
GLOBALIZATION IN GLOBAL, REGIONAL AND COUNTRY-SPECIFIC DIMENSIONS

GLOBALIZATION AND ITS IMPACT ON SMALL NATION-STATES

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This paper critically examines the multifaceted impact of globalization on small states by interrogating the conceptual foundations of sovereignty, agency, and security in an increasingly interdependent world order. Departing from traditional materialist paradigms, the study employs a constructivist and institutionalist framework to assess how small states, defined by limited strategic depth and asymmetric power relations, navigate structural vulnerabilities through adaptive strategies such as multilateralism, norm entrepreneurship, and niche diplomacy. By using conceptual-analytical methodology, the analysis explores how the erosion of conventional state boundaries, accelerated by digitalization and liberalized communication networks, redefines security imperatives and constrains national autonomy, particularly in states lacking institutional resilience. It concludes that in the globalized era, survival for small states hinges not on traditional power capabilities, but on their capacity to reconceptualize sovereignty, strategically engage international institutions, and innovate diplomatically.

Keywords: *small states, globalization, sovereignty, strategic adaptation, international agency.*

Introduction

The notion of what constitutes a ‘small state’ has long been a subject of debate in international relations, given that size can be interpreted through multiple lenses such as population, territorial reach, economic strength, or geopolitical weight. Yet, despite these variations, there is a general consensus that small states are characterized by relatively

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limited capacities, both in their domestic resources and in their ability to shape outcomes within the international system (Baldacchino 2023: 4–5). In the context of globalization, the significance of small states is increasingly defined not by the scale of their material resources but by their strategic adaptability, institutional resilience, and ability to exercise agency and shape international norms within a system largely dominated by major powers (Heng 2024). In this study, small states are conceptualized as sovereign actors with constrained demographic, territorial, and economic capacities, yet capable of employing distinctive strategies to safeguard their security, promote economic growth, and extend their influence beyond the structural limitations imposed by their size.

Empirically, the analysis includes a diverse set of small states that exhibit different regional, economic, and institutional trajectories. Among these countries, Singapore, Qatar, Estonia, Barbados, Mauritius, Rwanda, Costa Rica, and Bhutan serve as prominent examples. These countries differ significantly in their geographical locations and political systems, but share common characteristics such as limited military power, small populations (typically less than 10 million), and high exposure to domestic and external economic, political, geopolitical, and environmental shocks (Haddad 2020; IMF 2016; Sarkhanov and Huseynli 2023).

As small island developing states, Barbados, Jamaica, Trinidad and Tobago, Maldives and Antigua and Barbuda highlight the adaptive potential of small economies through regional cooperation, tourism-based diversification, and active engagement in multilateral diplomacy (UN 2025: 36). The extension of this framework to the Global South, Latin America and the Caribbean, such as Uruguay's commitment to multilateral rule of law, Costa Rica's environmental diplomacy and the participation of small Caribbean states in international institutions, demonstrates that small states' adaptation strategies are not geographically limited but are structurally shaped by the asymmetries of globalization. Collectively, these examples confirm that small states, through innovative governance, diplomatic sophistication and normative leadership, can not only reduce their inherent vulnerabilities but also reconceptualize agency and resilience as dynamic tools for survival and influence in the international system (Cooper and Shaw 2009).

Postcolonial and European Dimensions of Small States

The paper's reference to postcolonial states seeks to highlight the specific structural and historical legacies that shape the agency of many small states in the global South. Small postcolonial states are states that gained independence after decolonization in Africa, Asia, or the Caribbean, and whose sovereignty is often constrained by economic dependence, limited institutional capacity, or external security alliances inherited from the colonial era. These states include Mauritius, Barbados, Namibia, Ghana, and Rwanda, among others. Their postcolonial status is revealed not only as a historical legacy but also as a structural challenge in the global economy, where their agency is often mediated through international institutions, aid regimes, and regional organizations (Jackson 1990: 42–51).

However, small European states such as Estonia, Slovenia, or Malta operate within a different systemic context. Although, Malta represents a postcolonial trajectory, having gained independence from Britain in 1964, yet its early and deep integration into European institutional, legal, and security frameworks has largely mitigated the structural legacies commonly associated with postcolonial statehood. Despite these divergent

historical trajectories, all three states share similar challenges of scale, vulnerability, and dependence on external alliances (Katzenstein 2006: 193–195). Thus, the study distinguishes between European small states, which have benefited from institutional integration and access to advanced governance frameworks, and postcolonial small states, which have relied on adaptive governance and normative strategies to navigate asymmetrical dependencies. Both categories confront the same structural dilemma of limited power within a global hierarchy but approach it through distinct mechanisms of institutional embedding (former) and through agency-driven innovation and norm entrepreneurship (the latter) (Ilcus 2025).

Typology of Small States by Level of Development

For analytical clarity, small states can be classified along two main dimensions: (a) level of economic development and (b) degree of institutional consolidation. These dimensions intersect to create a typology that captures both structural constraints and strategic capacities.

1. Small Developed States

This group includes Singapore, Qatar, Luxembourg, Norway, Israel, and Switzerland, although the latter two often exceed conventional definitions in terms of size or wealth. These countries have advanced industrial or post-industrial economies, strong governance institutions, and diverse external relations. Their strategies focus on technological innovation, high-value-added sectors, and soft power projection. Their vulnerabilities are less in economic fragility and more in exposure to global systemic risks such as financial volatility or geopolitical competition (Gussen 2019: 237).

2. Transitional or Emerging Small States

Estonia, Slovenia, Lithuania, Rwanda and Mauritius can be mentioned among these states. These countries are characterized by moderate levels of development and relatively successful institutional reforms. Their smallness is mitigated by integration into regional or global frameworks such as the European Union or the African Union and by specialization in sectors such as information technology, logistics or ecotourism. Their main strategic asset is adaptability, which allows them to translate reformist governance into international credibility (Lutmar 2025).

3. Developing and Postcolonial Small States

This group includes states such as Barbados, Namibia, Fiji, Bhutan and Gambia that continue to face structural development challenges. These states are often dependent on foreign aid, remittances or limited economic bases. However, their diplomatic activity and normative engagement in multilateral organizations (such as the United Nations, the Commonwealth of Independent States or regional blocs) act as compensatory mechanisms for limited material capabilities. They often position themselves as moral actors or advocates for global issues such as climate justice, sustainable development and cultural preservation (Lutmar 2025).

4. Small States in Fragile Contexts

Some small states, particularly in sub-Saharan Africa or the Pacific, exhibit fragile governance structures and limited institutional capacity. While such cases may fall outside

the main scope of this analysis, their experiences underscore the limits of small state agency in the absence of institutional consolidation. Their vulnerabilities, from dependency to exposure to climate change, illustrate the fragile environment of small states in the global South (World Bank 2025).

This typology suggests that small states cannot be treated as a single category. Their strategic behavior depends not only on size but also on how development, institutional strength, and international integration interact to shape their agency. Small developed states use resources to achieve global influence; small emerging states use innovation and reform to maintain competitiveness; and small postcolonial states rely on normative, cultural, and multilateral engagement to ensure recognition and resilience. Smallness is not a static condition, but a set of relations shaped by the global distribution of power and resources. Small states, whether embedded in advanced institutional orders or navigating postcolonial vulnerabilities, exhibit distinctive strategies for survival and influence.

Methodology

This study adopts a qualitative, conceptual-analytical methodology, aiming to synthesize existing theoretical debates and empirical patterns surrounding the transformations imposed by globalization on small states. Rather than employing a single-country case study or conducting fieldwork, the paper engages in thematic content analysis of secondary literature, drawing on a diverse range of high-impact scholarly sources, including peer-reviewed journal papers, monographs, and institutional reports. The approach is comparative and interpretive, enabling the identification of recurring patterns across varied geopolitical and institutional contexts without focusing on exhaustive national case studies.

Theoretical Framework

The profound transformations ushered in by globalization, particularly in its post-Cold War articulation, have necessitated a fundamental re-examination of core concepts within international relations theory, most notably those of sovereignty and agency, concepts whose traditional meanings have been rendered increasingly contingent, porous, and unstable in a global order characterized by interdependence, asymmetrical power structures, and transnational flows of capital, information, and norms (Chumakov 2013; Seyidbayli 2025; Alibabalu *et al.* 2020). Within this altered epistemic and material environment, the Weberian notion of sovereignty as the ‘monopoly of the legitimate use of physical force within a given territory’ (Weber 1946) no longer fully captures the modalities through which authority is exercised or contested, particularly in the context of small states whose empirical sovereignty may be formally intact, yet whose ability to insulate themselves from exogenous structural forces remains deeply circumscribed.

The neoliberal institutionalist perspective recognizes the continued relevance of state agency but argues that the growing density of international regimes and institutions disperses governance functions and norm creation beyond the state. This process dilutes the monopoly of state-centric authority and elevates the influence of non-state and supra-state actors in both domestic and international policymaking (Keohane and Nye 1977: 23–25). While this does not negate sovereignty entirely, it redefines it as a contingent form of authority, enmeshed in intricate systems of legal, economic, and

normative interdependence. For small states, whose limited material capabilities rule out unilateral action, this institutional integration presents a dual dynamic: it restricts independent policy autonomy while simultaneously offering avenues to leverage multi-lateral frameworks to enhance their influence (Thorhallsson 2018: 89–92).

Critical theoretical approaches, especially those informed by post-structuralist and postcolonial paradigms, radically deconstruct conventional understandings of sovereignty by exposing how power operates discursively and how global hierarchies reproduce historical patterns of domination and peripheralization (Walker 1993: 162). These frameworks reveal how the sovereignty of small or postcolonial states is systematically constrained by global capitalist logics, epistemic hegemonies, and geopolitical spatialities that normalize the agency of core states while relegating peripheral actors to structural subordination, even as they ceremonially enact sovereign equality. The paper's theoretical orientation thus rejects a binary opposition between state autonomy and global determinism, instead advancing a relational epistemology that treats sovereignty and agency as dynamic, historically embedded, and spatially uneven constructs. This lens proves indispensable for analyzing small states, which inhabit a constitutive paradox: they are juridically sovereign yet materially encumbered, resource-poor yet occasionally tactically innovative, and perpetually negotiating the tension between systemic vulnerability and adaptive resilience. A rigorous assessment of the impact of globalization on small states therefore demands a theoretical apparatus capable of capturing both the fluidity of global power relations and the durable asymmetries that condition these states' agential possibilities.

Structural Vulnerabilities and Adaptive Capacities

The contemporary acceleration of globalization has fundamentally transformed the geopolitical environment for small nation-states, creating complex structural vulnerabilities rooted in their inherent economic, political, and technological constraints. Most critically, these states face significant economic dependence due to concentrated export profiles, limited industrial diversification, and deep integration into global markets, factors that amplify their sensitivity to international economic volatility, capital mobility, and unequal trade relations (Briguglio *et al.* 2009). This structural positioning renders small states particularly vulnerable to commodity price fluctuations, supply chain disruptions, and imported inflation, with these external shocks producing magnified impacts that reinforce systemic weaknesses.

While traditional approaches emphasize material factors in defining small states, cognitive perspectives reveal how identity is equally shaped by self-perception. The conventional view frames smallness as an inherent limitation, a condition of weakness, dependence, and vulnerability to systemic forces. Yet this overlooks the strategic potential of small-state identity. History shows that periods of international upheaval can become opportunities for smaller actors to redefine their roles, leveraging agility where larger powers struggle with rigidity. Rather than a fixed disadvantage, smallness can be recast as a source of credibility, moral authority, or diplomatic innovation. The real question is not whether smallness constrains action, but how it is narrated: as a paralyzing condition or a platform for creative agency. Some states have successfully reframed their size as an asset, cultivating perceptions of neutrality, trustworthiness, or niche expertise to amplify their influence. This discursive flexibility challenges deterministic assumptions,

demonstrating that the meaning of smallness is contested, not given. The case of Finland exemplifies how shifting narratives of identity can open or constrain foreign policy possibilities, proving that power in international relations derives as much from story as from substance (Browning 2006: 673–674).

In the realm of informational and technological exposure, globalization, particularly in its digital dimension, has introduced complex threats to the security and epistemic integrity of small states. The liberalization of media, the diffusion of transnational digital platforms, and the proliferation of cyber technologies have rendered small states vulnerable to disinformation campaigns, cyber-espionage, and digitally mediated societal polarization, challenges that are often amplified by limited cybersecurity infrastructures and regulatory capacity. The digital domain thus constitutes both an arena of empowerment and a vector of risk, wherein small states must continuously navigate the tensions between openness and resilience (Carr 2016: 103–7; Nye 2010).

In response to these multifaceted vulnerabilities, small states have cultivated a range of adaptive strategies designed to compensate for structural deficits and safeguard their national interests. A critical dimension of this adaptation is the strengthening of institutional resilience, whereby small states invest in the robustness, legitimacy, and responsiveness of domestic governance structures to mitigate external shocks and ensure policy continuity (Thorhallsson and Steinsson 2016). Resilient institutions function as stabilizing mechanisms that enhance state capacity to respond to crises, absorb normative pressures, and adapt to global transformations without compromising core sovereignty.

Furthermore, small states have increasingly embraced niche diplomacy, a strategic approach that entails the concentration of limited diplomatic resources on specific issue areas where the state can exercise normative leadership or technical expertise, thereby maximizing its visibility and influence in international fora (Cooper and Shaw 2009). Through environmental diplomacy, human rights advocacy, or mediation efforts, small states strategically reposition themselves as norm entrepreneurs or specialized contributors within the international system. Lastly, multilateral engagement remains a cornerstone of small state foreign policy, as participation in regional and global institutions allows these actors to amplify their voices, constrain unilateralism, and pursue collective security and economic benefits through coalition-building and legal norms (Panke 2010). Multilateralism thus serves not only as a platform for influence but also as a protective mechanism against the vicissitudes of power politics, enabling small states to embed their interests within institutional frameworks that enhance predictability and accountability.

Security and the Erosion of Traditional State Control

From realistic perspectives, security is the most important end for the state (Sadri Alibabalu 2022: 117). However, the transformative dynamics of globalization have engendered a paradigmatic redesignation of the very foundations upon which state security has historically rested, a development particularly consequential for small states whose structural fragilities render them disproportionately susceptible to the multidimensional challenges posed by transnational interconnectivity. In the traditional Westphalian schema, security was primarily conceptualized in militarized and territorial terms, wherein sovereignty was coterminous with the state's capacity to monopolize the means of violence, regulate its borders, and act as the ultimate guarantor of internal or-

der and external defense (Buzan 1983: 49–55). However, the global diffusion of technologies, capital, ideologies, and information networks has rendered such territorially anchored understandings increasingly inadequate, especially in the case of small states whose capacity for comprehensive border control and deterrence is inherently limited.

One of the most profound manifestations of this transformation lies in the realm of cyberthreats and information warfare. The global integration of digital infrastructures, though enhancing economic efficiency and social connectivity, has simultaneously exposed small states to asymmetrical threats emanating from both state and non-state actors. These threats often target the informational and psychological domains of sovereignty through cyberattacks on critical infrastructure, disinformation campaigns, and digital surveillance, eroding both state legitimacy and public trust. In this regard, the strategic environment has shifted from one dominated by physical coercion to one where informational manipulation and technological intrusion constitute primary modalities of contestation, realities for which many small states lack the institutional robustness and cybersecurity architecture required for effective defense (Fuolon and Meibauer 2024).

Soft power is one of the concepts that small states can count on. The concept of soft power, the ability to shape preferences through attraction rather than coercion, has introduced a further axis of vulnerability for all actors, especially small states (Alibabalu and Sarkhanov 2023). As articulated by Nye (2005), soft power is often concentrated in culturally and economically dominant states, enabling them to exert disproportionate influence on the preferences, policies, and identities of smaller political units. For small states, the asymmetry in soft power capabilities implies an increased susceptibility to normative domination, wherein their domestic policy preferences may be reshaped not by direct coercion, but by globalized expectations of conformity to dominant liberal-democratic or neoliberal paradigms.

These developments collectively expose the inadequacies of traditional security paradigms predicated on territorial defense and centralized control. As security threats increasingly bypass physical frontiers and manifest in diffuse, networked, and ideational forms, small states are compelled to navigate an increasingly post-territorial security environment in which the mechanisms of defense, deterrence, and legitimacy must be rethought. The conceptual disjuncture between classical security doctrines and emergent global threats underscores the urgency of reconstituting security paradigms that are more responsive to the diffuse and transnational character of contemporary insecurity (Buzan and Hansen 2009).

Ultimately, for all states, especially small ones, the erosion of traditional state control under conditions of globalization represents not merely a diminution of administrative or military capability, but a profound ontological challenge to the foundational premises of sovereignty, autonomy, and agency. For instance, the case of Estonia illustrates this shift, where, following extensive cyberattacks in 2007, the country pivoted from reliance on territorial defense to developing a robust digital infrastructure, which redefines the state resilience through virtual governance and international cybersecurity alliances (Herzog 2011: 54–56). In such a context, survival and relevance are increasingly contingent not on the accumulation of material power, but on the strategic reconfiguration of institutions, discourses, and alliances capable of sustaining resilience in a world where the boundaries between the domestic and the international, the physical and the virtual, and the coercive and the persuasive are becoming ever more blurred.

Interdependence and the Constraints of Global Market Integration

The economic dimension of globalization, most acutely manifested through trade liberalization, capital mobility, and the transnational fragmentation of production, has introduced a paradoxical dynamic for small nation-states, offering prospects for accelerated economic development and technological modernization while simultaneously exposing them to acute structural vulnerabilities and asymmetries inherent in the global political economy. The ideological ascendance of neoliberalism in the post-Cold War period, codified through institutions such as the World Trade Organization (WTO), the International Monetary Fund (IMF), and regional trade regimes, has embedded small economies within a highly interdependent matrix of cross-border exchange and financial integration, thereby constraining their policy autonomy and deepening their exposure to exogenous shocks (Bräutigam and Woolcock 2001: 3–6).

In theory, integration into global markets affords small states access to larger consumer bases, foreign direct investment, and economies of scale, thereby enabling them to leapfrog stages of industrial development through export-oriented strategies and participation in global value chains. For example, the economic transformation of Singapore and other Asian economies illustrates how strategic positioning within international networks of trade and finance can yield developmental gains despite constrained domestic resource endowments. Moreover, in niche sectors such as digital services, maritime logistics, or green technology, small states have leveraged openness to construct competitive advantages premised on flexibility, specialization, and regulatory innovation (Briguglio *et al.* 2009: 229–230).

However, these developmental opportunities are counterbalanced by pronounced structural dependencies that render small economies vulnerable to external market volatilities, commodity price fluctuations, and speculative capital movements. The loss of control over monetary and fiscal policy, exacerbated by conditionalities attached to international lending or the rigidity of supranational trade agreements, can significantly impair the ability of small states to respond to asymmetric economic disruptions. Furthermore, participation in global production networks often relegates small states to lower-value-added segments, such as raw material extraction or low-cost assembly, thereby entrenching their position within a hierarchical division of labor that limits prospects for endogenous innovation or structural upgrading (Yanikkaya and Altun 2020). Even more critically, the intensification of global competition compels small states to engage in regulatory arbitrage, lowering labor standards, environmental protections, or tax rates, to attract foreign capital, a race to the bottom that undermines long-term developmental sustainability and social cohesion.

In a globalized world, domestic and foreign policy are strongly linked to economic issues. Thus, while globalization furnishes all actors, particularly small states, with instruments for economic insertion and modernization, it simultaneously delimits their strategic agency, demanding trade-offs between integration or autonomy, competitiveness and equity, growth and resilience (Sadri Alibabalu 2018). The challenge, therefore, lies in navigating these contradictions through smart industrial policy, selective protectionism, and diversified trade partnerships, lest small states find themselves locked into structural subordination within an increasingly volatile and unequal global economic order (Wijaya *et al.* 2024).

Adaptive Strategies

Multilateralism

In the context of an international system characterized by asymmetrical power distributions and the enduring preponderance of great powers, small states have increasingly resorted to multilateralism and norm entrepreneurship as strategic modalities through which they compensate for material deficiencies and assert a degree of international agency disproportionate to their relative size. Far from being mere passive recipients of structural constraints, small states have demonstrated a remarkable capacity for institutional role, diplomatic innovation, and ideational leadership within multilateral frameworks, thereby recalibrating the traditional metrics of influence in international relations (Thorhallsson and Steinsson 2016: 2).

A clear manifestation of this strategic reliance on multilateralism, particularly among non-Western states, can be seen in the foreign policy behavior of Singapore, Qatar, and Botswana, each of which has used and even led international institutions to enhance its strategic visibility and maintain its independence in a system dominated by the great and larger powers. Singapore, which operates in the Association of Southeast Asian Nations (ASEAN), the World Trade Organization (WTO), and the Asia-Pacific Economic Cooperation (APEC), Non-Aligned Movement (NAM) and World Bank and International Monetary Fund (IMF), has effectively institutionalized multilateral engagement as a defense and development tool and has ensured rule-based predictability in regional trade and security arrangements. The particularly notable aspect of Singapore's strategy lies in its substantial investment in scientific institutions and the establishment of world-class universities and research centers, which have not only enhanced its domestic innovation capacity but also become integral instruments of public diplomacy (Vijayan 2025; Al-Malki *et al.* 2023). By linking knowledge production to international collaboration and policy exchange, Singapore has transformed its scientific and educational infrastructure into a channel for projecting soft power, fostering global partnerships, and reinforcing its image as a hub of competence and reliability within multilateral frameworks.

Qatar, through its active diplomacy in the United Nations, the Arab League, and various mediation initiatives under the auspices of the Gulf Cooperation Council (GCC), is an example of how a small postcolonial state's participation in multilateral fora can be transformed into a platform for conflict resolution, humanitarian engagement, and the projection of soft power. Qatar's prominent role in mediating regional crises, such as its recent efforts in the Gaza conflict, has significantly elevated its diplomatic stature. By strategically branding its mediation-driven foreign policy, Qatar has positioned itself as an indispensable actor in international peace and security, leveraging its soft power and neutrality to facilitate dialogue among conflicting parties while enhancing its global visibility and legitimacy.

Similarly, Botswana provides an instructive example of how a small African state can leverage institutional influence and governance credibility to secure influence disproportionate to its material capabilities. Its enduring commitment to collective decision-making within the African Union (AU) and the Southern African Development Community (SADC) has enabled Botswana to position itself as a credible advocate of constitutionalism, rule of law, and conflict prevention in a region often marked by political volatility. Through consistent support for electoral norms, mediation initiatives, and

regional security cooperation, Botswana has built a reputation for institutional integrity that has attracted development partners and enhanced its diplomatic standing. This long-term investment in procedural legitimacy has allowed Botswana to not only maintain domestic political stability but also shape regional agendas on governance and democracy consolidation (Motsamai 2015).

Norm Entrepreneurship

The concept of norm entrepreneurship, initially elaborated by Finnemore and Sikkink (1998: 895), further elucidates how small states use ideational resources to shape the normative contours of international conduct. By articulating, framing, and disseminating ethical standards, such as environmental sustainability, human rights, conflict mediation, and international legalism, small states such as Norway have positioned themselves as moral authorities within the global system, thus constructing soft power capabilities anchored in legitimacy rather than coercion (Neumann and Carvalho 2015: 9–17). These initiatives not only allow small states to influence global governance but also enhance their reputational capital, thereby reinforcing their international standing and diplomatic leverage. Costa Rica's long-standing abolition of its army and its emphasis on environmental diplomacy, particularly its leadership in global biodiversity and renewable energy discussions, demonstrate how a small state can redefine sovereignty through the projection of ethical authority and sustainability-oriented norms (Olarie 2024).

Furthermore small states frequently deploy diplomatic innovation as a functional substitute for structural power. By investing in specialized foreign services, hosting international summits, or facilitating discreet backchannel negotiations, they cultivate niche diplomatic profiles that afford them unique relevance in issue-specific domains. The practice of smart statecraft, grounded in agility, coalition-building, and normative coherence, thus becomes a strategic means of magnifying voice and presence in multilateral venues (Kapsokoli 2024). The small yet strategically consequential states of the United Arab Emirates (UAE), Oman and especially Qatar have demonstrated notable efficacy in mediating conflicts with significant international ramifications, including the protracted wars in Afghanistan and Gaza, as well as the contentious Iranian nuclear negotiations. Their proactive diplomatic engagement in these high-stakes geopolitical issues underscores their emergent role as norm entrepreneurs within the international system, challenging traditional power hierarchies and contributing to the reconceptualization of middle-power influence in global governance.

Qatar's investment in mediation diplomacy and international humanitarian aid demonstrates another dimension of normative entrepreneurship. Through its active participation in facilitating the Taliban-US talks (2019–2020), its diplomatic initiatives in the Gaza conflict, and the establishment of Al Jazeera as a platform for pluralistic discourse, Qatar has created a global image centered on mediation, philanthropy, and political dialogue (Steinberg 2023). Similarly, the UAE's emphasis on tolerance and interfaith dialogue, manifested through initiatives such as the Ibrahim Family House and the annual 'Year of Tolerance,' represents a strategic use of normative leadership to reposition itself as a promoter of coexistence in an otherwise fragmented regional order (Hoffman 2023: 296–303). These examples show that normative entrepreneurship among small states often relies on the conversion of ideological influence into institutional power and credibility. By framing global debates around moral issues, whether climate justice, peacebuilding, or interfaith understanding, countries like Norway, Costa

Rica, and Qatar extend their strategic agency beyond material capabilities and present themselves as essential contributors to the moral governance of the international system.

Niche Diplomacy

The concept of specialist diplomacy refers to how small states, constrained by limited material and demographic resources, strategically specialize in thematic areas in which they can exert disproportionate influence. Rather than spreading their diplomatic efforts widely, such states focus on specific areas that align with their comparative advantage, moral capital, or institutional expertise (Chaziza and Lutmar 2025). For example, New Zealand's long-standing emphasis on nuclear disarmament and environmental protection has allowed it to gain an international reputation as a principled and trustworthy actor in the United Nations and regional Pacific institutions (Temocin 2021). Similarly, Liechtenstein has developed a distinctive diplomatic profile in the field of international criminal justice, supporting the establishment and strengthening of the International Criminal Court (ICC) and as a staunch advocate of the rule of law in global governance (Office for Foreign Affairs of Liechtenstein 2024). These examples demonstrate that specialist diplomacy enables small states not only to survive in an asymmetric international hierarchy but also to redefine influence as a function of expertise, credibility, and sustained engagement in areas of global public good.

Future of Small States

In contemplating the future trajectories of small states within the continuously evolving architecture of globalization, it is imperative to recognize that such states occupy an increasingly paradoxical position, simultaneously empowered by certain transnational processes while rendered vulnerable by others. As the international order grows ever more multipolar, interdependent, and technologically mediated, small states confront a dual reality in which their scope for influence, visibility, and norm entrepreneurship is expanding, even as their exposure to systemic shocks, geopolitical coercion, and asymmetric threats intensifies.

Conversely, the intensification of systemic volatility, marked by geopolitical realignments, rising great power competition, and the securitization of domains once considered benign (*e.g.*, data, health, environment), threatens to constrain the maneuverability of small states. Particularly troubling is the increasing use of economic and especially energy policy, cyber intrusion, and disinformation campaigns by larger powers, which disproportionately affect states with limited institutional resilience and constrained counter-coercion capacities (Balfour and Ülgen 2024; Sarkhanov and Muradzada 2023). Additionally, the retreat from rules-based multilateralism and the resurgence of transactionalism in international affairs could marginalize small states, whose leverage often depends upon the predictability and normative legitimacy of international institutions. Therefore, multilateralism and international institutions are keys in the future for the small states in uncertain world geopolitics.

Looking forward, the survivability and relevance of small states in the globalized future will likely hinge on their ability to maintain adaptive flexibility, enhance strategic foresight, and invest in multilateral legitimacy and digital sovereignty. States that successfully redefine their foreign policy and roles through strategic policies aligned with global norms, while simultaneously reinforcing domestic institutional capacity, will be better positioned to navigate the turbulence of a fragmented yet hyperconnected global

environment. In this sense, globalization neither spells inevitable erosion nor guaranteed empowerment for small states; rather, it signifies a continuation of structural pressures under conditions of intensified complexity and power asymmetry.

Impact of the United States

In analyzing the structural dynamics of globalization, it is crucial to acknowledge the persistent and irreparable asymmetry between great powers and small states, particularly with regard to the exercise and maintenance of sovereignty. The United States, as the dominant actor in the liberal international order, exerts a complex influence on the sovereignty of smaller states, not simply through direct political or military intervention, but also through more subtle mechanisms embedded in institutional, economic, and normative structures. The United States' role as the shaper of regimes governing trade, security, technology, and global finance has created a structural dependency that limits the political autonomy of small states (Hornat 2024). For instance, through its dominance of the Bretton Woods institutions and its central role in the global financial architecture, Washington indirectly determines the financial and development trajectories of smaller economies, forcing them to align domestic policy priorities with externally defined liberal standards. This influence also extends to the technology sphere, where US control over digital infrastructure, software ecosystems, and cybersecurity frameworks creates new forms of digital dependency, thereby impacting sovereignty in an era of data-driven governance.

Security arrangements further exacerbate this asymmetry. US-led alliances such as NATO or bilateral defence agreements in the Pacific and Persian Gulf regions often ensure the external security of small states, but at the same time limit their strategic autonomy by tying them to the geopolitical interests of the hegemon (Grinin and Grinin 2024). For example, countries such as Qatar, Bahrain or the Baltic republics derive deterrence and stability from US security commitments, yet these partnerships impose constraints on their foreign policy freedom of action, particularly when their national interests diverge from Washington's broader strategic agenda (Juozaitis 2023: 6–7). For instance, in the Israeli attack on the headquarters of Palestinian groups in Qatar, the United States, despite supporting Qatar and due to its role in supporting Israel, failed to fulfill its duty to protect Qatar, and the Qatari government failed to take action against Israel. Furthermore, the use of sanctions, extraterritorial regulations, and conditional aid enables the United States to exert indirect coercion without overt intervention, influencing domestic sovereignty and international alignments, especially of small states. The unilateral imposition of secondary sanctions on countries that interact with hostile US states, such as Iran or Russia, is an example of how financial and regulatory dominance constrains the sovereignty of third countries and forces them to adhere to norms that they had no role in formulating.

At the normative level, American soft power, rooted in the promotion of liberal democratic ideals and slogans of human rights development, has redefined the parameters of legitimate governance and encouraged small states to internalize these norms to maintain international credibility. Although such normative diffusion has contributed to global institutional coherence, it has also blurred the line between voluntary compliance and normative compliance. In this sense, small state sovereignty in the contemporary order has not disappeared but rather been transformed. That is, sovereignty has

manifested itself not as independence from external influence but rather as negotiated autonomy within a system structured by hegemonic power (Rothschild 2022). Hence, the US influence illustrates the paradox of globalization, proving that while institutional interdependence provides small states with opportunities for interaction and recognition, it simultaneously places them in a hierarchy of dependency that redefines sovereignty as contingent, relational, and subject to compliance with the preferences of dominant actors.

Discussion

National states have suffered the most from the globalization. With globalization, individuals, communities, international corporations, and private institutions also play a role in international equations and exchanges. In addition, international organizations such as NATO, the United Nations, the World Trade Organization, and the International Monetary Fund are expanding their areas of activity day by day because the states that can become members of international organizations gain a stronger position. Therefore, this situation has limited the sovereignty of national states and forced them to adopt preventive arrangements within the framework of international political, economic, and social agreements. In this regard, it is said that globalization has shaken the absolute sovereignty of states.

The discussed dynamics of globalization have decisively restructured the strategic environment in which small states operate, compelling a fundamental rethinking of their approach to sovereignty, governance, and survival. In an increasingly interconnected world where traditional power asymmetries are magnified through technological diffusion, transnational interdependence, and norm proliferation, small states are no longer in a position to passively await the distributive benefits of global integration. Rather than anticipating a benign international order that spontaneously generates opportunities, these states must recognize that globalization is an uneven terrain, one that rewards proactive adaptation and penalizes strategic inertia. The task of the nation-state, and especially of the small state within this environment, is not to presume upon globalization's promises but to undertake the necessary institutional, normative, and policy innovations required to compete under non-ideal conditions. This includes a willingness to reconceptualize sovereignty not as an absolute and immutable principle but as a dynamic and negotiable construct, one that may be recalibrated in form, scope, or function to preserve national interests in an environment that increasingly transcends territorial constraints (Bagir 2024a).

While the Westphalian model once endowed states with near-total control over the activities within their borders, insulating them from external influences and defining their international legitimacy through the principle of non-intervention, this model has been significantly eroded by the accelerating forces of globalization. The informational, economic, and cultural flows that characterize the contemporary global order have bypassed many of the traditional gatekeeping functions of the state, particularly in areas such as communication, financial regulation, and societal values (Buzan 1983: 50–56). For small states, whose institutional infrastructures and strategic depth are often limited, the consequences are even more pronounced. These states must now operate within a global arena where nationalism and patriotism encounter significant challenges (Bagir

2024b). Although state sovereignty persists, it has been transformed from a unitary and absolute construct into one that is layered, relational, and subject-specific.

What emerges, therefore, is forms of strategic pragmatism, whereby small states must internalize the idea that their survival and influence are increasingly dependent on their capacity to selectively integrate into global networks while simultaneously preserving core elements of national autonomy. This demands not only defensive measures to shield themselves from the disruptive aspects of globalization but also innovative strategies to exploit its openings. Such strategies may include engaging in multilateral diplomacy, investing in digital infrastructure to bolster cyber resilience, promoting unique cultural or normative capital to enhance soft power, and participating in regional arrangements that amplify their collective agency. Ultimately, the central insight is that the function of the small state in the global system is no longer defined solely by its limitations, but by its agility, its capacity to act purposefully and redefine traditional notions of power, sovereignty, and autonomy in ways that respond effectively to the complexities of an interdependent world.

Conclusion

The evolution of globalization has profoundly reshaped not only the strategic environment for small states but also the very essence of power itself. Amid a global order increasingly defined by interconnected transnational networks, technological interdependencies, and fluid hierarchies of legitimacy, the role of small states defies simplistic dichotomies of dependence and fragility. Instead, their actions illuminate a burgeoning form of agency, one that harnesses the very forces of globalization to surmount inherent limitations. In this light, globalization emerges as a double-edged sword: constraining in its economic and geopolitical rigors, yet empowering through the savvy deployment of multilateral norms, compelling narratives, and institutional levers that allow small states to punch above their material weight.

At the empirical level, small states have redefined their strategic relevance through adaptive and innovative practices. Their active participation in multilateral frameworks demonstrates a recognition that engagement within global governance systems enhances both protection and predictability. These strategies reveal that the endurance of small states relies not merely on material adaptation but on their capacity to shape meaning and legitimacy within the new normative structure of the international system. In parallel, niche diplomacy enables small states to amplify influence by concentrating scarce resources on governance niches where they hold comparative advantages. Through focused engagement in areas like mediation, climate advocacy, or humanitarian policy, they convert specialization into strategic relevance and credibility. As epistemic brokers and norm entrepreneurs in multilateral forums, these states translate expertise and trust into lasting diplomatic leverage. This trajectory reveals a defining feature of today's interconnected international environment: influence accrues not from brute force or material heft, but from the subtle potency of reputational heft, innovative flair, and the resonant voicing of collective aspirations.

Ultimately, the globalization experiences of small states impart a paradoxical yet profound lesson for international relations, that strategically harnessed weakness can engender power. In a post-hegemonic, networked order, these actors, devoid of conventional material might, attain systemic relevance via cognitive, normative, and institu-

tional ingenuity. Their ability to act as norm-setters, mediators, and innovators in global governance exemplifies a new mode of power that is distributive, relational, and ideational rather than coercive. In this sense, the study of small states is not incidental to understanding globalization; indeed, it is essential to understanding how power, legitimacy, and survival are renegotiated in a world where asymmetry no longer prevents influence.

Future research should move beyond traditional discussions of vulnerability and adaptation to examine how small states are actively shaping the new architecture of global governance. Rather than viewing them as reactive actors, future studies should examine their role in creating new diplomatic norms, regional coalitions, and knowledge networks that challenge established power hierarchies. Comparative analyses can also examine how domestic institutional design, strategic culture, and leadership styles interact with external constraints to create distinctive models of resilience. Furthermore, examining how small states mediate between competing great powers in areas such as climate diplomacy, energy transition, and digital regulation can reveal their emerging role as systemic stabilizers and innovators in managing global complexity.

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