 2003, p. 122). Hong Kong and Macau are two such “free ports”: they pursue a free trade policy and maintain no barriers on trade, with no tariff charged on the import or export of goods. Other free ports in China include Shanghai, Guangzhou, Shenzhen, Tianjin, Xiamen, and Zhuhai: cities that have benefitted from a readiness by the Chinese central government to have a desire to extend the Hong Kong and Macau “best practice” inland to other strategic locations.

No effective trade or tourism policy can be brought to fruition without a sound **transportation policy**. Åland is jealous of its ownership of two of the large passenger ferry companies that ply the busy Stockholm-Mariehamn-Turku route in the Baltic, so popular with shoppers because it operates a duty-free service (Baum, 1996). Strong lobbying was successful in improving the terms with which travellers could travel between Mauritius and its subnational island jurisdiction of Rodrigues (Wergin, 2012). The sub-state unit will canvas aggressively for the financing by the central

... WHILE THE ABILITY to entertain relations with other states is often assumed to be a core function of sovereignty, exceptions abound. Where non-independent actors are involved, this behaviour is usually referred to as paradiplomacy.

state of the infrastructure required for a suitable airport, sea port, cruise ship terminal, or a fixed link such as a causeway or bridge (as well as, preferably, of their maintenance). It will also seek to improve the terms at which this critical communication lifeline to the mainland is operated, particularly the cost, frequency, and choice over means of travel. Sub-state residents may benefit from “public service obligations” that protect such services from the vagaries of market forces; they may also benefit from specific subsidies.

Hand in hand with international trade goes **international representation**. After all, much of the purpose of ongoing (peacetime) diplomacy is the

facilitation and encouragement of bilateral trade flows. And, while the ability to entertain relations with other states is often assumed to be a core function of sovereignty, exceptions abound. Where non-independent actors are involved, this behaviour is usually referred to as paradiplomacy (Aldecoa & Keating, 1999; Kuznetsov, 2014). Montserrat is a full member of the Organisation of Eastern Caribbean States (and with the British Virgin Islands, Anguilla, and Martinique as associate members); since 2006, Quebec has its own representation to UNESCO and La Francophonie; since 2005, the Faeroe Islands have official representation in Danish embassies in London, Reykjavík, and Copenhagen; while nine countries — France, Germany, Iceland, Italy, Netherlands, Norway, Sweden, and the United Kingdom — maintain consulates in Tórshavn, the Faeroese capital. Greenland maintains representative offices in Brussels and Copenhagen; and there are nine consulates in Nuuk, its capital. While explicitly excluded from undertaking international representation by virtue of the 1920 Autonomy Act, the Åland Islands maintain representation in Stockholm,

Helsinki, and Brussels, and there is an Åland representative presence in the Finnish delegation in Brussels.

With the coming into force of the United Nations “Law of the Sea” in 1994, countries have been able to stake claims to considerable swathes of ocean, swelling their “exclusive economic zone” in which mining and fishing are legitimate rights. The control over such vast oceanic spaces and their **offshore resources** — oil, gas, other minerals, fish — can be the focus of aggressive bilateral domestic negotiation. For example, Newfoundland and Labrador had a tense confrontation with the central Canadian government in 2004 over how to distribute profits from oil and gas deposits located in provincial waters (Baldacchino, 2009).

Finally, powers over **defence and security** are typically managed by the central state; unless, as in the cases of Åland and Svalbard, the territories are demilitarized by virtue of international treaties. These can be expensive expressions of sovereignty, so the sub-state unit is readily disposed to allow its central state to pick up this task, and its expenses. No confrontation is likely here. Indeed, in moments of natural calamity and civil unrest, it could be the sub-state unit itself which asks for the intervention of the centre to support recovery efforts with emergency funds, supplies, and personnel. This has, indeed, happened: in the summer of 2017, in the wake of the disasters wrought by Hurricanes Irma and Maria in the Caribbean, the British Virgin Islands, the US Virgin Islands, Sint Maarten/St. Martin, and St. Barthélemy all received quick pledges of material, human, and financial aid from their respective metropolitan powers: the UK, US, Netherlands, and France (e.g., Davidson, 2017).

DISCUSSION

The movement from dependency to asymmetry to autonomy can be interpreted as a movement towards greater self-rule (though never absolute in a globalized and interconnected world) versus shared rule (or no rule at all). The policy fields over which such expressions of “autonomy plus” are requested and claimed by the sub-state unit tend to deal with the “hard” components of the list. The success or otherwise in securing such claims will depend on a complex array of vectors; but these will include the political leverage that the sub-state unit commands in the corridors of the central power; the support it enjoys among both the general and local population; the willingness by the central state to risk a showdown (that may compromise public safety and lead to civil disobedience and strife); as well as the strategic opportunities that the central state sees in condoning the sub-state upgrade. It is the last of these options, and the opportunities it opens up for “win-win” solutions, that is the most likely to fuel a deepening of autonomy arrangements.

As suggested earlier, “autonomy plus” becomes more strategically feasible when the desirous outcome is already available for all to see, in the guide of a fellow

sub-state unit within the same polity. In such situations, all players can better determine the chances of success of the exercise and determine the risks involved in extending the experiment in jurisdictional autonomy.

Should that be the case, the march forward is best undertaken along not one, but various, policy fronts. In spite of dealing with a relatively young, strongly centralized, and increasingly nationalist state, Åland, for example — which maintains

... “autonomy plus” becomes more strategically feasible when the desirable outcome is already available for all to see, in the guise of a fellow sub-state unit within the same polity.

exclusive powers over the fields of education, health, culture, industry and policing and elects a single representative to the Finnish Parliament — has, over time, carved out some additional policy competences which might appear “banal” but are powerfully suggestive of its autonomy from Finland: its own postal and philatelic service, its own motor vehicle number plates, and its own top-level Internet domain name (.ax) (Hepburn, 2014).

Any movements towards free port status depend on establishing oneself as a trade and logistics hub. This, in turn, is much facilitated by paradiplomatic efforts and a stronger presence, reach, and clout overseas, as well as by suitable investments and incentives for specialist human resource development at home. Securing a free port status for an island province like Hainan in China is more likely to succeed if Hainan also reaches out and establishes its own trade relationships with suitable partners, while showing that it would have the human capacity and competencies to ably manage such a development.

CONCLUSION

This chapter is part of a growing literature that looks at the diminishing policy capacity gap between subnational jurisdictions and sovereign states. Autonomy arrangements have created a class of “autonomy plus” jurisdictions, at the same time that globalization, multilateralism, and “pooled sovereignty” have eaten away at the presumed absolutist power of sovereign states. The space for such “experimentation” has grown, and the best candidates for grasping the opportunities thus presented are typically small and island units.

ACKNOWLEDGEMENTS

I am grateful to Henry F. Srebrnik for having proposed a “sovereignty index” based on a series of “powers”; and to James E. Randall for comments on an earlier draft. The usual disclaimers apply.

REFERENCES

- Ackrén, M. (2006). The Faroe Islands: Options for independence. *Island Studies Journal*, 1(2): 223-238.
- Adler-Nissen, R., & Gad, U. P. (Eds.) (2013). *European integration and postcolonial sovereignty games: The EU overseas countries and territories*. London: Routledge.
- Aldecoa, F., & Keating, M. (Eds.) (1999). *Paradiplomacy in action: The foreign relations of subnational governments*. New York: Taylor & Francis.
- Aldrich, R., & Connell, J. (1992). *France's overseas frontier: Départements et territoires d'outre-mer*. Cambridge: Cambridge University Press.
- Anckar, D. (2003). Lilliput federalism: profiles and varieties. *Regional & Federal Studies*, 13(3): 107-124.
- Bahcheli, T., Bartmann, B., and Srebrnik, H.F. (Eds.) (2004). *De facto states: The quest for sovereignty*. London: Routledge.
- Baldacchino, G. (2012). Governmentality is all the rage: the strategy games of small jurisdictions. *The Round Table: Commonwealth Journal of International Affairs*, 101(3): 235-251.
- Baldacchino, G. (2010). *Island enclaves: Offshoring strategies, creative governance and subnational island jurisdictions*. Kingston and Montreal, Canada: McGill-Queen's University Press.
- Baldacchino, G. (2009). Governance in small places: the unleashing of asymmetric federalism. In G. Baldacchino, L. Felt & R. Greenwood (Eds.) *Remote control: Governance lessons for and from small, insular and remote regions* (pp. 114-134). St. John's, NL: ISER Books.
- Baldacchino, G. (2006). Innovative development strategies from non-sovereign island jurisdictions? A global review of economic policy and governance practices. *World Development*, 34(5), 852-867.
- Bartmann, B. (1996). Saltwater frontiers: jurisdiction as a resource for small islands. Keynote address to the Annual Conference of the Institute of Island Studies. Charlottetown, Canada: Institute of Island Studies. Retrieved from: <http://projects.upei.ca/iis/files/2014/05/SALTWATER-FRONTIERS.pdf>.
- Baum, T. (1996). Tourism and the Åland islands. *Progress in Tourism and Hospitality Research*, 2(2): 111-118.
- Born, G.B. (2015). *International arbitration: Cases and materials*. The Hague, The Netherlands: Wolters Kluwer Law & Business.
- Calvert, P. (2016). *The Falklands crisis: The rights and the wrongs*. London: Bloomsbury.
- Chappell, D.A. (2013). *The Kanak awakening: The rise of nationalism in New Caledonia*. Honolulu, HI: University of Hawai'i Press.
- Cohen, Z., & McKirdy, E. (2017, August 9). North Korea threatens strike on Guam. CNN. Retrieved from: <http://www.cnn.com/2017/08/08/politics/north-korea-considering-guam-strike-trump/index.html>.
- Conklin, A.L., Fishman, S., & Zaretsky, R. (2014). *France and its empire since 1870*. New York: Oxford University Press.
- Davidson, H. (2017, September 11). France steps up Hurricane Irma aid as UK defends response. Retrieved from: <https://www.theguardian.com/world/2017/sep/11/france-steps-up-hurricane-irma-aid-as-uk-defends-response>.
- Davis, S. (2017). Apparatuses of occupation: Translocal social movements, states and the archipelagic spatialities of power. *Transactions of the Institute of British Geographers*, 42(1): 110-122.

- Dodds, K. (2002). *Pink ice: Britain and the South Atlantic empire*. London: IB Tauris.
- Dutton, J. (2016, February 9). Why Norway may open up spectacular Lofoten archipelago to oil and gas firms. *The Conversation*. Retrieved from: <http://theconversation.com/why-norway-may-open-up-spectacular-lofoten-archipelago-to-oil-and-gas-firms-54146>.
- Elazar, D.J. (1987). *Exploring federalism*. Tuscaloosa AL: University of Alabama Press.
- Elden, S. (2010). Land, terrain, territory. *Progress in Human Geography*, 34(6): 799-817.
- Filippov, M., & Shvetsova, O. (1999). Asymmetric bilateral bargaining in the new Russian Federation: A path-dependence explanation. *Communist and Post-Communist Studies*, 32(1): 61-76.
- Fuentes, F.J.M. (2016). Decentralisation, European integration and peripheral nationalism: managing multilevel governance in pseudo-federal Spain. In W. Hofmeister and E. Tayao (Eds.) *Federalism and decentralisation: Perceptions for political and institutional reforms* (pp. 97-117). Singapore: Konrad-Adenauer-Stiftung.
- Ghai, Y. (2008). Territorial options. In J. Darby and R. MacGinty (Eds.) *Contemporary peace making: Conflict, violence and peace processes* (pp. 242-253). New York: Palgrave Macmillan.
- Grydehøj, A. (2016). Navigating the binaries of island independence and dependence in Greenland: Decolonisation, political culture, and strategic services. *Political Geography*, 55(1): 102-112.
- Hepburn, E. (2014). Forging autonomy in a unitary state: The Åland Islands in Finland. *Comparative European Politics*, 12(4-5): 468-487.
- Hepburn, E., & Baldacchino, G. (Eds.) (2016). *Independence movements in subnational island jurisdictions*. London: Routledge.
- Kaplan, R.D. (2014). *Asia's cauldron: The South China Sea and the end of a stable Pacific*. New York: Random House.
- Keohane, R.O. (2002). Ironies of sovereignty: the European Union and the United States. *Journal of Common Market Studies*, 40(4): 743-765.
- Kerr, S. (2005). What is small island sustainable development about? *Ocean & Coastal Management*, 48(7): 503-524.
- Krasner, S.D. (2005). The case for shared sovereignty. *Journal of Democracy*, 16(1): 69-83.
- Kuznetsov, A.S. (2014). *Theory and practice of paradiplomacy: Subnational governments in international affairs*. London: Routledge.
- Lee, K.W. (2013). A reassessment of public conflicts and interests: The case of the Jeju naval base construction. *World Environment and Island Studies*, 3(2): 63-76.
- Len, C. (2015). China's 21st Century Maritime Silk Road initiative, energy security and SLOC (sea lines of communication) access. *Maritime Affairs: Journal of the National Maritime Foundation of India*, 11(1): 1-18.
- Leung, M. (2016). "One country, two systems," "one city, two systems": Citizenship as a stage for politics of mobility and bordering practices in Hong Kong. *Migration Letters*, 13(1): 49-63.
- Marks, G., Hooghe, L., Chapman, S., Schakel, A.H., Niedzwiecki, S., & Shair-Rosenfield, S. (2014). *From uniform to differentiated governance*. APSA 2014 Annual Meeting Paper. Retrieved from: <https://ssrn.com/abstract=2454686>.
- McIntyre, W.D. (2012). The partition of the Gilbert and Ellice Islands. *Island Studies Journal*, 7(1): 135-146.
- Milne, D. (2005). Asymmetry in Canada, past and present. *Series Working Paper*. Kingston, ON: Institute of Policy Studies, Queens University. Retrieved from: <http://www.queensu.ca/iigr/sites/webpublish.queensu.ca/iigrwww/files/files/WorkingPapers/asymmetricfederalism/Milne2005.pdf>.

- Ortiz, F. (2014, July 14). Catalan language revival fuels backlash in Spain. Reuters. Retrieved from: <https://www.reuters.com/article/us-spain-catalan/catalan-language-revival-fuels-backlash-in-spain-idUSKBN0FJ2E920140714>.
- Palan, R. (2003). *The offshore world: Sovereign markets, virtual places and nomad millionaires*. Ithaca NY: Cornell University Press.
- Phillips, K. (2016, June 23). The end of Norfolk Island's self-government. ABC News. Retrieved from: <http://www.abc.net.au/radionational/programs/rearvision/the-end-of-self-government-on-norfolk-island/7530806>.
- Posaner, J. (2017, February 12). Faroe Islands to vote on constitution paving way for independence. Politico. Retrieved from: <http://www.politico.eu/article/faroe-islands-to-vote-on-constitution-paving-way-for-independence>.
- Reuters (2017, August 28). Catalan parties step up referendum planning in clash with Madrid. Retrieved from: <https://www.reuters.com/article/us-spain-politics-catalonia/catalan-parties-step-up-referendum-planning-in-clash-with-madrid-idUSKCN1B81NK>.
- Roberts, S. (1994). Fictitious capital, fictitious spaces: The geography of offshore financial flows. In S. Corbridge, R. Martin, and N. Thrift (Eds.) *Money, power and space* (pp. 91-115). Oxford: Blackwell.
- Sack, R.D. (1986). *Human territoriality: Its theory and history*. Cambridge: Cambridge University Press.
- Sanders, J. (1999). Honest brokers? American and Norwegian facilitation of Israeli-Palestinian negotiations, 1991-1993. *Arab Studies Quarterly*, 21(2): 47-70.
- Stepan, A. (1999). Federalism and democracy: beyond the U.S. model. *Journal of Democracy*, 10 (October): 19-34.
- Tax Justice USA (2017). The nine best tax havens in the world. Retrieved from: <https://www.taxjustice-usa.org/tag/worlds-top-tax-havens/>.
- Taylor, P.J. (1994). The state as container: Territoriality in the modern world-system. *Progress in Human Geography*, 18(2): 151-162.
- Veenendaal, W.P. (2015). Origins and persistence of federalism and decentralization in microstates. *Publius: The Journal of Federalism*, 45(4): 580-604.
- Wathey, C. (2015). The dismantlement of the Netherlands Antilles: How autonomy is more viable than independence. *Caribbean Quilt*, 3(1): 142-153.
- Watts, R.L. (2015). *Comparing federal political systems*. 4th edn. Kingston and Montreal, Canada: McGill-Queen's University Press.
- Watts, R.L. (1998). Federalism, federal political systems and federations. *Annual Review of Political Science*, 1: 117-137.
- Wergin, C. (2012). Trumping the ethnic card: How tourism entrepreneurs on Rodrigues tackled the 2008 financial crisis. *Island Studies Journal*, 7(1): 119-134.
- Williams Walsh, M. (2017, July 2). Puerto Rico's Power Authority effectively files for bankruptcy. *New York Times*. Retrieved from: <https://www.nytimes.com/2017/07/02/business/puerto-ricos-electric-power-authority-effectively-files-for-bankruptcy.html?mcubz=0>.
- Winchester, S. (2009). *Outposts: Journeys to the surviving relics of the British Empire*. London: Harper Collins.
- Wood, D., & Fels, J. (1992). *The power of maps*. New York: Guilford Press.
- Yeo, A. (2013). A base for (in) security? The Jeju naval base and competing visions of peace on the Korean Peninsula. In P. Simpson, M. Arakaki and D. Broudy (Eds.) *Under occupation: Resistance and struggle in a militarised Asia-Pacific* (pp. 228-237). Newcastle-on-Tyne: Cambridge Scholars Publishing.