

# Conclusions

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My first impression of the research documented in this Annual Report is the richness and variety of islands. We sometimes think of islands as being very much alike. This inaccurate perception may be partly attributable to the scope and influence of the tourism marketing sector. All too often we are overwhelmed with images of white sandy beaches, palm trees, blue azure waters, and a friendly welcoming reception. It is no wonder that we mistakenly assume all islands share these characteristics.

However, islands are at least as heterogeneous as mainland jurisdictions. So, from an economic development perspective, it is important to understand the local island context and recognize that not all islands share the same challenges. Nor will the solutions that seem to work on one island translate into successes when implemented elsewhere. There is one exception to this caution about generalizing: that is use of the adjective “small” to describe and distinguish islands. Researchers seem to recognize, at least empirically, that there is something fundamentally different about the social and economic context of smaller islands than is the case with large islands or island archipelagos such as the United

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Kingdom, Japan, or the Philippines. This distinction applies regardless of whether size is measured by area, population, or the scale of the economy. Small is synonymous with the richness of the social and economic networks and relationships among islanders, with the boundedness of the edge of land and sea, and with the sense of place and belonging that islanders have with their land and surrounding water. Some researchers believe that this is all bound up in the term “islandness.”

A considerable amount of attention in this Annual Report was dedicated to better understanding and modeling the factors or the drivers of island economic change and development. Some islands have chosen to extract or harvest their natural resources and export them in return for a revenue stream. These resources can be land-based and include minerals and agricultural products or they can be marine-based (e.g., fisheries). With the ratification of the Convention on the Law of the Sea in the mid-1990s and the establishment of Exclusive Economic Zones around islands, marine-based products within the sea and under the seabed have become increasingly important to the economic well-being of islands. The challenge facing islands that have used this approach is to ensure that the resource is managed in a sustain-

able manner or the revenues generated from the export of non-renewable resources are invested sustainably. Unfortunately, this goal is not always achieved. Another popular framework for island economies is the so-called MIRAB model, where the economy is reliant primarily on the remittances earned and sent home by those working abroad, as well as aid from development organizations and countries. Given the emphasis of a number of islands on the tourism sector, a third model of island economic development has focused specifically on how tourism and linked sectors such as rural agriculture (see the chapter by Barker) can be an important source of local employment, capital investment, and revenue. While we usually think of tropical locations when we think of island tourism, increasingly “cold-water” islands are using tourism as a critical element of their economic base. Finally, there is a school of thought that suggests islands and island governments are combining a high level of political and economic entrepreneurship across many dimensions in their interac-



High-speed railway around Hainan Island; photo by Li Xianliang

tions with other jurisdictions and organizations. This process of strategic flexibility, sometimes referred to by the acronym PROFIT, allows them to construct, and then reconstruct, arrangements that benefit their people.

What all of these models or frameworks have in common is a high degree of openness and connection to the surrounding region and the rest of the world. Although openness can make islands vulnerable to external circumstances outside of their control, it also provides them with a wealth of knowledge and expertise that allows them to be resilient and to prosper under challeng-

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ing circumstances. This should not come as a surprise. Far from being isolated and marginal, islands have always been linked to the world around them. As both Briguglio and Greenwood point out, with a supportive regulatory framework, islands are well positioned to be competitive in their interactions with other jurisdictions.

Another way of stating this is, “What are the economic relationships within islands, between and among islands and their surrounding regions or country, and with the broader external world?” These economic relationships are normally measured in terms of the exchange of goods and services, but they could just as easily apply to the movement of capital for investment, remittances, the mobility of people for work and leisure, and the transmission of information and ideas. Bertram describes this as a contrast between islands that are more likely to experience centripetal forces and those that exhibit centrifugal forces. Several of the contributors to this volume speak of it in terms of the openness of an economy, where openness may risk vulnerability to broader forces of globalization but where niche opportunities also emerge which will benefit island economies.

Another overarching theme that emerges from this volume is how we define success. For the past 70 years, organizations, researchers, and most governments have defined success in terms of growth in the absolute Gross Domestic Product (GDP). Our understanding of economic success has evolved over time so that we now use complementary measures, including GDP per capita and improvements in the health and literacy of the populations (i.e., the Human Development Index). More recently, we see jurisdictions being assessed and monitored on bundles of characteristics that are intended to be surrogates for innovation, globalization, entrepreneurship, vulnerability, resilience, and even good governance.

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Perhaps one of the most important topics emerging from this Annual Report has been the attention paid to all of those other islands of the world that are not independent island states. This is not to say that island states do not matter. In fact, an argument could be made that island states and island champions have been critical in forcing the world to mitigate human-induced greenhouse gas emissions and confronting the consequences of sea level rise. However, there are many more islands than the 45 members of the United Nations community. Some of these “subnational island jurisdictions” (or SNIJs), like Hainan, are among the largest jurisdictions in the world. Others, like Pitcairn Island and Greenland, may have fewer people than a neighbourhood in a large city. One of the challenges in understanding and appreciating this much larger group of islands is that, because they are affiliated with larger political jurisdictions, they are often less visible and difficult to categorize. Therefore, we often default to seeing these as two groups: island states and a nebulous,

ambiguous group of “other islands.” The implication of this distinction is that political independence gives island states unfettered freedom to control their own destinies while the political dependence of subnational island jurisdictions means they have lost their ability to influence their own economic development. This is an oversimplification of the reality of islands. In an era where globalization, supranational organizations, multilateral agreements, and transnational corporations penetrate almost every corner of the world, no island is able to exercise complete control over its own policy decisions. Likewise, some SNIJs have greater autonomy and authority over their economies than do island countries. Island studies researchers such as Baldacchino approach this by asking: 1) which suite or basket of services and policy competencies is provided by the island government and which services and policies are the responsibility of the metropole?, and 2) how does the island–federal state relationship differ from the relationships that all other non-island jurisdictions have with that federal government?

One of the most important lines of research pertaining to these SNIJs is whether they are more or less successful economically than their counterpart small island states. This has been an important question because, for the past 50 years, the United Nations has encouraged island territories and dependencies to seek political independence as an ultimate political goal. At the same time, referenda on the question of independence have consistently shown that islanders from these SNIJs are generally content to remain in politically dependent relationships with their parent metropolises. Although the results are not completely one-sided, most research has shown that these partially autonomous islands are generally better off economically than independent states. In fact, the argument is made that small islands in general, and SNIJs in particular, exhibit a high degree of economic and political entrepreneurship. Prinsen and others suggest that subnational island jurisdictions are constantly negotiating the terms of their relationships with their metropolises to improve their social and economic conditions, while Overton and Murray make the argument that small island states may be more knowledgeable about aid packages than the donors themselves.

The lack of availability and the poor quality of data has also emerged as an important island issue, not only for research but also as a foundation for effective decision-making. Although data problems are important for island states, they are particularly challenging for SNIJs. With some notable exceptions, data on these islands tend to be outdated, incomplete, and mismatched to the scale of the island. Moreover, because the data are generated by individual countries, it is difficult to make comparisons among islands. The researchers in this Annual Report call for

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more and better secondary data on islands and more in-depth qualitative case studies or narratives focused on one or more islands.

This leads me to my final point about the islands described in this Annual Report. As suggested at the outset, one of the greatest assets of islands is their people. Communities of islanders know best how to match their strengths and resources to their evolving circumstances. External actors can bring capital, technical expertise, and advice, but strategies and solutions that might work on one island are not necessarily going to work on other islands. Local islanders know best how to adopt and adapt initiatives that are more likely to succeed given their local context. As such, it is fitting that the main theme of the 2018 Islands Economic Cooperation Forum is to explore and share examples of how co-operation and/or collaboration have been instrumental in achieving island economic development.