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HOW MICROSTATES MATTER: MONACO AS A MODEL OF SMALL-STATE POWER

Democratizations in the global world

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A mamma e papà, che mi hanno regalato il privilegio di chiamare casa più di un luogo e mi hanno insegnato a guardare il mondo con curiosità e gratitudine. Questa tesi è anche vostra.

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Introduction

How does a state of two square kilometers exercise influence in an international system built for much larger actors? This question might seem self-answering. Common sense, and much of classical international relations theory, would suggest that it cannot, that a territory smaller than Central Park, with no army, no significant natural resources, and a population comparable to a mid-sized university campus, should remain permanently on the margins of global affairs. Yet the Principality of Monaco is, by any reasonable measure, internationally relevant. It holds membership in the United Nations and the Council of Europe. It's Prince chairs global ocean conservation summits. Its financial sector attracts capital from around the world. Its cultural and sporting events draw political leaders, business elites, and international media every year. It has renegotiated the terms of its relationship with France, adapted its economic model in response to international regulatory pressure, and built a diplomatic network that operates well beyond the boundaries of its tiny territory.

Monaco is not unique in this respect. There are forty-one sovereign microstates in the world today, and many of them exercise forms of influence that their size would not predict. The Vatican shapes international debates on ethics and human rights from a territory of less than half a square kilometre. Tuvalu, a Pacific atoll threatened by rising sea levels, has become one of the most visible advocates in global climate negotiations. Liechtenstein, doubly landlocked and home to fewer than forty thousand people, has constructed one of the most sophisticated small-state economic models in the world. These are not exceptions to the logic of international politics. They are evidence of how that logic has changed.

This thesis takes these cases seriously as objects of political analysis. Its central argument is that the survival and influence of microstates in the contemporary international system is not accidental, and it is not simply the product of being ignored by more powerful actors. It is the result of deliberate strategic adaptation, of converting structural constraints into functional advantages, and of exploiting the institutional and normative features of a global order that has, over the past century, become progressively more hospitable to small polities. Monaco is the primary case through which this argument is developed, but the thesis situates it within a comparative framework that draws on the Vatican, Tuvalu, and Liechtenstein to test how far the argument generalises and where its limits lie.

The thesis is organised across four chapters, each of which addresses a distinct dimension of the problem.

Chapter I establishes the theoretical foundations. It begins with the question of definition: what exactly is a microstate, and why does the category matter for political analysis? This turns out to be less straightforward than it appears. No single criterion such as territory, population, GDP is sufficient on its own, and the threshold between a microstate and a merely small state is contested. The chapter works toward a working definition grounded in the 1933 Montevideo Convention criteria, UN membership, and a population ceiling of approximately one million, which yields forty-one cases worldwide. More important than the definitional question, however, is the theoretical one. Classical realism, rooted in the assumption that international anarchy compels states toward military self-sufficiency, struggles to explain why microstates exist at all, let alone why they prosper. The chapter argues that their persistence forces a fundamental rethinking of how power operates in international politics. Power, in this context, cannot be understood solely through material metrics. It must be understood as relational, multi-dimensional, and increasingly exercised through institutional channels, normative positioning, and network embeddedness rather than through coercive capacity alone. The chapter introduces the concepts of intrinsic, derivative, and collective power as analytical tools, and traces the structural conditions, dense multilateral institutions, shifting cost-benefit calculations around conquest, and the rise of economic interdependence that have made the contemporary system more permissive toward small actors than any previous era.

Chapter II turns from theory to the specific historical and institutional reality of Monaco. The Principality's history is a long and complicated one. The

Grimaldi family's grip on the rock of Monaco dates to 1297, making it one of the longest-surviving dynasties in the world. But continuity of rulership should not be confused with stability of international position. Monaco has been a protectorate of Spain and France at different points in its history, was annexed by revolutionary France in 1793, lost eighty per cent of its territory in 1861, and only fully formalised its independence through a treaty with France in the same year. The chapter traces this trajectory and examines the institutional architecture through which Monaco functions today: a constitutional monarchy in which the Prince retains significant executive and legislative authority, advised but not effectively constrained by a National Council elected by Monegasque citizens. The chapter also analyses Monaco's integration into international frameworks like its membership of the UN, the Council of Europe, UNESCO, and the WHO, and its distinctive relationship with the European Union, which it has not joined but whose monetary and regulatory norms it partially applies through bilateral arrangements. This dense web of institutional affiliations is not incidental to Monaco's influence. It is one of its primary sources.

Chapter III examines how Monaco actually conducts its diplomacy. The starting point is a recognition that the Principality cannot rely on the instruments available to larger states. There is no military to deploy, no trade surplus to leverage, no demographic weight to throw behind a coalition. What Monaco has instead is a carefully managed portfolio of non-traditional diplomatic assets. Cultural events, for instance, most visibly the Formula 1 Grand Prix and the Monte-Carlo Masters tennis tournament, generate sustained international media attention and create informal settings for diplomatic engagement. The reputation of the Grimaldi dynasty, and particularly the international visibility of Prince Albert II, converts a hereditary monarchy into a source of personalised diplomatic access that elected leaders cannot easily replicate. Environmental diplomacy, built around the Prince Albert II Foundation and Monaco's prominent role in ocean governance, positions the Principality as a serious actor in one of the defining policy debates of the current era. And the Principality's broader soft power is its image of stability, sophistication, and institutional reliability that functions as a form of political currency that can be exchanged for credibility, partnerships, and influence within international forums where size alone would not earn a hearing.

Chapter IV draws the comparative and analytical conclusions. It begins by asking how far Monaco's model is transferable, which features of its approach can be adopted by other small states, and which depend on conditions specific to Monaco's particular geography, history, and resources. It then examines how the Principality is perceived externally by scholars, international organisations, foreign governments, and media. Finding a picture more ambivalent than Monaco's own self-presentation would suggest. The comparative section places Monaco alongside the Vatican, Tuvalu, and Liechtenstein, demonstrating that microstate influence takes radically different forms and cannot be reduced to a single explanatory mechanism. The chapter closes by assessing the structural limits of microstate agency and drawing out the implications of the whole analysis for international relations theory.

Taken together, the four chapters make a case for treating microstates not as curiosities at the margins of global politics but as revealing indicators of how that politics actually works. If a state the size of Monaco can matter, it is because the international system has evolved in ways that reward strategy, reputation, and institutional engagement over raw material power. Understanding how this happened, and what it means for the states that have benefited from it, is the task this thesis undertakes.

Microstates in the international system

1.1 Definition of microstates

Numerous terms can be found in the literature, including village states, mini-states, small states, dwarf states, and miniature states[1]. In simple words, microstates are very small states relative to other members of the international system. The term "micro" in microstates indicates an extreme smallness in size when referring to sovereign statehood. States are the main actors in international relations and are the principal forums for domestic politics. States are legally equal in international law regardless of their size, and this is very relevant for small states and microstates. There have been many different forms of states throughout history, from the city-states of ancient Greece and Rome to the feudal states of medieval Europe, while modern sovereign states date from the Peace of Westphalia in 1648. The idea of the nation-state dates back to the 19th century, during which the consequences of the American War of Independence and the French Revolution sculpted and conditioned the idea of "the state" in the 20th century. The capacity of the state to provide an arrangement of public goods, including military security, a functioning economy, and judicial systems have become part of its raison d'état. In the post-Second World War period, the number of sovereign states significantly grew. The legal criteria for statehood were inaugurated by the 1933 Montevideo Convention on the Rights and Duties of States by setting out four criteria: a) a permanent population; b) a defined territory; c) a government; and d) capacity to enter into relations with other states.[2] The modern state is a sovereign state, which indicates that a final and special source of authority resides within the state. Sovereignty is a particular form of authority within a defined territory

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[1] Thomas Eccardt, Secrets of the Seven Smallest States of Europe (New York: Hippocrene Books Inc, 2005)
[2] Jeff Richards, "Micro-states: A Specific Form of Polity?" Politics 10, no. 1(1990): 40-46, 40.

that is recognized by other sovereign polities in international politics; it indicates constitutional independence from others. Sovereign states are also members of the UN, which is open to "peace-loving states," and as of 2026, it has 193 member states with an additional two observer members, the Vatican City State and the Palestinian Authority. Contemporary UN membership is almost universal, excluding 15 non-sovereign territories. Many states must recognize a newcomer before it secures full membership in the international community. The concept of "defined territory" as a requirement for statehood is general in nature. The Vatican City State is the smallest sovereign state in the world, with a territorial area of 0.44 km^2 and a population of approximately 1,000 people. In 1976, six wide approaches were established in defining small states, which extend to microstates: disregarding the problem of definition as it is too difficult or unnecessary; associating small size to measurable criteria such as territory, population, or GNP; using the notion of size in relative or relational terms with larger states; viewing small size as a perceptual problem, involving self-perception and a psychological aspect to smallness in statehood; recognizing small states through their behavior in specific circumstances; and using a classification matrix including low rank status, high levels of external penetration, specific forms of behavior, the interests and roles of small states and their leaders. Population data, territorial size, military capacity, or economic information are crucial indicators of small size, though such measurable criteria can change. One general definition describes a microstate as a sovereign state which is exceptionally small in area, population, and economic resources. The World Bank defines "small states" as having populations of 1.5 million or fewer, and the Commonwealth also adopts a 1.5 million population threshold in defining small states.[3] These examples illustrate that international organizations have an interest in small states and microstates. They suggest that microstates are passive in nature and

[3] Klieger, P. C. (2012). The Microstates of Europe: Designer Nations in a Post-Modern World. Lexington Books.

often aim to ally with larger "protector" states; it means they are always at a disadvantage, with superpowers at one end of the continuum of power and microstates at the other. Microstates are often characterized by geographical isolation, limited natural and human resources, restricted land area, and vulnerability to natural disasters. Many of these states emerged in the late twentieth century, particularly between 1975 and 1986, as a direct result of global decolonization processes.

However, defining microstates by one criterion is too simplistic for political analysis; one variable is not sufficient to fully identify or define microstates. Some criteria could change over time, like Qatar, that was once regarded as a microstate, with a population of half a million people at the start of the 21st century, but now has a population of 2.9 million. A more in-depth definition includes fulfilling the 1933 Montevideo Convention on the Rights and Duties of States, membership and association of the UN, and a population of approximately one million people or less. From this means of identification, there are 41 microstates around the world today: in Europe, 10; in the Caribbean, 8; in Africa, 6; in Asia, 3; in the South Pacific, 10; in the North Pacific, 1; and in South America, 3.[4]

1.2 Power and Influence in International Relations Theory

The contemporary proliferation and persistence of microstates reveal significant transformations in the structure and functioning of the international system. Where classical theories once assumed that anarchy inevitably generated insecurity and vulnerability, the continued survival and multiplication of microstates challenge this premise. Their endurance suggests that the traditional expectation of conquest and domination has largely receded. Smallness no longer systematically translates into exposure, dependence, or subordination.

[4] Ingebritsen, C. (2006). Small States in International Relations. University of Washington Press.

Instead, microstates illustrate how the global order has evolved into one that not only tolerates but can sustain and even incentivize political and territorial minimalism.

According to traditional realist logic, rooted in interpretations of Thucydides, disparities in power generate fear among great powers, often leading to conflict. Within this framework, the anarchic nature of the international system compels states toward self-help, emphasizing military capability and material accumulation as the primary means of survival. Yet microstates defy this expectation. Despite their structural vulnerabilities—limited territory, small populations, negligible military capacity, and frequent economic dependence—they have largely avoided extinction.[5] Their survival is facilitated by integration into dense networks of international institutions, alliances, and financial mechanisms. Development aid, concessional financing, and multilateral cooperation provide a form of collective insurance that reduces the salience of military strength. In this context, economic and political interdependence increasingly replaces traditional self-help strategies.

Microstates also complicate established understandings of hierarchy in international relations. The absence of a consistent correlation between physical size and hierarchical position undermines the assumption that small states must necessarily align themselves with great powers to ensure their survival. Their continued independence demonstrates that hierarchy is not an inherent structural requirement but often a strategic choice. The international system presents a flexible range of options rather than rigid imperatives, allowing microstates to retain, delegate, or even commodify elements of their sovereignty. This "à la carte" approach reflects agency and strategic adaptation rather than passive dependency.

In this context, microstates strategically exchange sovereign prerogatives for public goods such as military security or economic stability that they cannot produce internally. Interestingly, while microstates have made significant constitutional and legal grants of power to foreign states, these delegations are

[5] Neumann, I. B., & Gstöhl, S. (2004). Lilliputians in Gulliver's World? Center for Small State Studies.

often less extensive than those made by much larger EU member states. This variation in delegating sovereignty, whether choosing to stay aloof, retaining a local currency, or utilizing a foreign court, is a product of deliberate political agency.

This "hierarchy à la carte" allows microstates to profit by effectively renting out their sovereign prerogatives. Liechtenstein, for example, became a tax haven in the 1920s by allowing non-residents to become corporate citizens through shell companies. This permitted them to operate under the laws of their microstate host rather than their home countries, demonstrating that sovereignty is no longer an indivisible attribute but a negotiable and marketable resource.

In practice, this flexibility manifests in diverse strategies. Some microstates delegate key functions such as defense or regulatory authority to larger states or international organizations. Others commercialize aspects of sovereignty through innovative mechanisms, including citizenship-by-investment programs, offshore financial services, niche digital assets such as domain names, or the production of stamps as both cultural symbols and economic goods. In cases such as Liechtenstein, sovereignty is leveraged to sustain high levels of wealth and institutional stability despite the absence of military power. Sovereignty, therefore, is no longer a fixed and indivisible attribute but a negotiable and, at times, marketable resource.[6]

Although major powers such as the United States or China continue to shape the broader international order, a comprehensive understanding of global politics requires attention to actors at the opposite end of the power spectrum. The varied strategies adopted by microstates demonstrate that delegation and commercialization are not merely imposed responses to structural constraints but deliberate political choices. Sovereignty has become flexible and transactional, shaped through negotiation rather than defined by a binary distinction between independence and dependence.

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[6] *Panke, D. (2010). Small States in the European Union. Ashgate Publishing.*

From a theoretical perspective, international relations have long been defined by the condition of anarchy, understood as the absence of centralized authority. This condition is traditionally associated with insecurity and limited prospects for sustained cooperation, pressures expected to weigh most heavily on the weakest states. However, the empirical reality of microstates challenges this assumption. The continued existence of unarmed, economically vulnerable, and diplomatically exposed states suggests that anarchy no longer necessarily produces insecurity. Instead, the international system has evolved into a more permissive environment, where norms, institutions, and interdependence mitigate the harsher dynamics of survival. Microstates such as Tuvalu, Nauru, and Liechtenstein endure not through military strength or powerful alliances, but because conquest has become both normatively unacceptable and materially inefficient. The costs of domination now outweigh its potential benefits, indicating a shift away from a purely Hobbesian order.[7]

While these systemic transformations explain the survival of microstates, understanding their influence requires a more precise conceptualization of power. Power in international relations is often associated with capabilities population size, territorial extent, economic output, or military strength commonly referred to as intrinsic power. However, as Robert Dahl famously argued, power is fundamentally relational: actor A exercises power over actor B to the extent that A can compel B to act in ways B would not otherwise choose. This definition emphasizes not only the possession of resources but their effective deployment through mechanisms such as incentives, persuasion, or coercion.

For small states, power is therefore best understood through a combination of intrinsic, derivative, and collective dimensions. Intrinsic power refers to the resources inherent to a state, including geography, population, economic capacity, and military assets. While these elements constitute a potential base of influence, they do not automatically translate into effective power unless they are mobilized toward specific objectives. Certain microstates possess forms of

[7] Vital, D. (1967). The Inequality of States: A Study of the Small Power in International Relations. Clarendon Press.

particular intrinsic power, such as strategic geographic locations, which can enhance their relevance in global politics. Additionally, identity itself may function as a source of power, providing a relatively stable, though not immutable, foundation for influence[8].

Beyond their internal resources, microstates often rely on derivative power, which emerges from their relationships with larger states. By aligning with or influencing more powerful actors, small states can amplify their own interests. In such asymmetric relationships, they may attempt to act as the "tail that wags the dog," leveraging alliances to shape outcomes disproportionate to their size. However, this strategy entails trade-offs: while it can extend influence, it also reduces autonomy and control over final outcomes, given the inherent imbalance within the partnership.

Collective power constitutes a third and particularly significant dimension. Unlike derivative power, which depends on ties with great powers, collective power is rooted in cooperation among smaller or similarly positioned states. Through international organizations, multilateral institutions, and ad hoc coalitions, microstates gain access to platforms where their voices can carry formal equality, such as voting rights within international organizations. These frameworks enable small states to influence agendas, shape norms, and define shared interests through negotiation and persuasion. Although collective action can be constrained by coordination challenges and divergent interests, it offers substantial potential for expanding the scope of influence, particularly when institutional rules and procedures are successfully shaped in ways that produce lasting effects.

Taken together, these forms of power demonstrate that microstates are not merely passive actors or objects within the international system but active participants capable of exercising influence through alternative means. Their reliance on institutional, relational, and non-traditional forms of power reflects significant shifts in global politics, where military force has become less cen-

[8] Ingebritsen, C. (2006). Small States in International Relations. University of Washington Press.

tral, interdependence more pronounced, and norms and institutions increasingly significant. The weaker a state is in conventional material terms, the greater its incentive to specialize in these diverse strategies.
Ultimately, microstates reveal that power in international relations is not solely determined by size or material capability. While their influence may differ in form, it remains fundamentally consistent with more wide-ranging definitions of power.[9] By combining specialized resources, strategic relationships, and collective engagement, microstates demonstrate that even the smallest actors can shape outcomes within an evolving international system.
Ultimately, the latitude these states currently enjoy is historically unprecedented; it suggests that sometimes even the biggest questions of the international system are best answered by looking at the smallest cases.

1.3 Structural Constraints and Diplomatic Opportunities of Microstates

The endurance of micro states forces a re-evaluation of how power operates in the international system. If these tiny entities, unarmed and economically fragile, can survive and prosper, then sheer material capability cannot be the sole determinant of influence or security. Power, in this context, must also encompass moral legitimacy, economic adaptability, and the ability to manipulate global rules in one's favor. The existence of micro states reveals the pluralization of power: soft power, institutional leverage, and normative legitimacy now operate alongside and sometimes above raw military strength. The "Sinatra inference" aptly applies here: if micro states can make it in the global arena despite severe structural disadvantages, then any state can. They serve as the touchstones of IR theory, pushing scholars to acknowledge that size alone does not predict vulnerability, and that agency can flourish even under radical constraint.

[9] Sutton, P. (2011). The Concept of Small States in the International Arena. The Round Table.

At the same time, these dynamics cannot be fully understood in isolation from the wider structural transformations of the international system, particularly the shift toward multipolarity and uneven development.[10]

The theory of uneven and combined development, which examines the struggle between dominant and rising states, is widely considered one of the most effective frameworks for explaining patterns of dominance and contestation in the global economy. Today, we are living in an increasingly multipolar world. The National Intelligence Council's Global Trends 2030: Alternative Worlds report suggests that by that time no single country, whether the United States, China, or any other, will act as a hegemonic power. Instead, the international system is evolving toward a configuration in which multiple centers seek to maintain relatively stable relations with one another.

Within this context, the behavior of dominant and rising powers continues to shape the main dynamics of the international system, often beyond the capacity of microstates to influence decisively. Although microstates play a meaningful role, their impact remains limited. However, multipolarity offers them more opportunities than bipolar or unipolar systems, as the presence of multiple centers of power creates additional possibilities for cooperation, alignment, and strategic maneuvering.

Unlike in the post-war period, when many states were constrained or compelled to adopt specific geopolitical alignments and economic models, the 21st century presents a diverse range of choices and potential outcomes. At the same time, this increased flexibility is accompanied by heightened vulnerability. While some microstates may achieve upward mobility, others risk marginalization, as illustrated by cases in the South Pacific. The persistent fear of abandonment remains a key factor driving these states to join alliances and integration frameworks, even though their role within such arrangements, particularly in the security domain, often remains secondary.

[10] Baldacchino, G. (2006). Innovative development strategies from non-self-governing territories. World Development.

The European Union continues to provide essential security benefits for small states within its region. It contributes to preventing a return to intense military competition and helps mitigate instability along Europe's periphery. As a result, small EU member states are able to avoid some of the traditional challenges associated with small statehood in international relations. More broadly, microstates and small states rely heavily on regional cooperation to achieve their foreign policy objectives.[11]

In economic terms, small and open economies are often better prepared than larger states to confront the challenges of globalization. Their historical exposure to external pressures has led them to develop adaptive strategies that enhance their resilience. At the same time, they may benefit from a certain degree of flexibility in the international system, including practices such as free riding, which are more easily tolerated when employed by actors that do not significantly affect the system as a whole.

Microstates typically adopt a range of strategic approaches. These include aligning with larger powers, either voluntarily or under pressure, as seen in the case of Soviet satellite states; cooperating within groups to pursue collective strategies; or adopting models shared with states that have similar characteristics or political orientations, even if they are not geographically close. The choice of strategy depends largely on regional context, relations with neighboring states, and domestic capabilities.

Despite their limited power, microstates are not passive actors. They often engage actively in international forums, sometimes raising controversial issues that larger powers may prefer to avoid. In particular, they place significant emphasis on multilateral diplomacy. Institutions such as the United Nations, along with diplomatic missions in cities like New York, Brussels, and Geneva, provide valuable platforms for both multilateral and bilateral engagement. Participation in these frameworks also reinforces the principles of sovereignty, legal equality, and state dignity.[12]

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[11] Thorhallsson, B. (2000). The Role of Small States in the European Union. Ashgate.
[12] [12] Maass, M. (2009). The Actorness of Small States in the EU. Routledge.

Given their structural limitations, small states frequently seek to influence global rule-making through lobbying and coalition-building. Their strong support for international law and institutional frameworks reflects the fact that, although large states may benefit from certain privileges, formalized rules and norms still require justification and constrain behavior to some extent.

Regional integration plays a crucial role in enhancing the position of microstates. In areas characterized by high levels of economic and political cooperation, small states are better able to protect their interests and increase their influence. Integration can take various forms, ranging from free trade areas to customs unions, common markets, economic and monetary unions, and ultimately political unions. However, while such arrangements can shield these tiny states from external pressures, they may also increase their exposure to the influence of larger states within the same framework.

Scholars of international relations argue that small EU member states can better manage the influence of larger members by coordinating their positions within regional groupings before engaging in formal decision-making processes. The European Union offers a unique level of integration and participation in decision-making that is not easily comparable to other regions. Nevertheless, disparities remain significant. For instance, the combined GDP of the twenty smallest EU economies is only slightly larger than that of Germany alone, highlighting structural asymmetries that are difficult to offset through institutional mechanisms.[13]

Some small European states have chosen to remain outside the EU, often because they possess sufficient resources or strategic advantages to do so. These states may adopt policies of neutrality or align selectively with larger powers in matters of security. European microstates, in particular, rely on protection from larger neighboring countries. Although this dependence raises questions about the extent of their sovereignty, these relationships are typically asymmetric, with smaller states deriving greater benefits than their protectors. In

[13] Maass, M. (2009). The Actorness of Small States in the EU. Routledge.

many cases, their success can be attributed to favorable geographic and political conditions.

In contrast, Oceania occupies a relatively limited position in global strategic and economic terms, and it is unlikely to determine the outcome of major power rivalries. However, the surrounding regions are gaining importance, particularly as the strategic focus of the United States shifts toward the Pacific Rim. In this context, small island states have become increasingly relevant. External powers have historically used financial aid to secure strategic advantages, effectively exchanging assistance for access to military bases or testing facilities. The growing attention directed toward small states across different regions reflects a major transformation toward multipolarity. The European Union, as one of the most advanced forms of regional integration, illustrates both the opportunities and limitations faced by small states.

One of the most notable characteristics of small state behavior is their ability to navigate between competing powers. By balancing relationships or even shifting alignments, they can leverage great power rivalries to secure financial support, resources, or political concessions. As multipolarity continues to evolve, such pragmatic strategies are likely to become even more prominent.

Ultimately, the responses of small states to a multipolar world vary significantly and are shaped by their regional position, historical experience, and economic structure. Contrary to the assumption that globalization expands their choices, the international capitalist system and the influence of a transnational capitalist class may in fact constrain them. Thus, while regional integration can provide a degree of protection, it simultaneously increases their vulnerability to the influence of more powerful states within the same system.

In this light, the experience of micro states takes on an even broader significance. Ultimately, the story of micro states tells us that the world order is less about the domination of the strong than the accommodation of the small. The international system, once governed by fears of invasion and overt dependency, now functions as a complex marketplace of sovereignty, one that allows even the weakest actors to negotiate relevance and survive on their own terms.

Their experience redefines the interplay of size, power, and influence and exposes how deeply the logic of anarchy has been moderated by institutions, norms, and interdependence in the twenty first century.[14]

This theoretical shift from raw material power to institutional agency is most visibly operationalized within the world's premier multilateral forum: the United Nations. While the global transition toward multipolarity provides the necessary structural "breathing room" for smaller actors to maneuver, it is within the specific halls of the UN that these theoretical opportunities are converted into tangible diplomatic influence.

Building on the theoretical shifts in global power described above, small states have historically moved beyond their material limitations to serve as key architects, negotiators, and intellectual pioneers within the United Nations. The structure of the UN as a multilateral forum provides the primary stage where the previously discussed "pluralization of power" is operationalized, allowing these smaller entities to exert global influence that is entirely out of proportion to their physical size or traditional power metrics. This phenomenon is driven by the strategy of practical prioritization the localized application of the "Sinatra Inference" frequently described as niche diplomacy. By concentrating their limited resources on specific, high-impact issues, small states achieve the "normative legitimacy" required to bring "big ideas" to the world stage. Consequently, these nations emerge as recognized authorities and indispensable insiders within their chosen fields, proving that a small footprint does not equate to a lack of intellectual leadership or political agency.

In this context, the definition of a "small state" is primarily dictated by population size rather than geographic landmass. The Forum of Small States (FOSS), a voluntary and informal coalition at the UN, identifies small states as those with fewer than 10 million inhabitants. Currently, 105 countries representing a majority of the UN membership are part of FOSS. Within this category, the term "microstate" applies to even smaller entities: 13 UN member states currently

[14] Keohane, R. O. (1969). Lilliputians' Dilemmas: Small States in International Politics. International Organization.

have fewer than 100,000 residents, while 15 others have populations between 100,000 and 500,000. These definitions are vital because they foster the "solidarity among similarly situated states" mentioned earlier, creating a shared identity for nations navigating the international system with limited domestic capacity.[15]

The UN multilateral system serves as the primary "marketplace of sovereignty" through the foundational principle of sovereign equality, institutionalized via the "one country, one vote" rule in the General Assembly. This mechanism effectively levels the playing field, providing the legal shield that small states must defend to ensure their continued survival. However, the day-to-day reality for small states at the UN is far more complex than the legal ideal suggests. They often face systemic obstacles when trying to promote their views, given the restricted size and resources that continue to define their structural reality. The historical path of small states highlights an ongoing quest for the "moral legitimacy" required for international recognition. These nations were not always accepted as equal participants; in the League of Nations, they were relegated to a lower, diminished tier of membership. Showing the "diplomatic grit" characteristic of successful microstates, many refused to apply under such labels, holding firm to the demand for full sovereign equality. Today, the UN offers these states which lack traditional "hard power" a framework of international treaties and laws that safeguards their sovereignty. As established in the preceding theoretical overview, this lack of material strength gives small states a deeper vested interest in global peace, stability, and the rule of law than larger, more self-sufficient powers.

While a small population can generate intense solidarity, the constraints on administrative capacity remain a persistent hurdle, restricting a state's ability to exert influence across a wide spectrum of issues. Despite these hurdles, small states distinguish themselves through multilateral diplomacy. In fact,

[15] Vital, D. (1967). The Inequality of States: A Study of the Small Power in International Relations. Clarendon Press.

they make a disproportionate contribution to the very concept of multilateralism, recognizing it as the only viable pathway for their voices to be heard in global affairs.

Because the international system is a necessity and their primary safeguard, small states prioritize the international rule of law as a check against the traditional forms of power used by larger nations. Therefore, a presence at the UN is of immense value. A small state's diplomatic mission in New York frequently functions as its "mission to the world," acting as a central hub for conducting business and providing a cost-effective platform for bilateral engagement. This allows small states to network with both peers and superpowers without the prohibitive costs of a global embassy network. To amplify this influence, they regularly partner with regional and like-minded allies, such as the EU or NATO, to distribute the diplomatic workload and strengthen their collective voice.

One of the standout advantages for small states is "Agile Diplomacy." Less burdened by massive bureaucracies, the connection between a small state's political leadership and its diplomats is more direct and efficient. This enables rapid decision-making and high-level responsiveness key components of the "pragmatic strategies" necessitated by multipolarity. Furthermore, small states tend to invest heavily in highly qualified representatives. Strategic planning for the New York mission serves as a vital tool for mitigating the vulnerability these missions face regarding staff turnover and the loss of institutional memory.[16]

As a practical application of the "strategic maneuvering" discussed previously, "Niche Diplomacy" remains the gold standard for success. Small states perform best when they select a narrow scope of issues, cultivating expertise that is eventually sought after by states of all sizes. When a small state is elected to the Security Council, for instance, it serves as a crucial information conduit for

[16] Krasner, S. D. (1999). Sovereignty: Organized Hypocrisy. Princeton University Press.

other small states. Within this framework, several specific strategic approach-esemerge: Niche Specialization, Norm Entrepreneurship, and Magnetic Attraction.
However, even the most agile diplomacy cannot fully erase daunting challenges, including limited economic diversification and unique vulnerability to environmental threats. Within the UN itself, they contend with "Information Asymmetry" and "Capacity Constraints," where the growing number of international treaties leads to "Obligation Overload." These structural barriers make it difficult to identify specific individuals in the UN system managing particular substantive issues.
To ensure a viable path forward, three critical areas for action have been identified to support these small missions: Information Sharing, Capacity Building (via UNITAR), and Support from the UN System (specifically "Small State Proofing"). Ultimately, small states have demonstrated that they have "no tied hands" when it comes to issues of high importance. By addressing shared challenges through these areas of action, they continue to prove that in the modern international system, influence is not merely a matter of physical size, but a matter of strategy, expertise, and collective action.[17]

1.4 Microstates as Influential actors: Vatican City, Tuvalu, Liechtenstein

The City of the Vatican, or more properly the State of the City of the Vatican, represents the absolute extreme of the microstate spectrum. This is the smallest sovereign state in the world both by population, consisting of 618 inhabitants as of today, and by territory, covering only 0.44 square kilometers (or 44 hectares). This geographic fact places it sixth in the world for population den-

[17] Wivel, A., & Oest, K. J. N. (2010). Security Strategies of Small States in the New Europe. World Politics.

sity. The Vatican is a theocracy; more precisely, there prevails a regime of absolute theocratic, hierocratic, elective monarchy of a patrimonial type. The head of this state is the Pope, the Pontiff of the Catholic Church. The term hierocratic derives from the Greek word composed of *hiero*, sacred, and *kratos*, power. It is a political system based on power that is presumed to be directly conferred by the divinity upon the priestly class. The hierocratic is often assimilated to the theocratic, of which it represents the organizational aspect and therefore the possible form of government.[18]

A fundamental distinction exists between the Vatican City State and the Holy See, or Apostolic See. The Holy See is an entity endowed with legal personality in international law entrusted with the government of the Catholic Church. At the head of the Holy See is the Pope. The City of the Vatican is the territory over which the Holy See exercises sovereignty; in fact, the City of the Vatican exists only to guarantee independence to the Holy See. Foreign embassies are accredited to the Holy See and not to the City of the Vatican because the city state itself does not appear on the political stage and does not have complete sovereignty. In foreign policy reporting, the term "Vatican" is frequently used as a collective term for the Holy See, which is the actual subject in international law.

The City of the Vatican was established on 7 June 1929 following the so-called Lateran Pacts stipulated by Benito Mussolini, representative of the then Kingdom of Italy, and by Cardinal Pietro Gasparri for the Holy See. Naturally, the state of the Catholic Church existed before; for about one thousand years, it included the whole of central Italy. In this period there prevailed the temporal power of the Popes. These powers came to an end in 1870 with the breach of Porta Pia and the annexation of the state of the Church to the Kingdom of Italy. Today, the currency of the Vatican is the euro and the official language is Italian, while the Holy See has Latin as its official language. One becomes a citizen of the Vatican simply by being resident there. Citizens maintain their original citizenship, meaning there are no people who are only citizens of the Vatican;

[18] Jain, A. (2025). The Holy See’s Diplomacy: Small State, Global Impact. International Affairs Review.

all have dual citizenship. The most represented second citizenship is Italian, followed by Swiss due to the famous Swiss Guards.[19]

The Holy See has been described as the biggest non-governmental organization in the world. It is not only a religious symbolic actor and civil society participant, but also a subject of international law with full diplomatic recognition. In international law, the Holy See is a non-governmental, sovereign power where a natural person is accorded the status of a subject of international law by virtue of their current office, which is not derived from a higher-level subject. Although Vatican City has very limited financial resources, it enjoys enormous symbolic power at a religious, cultural, and social level. With close to 1.2 billion members, the Catholic Church represents the largest organization in the world, adding to the importance of its foreign policy. Historically, the Holy See rose to become a political actor in the arena of medieval powers where its secular and spiritual powers were inextricably linked and reinforced each other.[20]

The nature of the Catholic Church as a global living and growing religious community is one of the central symbolic and political power resources of Vatican foreign policy. The Second Vatican Council (1962–1965) sought to "open the windows to the world," representing the first high point of the internal reforming movement and codifying the separation of religious identity and political power for good. This ethically founded leadership stance provides the Holy See with a power of action far beyond the realm of the church. A clear illustration is the shuttle diplomacy of the Holy See, which succeeded in bringing the Argentinian-Chilean conflict about Patagonia to a peaceful conclusion.

Today, the Holy See's scope of action in international politics has widened significantly. Vatican foreign policy is showing increasing signs of moving its focus towards the message of universal peace, political and inter-religious dialogue, the provision of humanitarian aid, and engagement for refugees as well as the

[19] Jorrie, S. (2010). The European Microstates and the EU: The Case of Andorra, Monaco and San Marino. College of Europe.

[20] Corbett, J. (2015). Being Small: The Governance and Diplomacy of Microstates. University of Queensland Press.

preservation of the integrity of creation. Whether it wants to or not, the Holy See cannot remain on the sidelines of the conflicts of this world. Creating space for dialogue and diplomacy instead of military or political antagonism is a classic objective. Besides the power of his office, the Pope employs his charisma and the conviction that political crises can be resolved by appealing to Christian values and ethics of conciliation and non-aggression.

The Holy See's policy objectives are not restricted purely to peacemaking, but also to ensuring the protection of the holy sites of Christianity, utilizing special relationships with Israel and the Palestinian territories. The Vatican peace policy is therefore fundamentally strategic and does not depend on any particular personal configuration. Since the end of the Cold War, appeals for peace and diplomacy have been aimed mainly at the reduction in the arsenals of weapons of mass destruction. One important element of Vatican foreign policy is humanitarian aid, which involves providing assistance during conflicts and natural catastrophes in a non-bureaucratic manner, whatever the religion of the people affected. These campaigns generate international goodwill and political capital, strengthening the Holy See's role as mediator in military conflicts. Furthermore, the Holy See acknowledges the anthropogenic causes of the warming of the climatic system and advocates for international binding contractual obligations to limit greenhouse gas emissions.[21]

In conclusion, the Vatican is a microstate without massive resources that possesses a great deal of symbolic power, making it a superpower religiously, culturally, and socially. The Holy See's hybrid function as a sovereign subject and a transnational actor gives rise to special foreign policy activities, pursuing a "third way" between Marxism and liberalism. It possesses the oldest diplomatic service in the world. This foreign policy is based on unconventional power resources: the Pope's political leadership role, the peacekeeping and mediating role which manifests the relational character of power by attribution, and the leveraging of symbolic capital through the faith community.

[21] Bathon, Matthew N. "The Atypical International Status of the Holy See." Vanderbilt Journal of Transnational Law 34, no. 3 (2001): 597–632.

The pontificate itself is the most visible embodiment of Vatican foreign policy action. Since the Second Vatican Council, this symbolic power of ideas has increasingly overridden institutional power. In the diplomatic arena, the Holy See appears as a value-focused rather than a religious actor. We are seeing a globalizing papacy that takes full advantage of the options offered by our networked world. The power and worldwide influence of the Holy See are underlined by its professional institutional foreign policy apparatus and its role as moral spokesman. [22]The Pope is currently one of the most popular global leaders who derives his power from personal charisma rather than hard power. It is precisely the fact that the Pope does not command any divisions that gives him his strength. Geographically, the Vatican's security is fundamentally linked to its status as an enclave entirely surrounded by the city of Rome, with its heart at St. Peter's Square. This 'nested' position within the Italian state illustrates how a microstate can survive undisturbed without an independent military, relying instead on the geographic and political protection of a larger neighbor. One could say that papal peacekeeping needs no tanks.

If the Vatican represents the power of ancient institutions, Tuvalu represents the power of modern global imagery. As a Pacific island microstate, Tuvalu has become the quintessential representative of the existential threat posed to small island nations by global warming and the resulting sea-level rise caused by greenhouse gases emitted by industrialized economies.

The post-war wave of British decolonization reached the Pacific late, with Tuvalu undergoing a process of separation in 1975 and full independence in 1978. These milestones were achieved in the face of British disapproval and were characterized by notoriously miserable terms of settlement. Facing an uncertain economic future, the nation's leadership worked to persuade metropolitan countries specifically those that had benefited from the extraction and ex-

[22] Araujo, Robert John, and John A. Lucal. Papal Diplomacy and the Quest for Peace: The Vatican and International Organizations from the Early Years to the League of Nations. Ave Maria University Press, 2004.

port of Pacific phosphate to establish a surrogate resource. This led to the creation of the Tuvalu Trust Fund (TTF) in 1987, a strategic financial innovation designed to provide long-term fiscal autonomy where traditional land-based resources were lacking.[23]

Tuvalu is often classified as a MIRAB state (Migration, Remittances, Aid, and Bureaucracy). These countries possess small landmasses but vast Exclusive Economic Zones (EEZ), yet they remain highly prone to natural hazards and suffer from poorly developed infrastructure. In traditional IR theory, this "high vulnerability and low adaptive capacity" would imply a total lack of agency. However, Tuvalu demonstrates that while vulnerability is a "brute fact," as a rhetorical stance, it can be a deliberate and effective way of acting in the world. For Tuvalu, having highly developed infrastructure might actually increase vulnerability to financial and insurance risks. Instead, the society proves that resilience does not require access to complex or advanced infrastructure. The main resource available to such small islands is political capital. The best hope for the long-term economic survival of MIRAB states is the careful political management of their relationships with protector states. By leaning into its identity as a "front-line" victim of climate change, Tuvalu has turned its physical weakness into a diplomatic lever.[24]

The "Big Smallness" of Tuvalu lies in the fact that its minute size is exactly what makes it a giant in the global imaginary of the last two decades. Whether through the splurge of publicity surrounding the 2012 visit of the Duke and Duchess of Cambridge to the capital, Funafuti (the site of the nation's only airport), or through its persistent advocacy at UN climate summits, Tuvalu has achieved microcosmic importance.

Just as rising sea levels threaten to turn other regions into microcosms of Tuvalu’s plight, the state itself serves as a demonstration of the significance of small places in the global ecumene. Its survival is not based on "hard power"

[23] Kofe, S. (2022). Sovereignty in the Metaverse: Tuvalu’s Plan for a Digital Nation. Pacific Studies Quarterly.

[24] Gauci, Jean-Pierre, and Susann Handke. "The Case of Tuvalu: Sovereignty and Climate Change." In Climate Change and the Law, edited by Erkki J. Hollo et al., 553–570. Springer, 2013.

but on its ability to command the world's attention. In the permissive international system, Tuvalu proves that being "the most vulnerable" can, if managed with strategic expertise, provide a unique form of systemic influence that forces the Great Powers to acknowledge the consequences of their industrial output.

While Tuvalu illustrates how a microstate can leverage existential vulnerability and climate-based moral authority to command global attention, the next case study presents a starkly different strategic model. If Tuvalu's survival depends on the international community's response to environmental crises, the Principality of Liechtenstein demonstrates how a small, landlocked actor can thrive through the strategic manipulation of legal norms and the delegation of sovereign functions.

The Principality of Liechtenstein offers a compelling case study of a microstate that has transformed historical vulnerability into modern institutional strength. Established in 1719 as one of the numerous component polities of the Holy Roman Empire, and formally achieving sovereignty on 24 August 1806 upon its independence from the German Confederation, it has endured centuries of systemic pressure. From foreign incursions in the 17th century to Napoleonic occupation and economic isolation during the First World War, Liechtenstein's trajectory symbolizes the flexibility small entities can achieve when they reassess the costs and benefits of military defense in a shifting global environment.[25]

Situated in the Alps between Austria and Switzerland, Liechtenstein is one of only two "doubly landlocked" countries in the world (the other being Uzbekistan), meaning it is surrounded by states that are themselves landlocked. With a landmass of 160 square kilometers and a population of approximately

[25] Frommelt, C., & Gstöhl, S. (2023). Liechtenstein and the EEA: The Europeanization of a (Very) Small State. Arctic Review of Law and Politics.

38,500—of which roughly 66% are Liechtensteiners and the remainder foreigners (primarily Swiss, German, Austrian, and Italian)—the state operates within a peaceful and democratic regional environment.[26]

The political structure is a unique constitutional monarchy currently headed by Prince Hans-Adam II (Giovanni Adamo II). Unlike other European figureheads, the Prince possesses and exercises substantial executive powers. However, in a remarkable constitutional characteristic, the law stipulates that the citizenry can initiate a referendum at any time to remove the reigning Prince, replace him with a male relative, or transform the nation into a republic. This hybrid of strong monarchy and direct democracy is further marked by social conservatism; for instance, Liechtenstein was the last European country to grant women the right to vote in 1984, and the princely title remains restricted to male heirs.

The legal evolution of Liechtenstein confirms three key academic assumptions regarding the survival strategies of micro-jurisdictions.

First, a small jurisdiction extensively adopts foreign legal norms. Part of the Germanic legal family, Liechtenstein is shaped by civil law traditions and its 1921 Constitution. Historically, it adopted codes from the Austro-Hungarian monarchy. Following the collapse of the Empire in 1918, the Principality pivoted toward Switzerland. By 1923, it formed a customs union with Switzerland, resulting in the automatic application of many Swiss norms. Today, the legal system is a "hybrid"; while civil and criminal laws remain similar to Austrian law, property and labor laws are copied from Switzerland. Between 2001 and 2009, only a third of all adopted acts had an internal political origin, proving that microstates often "outsource" their legislative drafting to larger neighbors.[27]

Second, a small jurisdiction features remarkable or unusual constitutional characteristics. Beyond the Prince’s powers, Liechtenstein has engaged in the

[26] Beattie, David. Liechtenstein: A Modern History. I.B. Tauris, 2004.
[27] Veenendaal, W. (2020). Monarchy and Democracy in the European Microstates. (Compares Liechtenstein and Monaco).

"commercialization of sovereignty." Emerging from a deep financial crisis following World War II that left even the ruling family in relative poverty, the state made "oculate" (shrewd) economic choices. By implementing a reduced taxation model, Liechtenstein now hosts a number of registered companies that exceeds its total number of inhabitants. This strategy has resulted in one of the highest per-capita incomes in the world.

Third, a small jurisdiction depends on external resources to maintain judicial institutions. Because it makes no sense to specialize in a single field in such a small population, lawyers must remain generalists. Furthermore, these jurisdictions are prone to conflicts of interest because "everyone knows everyone." To ensure the impartiality of the courts, Liechtenstein frequently employs foreign judges, utilizing external human resources to compensate for a lack of local legal expertise.

Liechtenstein's history contradicts the realist assumption that states must engage in "self-help" through military strengthening. Currently, like the Vatican, Liechtenstein maintains no armed forces. It has reached its goals by trading sovereign prerogatives for security and market access. Before WWI, the Austro-Hungarian Empire signed treaties on its behalf and the Austrian Supreme Court served as its highest court of appeal. In 1923, it surrendered control of customs and trade policy to Switzerland and adopted the Swiss Franc.

These "sovereignty exchanges" initially had costs; in 1920, Liechtenstein's application to the League of Nations was refused because it lacked an army and had delegated too many powers. However, by 1990, it successfully joined the UN. While it has never joined the EU, it gained independent representation in the late 1980s to negotiate its accession to the European Economic Area (EEA) in 1992, allowing it to access the single market while retaining political autonomy.[28]

Liechtenstein demonstrates that microstates are not driven by a "tragedy of self-help." By selectively delegating prerogatives—such as customs and diplomatic representation to Switzerland while commercializing its legal system

[28] Eccardt, Thomas M. Secrets of the Seven Smallest States of Europe. Hippocrene Books, 2005.

(notably through the incorporation of the "trust" in 1926), the Principality has achieved a level of prosperity and security that many larger states envy. Its reliance on foreign norms and external judicial expertise confirms that in a permissive international system, hierarchy is a strategic choice rather than a product of systemic necessity.

II– Historical and Structural Foundations of Monaco’s International Position

2.1 Historical and International Status of the Principality of Monaco

The historical beginnings of the Principality of Monaco can be traced far back into antiquity. In ancient eras, the rock of Monaco and its natural harbour provided shelter for early populations. From the 6th century BC the territory was inhabited by the Ligurian Monoikos tribe, from which the present name of the Principality most likely originates. According to an alternative theory, the city's name derives from the temple of Hercules erected by the Phoenicians who occupied the area corresponding to the modern Principality between the 8th and 6th centuries BC. Setting aside the origins of the city's name, it should be observed that its territory has been inhabited by various peoples over the centuries, who competed with one another for control of the rock. In particular, during the 8th century BC the area was occupied by the Greeks, albeit indirectly. It was they who established the city of Phocaea in present-day Turkey, whose inhabitants were especially resourceful, notably in trade and navigation, founding numerous colonies throughout the Mediterranean. It was during one of these voyages that, according to Herodotus, the Phocaeans also arrived at Monaco. Later, in 122 BC, the Monegasque territory was occupied by the Romans, who referred to the area as Portus Herculis Moneci. From 1000 AD, Monaco was inhabited by Saracens, Genoese and pirates, each of whom ruled at different periods, until the rise of the Genoese Grimaldi family, which has governed the city almost continuously to the present day, transforming it into a Principality. In 1162, Frederick Barbarossa granted control of the sea in the region to the Republic of Genoa. From that point until 1419, the two Genoese factions of Guelphs and Ghibellines fought fiercely to secure authority over the rock. It is during these conflicts that the true history of the Principality of Monaco began on 8 January 1297. [29]On that day, Francis Grimaldi, a Genoese belonging to the Guelph faction, having entered the rock of Monaco disguised as a Franciscan monk, seized it from the control of the Republic of Genoa and secured possession for the Grimaldi family. From that moment onwards, the destiny of the city became closely linked with that of the Genoese noble family. The Grimaldi family have been the undisputed rulers since 1297, except between 1793 and 1814, that is during the French Revolution and Napoleon's Empire. The stratagem employed by Francis Grimaldi, which earned him the nickname "le Malice" (ie the cunning one), is still reflected in the Grimaldi emblem, which consists of two monks wielding a sword who support the princely coat of arms. Charles must also be credited with having annexed additional territories to the Principality, including most notably Cagne, Villeneuve-sur-Vence, Menton and Roquebrune. Moreover, Charles introduced the so-called droit de mer ie the requirement to pay a tax in order to pass through the sea in front of the rock. However, the grip of the Grimaldi family over Monaco could still not be regarded as secure. In 1357, during his second term as Doge, Simon Boccanegra reconquered Monaco once more. Monaco was only restored to Grimaldi family control in 1419 thanks to the efforts of Ranier II. The end of all Genoese claims over Monaco came with Lambert Grimaldi, who in 1489 obtained recognition of the independence of Monaco as a State by King Charles VIII of France and Duke Charles I of Savoy. [30]Its independence was then reaffirmed with the establishment of the perpetual alliance with France by Letters Patent issued by Louis XII in 1512, in which the French King acknowledged the full sovereignty of Monaco. The period of amicable relations between France and Monaco, which began with the Letters Patent in 1512, came to a sudden end following the shift in the international policy of Francis I when compelled to confront Charles I of Spain, the future Emperor Charles V. In 1524, Augustine Grimaldi - Bishop of Grasse and guardian of the heir to the throne Honoré - concluded a treaty on the advice of Pope

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[29] Butler, G. (2023). "The Legal Relations of the European Union with the Principality of Monaco." European Foreign Affairs Review.
[30] O'Reilly, W. (2011). "The European Microstates: Monaco, Andorra, San Marino, Liechtenstein." The Journal of Diplomatic Studies.

Clement VII which transformed Monaco into an imperial fiefdom, marking the beginning of the Spanish protectorate which lasted for 116 years. The Protectorate brought an undisputed period of peace, although it had notable negative consequences for the state finances due to the failure by the Spanish to comply with the clause requiring them to bear the cost of maintaining the military forces. The Principality was able to bring an end to the Spanish Protectorate only after Richelieu revived the rivalry between France and Spain and the latter adopted an oppressive policy towards Monaco. In light of this situation, Prince Honoré II – before ascending to that title – established a new alliance with France. The Prince of Monaco was thus granted the Duchy of Valentinois, the County of Carladés and the Marquisate of Baux. From that time, relations between France and Monaco continued to evolve. In fact, the French Protectorate established by the Treaty of Péronne, which recognised the sovereignty and independence of the Principality, lasted for 150 years.

The Revolutionary Convention of 14 February 1793 ordered the annexation of the Principality to France, thereby transforming it into a simple municipality within the Alpes-Maritimes under the name Fort d'Hercule. The subjugation of Monaco to French rule led to the arrest of the princely family and the loss of the Crown's assets. The Principality returned to the international stage and regained its independence through the first Treaty of Paris of 1814, which ordered the restoration of the Principality to the status it had on 1 January 1792. Honoré V succeeded to the throne. He ruled from 1819 until 1841, having established a strictly absolutist regime, concentrating in his hands also legislative authority, a task facilitated by the absence of a representative assembly. This is a clear indication of the influence that France exerted over the Principality, including in relation to its constitutional structure. Subsequently, by the second Treaty of Paris of 20 November 1815, the Principality was placed under the protection of Victor Emmanuel I, King of Sardinia. On 8 November 1817 the Treaty of Stupinigi was concluded between the Principality of Monaco and the King of Sardinia with the aim of regulating relations between them, particularly in economic terms. That treaty remained in force until 1860. Beginning in 1848, the Principality of Monaco fell under the influence of the liberal movements that were spreading across Europe, which led Prince Florestan I to grant certain constitutional concessions to his subjects. On 25 February 1848 a Constitution was adopted, inspired by provisions that would shortly afterwards be incorporated into the Albertine Statute. [31]In particular, that early constitutional framework, which was somewhat liberal in tone regarding individual freedoms, religious liberty, freedom of thought and freedom of the press, established a bicameral Parliament composed of an upper house and an elected assembly. The Parliament exercised legislative authority alongside the Prince and also possessed the power of initiative. During 1848 the Principality suffered the loss of two important territories: Menton and Roquebrune chose to leave the Principality, first establishing themselves as free cities and subsequently placing themselves under the authority of the King of Sardinia. Following a period during which sovereignty over the two cities was disputed by various powers, Prince Charles III signed a treaty in 1861 under which he renounced all rights over the cities in favour of France in exchange for a payment of 4 million francs and recognition by France of the independence of the Principality.

This treaty contains the first formal recognition of the independence of the Principality, which became finally free from any protectorate relationship with other foreign States. That treaty however laid the foundation for a variety of relationships between the Principality of Monaco and France; they continue to this day and amount to an arrangement not unlike a protectorate. With the departure of Menton and Roquebrune, Monaco lost 80% of its territory, along with its most prosperous areas. It was precisely in order to address this situation that tourism developed within the Principality, promoted by Prince Charles III.[32] Amongst other initiatives he founded the famous casino, the success of which

[31] Edwards, A. (1992). The Grimaldis of Monaco: The Centuries of Scandal, the Years of Grace. William Morrow & Co.

[32] Healy, D. (2018). Monaco: A History. Amberley Publishing.

was ensured by the fact that gambling was illegal in France. The gambling industry was managed by the Societé des Bains de Mer et du Cercle des Etrangers de Monaco, which, in exchange for exclusive rights over the management and organisation of the industry, guaranteed a substantial annual payment to the Principality as well as various public services, such as lighting, water supply, road construction, the operation of a hotel and the publication of the Journal de Monaco. The establishment of the casino had the advantage of resolving many of the problems that had arisen in the Principality following the loss of the wealthy territories of Menton and Roquebrune, but on the other hand it led to the creation of an upper middle class within the Principality composed of businessmen and other notable figures who strongly criticised the Prince's dirigiste approach and the predominant role reserved to Monegasques. The Monegasques were fewer in number than the foreigners with financial interests in the Principality. In fact in constitutional terms during that period the Principality lacked any representative institutions and power was concentrated entirely in the hands of the Prince who held full sovereign authority. The Prince was assisted in the conduct of government by a Governor-General. These absolutist tendencies were moderated by the establishment in 1857 of the Council of State, which was granted the right to be consulted concerning legislation and framework Ordinances, although these were subsequently to be approved by the Prince. However, the creation of the Council of State was not sufficient to quell the protests that were causing unrest within Monegasque society. A more concrete solution to the problem came with the adoption in 1910 of a number of Ordinances introducing universal suffrage for elections to the Communal Council which however remained a purely consultative body. Even that concession was considered inadequate in order to counterbalance the dirigiste powers of the Prince. A genuine turning point came with the promulgation, by Prince Albert I, of the Constitution of 5 January 1911 which was based on a draft prepared by a group of French lawyers. In an effort to find a compromise solution, although full powers were still vested in the Prince, the National Council was established as a form of Parliament that would share legislative authority with the Sovereign. In addition, a number of local elected representative bodies were created, which were entrusted with the task of safeguarding the interests of the three municipalities of the Principality: Monaco, La Condamine and Monte Carlo. In 1917 the Constitution was amended to reflect changes brought about by the First World War. The text adopted provided for a constitutional monarchy within which the absolute sovereignty of the Prince was reaffirmed, subject to certain limitations. In particular, although the Prince remained the head of the executive branch, he was assisted in the conduct of government by a Council of Government composed of a Minister of State who was to work closely with the Prince, and three other councillors. The Constitution made no provision regarding the procedures for appointing the Minister of State and the councillors. Decisions within the Council were taken by majority vote, with the Minister of State holding a casting vote. However all decisions ultimately remained the prerogative of the Prince. Legislative authority was exercised jointly by the Prince and the National Council. The National Council lacked any power of legislative initiative; that authority was reserved to the Prince. At most, the National Council could request the sovereign to exercise his power of initiative. [33]The National Council was composed of 12 elected members, and one special college which was in turn elected - albeit in part (21 members out of 30) - by universal suffrage. A genuine shift towards the rule of law came with the provision for a series of individual rights and freedoms, beginning with the recognition of the equality of all citizens before the law (art 5), along with the corresponding prohibition of any discrimination. The rights recognised to citizens included individual liberty (art 6), the inviolability of the home (art 8), the inviolability of private property (art 9), religious freedom (art 10) and freedom of assembly (art 12). Significantly it stipulated that criminal offences and penalties could only be established by law (art 7). The responsibility for protecting and upholding those rights and freedoms was vested in the Supreme Court. Finally,

[33] Labande, L. H. (1934). Histoire de la Principauté de Monaco.

the Communal Council (a single body for the entire Principality) was established on a decidedly more democratic basis; [34]it was composed of 15 members elected by universal suffrage and headed by a Mayor who remained in office for three-year terms. The Communal Council was entrusted with specific powers concerning, in particular, public services and construction. Although the new Constitution made concessions to liberal tendencies, the following years were characterised by social unrest and institutional conflicts, with the National Council calling for the establishment of a form of parliamentary government. These problems became more acute with the outbreak of the Second World War. In the aftermath of the conflict, Prince Ranier III - who was driven by a strong reformist spirit - was faced with the need to modernise the Principality. Moreover, the Second World War had done nothing to alter the stance of the National Council. The pressures exerted by and positions adopted by the legislative body provoked a firm response from Ranier III who eventually suspended the Constitution and dissolved both the National Council and the Communal Council. The resolution to the institutional deadlock was found on 17 December 1962 with the promulgation of a new Constitution by Ranier III. That Constitution remains in force today. The text of this Constitution preserves the constitutional monarchy intact, but it appears to be inspired by more firmly liberal principles. For example, it extended voting rights to women, broadened the catalogue of rights and provided for a clear separation between public finances and the resources allocated to the royal household.

2.2 Institutional Structure of the Principality of Monaco

Although the Constitution contains important concessions to liberal positions, above all in terms of recognising rights and freedoms, it preserves intact the fundamental structure of the constitutional monarchy, with a strong centralisation of powers in the hands of the Prince. The Constitution adopted by Ranier

[34] Jan, P. (2014). "Les institutions politiques de la Principauté de Monaco." Revue du Droit Public.

III in 1962 fits squarely within the nineteenth-century category of constitutions that are ultimately granted by virtue of the sovereign's sole will. According to some commentators, however, the involvement of the National Council in the adoption of the Constitution, as the representative body of the people, has the effect of softening the unilateral character of the Constitution, making it possible to classify it as a "consensual constitution". This aspect is said to be confirmed by the inclusion within the Constitution of a prohibition on its unilateral suspension by the Prince, as well as by the attribution of the power to amend the Constitution not only to the Prince but also to the National Council.[35] In this respect, it is important to emphasise that the Monegasque Constitution may be considered a flexible constitution, since no provision is made for a more rigid legislative procedure for the approval of constitutional amendments. The task of supervising compliance with the Constitution is entrusted to the Supreme Court, whose internal rules are entirely composed of Ordinances issued by the Prince. The Court performs the following functions: prior review of the constitutionality of the internal regulations of the National Council; review of acts having the force of law, though limited to compliance with Title III of the Constitution, which is devoted to rights and freedoms. This is a centralised form of review, which may be exercised directly, either on a mandatory ex ante basis or on an optional ex post basis. However, the review power of the Supreme Court presents certain critical aspects, meaning it cannot be regarded as fully comparable to modern constitutional courts. In particular, the restriction of constitutional review powers solely to violations of Title III of the Constitution creates an inevitable gap in the protection of rights that, although not included in Title III, are nonetheless deserving of protection and guarantees. Regarding constitutional freedoms, it is clear from the wording of the Constitution that Monegasque citizenship is a prerequisite both for the exercise of political rights and for eligibility for certain social and civil rights, including freedom of assembly.

[35] Maricourt, A. (1945). "Le Statut Juridique de la Principauté de Monaco." Revue d'Histoire Diplomatique.

[36]The system is based on a distinction between citizens and non-citizens, as shown by the opening provision of Title III on fundamental rights and freedoms. Article 17 of the Constitution states that "All Monegasques are equal before the law. There is no privilege among them". Article 32 must also be interpreted in light of the citizen–non-citizen distinction, providing that "Foreigners enjoy all public and private rights in the Principality that are formally reserved to nationals". From this distinction it is clear why freedom of assembly is reserved to citizens: it is a freedom with a strong political dimension, since it complements the exercise of political rights. The case law of the Supreme Court is also guided by this distinction, although with slightly less rigidity, due to its recognition of the need to justify any difference in treatment based on differing circumstances. Rights and freedoms recognised without distinction between Monegasques and foreign nationals include the inviolability of the home (art 21), freedom and secrecy of correspondence (art 22), freedom of expression (art 23), religious freedom (art 23), freedom of association (art 30), the right to respect for private and family life (art 22), the inviolability of private property (art 24), freedom of work (art 25), as well as trade union freedom and the right to strike (art 28). In other respects, the Monegasque Constitution also incorporates many principles inherent in the rule of law, such as nullum crimen sine lege, the prohibition of the death penalty and of degrading punishments, the prohibition of retroactive criminal law, and the guarantee of an independent and impartial tribunal established by law (art 20).
In order to better understand the framework within which it operates, it is useful to briefly examine the bodies provided for under the Constitution that assist the Prince in governing the State, generally through the issuance of non-binding opinions. The first of these is the Council of State, which performs a general advisory role in formulating opinions on Bills or draft regulations of any kind and on any act originating from the Government, as well as on any expenditure

[36] O'Reilly, W. (2011). "The European Microstates: Monaco, Andorra, San Marino, Liechtenstein." The Journal of Diplomatic Studies.

from the provisional state budget and the dissolution of the Communal Council. In the last two cases, opinions are mandatory, though never binding. Opinions concerning governmental acts are given at the request of the Prince or the Minister of State. The Council of State is composed of no more than 12 members, appointed for life by the Prince after consulting the Minister of State and the Director of Judicial Services, who chairs the body. The Council meets on the initiative of its President or, in serious and urgent cases, on the initiative of two members. Decisions are adopted by majority vote, and in the event of a tie the President has the casting vote. The Council of State, together with other bodies, participates in the appointment of members of the Supreme Court. The second major constitutional body is the Crown Council (arts 75 to 77). It is composed of seven members, four of whom, including the President, are appointed directly by the Prince; the remaining three are appointed on the proposal of the National Council. The Crown Council performs an advisory function for the Prince in matters involving the "higher interests" of the State. Although it is mandatory to seek its opinion, that opinion is not binding in matters relating to the conclusion of international treaties, the dissolution of the National Council, measures concerning naturalisation requests and the restoration of citizenship, as well as the granting of amnesties and pardons. The Crown Council is convened by the Prince. Finally, the Constitution provides for the Supreme Court, which functions as a form of constitutional court. It is composed of five full members and two substitute members, all appointed by the Prince, though on the recommendation of different bodies. Specifically, two members are appointed on the recommendation of the National Council, two on the recommendation of the Council of State, and the remaining three on the recommendation respectively of the Crown Council, the Court of Appeal and the Court of First Instance.[37]

The President of the Supreme Court is directly appointed by the Prince. The Court sits in plenary formation when exercising constitutional review powers

[37] Zorzi, G. (2020). Il sistema costituzionale del Principato di Monaco.

and resolving jurisdictional disputes. In administrative matters, it sits in sections of three members. Administrative jurisdiction covers actions for annulment of sovereign Ordinances implementing laws and all ultra vires decisions of administrative authorities. It may also annul final decisions of administrative courts and hear appeals for interpretation and applications for review of administrative acts and sovereign Ordinances implementing laws. Article 2 of the Constitution defines the Principality of Monaco as a hereditary constitutional monarchy. The Head of State is the Prince, who is succeeded by his direct legitimate descendants in order of age, with priority given to male descendants over female descendants of the same rank. The Sovereign holds significant powers which, unlike in other modern monarchies, are not merely formal. The Prince is assisted by elective assemblies which mainly perform consultative functions and intervene only in specific matters. Due to the extensive powers of the sovereign, there is a clear tension between the State structure and the governmental system within the Monegasque legal order. While articles 2 to 6 of the Constitution establish a liberal state governed by the rule of law based on separation of powers, the governmental system does not entrust representative bodies with safeguarding the rights and interests typical of such a state. A key element is the supremacy of the Prince, identified as the ultimate source of all state authority. The Constitution provides that "The Principality of Monaco is a sovereign and independent State within the framework of the general principles of international law and the particular conventions with France. The territory of the Principality is unalienable" (art 1). Article 2 defines it as a hereditary constitutional monarchy and a state governed by the rule of law committed to fundamental rights and freedoms. The Prince's supremacy is further evident in article 3, which states that "The Prince's person is inviolable" and places him at the head of the executive, dependent on his highest authority. Legislative power is also shared with him, since article 4 provides that "The legislative power is jointly exercised by the Prince and the National Council".

[38]These provisions reveal a blending of powers which, despite the declaration in article 2, distances the Principality from a fully typical rule-of-law state. This appears to contradict article 6, which affirms that "The separation of administrative, legislative and judicial functions is guaranteed". Foreign relations are also entirely concentrated in the hands of the Prince (arts 13 and 14). These features distinguish Monaco from other monarchies where sovereign powers are purely formal. A further distinctive aspect is the explicit recognition of the confessional nature of the legal order. Article 9 provides that "The Catholic, Apostolic and Roman religion is the religion of the State". Relations with the Holy See are governed, as in other States such as Italy, by concordats. Despite the existence of a state religion, whose teaching is mandatory in schools at all levels, article 23 protects freedom of religion in all its forms, including negative freedom, prohibiting any coercion to participate in rites or observe Catholic holy days. It is necessary to examine the system of legal sources to better understand the distribution of powers within Monaco. At the top are acts and customs of constitutional significance, including monarchical customs and general principles of international law under article 1. These refer particularly to norms ensuring sovereignty and equal international dignity. The highest norm is the Constitution together with constitutional amending laws. Special conventions concluded with France, cited in article 1, are also considered to have constitutional status alongside the Constitution and amendments. Consequently, sub-constitutional laws cannot contradict such agreements without being invalid and potentially engaging international responsibility. Some authors argue instead that such conventions are below the Constitution, which may override them, otherwise the Constitution's nature would be undermined. Concordats with the Holy See also hold constitutional status but remain subordinate to the Constitution. Below constitutional norms lie formal laws and sovereign Ordinances. Sovereign Ordinances are generally approved by the Government and submitted to the Prince for signature (art 45), though article

[38] Veenendaal, W. (2020). "Monaco: The Last Bastion of Monarchical Power in Europe?" in Monarchies and Small States, Routledge.

46 reserves certain ordinance powers directly to the Prince. Under article 68, he may issue ordinances to ensure implementation of laws and international treaties. These may be primary sources when implementing treaties, but secondary when implementing legislation. Secondary sources include internal regulations of the National Council and implementing sovereign Ordinances. Below these are governmental Ordinances, which are administrative in nature and typically implement sovereign Ordinances. They express government will, are signed by the Minister of State, submitted to the Prince within forty-eight hours, who may object within ten days; otherwise, they become enforceable. Monegasque law is heavily influenced by French law due to longstanding ties. [39]Between 1793 and 1816, French imperial codes were applied in Monaco. Later, new codes, including the Commercial Code, were adopted to adapt French models to local conditions. Baron de Rolland drafted civil and criminal procedure codes adopted in 1896 and 1904. These shaped positive law until the 1960s and were strongly influenced by French law. In 1945 a Commission was created to revise the codes, resulting in a new Criminal Procedure Code in 1963 and Criminal Code in 1967, which diverged more from the French model, although private law remains strongly influenced. Despite this, many areas of Monegasque law retain specific features, including criminal, family, company, citizenship and administrative law. Executive power is governed by articles 43–51. It is exercised by the Minister of State, appointed by the Prince, with assistance from the Council of Government.

The Prince is the head of the executive, as article 43 states: “Government is exercised under the gracious authority of the Prince”. The Minister and Government are responsible to the Prince (art 50). The Minister serves five years and is second in rank after the Prince, with whom he has a fiduciary relationship. He has a casting vote in case of tie, oversees foreign relations alongside the Prince, directs executive services, implements ordinances and coordinates enforcement authorities. The Council adopts sovereign Ordinances and ministerial Ordinances. Sovereign Ordinances are approved by the Council, signed by

[39] Hilaire, J. (2010). Le droit de la Principauté de Monaco. Dalloz.

the Minister and submitted to the Prince for promulgation; the Prince's signature is essential. Ministerial Ordinances are approved by the Council and signed by the Minister, submitted within twenty-four hours, and may be objected to by the Prince within ten days, otherwise they enter into force. Certain sovereign Ordinances are reserved exclusively to the Prince under article 46, including matters of the Sovereign Family, judicial direction, appointments of key officials, consular exequatur, dissolution of the National Council and granting of titles. This structure ensures that key decisions remain under the Prince's control.

The Communal Council exercises authority at the local level and constitutes the principal organ responsible for the administration of the Commune. Pursuant to Article 78 of the Constitution, the Commune coincides territorially with the entirety of the Principality. Notwithstanding its character as a unitary administrative entity, it is internally subdivided into four districts: La Condamine, Monaco-Ville, Monte-Carlo, and Fontvieille.

In accordance with Article 87 of the Constitution, the financial resources of the Commune are derived from revenues generated by communal assets, its ordinary income, and appropriations allocated within the budget of the Principality. The administrative functions of the Commune are carried out by a council composed of a Mayor and several Deputy Mayors, who are appointed by the Communal Council from among its members. The Communal Council itself is composed of fifteen members elected by universal suffrage for a term of four years, thereby ensuring a degree of democratic legitimacy within the local institutional structure. The Council meets in ordinary session every three months; however, extraordinary sessions may be convened where necessary to address specific matters, subject to a request or approval by the Minister of State.[40]

From a functional perspective, the Constitution entrusts the Communal Council with the general management of communal affairs. More specifically, Law No.

[40] Grinda, G. (2005). The Principality of Monaco: State, Government and Institutions. Principality of Monaco Press.

959 of 1974 confers upon it decision-making authority in key areas such as budgetary policy, the organizational structure of the Commune, tariffs and duties, the provision of communal services, the determination of public holidays, and the delivery of social services. These competences collectively define the scope of local governance within the Monegasque institutional framework.
A particularly noteworthy feature of the Principality of Monaco resides in the fact that a number of functions typically attributed to local authorities in other jurisdictions, including urban planning, are instead reserved to the State. This allocation of competences illustrates the highly centralized nature of the Monegasque system and distinguishes it from the prevailing models observed in most contemporary legal systems.
Resolutions adopted by the Communal Council in the exercise of powers specifically reserved to the Commune must be notified to the Minister of State. The latter retains the authority to oppose such measures by issuing a reasoned decree. In the absence of such opposition within a period of fifteen days following notification, the resolutions enter into force and acquire binding legal effect. This mechanism reflects a system of administrative oversight by the central authorities. Legislative power within the Principality is exercised jointly by the Prince and the National Council; however, in practice, the will of the sovereign remains predominant. The subordinate position of the National Council is further underscored by the extensive power of dissolution conferred upon the Prince under Article 74 of the Constitution. This prerogative may be exercised without any obligation to provide reasons and is subject solely to prior consultation with the Crown Council, thereby reinforcing the pre-eminence of the sovereign within the institutional structure.
Pursuant to Article 66(1) of the Constitution, the enactment of legislation requires the concurrence of both the Prince and the National Council. While this provision may, at first glance, suggest a form of institutional balance in the legislative process, such an interpretation is qualified by the subsequent paragraph, which reserves the right of legislative initiative exclusively to the

Prince. Nevertheless, in practice, a limited form of initiative has been recognized in favors of the National Council. Communication between the Prince and the Council is conducted through messages transmitted by the Minister of State, thereby illustrating the intermediary role of the executive.[41]

The National Council is composed of twenty-four members elected by universal suffrage from multi-candidate lists in a single round of voting. The electoral system allows for panache and excludes preference voting, and is governed by Law No. 1250 of 2002. Candidate lists must include a few candidates at least equal to a majority of the seats to be filled. Two-thirds of the seats are allocated according to a majority system, while the remaining one-third are distributed on a proportional basis, reflecting a mixed electoral model.

The Monegasque legal order recognizes standard parliamentary prerogatives, including immunity from criminal and civil liability in respect of votes cast and opinions expressed in the exercise of parliamentary functions, as well as immunity from arrest for the duration of the mandate, except where authorized by the Council or in cases of flagrante delicto. These guarantees are intended to safeguard the independence of parliamentary activity.

Notwithstanding these formal guarantees, the National Council cannot be equated with parliamentary assemblies in other legal systems, as it does not operate as an effective counterweight to the authority of the Prince and the Government. This conclusion is supported by the fact that the Council may be dissolved without any requirement to state reasons and without any request from the Government, subject only to the prior consultation of the Crown Council.

In accordance with Article 61 of the Constitution, the organization and functioning of the National Council are governed by internal regulations, which must undergo prior review by the Supreme Court in order to ensure their conformity with the Constitution and, where applicable, with ordinary legislation. This requirement introduces a degree of constitutional oversight into the internal functioning of the legislative body.

[41] Gallois, J. P. (1964). Le régime international de la Principauté de Monaco. Pedone.

With regard to its operation, the Constitution provides for two ordinary sessions per year, in addition to the possibility of convening extraordinary sessions. The agenda must be communicated to the Minister of State at least three days in advance. Furthermore, if requested by the Government, at least one out of every two sessions must be devoted to the examination of bills introduced by the Prince. In addition to its power of constitutional amendment, the principal function of the National Council remains legislative, notwithstanding that such power is exercised jointly with the Prince. The constitutional reform of 2002 sought to mitigate, to a limited extent, the Council's subordinate position under the original constitutional framework.[42]

The right of legislative initiative remains formally vested in the Prince. Bills are submitted by the Minister of State following approval by the Council of Government, after which they are signed by the Prince and transmitted to the National Council. However, the 2002 reform introduced a mechanism whereby the National Council, upon receipt of a bill, may formulate proposals, the outcome of which depends upon the position adopted by the Government. In particular, the executive may, within a period of six months, decide to convert such proposals into a bill, which then follows the procedure applicable to bills introduced on the initiative of the sovereign. In the absence of such action within the prescribed period, the proposal is automatically transformed into a bill.

The Government also retains the capacity to block a parliamentary initiative by means of a formal declaration, which must be placed on the agenda of the subsequent ordinary session. In any event, when examining a bill, the National Council may add, remove, or amend provisions contained therein, provided that a direct connection exists with the subject matter of the bill. The Government may withdraw a bill at any time prior to the final vote. The Constitution expressly precludes any amendment to bills authorizing or approving the budget, thereby limiting parliamentary intervention in financial matters.

[42] Jan, P. (2014). "Les institutions politiques de la Principauté de Monaco." Revue du Droit Public.

Once adopted, a law is promulgated by the Prince and enters into force on the day following its publication in the *Journal de Monaco*, thereby completing the legislative process.
Judicial authority is likewise, in principle, vested in the Prince. However, the Constitution expressly provides that its full exercise is delegated to the courts and tribunals. Article 88 stipulates that judicial power resides in the Prince, who, by virtue of the Constitution, entrusts its exercise to judicial bodies. Justice is therefore administered in the name of the Prince, reflecting the symbolic role of the sovereign within the judicial system.
As is characteristic of modern constitutional systems, the independence of the judiciary is expressly guaranteed, and its organization is determined by law. The Constitution explicitly provides only for the Supreme Court, which may, to a certain extent, be regarded as analogous to constitutional courts in other legal systems, particularly in light of its supervisory functions.
In the administration of justice, the principle of a two-tier system of jurisdiction prevails. In civil and commercial matters, jurisdiction is exercised by several courts: the Justice of the Peace, consisting of a single judge with limited jurisdiction ratione materiae and ratione valoris; the Court of First Instance, composed of a panel of judges, which also adjudicates administrative disputes and has jurisdiction over all matters not assigned to the Justice of the Peace, from which it also hears appeals; the Court of Appeal, which reviews decisions of the Court of First Instance; and the Court of Revision, composed of a bench of judges exercising the functions of a supreme court, which hears appeals solely on points of law against judgments rendered at final instance.[43]
The legal system also includes specialized tribunals, such as the Employment Tribunal, which address specific categories of disputes. Criminal proceedings are conducted in accordance with the adversarial model. Criminal jurisdiction is exercised by a range of courts: the Police Court, which corresponds to the Justice of the Peace in civil matters and has competence in respect of minor

[43] Grinda, G. (2005). The Principality of Monaco: State, Government and Institutions. Principality of Monaco Press.

offences; the Correctional Court, which deals with more serious misdemeanors and offences committed by minors; the Court of Appeal, which hears appeals against decisions of the Police Court and the Correctional Court; the Criminal Court, composed of professional judges and lay members selected by lot, which has jurisdiction over the most serious criminal offences committed by adults or by minors acting in concert with adults; and the Court of Revision, which serves as the supreme court for decisions rendered at final instance.
Pursuant to a convention concluded in 1963, custodial sentences are served in prisons located in France. The power to grant pardons and amnesties is vested exclusively in the Prince, thereby constituting an additional manifestation of sovereign authority within the judicial domain.

2.3 Monaco in International Organizations and Multilateral Frameworks

Having consolidated its constitutional order through centuries of political transformation, Monaco's true distinctiveness becomes fully apparent in the international sphere, where its sovereignty is continuously articulated and shaped through a dense web of legal and political relations with other States.
The Principality of Monaco and the French Republic are linked by a close relationship, which has its origins in very distant times. As mentioned above, the treaties concluded with France possess the status of primary sources of Monegasque law, according to the explicit provision of art 1 of the Constitution. Relations between the two States have been regulated over the centuries by a series of conventions and treaties, under the first of which (the Treaty of Péronne from 1643) France was elevated to the role of protector of the small Principality, while recognizing its independence and sovereignty. [44]That Treaty also created a currency union between the two States, granting the Principality the

[44] Bettati, M. (2012). Le Statut International de Monaco. Pedone. (Analysis of how Monaco exists in the eyes of international law).

right to mint coins which also had the status of legal tender in France. Later treaties governed various aspects of relations between the Principality and France, largely on an economic level. For instance, in 1865, a customs treaty was concluded that had the effect of establishing a full customs union between the two States. Subsequent treaties made provisions relating to taxation and social security matters. As a general matter, the rules governing relations between the Principality and France have always granted the latter a certain degree of supremacy over the small state, along with a power to intervene in the domestic and foreign policy of the former. For instance, art 1 of the Treaty concluded on 7 July 1918 imposed an obligation on the small State to exercise its rights "in perfect conformity with the political, military, naval and economic interests of France", in exchange for the commitment by France to guarantee its independence and sovereignty and to ensure the integrity of its territory "as if this territory were an integral part of its own". Ultimately, while the conventions in question granted clear benefits to the Principality, they reserved to France the authority to interfere in the political affairs of the Principality. Broad powers were granted to France in this respect to guide foreign policy under art 2 of the 1918 Treaty, which stipulated that any decision taken by the Principality in the sphere of international relations had to be adopted with the consent of France. These powers of interference were only limited by the revision of the 1918 Treaty in 2002. Under the amended agreement, the French Republic continues to guarantee the integrity of the Monegasque territory, although no longer "as if this territory were an integral part of its own", but rather "under the same conditions as its own". [45]The removal of the requirement for prior agreement concerning the conduct of international relations, along with the obligation to respect French interests when exercising sovereign powers, has been even more significant in distancing the Principality from French interference, but in reality, it remains necessary to strike a harmonious balance between the internal and foreign policy of the Principality and the fundamental interests of

[45] Duursma, J. (1996). Fragmentation and the International Relations of Micro-states: Self-determination and Statehood. Cambridge University Press.

France. Despite these changes, France continues to exert a strong influence over the small State. This is confirmed, for example, by the active role played by France in the appointment of the highest officials within the Principality, as well as its ongoing military protection, with its troops enjoying freedom of access to Monegasque territory. Despite its strong ties to France, the independence and sovereignty of the Principality of Monaco have been emphasized by the presence of the small State in many international organizations. Monaco has been a member of the WHO since 1948, of UNESCO since 1957, of the OECD since 1972, and of the UN since 1993. In addition, the Principality of Monaco has also adhered to many important international conventions. For instance, by two sovereign Ordinances of 13 December 2005 (no 332 and no 333), the Vienna Convention on Diplomatic Relations 1961 and the Vienna Convention on Consular Relations 1963 were implemented. The Principality of Monaco holds a unique position within the European Union, which is determined above all by its close relations with France. As a result of this, certain EU laws apply to the Principality even though it is not a member of the European Union. This situation gives rise to notable imbalances, above all financial, for the Principality, which is treated as a member of the EU only in terms of its obligations. The situation that arose following the introduction of the single currency is particularly striking. By the Convention of 14 January 2002 concluded with France, the Principality of Monaco also adopted the euro, even though it was not a member of the EU; thereby, it entered the monetary union. However, according to one line of thought, the fact that the procedure that led to the adoption of the euro by the small State was initiated by France amounted to a mere "courtesy", which was provided having regard to the longstanding relations between the two States, because as of 1 January 1999 monetary competence had been fully transferred by the individual States to the Union, and so the real interlocutor of the Principality in those negotiations was the EU. Moreover, as confirmation of this, it is also worth noting that the European Council authorized the Principality to use the euro by a resolution dated 31 December 1998, at the same time entrusting France with the task of initiating and conducting the relevant negotiations. In 2004, the Principality of Monaco joined the Council of Europe. Although the membership application had been submitted in 1998, the Council of Europe had taken the view that it could not be accepted, raising several critical issues within the Monegasque legal system, which rendered it incompatible with the mission of the Council. In particular, it was objected that the small State still operated a clear absolutist form of government, and that its parliamentary representatives lacked effective powers, in addition to the significant interference by a foreign State in its internal politics. Accordingly, as a condition for accepting the application, the Council of Europe made a series of requests, all of which sought to remedy the critical issues mentioned above, in addition to working on the system of guarantees for rights and freedoms with the aim of making it more effective. The 2002 constitutional amendment addressed a large number of the critical aspects of the system, as was noted by the Council of Europe. [46]On 27 April 2004, the Parliamentary Assembly of the Council of Europe approved the acceptance of the Principality as a new member and invited the Committee of Ministers to present an official invitation to it to join the organization. The Principality officially joined the Council of Europe on 5 October 2004. The Principality of Monaco has encountered difficulty over the centuries in carving out a space for its own independence and sovereignty, having for long periods been contested by foreign powers and treated as a protectorate of other States. Despite the recent changes to the longstanding conventions, the Principality is still in a position of "subordination" towards the French Republic. The fact that Article 1 of the Monegasque Constitution[47] guarantees respect for the agreements concluded with France, elevating them to the status of a primary source of law, is emblematic. The Principality remains a monarchy with somewhat absolutist overtones, even though this aspect has been significantly limited in recent years, making it unique on the international scene. In

[46] Sikorska, B. (1971). "The Legal Position of the Micro-States in Europe." Polish Yearbook of International Law.
[47] Constitution de la Principauté de Monaco du 17 décembre 1962 (modifiée par la Loi n° 1.249 du 2 avril 2002).

fact, the Prince holds both executive and legislative powers, although in exercising the latter, he is assisted by a representative assembly. The system is therefore hybrid in nature: while it incorporates important concessions to the rule of law, it still retains certain features traditionally associated with an absolutist monarchy. However, these characteristics have been progressively softened, above all as a result of the Principality's increasing integration into the international community, in particular through its membership of international organizations.

III- Diplomatic practices in Monaco

3.1 Cultural Events and Institutional Initiatives as Diplomatic Tools

Monaco's diplomatic influence cannot be solely understood through traditional concepts of power that emphasize military capabilities, territorial expansion, or coercive instruments. As one of the world's smallest sovereign states, the Principality has few material resources commonly associated with great-power diplomacy. Instead, Monaco has developed a non-traditional diplomatic strategy focused on cultural impact, symbolic representation, and international visibility. These aspects can paint us a better picture of how microstates can compensate for structural limitations by investing in various forms of diplomacy that generate recognition and legitimacy. [48]

The concept of cultural diplomacy refers to the use of cultural assets, institutions, traditions, and events to help develop a mutual understanding and strengthen relationships between states and societies. For the Principality, cultural diplomacy is not only a means of international promotion but also a strategic tool that reinforces political relevance within European and global governance structures. By cultivating a distinct national image associated with excellence andmicro, Monaco has transformed culture into an instrument of diplomatic leverage.

Historically, Monaco's political survival depended on its ability to maintain strategic relationships with greater powers while preserving its autonomy. Throughout its history, the Grimaldi dynasty used principles of authority and status to reinforce the Principality's political position. In contemporary international relations, these symbolic resources extend Monaco's diplomatic reach beyond its geographical boundaries.[49]

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[48] Baldacchino, G. (2009). Thucydides or Kissinger? A critical review of smaller-state diplomacy. Geopolitics, 14(4), 756–777.

[49] Valeri, S. (2018). Monaco and International Influence. Éditions du Rocher.

One of the most significant aspects of Monaco's cultural diplomacy is its ability to attract global attention through internationally recognized events. The Monaco Formula 1 Grand Prix represents one of the most visible examples of this strategy. Beyond its economic significance, the Grand Prix functions as a diplomatic platform that attracts many high-profile people such as political leaders, business executives, media organizations, and international celebrities. This event generates extensive international coverage and it positions Monaco at the center of global public attention. This is the type of visibility that contributes to the Principality's reputation as an influential actor despite its limited territorial size.

The diplomatic value of such events extends beyond tourism promotion. High-profile international gatherings create opportunities for informal diplomatic exchanges. They become spaces where political, economic and social interactions occur simultaneously.

Sporting diplomacy constitutes another important dimension of Monaco's cultural strategy. The Principality hosts numerous international sporting competitions that contribute to its global visibility. Sporting events provide a neutral and attractive environment for diplomatic engagement while simultaneously promoting values like excellence and international friendship.

The Monte-Carlo Masters are a perfect example of the key role in Monaco's sporting diplomacy by attracting the world's best players and global media attention. Through tennis, Monaco strengthens its reputation as a luxury and high-profile sporting destination. The presence of elite athletes in Monte Carlo helps the principality maintain strong ties with international sponsors and sporting organizations. Through sport, Monaco communicates an image of openness and cosmopolitanism that enhances its attractiveness as a diplomatic partner.

The cultural sector itself plays an equally essential role in Monaco's external relations. Institutions dedicated to music, theatre, visual arts contribute to the Principality's international image.

Monaco's cultural diplomacy also benefits from its association with luxury and exclusivity. While these characteristics are often discussed from an economic perspective, they possess significant diplomatic value. The international perception of Monaco as a center of sophistication improves its soft power resources. Foreign investors and policymakers frequently associate the Principality with stability and excellence, qualities that increase its credibility in international affairs.[50]

The development of cultural diplomacy in Monaco reflects broader trends within microstate diplomacy. Scholars have increasingly recognized that small states often achieve influence through specialization rather than scale. Since microstates cannot compete with larger countries in terms of military or economic resources, they focus on developing niche areas of expertise and visibility. Cultural diplomacy represents one such niche in which Monaco has achieved considerable success. By concentrating resources on high-impact cultural initiatives, the Principality has managed to amplify its international presence far beyond what might be expected given its physical size.

Another important feature of Monaco's cultural diplomacy is the integration of heritage and modernity. The Principality simultaneously promotes its historical legacy and its contemporary achievements. The Grimaldi dynasty, royal traditions, and historical landmarks provide continuity and legitimacy, while modern architecture, technological innovation, and contemporary cultural programs project an image of progress and dynamism. This combination enables Monaco to appeal to diverse audiences and reinforces its credibility as both a traditional and forward-looking state.[51]

The Principality’s diplomatic reach is further enhanced by international cultural partnerships. Cooperation agreements with museums, universities, and research institutions create opportunities for continued engagement with for-

[50] Pigman, G. A. (2010). Contemporary Diplomacy. Polity Press.

[51] lcus, C. (2024). Leveraging microstate diplomacy: Monaco’s strategies for enhancing trading power and EU integration. International Journal of Social Sciences, Language and Linguistics, 6(3), 71–159.

eign societies. Such ties contribute to knowledge exchange, and more importantly, they establish long-term relationships that strengthen Monaco's international networks and increase its visibility within various sectors of global governance.

Cultural diplomacy also supports Monaco's broader objectives regarding European integration. Although Monaco is not a member of the European Union, it seeks close cooperation with European institutions and its member states. Cultural initiatives provide an effective means of strengthening these relationships because they are generally perceived as non-threatening and mutually beneficial. Through participation in European cultural communities and collaborative projects, Monaco reinforces its commitment to shared European values while maintaining its political autonomy.[52]

The effectiveness of cultural diplomacy depends heavily on reputation management. Monaco has invested considerable resources in cultivating a consistent international image. The consistency of this narrative promotes the Principality's credibility and facilitates international engagement. Unlike larger states that may struggle to maintain coherent international identities, Monaco benefits from a highly focused and carefully managed national brand.

Media visibility represents another critical component of Monaco's cultural diplomacy strategy. International media coverage of cultural events, sporting competitions, and royal activities significantly amplifies the Principality's global reach. Monaco communicates its achievements and values to audiences around the world through traditional and digital media platforms. This media exposure contributes to agenda-setting processes by ensuring that Monaco remains visible within international public discourse.

The rise of digital communication technologies has expanded the possibilities of cultural diplomacy. Online exhibitions, virtual events, social media campaigns, digital educational programs enable the Principality to reach individu-

[52] Monaco Government. (2024). Un engagement de niveau international. Government of Monaco.

als who may never physically visit Monaco. Digital diplomacy, therefore, complements traditional cultural diplomacy by expanding accessibility and increasing global engagement.
Cultural diplomacy additionally advances economic objectives by supporting tourism, investment, and commercial partnerships. [53]
The international visibility generated by cultural activities enhances Monaco's attractiveness as a destination for visitors and investors. Cultural diplomacy creates synergies between political, economic, and social objectives. These interconnections illustrate the multidimensional nature of contemporary diplomacy, where real influence can be generated by culture and turned into tangible economic and political benefits.
Monaco's practice demonstrates that cultural diplomacy is particularly valuable for microstates operating within complex international environments. By emphasizing culture rather than coercion, Monaco has developed a diplomatic model that transforms structural limitations into strategic advantages.
Cultural assets become instruments of international weight, visibility becomes a source of power, and reputation becomes a form of diplomatic capital. Through these mechanisms, the Principality successfully expands its international presence while preserving its distinctive identity.

3.2 Reputation, Prestige, and the Sources of Monaco's Soft Power

Soft power has become one of the most significant instruments through which Monaco projects its influence in international affairs. Unlike traditional forms of power that rely on military strength or economic coercion, soft power operates through attraction, persuasion, and legitimacy. For a microstate such as Monaco, whose territorial size and population limit its capacity to exercise conventional forms of power, soft power provides an effective mechanism for

[53] Ingebritsen, C., Neumann, I. B., Gstöhl, S., & Beyer, J. (2006). Small States in International Relations. University of Washington Press.

international partnerships, and enhancing diplomatic impact. The Principality's ability to cultivate prestige and project a favorable international image has enabled it to occupy a position within global networks that exceeds what might be expected from a state of its physical dimensions.[54]

The concept of soft power, originally developed by Joseph Nye, emphasizes the ability of a political actor to shape the preferences and behavior of others through attraction and persuasion rather than coercion. In Monaco's case, attraction is generated through a combination of political stability, economic prosperity, environmental engagement, and international visibility.

Monaco's international esteem is closely connected to its perception as a stable and prosperous state. Political continuity under the Grimaldi dynasty has contributed significantly to this image. Stability is frequently regarded as a valuable asset in international relations because it reduces uncertainty and increases confidence among foreign governments and international actors. The Principality's long-standing political institutions and predictable governance structures reinforce perceptions of reliability and trustworthiness, both of which are essential components of soft power.

The Principality is widely recognized as a center of financial services and high-value economic activity. Although economic performance alone does not automatically generate soft power, Monaco has successfully transformed its economic achievements into a broader narrative of excellence and innovation. This narrative enhances its international attractiveness and strengthens its position in diplomatic interactions. Foreign actors often associate Monaco with efficiency, quality, and opportunity, creating favorable conditions for cooperation across multiple sectors.

The Principality's reputation is further reinforced through its association with exclusivity and luxury. Monaco has developed a global brand characterized by sophistication, elegance, and high standards of living. This brand extends beyond tourism and economic promotion to influence perceptions of the state

[54] Nye, J. S. Jr. (2004). Soft Power: The Means to Success in World Politics. PublicAffairs.

itself. International audiences frequently view Monaco as a symbol of success, an attribute that contributes to its soft power resources. [55]

Although the Principality remains outside the EU, it has developed close relations with European institutions and member states, and its ability to engage constructively with European actors is strengthened by its positive international standing. Prestige, therefore, functions as an enabling factor that facilitates access to political and economic networks.

The Principality's soft power is also reinforced by its commitment to innovation and knowledge production. Investments in scientific research, technological development, and educational initiatives contribute to an image of modernity and progress. Monaco increasingly presents itself as a center for innovation, particularly in fields related to environmental sustainability and marine science. This emphasis on knowledge-based diplomacy expands the sources of the Principality's influence and consolidates its relevance within contemporary international debates.

Another important source of international esteem is Monaco's humanitarian engagement. The Principality has supported numerous humanitarian initiatives, charitable organizations, and development programs. Such activities demonstrate a commitment to global welfare and contribute to a positive international image. Humanitarian diplomacy enhances soft power by projecting values of solidarity, responsibility, and compassion.[56]

The role of the Princely Family is particularly significant in the generation of soft power. Members of the royal family frequently participate in cultural, environmental, humanitarian, and diplomatic activities that attract international attention. Their visibility reinforces Monaco's international profile and reinforces the continuity of its national narrative. The symbolic importance of the monarchy provides the Principality with a distinctive diplomatic asset that few states possess. Through public engagements and international representation,

[55] Nye, J. S. Jr. (2008). Public diplomacy and soft power. The Annals of the American Academy of Political and Social Science, 616(1), 94–109.

[56] Anholt, S. (2010). Places: Identity, Image and Reputation. Palgrave Macmillan.

the Princely Family serves as a crucial channel for the projection of national symbolic authority.

Environmental leadership has emerged as another central dimension of Monaco's soft power strategy. The Principality's commitment to ocean conservation, climate action, and sustainable development bolsters its reputation among international audiences increasingly concerned with environmental issues. Since it’s opening in 1910, the Oceanographic Museum has been committed to sharing its knowledge of the oceans. Hosting many international conferences all year long. In April 2026, it hosted the Italian Research Day in the World, with ambassadors of Italy, France, and Prince Albert II. Environmental initiatives demonstrate that Monaco seeks to contribute to global public goods rather than merely pursue narrow national interests.

In April 2026, the navy ship Caio Duilio moored in the harbor of the principality and received the International Hydrographic Organization assembly.

Along side conferences, their media representation plays a decisive role in the construction of symbolic capital. Monaco benefits from extensive international media coverage that often emphasizes its cultural events, economic achievements, environmental initiatives, and royal activities. Such coverage contributes to the dissemination of positive narratives that reinforce the Principality's global image. Effective media management ensures that Monaco remains visible within international public discourse and maintains its public image as a prominent global destination.

The digital transformation of communication has further expanded Monaco's capacity to project soft power. Through social media platforms, digital campaigns, and online diplomacy, the Principality reaches audiences far beyond its physical borders. The strategic use of digital tools complements traditional diplomatic practices and enhances the overall effectiveness of soft power initiatives.

For Monaco, prestige functions as a form of diplomatic capital that can be mobilized in support of political, economic, and environmental objectives. The accumulation of reputational resources strengthens the Principality's bargaining position and increases its capacity to shape outcomes within multilateral settings.[57]

The relationship between soft power and international esteem is particularly significant for microstates. Monaco demonstrates that distinction can compensate for material limitations by generating visibility, credibility, and attraction. Through strategic investments in soft powers, the Principality has developed a form of influence that is disproportionate to its size.

Monaco's experience challenges traditional assumptions regarding the distribution of power in international relations. While conventional theories often emphasize the importance of military capabilities and economic scale, the Principality illustrates the growing significance of intangible resources.

Rather than viewing small size as a disadvantage, Monaco has transformed its unique characteristics into assets that generate international relevance. This achievement demonstrates how soft power can serve as a fundamental pillar of microstate diplomacy in the twenty-first century.

3.3 Environmental and Normative Diplomacy

Environmental diplomacy has emerged as one of the most effective instruments through which Monaco exercises influence within international affairs. Environmental issues provide an area where expertise and scientific knowledge can generate influence independently of a state's physical size.

The Principality's environmental engagement is rooted in a long historical tradition. Environmental protection and marine research have occupied a prominent place within Monaco's national development strategy since the reign of Prince Albert I, whose scientific expeditions and commitment to oceanography established the foundations of the country's environmental diplomacy. This

57 McKercher, B. J. C. (Ed.). (2012). The Routledge Handbook of Diplomacy and Statecraft. Routledge.

historical legacy continues to shape Monaco's contemporary diplomatic approach, allowing the Principality to present itself as a credible and experienced actor in global environmental governance.

Environmental diplomacy differs from traditional diplomatic practices because it relies heavily on scientific expertise and normative influence. Rather than seeking power through coercion or economic leverage, environmental diplomacy aims to shape international behavior through the promotion of values, scientific evidence, and cooperative solutions to common challenges. For Monaco, this form of diplomacy offers a strategic opportunity to transform environmental stewardship into a source of international legitimacy and influence.

One of the most important institutions supporting Monaco's environmental diplomacy is the Musée Océanographique de Monaco. Established under the patronage of Prince Albert I, the museum represents far more than a cultural or scientific institution. Through exhibitions, educational programs, scientific conferences, and international partnerships, the museum contributes to the dissemination of environmental knowledge and promotes awareness of marine conservation issues.[58]

Scientific institutions traditionally generate knowledge, while diplomatic institutions facilitate international cooperation. The museum combines these functions by transforming scientific expertise into a diplomatic resource. Through its activities, Monaco is able to engage researchers, policymakers, environmental organizations, and international institutions in discussions concerning ocean governance and environmental sustainability.

Monaco has embraced this approach by supporting marine research programs, environmental monitoring initiatives, and collaborative scientific projects.

Marine conservation represents a particularly important area of specialization within Monaco's environmental diplomacy. As a Mediterranean state, Monaco possesses a direct interest in the preservation of marine ecosystems. Environ-

[58] Prince Albert II of Monaco. (2019). Address to the United Nations Climate Summit. United Nations.

mental degradation, biodiversity loss, pollution, and climate change pose significant threats to the Mediterranean region. By positioning itself as a leader in marine protection, Monaco demonstrates both environmental responsibility and diplomatic initiative.

A central component of Monaco's environmental diplomacy is its involvement in the RAMOGE Agreement. The RAMOGE Agreement constitutes a cooperative environmental framework involving Monaco, France, and Italy for the protection of the Mediterranean marine environment. Established to address common environmental challenges within the region, RAMOGE serves as an example of successful cross-border environmental governance. The agreement demonstrates how small states can exercise influence through regional cooperation and collaborative problem-solving.[59]

The significance of RAMOGE extends beyond environmental management. From a diplomatic perspective, the agreement illustrates the capacity of environmental cooperation to strengthen international relationships and foster trust among participating states.

The agreement also provides opportunities for the Principality to participate in policy discussions, scientific research, and environmental monitoring activities that enhance its diplomatic presence.

Environmental cooperation within the RAMOGE framework encompasses a wide range of activities, including pollution prevention, biodiversity protection, marine ecosystem monitoring, and public awareness campaigns. These initiatives require continuous coordination among governmental agencies and scientific institutions. Monaco's involvement in such activities demonstrates its ability to contribute meaningfully to regional governance despite its limited size.[60]

The concept of normative diplomacy is particularly relevant for understanding Monaco's environmental strategy. Normative diplomacy refers to efforts aimed

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59 United Nations Department of Economic and Social Affairs. (2024). RAMOGE: Enhancing Knowledge on Deep-Sea Mediterranean Ecosystems. United Nations.

60 RAMOGE Secretariat. (2024). History of the RAMOGE Agreement. RAMOGE Commission.

at shaping international behavior through the promotion of values, principles, and standards. Rather than relying on material resources, normative authority derives from credibility, expertise, and moral authority. Environmental issues provide fertile ground for normative diplomacy because they involve shared challenges that require collective action and long-term commitment.

Monaco has successfully integrated environmental values into its broader diplomatic narrative. The Principality consistently emphasizes sustainability, responsibility, and environmental stewardship within international forums. By aligning itself with globally recognized environmental objectives, Monaco enhances its legitimacy and deepens its capacity to shape policy discussions. Environmental commitments serve not only ecological purposes but also diplomatic objectives.

The leadership of Prince Albert II has significantly reinforced Monaco's environmental diplomacy. Throughout his reign, the Prince has emerged as an internationally recognized advocate for environmental protection and climate action. His participation in international conferences, support for scientific research, and engagement with environmental organizations have increased Monaco's visibility within global environmental governance networks. Personal leadership thus complements institutional efforts and strengthens the Principality's environmental credentials.

The Prince Albert II Foundation represents another important instrument of environmental diplomacy. Through funding scientific projects, supporting conservation initiatives, and promoting sustainable development, the Foundation extends Monaco's influence into diverse environmental sectors. Its activities create partnerships with governments, universities, non-governmental organizations, and international institutions, thereby expanding the Principality's diplomatic circles.

Climate change has become an increasingly prominent focus of Monaco's environmental diplomacy. The Principality actively supports international climate agreements and advocates for ambitious environmental policies. Climate diplomacy provides Monaco with opportunities to participate in global discussions concerning sustainability, resilience, and environmental governance. Through these engagements, Monaco demonstrates solidarity with broader international efforts while reinforcing its own diplomatic profile.

The growing importance of environmental issues within international politics has increased the strategic value of environmental leadership. States capable of demonstrating expertise and commitment in environmental governance often acquire greater leverage within multilateral forums. Monaco has recognized this opportunity and invested accordingly in environmental diplomacy. Through scientific institutions, conservation initiatives, and international partnerships, the Principality has developed a niche area of specialization that enhances its international relevance.

Environmental diplomacy additionally generates reputational benefits. Public awareness of environmental challenges has increased significantly in recent decades, leading international audiences to place greater value on sustainability and ecological responsibility. States perceived as environmental leaders often enjoy enhanced recognition and positive public perceptions. Monaco's environmental initiatives contribute to the construction of a favorable international image that complements its cultural and economic legitimacy.[61]

The intersection of science and diplomacy is particularly important in the Monegasque context. Scientific research provides evidence-based foundations for environmental policy, while diplomacy facilitates international cooperation necessary for addressing environmental challenges. Monaco's ability to combine these dimensions strengthens both the effectiveness and credibility of its environmental initiatives. Scientific expertise thus becomes a diplomatic resource capable of generating international collaboration.

Environmental diplomacy ultimately demonstrates how microstates can transform structural limitations into strategic advantages. Monaco lacks the material capabilities associated with major powers, yet it has developed significant

[61] Prince Albert II Foundation. (2026). Twenty Years of Environmental Action. Fondation Prince Albert II de Monaco.

relevance within environmental governance through expertise, credibility, and sustained commitment. Institutions such as the Musée Océanographique and cooperative frameworks such as RAMOGE provide platforms through which environmental leadership can be translated into diplomatic influence.

By investing in environmental protection, scientific cooperation, and normative leadership, Monaco has created a distinctive diplomatic model that reflects broader transformations within international relations.

3.4 Personalized Diplomacy and Strategic Positioning

Personalized diplomacy occupies a central position within Monaco's foreign policy strategy. Unlike larger states that possess extensive diplomatic bureaucracies and broad networks of embassies, microstates often depend more heavily on interpersonal relationships, trust-building, and direct engagement between political representatives and foreign counterparts. In the case of Monaco, diplomatic effectiveness is closely linked to the ability of ambassadors, government officials, and members of the Princely Family to establish durable personal connections with influential actors across international institutions and foreign governments. These relationships serve as valuable diplomatic resources that compensate for the structural limitations associated with small-state diplomacy.[62]

The concept of personalized diplomacy refers to diplomatic practices in which individual actors play a significant role in shaping bilateral and multilateral relations. Personal trust, credibility, and interpersonal communication become essential elements of diplomatic success. For microstates, where institutional resources may be limited, the quality of diplomatic relationships often matters more than the quantity of diplomatic missions. Monaco illustrates this phenomenon particularly well, as its diplomatic influence frequently depends

[62] Alan K. Henrikson, "Niche Diplomacy in the World Public Arena," in The New Public Diplomacy, ed. Jan Melissen (Basingstoke: Palgrave Macmillan, 2005).

upon the effectiveness of its representatives rather than upon traditional measures of state power.

Ambassadors often emphasize that successful diplomacy depends on maintaining close contact with decision-makers, participating actively in diplomatic networks, and fostering relationships that facilitate dialogue and cooperation. Such activities are especially important for a state that must continuously ensure its visibility within highly competitive international environments.[63]

One recurring theme in ambassadorial observations concerns the significance of trust. Trust functions as a form of diplomatic capital that enables cooperation even in situations where formal institutional mechanisms may be insufficient. Monaco's representatives often benefit from the Principality's reputation for political stability, reliability, and neutrality. These characteristics facilitate the development of trusted relationships with foreign governments and international organizations. In turn, trust increases Monaco's ability to participate in policy discussions and influence outcomes within multilateral settings.

The role of ambassadors extends beyond formal representation. Contemporary diplomacy increasingly involves networking, advocacy, negotiation, and information exchange. Ambassadors act as intermediaries who communicate national priorities while simultaneously identifying opportunities for collaboration. In Monaco's case, diplomatic representatives frequently perform multiple functions, combining political, economic, cultural, and environmental responsibilities within a single role. This multifunctional approach reflects the practical realities of microstate diplomacy and requires diplomats to develop broad expertise and extensive professional networks.

Strategic positioning is closely connected to these personalized diplomatic practices. Monaco consistently seeks to position itself as a constructive, cooperative, and reliable international actor. This positioning is not accidental but rather the result of deliberate diplomatic efforts aimed at cultivating favorable perceptions among foreign partners.

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[63] Ilcus, C. (2024). Leveraging Microstate Diplomacy: Monaco’s Strategies for Enhancing Trading Power and EU Integration. International Journal of Social Sciences, Language and Linguistics, 6(3), 71–159.

The ability to maintain visibility within international institutions represents another important dimension of strategic positioning. Because Monaco does not possess the voting power or institutional leverage enjoyed by larger states, it must ensure that its perspectives remain visible through active diplomatic engagement. Ambassadors play a crucial role in maintaining regular contact with policymakers, participating in international forums, and ensuring that Monaco's interests are represented in relevant discussions.

A notable feature of Monaco's diplomatic strategy is its preference for consensus-building rather than confrontation. This approach reflects both practical necessity and strategic calculation. As a microstate, Monaco gains little from adversarial diplomatic behavior. Instead, it benefits from presenting itself as a partner capable of facilitating cooperation and contributing constructively to collective solutions. Consensus-oriented diplomacy enhances the Principality's credibility and increases its attractiveness as a diplomatic partner.

Personalized diplomacy is particularly fundamental within the context of Monaco's relationship with the European Union. Negotiations concerning regulatory alignment, market access, and institutional cooperation require continuous interaction with a wide range of European actors. Ambassadors often serve as key intermediaries in these processes, helping to maintain communication channels and build mutual understanding between Monaco and European institutions. Their ability to establish personal relationships contributes significantly to the Principality's capacity to navigate complex political environments.

The importance of informal diplomacy also emerges prominently from ambassadorial experiences. Informal interactions occurring during conferences, cultural events, diplomatic receptions, and international meetings frequently generate opportunities for cooperation that may not arise through formal channels alone. Monaco's diplomatic representatives actively utilize such settings to strengthen relationships and advance national interests. Informal diplomacy complements official negotiations by creating environments in which trust and mutual understanding can develop more naturally.

Monaco's diplomatic representatives frequently emphasize the importance of expertise as a source of influence. Expertise enhances credibility and increases the likelihood that a state's contributions will be taken seriously by international partners. Consequently, ambassadors often position Monaco as a provider of specialized knowledge in areas such as environmental protection, sustainable finance, maritime governance, and cultural diplomacy. By emphasizing expertise rather than power, Monaco strengthens its capacity to affect discussions within specific policy domains.

The strategic use of reputation constitutes another recurring element of ambassadorial practice. Monaco's international image is carefully cultivated through diplomatic communication, public engagement, and participation in global initiatives. Ambassadors serve as custodians of this reputation, ensuring that foreign audiences associate the Principality with positive attributes like stability, innovation, responsibility, and excellence. Diplomatic credibility management is particularly relevant because perceptions often impacts diplomatic opportunities and partnership prospects.

Personal relationships also contribute to Monaco's role as a mediator and facilitator. While the Principality does not possess the geopolitical weight necessary to mediate major international conflicts, it can nevertheless facilitate dialogue within specific contexts. Its reputation for neutrality and discretion creates favorable conditions for diplomatic engagement. Ambassadors frequently draw upon personal networks to encourage cooperation among diverse actors, thereby enhancing Monaco's value within international governance frameworks.[64]

Another key aspect of strategic positioning involves participation in international organizations. Monaco actively engages with the United Nations, the Council of Europe, environmental organizations, and numerous specialized agencies. Within these institutions, ambassadors represent the Principality's interests while simultaneously seeking opportunities to contribute to broader policy objectives. Effective participation requires not only technical knowledge

64 Lequesne, C. (2020). Ethics and International Relations. Routledge.

but also the ability to establish productive working relationships with representatives from other states.

The personalization of diplomacy is further reinforced by Monaco's political structure. The visibility of the Princely Family, particularly the international activities of Prince Albert II, provides diplomats with additional opportunities to build relationships and strengthen cooperative frameworks. High-level engagements conducted by the monarchy often complement ambassadorial efforts and increase the Principality's diplomatic reach. This combination of institutional representation and personal leadership enhances the effectiveness of Monaco's foreign policy strategy.[65]

Strategic positioning also involves careful selection of policy priorities. Given limited resources, Monaco cannot engage equally in every area of international politics. Instead, the Principality concentrates on domains where it can generate meaningful influence. Ambassadors play a significant role in identifying these opportunities and ensuring that diplomatic efforts are directed toward areas where Monaco possesses comparative advantages. This selective approach reflects broader theories of niche diplomacy, which emphasize specialization as a strategy for small-state diplomatic reach.

The experiences of ambassadors demonstrate that diplomatic success increasingly depends upon adaptability. International politics is characterized by rapid technological, economic, and environmental transformations. Diplomatic representatives must therefore be capable of responding to emerging challenges while maintaining long-term relationships and strategic objectives.

Networking remains one of the most valuable resources available to Monaco's diplomatic corps. Professional connections provide access to information, facilitate cooperation, and create opportunities. Ambassadors continuously cultivate these networks through participation in conferences, policy forums, and international initiatives. Over time, these relationships contribute to the accumulation of social capital that enhances Monaco's diplomatic effectiveness.

[65] Wivel, A. (2013). Small states and international relations. In A. F. Cooper, J. Heine, & R. Thakur (Eds.), The Oxford Handbook of Modern Diplomacy (pp. 393–404). Oxford University Press.

The importance of personalized diplomacy reflects broader transformations within contemporary international relations. While formal institutions remain important, individual actors increasingly shape diplomatic outcomes through communication, trust-building, and relationship management. For microstates such as Monaco, these interpersonal dimensions of diplomacy are particularly significant because they provide alternative pathways to influence that do not depend on material power.

Monaco's strategic positioning demonstrates how a small state can achieve discernibility and relevance through carefully managed diplomatic relationships.

IV– Monaco as a Model of Microstate Influence

4.1 Transferability of the Monegasque Diplomatic Model

One of Monaco's most significant contributions to the study of microstate diplomacy lies in its ability to manage sovereignty selectively rather than exercising all sovereign functions independently. Unlike traditional conceptions of statehood, which assume that autonomy requires complete control over security, monetary policy, and external representation, Monaco illustrates that certain functions can be delegated without undermining political independence. The Franco-Monegasque relationship demonstrates how a microstate can externalize costly sovereign responsibilities while preserving decision-making authority in areas central to national identity and economic strategy.

This arrangement reduces administrative burdens and allows limited resources to be redirected towards domains capable of generating international relevance.

For other microstates, the principal lesson is not dependence itself but the strategic allocation of sovereign responsibilities according to domestic capacities and external opportunities.

However, the transferability of this approach depends upon the existence of a reliable partner willing to provide security guarantees and institutional support without absorbing the smaller entity. Few microstates enjoy a relationship comparable to Monaco's longstanding partnership with France.[66]

A second transferable feature concerns Monaco's highly centralized governance structure.

Small populations and compact administrative systems often enable microstates to avoid bureaucratic fragmentation. Decision-making chains are shorter, communication between political leaders and civil servants is more direct, and policy implementation can occur rapidly.

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[66] Brady, A.M. and Henderson, G. (eds.) (2010) Small States and the Changing Global Order: New Zealand Faces the Future. Dordrecht: Springer.

Monaco has transformed this structural characteristic into a diplomatic advantage.
The Principality's institutions operate with a degree of flexibility that allows swift responses to emerging international priorities and regulatory changes.
Rather than perceiving limited administrative capacity exclusively as a constraint, Monaco demonstrates how streamlined institutions can foster adaptability.
This lesson is particularly relevant in an international environment characterized by accelerating technological change and increasingly complex regulatory demands.
Nonetheless, institutional agility also depends upon governance quality. Administrative concentration may generate efficiency, but it can also increase vulnerability to elite capture or excessive personalization of political authority. Consequently, institutional flexibility is transferable only when accompanied by robust accountability mechanisms. Monaco's experience reveals that exposure itself can function as a form of influence. For large states, visibility often emerges naturally from military capabilities or economic scale. Microstates, by contrast, must actively construct international recognition.
Monaco has succeeded in transforming global attention into diplomatic capital. The Principality's international profile derives not from geopolitical significance but from its ability to associate its national image with excellence, prestige, and exclusivity. Importantly, visibility should not be confused with publicity. Sustainable influence depends upon converting public attention into long-term relationships with international organizations, scientific communities, and political leaders. This strategy offers valuable lessons for other microstates seeking to overcome informational disadvantages in the international system.[67]
However, visibility is context-dependent. Monaco benefits from exceptional global recognition linked to its history, royal family, and cultural symbolism.

[67] Thorhallsson, B. (2019) Small States and Shelter Theory: Iceland's External Affairs. London: Routledge.

States lacking comparable symbolic resources must identify alternative narratives capable of generating international interest.

For microstates, reputation frequently performs functions traditionally associated with military or economic power. Monaco has invested considerable resources in maintaining an image characterized by reliability, stability, and administrative competence.

Because smaller states depend heavily upon external trust and credibility considerations influence virtually every aspect of policymaking. A damaged image can undermine investment attractiveness, diplomatic credibility, and access to international networks.

Consequently, Monaco's experience highlights the importance of long-term public profile management as a central component of foreign policy.[68]

Other microstates can adopt this principle irrespective of their geographical location or economic structure. What matters is not the specific image projected by Monaco but the recognition that reputation constitutes a strategic asset requiring continuous investment.

Conventional development strategies frequently emphasize diversification as a means of reducing vulnerability. Monaco illustrates an alternative logic.

Instead of dispersing limited resources across multiple sectors, the Principality has concentrated on a small number of high-value activities.

This approach allows microstates to maximize comparative advantages and develop internationally recognized expertise.

The key lesson is not that microstates should imitate Monaco's economic sectors, but that they should identify areas where specialization can generate competitive advantages.

Examples include digital governance, renewable energy, maritime services, higher education, or financial technology. Successful adaptation depends upon recognizing unique national assets rather than replicating foreign models. The Principality demonstrates that influence increasingly depends upon

[68] Baldacchino, G. and Wivel, A. (eds.) (2020) Handbook on the Politics of Small States. Cheltenham: Edward Elgar.

access to networks rather than control over territory. Microstates frequently lack the resources necessary to sustain extensive diplomatic infrastructures. Consequently, strategic participation in transnational networks becomes essential. Monaco maintains influence by cultivating relationships across governmental, scientific, philanthropic, and business communities. This network-oriented approach enables Monaco to amplify its voice while minimizing diplomatic costs.[69]

For microstates operating within highly interconnected environments, network-building may provide greater returns than expanding traditional diplomatic representation.

4.2 External Perceptions of Monaco's Influence

Influence does not derive solely from capabilities or policy outcomes.

It also depends upon how other actors perceive a state's role, legitimacy, and relevance.

For microstates, external perceptions are particularly important because their limited material resources increase reliance upon symbolic and reputational forms of power.

Monaco's international standing cannot be fully understood without examining how foreign governments, international organizations, media outlets interpret its role within global affairs.

The Principality's influence emerges not only from what it does but also from what others believe it represents.

Among scholars of microstate diplomacy, Monaco is frequently cited as evidence that limited territorial size does not necessarily constitute a barrier to international relevance.[70]

[69] Lamy, P., Gressani, G. et al. (2018) Monaco et la mondialisation. Monaco: Fondation Prince Pierre de Monaco.

[70] Badie, B. (2011) Diplomatie de connivence. Paris: La Découverte.

The Principality is often portrayed as a successful adaptation to the conditions of globalization.

Despite widespread recognition, perceptions of Monaco remain shaped by an enduring tension.

For many international observers, Monaco continues to symbolize luxury, wealth, and exclusivity. Media coverage frequently focuses on glamorous events, elite lifestyles, and high-profile tourism. While this imagery contributes to global recognition, it also creates challenges.

The prominence of Monaco's luxury brand can obscure the Principality's diplomatic activities and policy contributions.

As a result, Monaco often faces the challenge of demonstrating that its international role extends beyond economic attractiveness.[71]

This duality illustrates a broader dilemma confronting many microstates: how to balance symbolic appeal with political credibility. Monaco's financial model has periodically attracted criticism from external actors concerned with transparency, taxation, and financial regulation.

International evaluations by organizations responsible for anti-money laundering and tax governance have shaped perceptions of the Principality's legitimacy.

These external assessments are particularly significant because reputational risks disproportionately affect microstates. In response, Monaco has pursued extensive regulatory reforms designed to align domestic practices with international standards.

Consequently, external perceptions have evolved from viewing Monaco primarily as a low-tax jurisdiction towards recognizing its efforts to enhance regulatory credibility.

This transformation highlights the importance of adaptation in preserving international legitimacy. Within multilateral institutions, Monaco is generally perceived as a constructive participant rather than a disruptive actor. Its dip-

[71] Melissen, J. and Wang, J. (eds.) (2019) Debating Public Diplomacy. Leiden: Brill Nijhoff.

lomatic approach is characterized by continuity, technical expertise, and consensus-building. Unlike larger states, Monaco rarely pursues confrontational strategies or seeks leadership across numerous policy domains.[72]
Instead, it focuses on maintaining credibility through sustained engagement in selected areas.
This approach reinforces perceptions of Monaco as a reliable partner capable of contributing specialized knowledge. For microstates, credibility often depends less on the quantity of diplomatic initiatives than on their consistency over time.
The Grimaldi dynasty occupies a central position in international perceptions of Monaco.
Unlike elected political leaders whose visibility fluctuates according to electoral cycles, the princely institution provides continuity and symbolic coherence.
External audiences frequently associate Monaco's identity with the public activities of the ruling family. This association generates advantages by strengthening recognition and facilitating international engagement. At the same time, it creates dependence upon the effectiveness of personalized representation. The Principality's external image is therefore closely linked to the credibility and visibility of its ruling institution.
For many small jurisdictions, Monaco represents an example of successful international positioning. Its experience demonstrates that structural constraints do not necessarily prevent participation in global governance. However, other microstates generally view Monaco less as a model for direct imitation than as evidence of the importance of strategic specialization.
Observers recognize that the specific conditions underpinning Monaco's success, including geographical location, historical continuity, and financial resources that cannot easily be reproduced.[73]

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[72] Anholt, S. (2007) Competitive Identity: The New Brand Management for Nations, Cities and Regions. Basingstoke: Palgrave Macmillan.
[73] Dinnie, K. (2016) Nation Branding: Concepts, Issues, Practice. 2nd edn. London: Routledge.

Nevertheless, the broader lesson remains relevant, influence can emerge from expertise, networks, and reputation rather than from conventional measures of power.
Some researchers identify the Principality as an example of effective microstate diplomacy, emphasizing its ability to maximize limited resources through strategic adaptation.
Others argue that Monaco's visibility exceeds its actual capacity to shape international outcomes. This debate reflects broader disagreements concerning the nature of relevance itself.
If influence is understood exclusively in terms of coercive capabilities or agenda-setting power, Monaco's impact appears limited. However, if influence includes the capacity to shape perceptions, generate partnerships, and contribute to international norms, Monaco emerges as a significant actor. Thus, the Monegasque case contributes to ongoing discussions concerning the evolution of power in international relations. External perceptions remain dynamic rather than fixed. Several factors are likely to impact Monaco's future international standing, such as the evolution of global financial regulations, the changing expectations regarding environmental responsibility and technological transformation. [74]
The Principality's ability to maintain influence will depend upon its capacity to adapt its international image to emerging global priorities.
In this context, reputation should be understood not as a static asset but as an ongoing process of negotiation between domestic policies and external expectations.

4.3 Comparative Insights with: Vatican City, Tuvalu, Liechtenstein

Vatican City represents, among the four cases considered here, the configuration most radically detached from material capability as a source of influence.

[74] Badie, B. (2011) Diplomatie de connivence. Paris: La Découverte.

The diplomatic architecture sustained by the Holy See illustrates this disjunction between territorial scale and institutional reach with particular clarity. Despite governing a population smaller than that of a single residential district in most national capitals, the Holy See maintains one of the most extensive bilateral diplomatic networks of any state actor, with apostolic nunciatures established across the great majority of the world's sovereign states. It holds permanent observer status at the United Nations, allowing it to participate in debates and negotiations without the constraints, but also without the full voting rights, of ordinary membership. This network is not maintained for the conventional purposes of trade promotion, consular protection, or strategic alignment that typically justify the diplomatic presence of a state. Rather, it functions as the institutional infrastructure through which the Holy See projects pastoral oversight, gathers information on the social and political conditions affecting Catholic communities worldwide, and positions itself to intervene, when circumstances allow, as an intermediary in conflicts whose resolution would otherwise lie beyond its reach.[75]

The historical record offers concrete illustrations of how this normatively grounded diplomatic infrastructure has translated into tangible outcomes. The rapprochement between the United States and Cuba benefited from quiet facilitation by the Holy See, whose moral standing with both governments, one shaped by a large Catholic constituency and the other by decades of engagement with the Church, notwithstanding official secularism, provided a channel of communication that more conventional intermediaries could not easily replicate. These episodes demonstrate that the Vatican's influence, although non-coercive and largely invisible in its everyday operation, can at critical junctures produce outcomes that materially affect the behavior of states vastly larger than itself.

When set against this configuration, Monaco's international engagement appears categorically distinct, notwithstanding certain superficial similarities

[75] Troy, J. (ed.) (2014) Religion and the Realist Tradition: From Political Theology to International Relations Theory and Back. London: Routledge.

such as a comparably small population and a diplomatic presence disproportionate to territorial size. Monaco joined the United Nations and takes part in international environmental and humanitarian initiatives mainly to increase its visibility and promote its image as a small, green, and international country, rather than to act as a mediator in conflicts between other states. Where the Vatican's authority derives from a transnational community of belief that exists independently of any single state's recognition, Monaco's standing is contingent upon continuous active cultivation. It must be renewed through visible participation in international fora, through environmental initiatives associated with the ruling family, and through the maintenance of an economic model that continues to attract the individuals, capital, and events on which its reputation depends. The Vatican's influence is, in this sense, inherited and durable, whereas Monaco's is constructed and must be perpetually reasserted.[76]

Tuvalu occupies the opposite end of the spectrum defined by the relationship between material capability and international relevance. Tuvalu's significance in contemporary international relations stems primarily from its extreme vulnerability to climate change. As one of the world's lowest-lying states, it faces severe risks from sea-level rise, which threatens not only its economic development but also the long-term habitability of its territory. This existential challenge has simultaneously increased Tuvalu's diplomatic visibility, enabling it to play a prominent role in international climate negotiations and advocacy.

This existential exposure has positioned Tuvalu, alongside other low-lying island states, at the forefront of a coalition diplomacy that has proven disproportionately influential within the climate negotiation regime. Acting principally through coalitions such as the Alliance of Small Island States, Tuvalu and its peers have repeatedly succeeded in placing issues central to their survival. The creation, after years of advocacy by these coalitions, of a loss-and-damage financing mechanism within the international climate architecture illustrates how the moral asymmetry between a state whose survival is threatened and

[76] Rooney, F. (2013) The Global Vatican. Lanham, MD: Rowman & Littlefield.

states whose past emissions have contributed disproportionately to that threat can be converted into concrete institutional change, even where the material capabilities of the former are negligible in absolute terms.[77]

Beyond the climate negotiation regime narrowly defined, Tuvalu's predicament has generated a distinctive contribution to international legal debate concerning the continuity of statehood under conditions of territorial loss. The possibility that a recognized sovereign state could become uninhabitable or lose part of its territory due to rising sea levels poses significant challenges for international law. Traditional theories of statehood assume the existence of a permanent and stable territory as a fundamental requirement of statehood. As a result, they provide few clear answers to the legal and political questions raised by the potential disappearance of states such as Tuvalu. Tuvalu's government has responded to this predicament not only through diplomatic advocacy but also through a series of legal and institutional innovations intended to preserve statehood, sovereignty, and maritime entitlements irrespective of the territory's physical condition. It issued declarations asserting the permanence of maritime boundaries established under existing law, regardless of subsequent changes in coastline, and proposals to preserve governmental functions and elements of national identity through digital means should physical relocation become unavoidable. These initiatives position Tuvalu as a kind of test case for the international legal order itself, forcing a confrontation between the formal categories through which statehood has traditionally been defined and a physical reality that those categories did not anticipate.[78]

The contrast with Monaco's engagement in environmental diplomacy is instructive precisely because the two cases superficially resemble one another. Monaco, too, has cultivated a prominent international profile in matters of ocean governance and environmental protection, supporting marine conservation in-

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[77] Connell, J. (2013) Islands at Risk? Environments, Economies and Contemporary Change. Cheltenham: Edward Elgar.

[78] Farbotko, C. (2005) 'Tuvalu and Climate Change: Constructions of Environmental Displacement in the Sydney Morning Herald', Geografiska Annaler: Series B, Human Geography, 87(4), pp. 279–293.

itiatives and positioning itself as an advocate for the protection of the Mediterranean and of the oceans more broadly. Yet the underlying logic of this engagement differs fundamentally from that of Tuvalu. For Monaco, environmental diplomacy operates as an extension of the broader strategy of image cultivation analyzed earlier in this study. It reinforces an image of a small, wealthy, and forward-looking jurisdiction whose engagement with global challenges enhances rather than threatens its attractiveness to the residents and visitors upon whom its economy depends. For Tuvalu, by contrast, environmental diplomacy is not a reputational asset layered atop an otherwise secure economic base but the principal, in some respects the only, channel through which the state can act upon the international system at all. One microstate engages with environmental governance from a position of choice and strategic complementarity and the other does so from a position of existential necessity, with no comparable alternative avenue of influence available to it.[79]

Liechtenstein offers a third configuration, one in which international relevance derives neither from inherited normative authority nor from existential vulnerability but from a sustained and deliberate strategy of legal and institutional positioning relative to larger neighbors. Landlocked between Switzerland and Austria, Liechtenstein has for a century structured its external relations around a close integration with the Swiss economic and monetary system, formalized through a customs union concluded in the early 1920s that remains in force, under which Liechtenstein adopted the Swiss franc as its currency. This arrangement allowed a state with a negligible domestic market size to access, through its larger neighbor, the economic infrastructure, currency stability, customs administration, and external representation in matters where the two states' interests coincide, that it could not plausibly have developed independently.[80]

[79] Farbotko, C. (2005) ‘Tuvalu and Climate Change: Constructions of Environmental Displacement in the Sydney Morning Herald’, Geografiska Annaler: Series B, Human Geography, 87(4), pp. 279–293.
[80] Brunhart, A. (2016) ‘Liechtenstein’s Economic Model and International Integration’, Intereconomics, 51(4), pp. 216–222.

What makes the Liechtenstein case analytically distinctive, however, is the subsequent layering of a second, partially overlapping integration regime atop this Swiss-oriented arrangement. Liechtenstein's accession to the European Economic Area in the mid-1990s placed it within the European single market, granting its financial services sector in particular a degree of access to European markets that Switzerland itself, having declined membership of that area, does not enjoy. The resulting configuration is sometimes described as a form of triple integration, in which Liechtenstein simultaneously participates in the Swiss customs and currency area, the European Economic Area's regulatory and market-access framework, and its own distinct domestic legal order, each operating without requiring the wholesale subordination of the others. This arrangement demonstrates how a microstate preserves its sovereignty through multiple forms of external integration. Such diversification is necessary because no single partner can fully meet the economic and infrastructural needs of a modern state. Liechtenstein's economic profile has historically depended to a significant degree on a financial services sector built around the principle of strict client confidentiality, a model that, until the early years of the twenty-first century, attracted considerable capital from outside its borders precisely because of the discretion it offered. This model came under increasing pressure as international efforts to combat tax evasion and improve financial transparency intensified. As a result, Liechtenstein, like other small financial centers with similar economic models, was required to adapt and redefine its position within the global economy. The introduction of automatic information exchange with other countries and the adoption of international transparency standards did not undermine Liechtenstein's financial sector. Instead, they changed its business model. Rather than relying on financial secrecy, Liechtenstein increasingly focused on legal expertise, regulatory compliance, and the management of wealth and corporate structures within internationally accepted rules. This case illustrates a common pattern among microstates whose economies rely on regulatory advantages. Such economic models can survive only as long as they are accepted by the wider international regulatory system.

When international rules change, these states often have little choice but to adapt. Their response to external pressure, hence, highlights the limited ability of microstates to resist major changes that originate outside their borders.[81]
The parallels between Liechtenstein and Monaco are closer than those linking either case to the Vatican or to Tuvalu, yet the differences remain analytically significant. Both polities depend on a single dominant economic relationship with a larger neighbor, Liechtenstein with Switzerland and Monaco with France, and both have built economic models substantially oriented toward attracting external capital and high-net-worth individuals. Both have, moreover, experienced comparable pressures from international transparency initiatives targeting the financial arrangements that historically underpinned their attractiveness. The key structural difference concerns how broad the chosen integration strategy is. Liechtenstein's layered participation in the Swiss customs area and the European Economic Area constitutes a deliberate multiplication of external anchors, created to preserve maneuvering room precisely by avoiding excessive dependence on any single relationship. Monaco's relationship with France, by contrast, remains comparatively singular and bilateral. While Monaco has separately negotiated a monetary arrangement permitting its use of the euro, the bulk of its external relations, including security, judicial cooperation, and aspects of economic regulation, continue to run through a single bilateral channel rather than through a network of overlapping institutional memberships. Monaco's strategy of legal and institutional positioning, in other words, has historically been less structurally diversified than Liechtenstein's.[82]
This typology underscores a conclusion of some importance for the broader study of small-state behavior: the absence of any meaningful convergence among microstate strategies, notwithstanding the structural conditions, limited territory, limited population, and limited capacity for autonomous defense and economic diversification, that all four cases share. Were microstate hood a

[81] Thorhallsson, B. and Wivel, A. (2006) ‘Small States in the European Union: What Do We Know and What Would We Like to Know?’, Cambridge Review of International Affairs, 19(4), pp. 651–668.
[82] Brunhart, A. (2016) ‘Liechtenstein’s Economic Model and International Integration’, Intereconomics, 51(4), pp. 216–222

condition that determined behavior in any deterministic sense, one would expect to observe a narrowing, over time, of the strategies available to such entities, as smaller actors converge upon whichever model proves most effective under conditions of dependency. The evidence assembled here suggests the opposite: each of the four cases has, over a comparable timeframe, deepened and refined a strategy specific to its own historical inheritance, the Vatican's institutional continuity stretching back centuries, Tuvalu's recent and involuntary emergence as a symbol of climate vulnerability, Liechtenstein's century-long cultivation of layered legal integration, and Monaco's evolution from a nineteenth-century gambling resort into a diversified financial and reputational hub. Microstatehood does not automatically lead to a particular orientation. It sets the conditions under which a state operates, but each microstate can choose different ways to respond to those conditions.

Within this typology, Monaco occupies a position that is genuinely hybrid rather than merely intermediate. It shares with Liechtenstein a structural reliance on the attraction of mobile capital and a historical exposure to the same cycles of international regulatory pressure affecting small financial centers, yet it has pursued this strategy through a narrower and more singular set of external relationships than Liechtenstein's layered integration into both Swiss and European frameworks. It shares with the Vatican a degree of symbolic visibility that exceeds what its territorial and demographic scale would predict, yet this visibility is secular, commercial, and tied to the cultivation of a particular lifestyle brand rather than to any claim of moral or spiritual authority extending beyond its borders. And while Monaco has, like Tuvalu, engaged prominently with environmental governance, it does so from a position of strategic choice rather than existential necessity, deploying environmental diplomacy as one component among several within a broader portfolio of reputational assets rather than as its principal, and in Tuvalu's case, almost its only means of engaging the international system. Monaco's hybridity is thus not a residual category encompassing whatever does not fit elsewhere, but itself a distinct configuration:

a microstate whose international relevance is constructed across multiple registers simultaneously, economic and selectively normative, without being reducible to, or fully explained by, any single one of them. It is precisely this composite character that justifies treating Monaco not as an extreme or marginal case within the universe of microstates, but as a particularly clear illustration of the multidimensionality that increasingly characterizes small-state agency within a globalized international system.

4.4 Limits and Global Implications

Acknowledging microstate agency should not lead to an overstated picture of what these states can actually achieve. Structural constraints shape and limit their room for maneuver in important ways, and any honest assessment of the microstate phenomenon must account for both sides of the equation. First, the genuine influence these states exercise, and second, the equally genuine limitations on that influence.

The most persistent constraint on microstate autonomy is material dependency. All four cases examined in this study rely, in fundamental ways, on the cooperation of larger states to provide functions they cannot sustain independently. Monaco's relationship with France is the clearest illustration of this dynamic. French armed forces guarantee the Principality's territorial defense. French customs officials operate at Monaco's entry points. French legislation governs the movement of goods across the border. Monaco's participation in the eurozone is itself dependent on a bilateral agreement concluded with the European Union through French mediation. These arrangements are not the product of weakness or failure on Monaco's part; they reflect a rational division of functions between two unequal partners in a long-standing bilateral relationship. But they also make clear that Monaco's sovereignty, while formally intact, is in practice conditioned by French cooperation at every level of state functioning. Formal independence and substantive self-sufficiency are not the same thing.

The same pattern appears across the other three cases, each configured differently but resting on the same underlying logic. [83]Liechtenstein participates in the Swiss customs area, which means that in all practical terms, it does not control its own external trade policy. When Switzerland negotiates trade agreements with third parties, Liechtenstein has no independent seat at the table. The degree to which Liechtenstein's trade interests are represented in those negotiations depends entirely on the extent to which they happen to align with Switzerland's. Tuvalu is dependent on financial transfers from donor states and international climate funding mechanisms to sustain even the most basic functions of government. Without this external financial support, the Tuvaluan state as it currently exists would not be viable. The Vatican, while less financially dependent than the others, remains practically reliant on the Italian state for the operation of the territory it occupies. [84]The functional cooperation embedded in the post-Lateran relationship between the two is a condition of the Vatican City State's day-to-day existence, even if the Holy See's broader institutional networks operate with considerable independence.

What these cases share is that each microstate retains the capacity to negotiate within its dependent relationships to seek better terms, to cultivate overlapping partnerships, to exercise voice in ways that constrain the larger partner's room for maneuver. Monaco has repeatedly renegotiated its fiscal arrangements with France; Liechtenstein has strategically layered its integration into European frameworks alongside its Swiss commitments; Tuvalu has used international coalitions to leverage donor behavior. These are not negligible capacities. However, they are exercised within a broader condition of dependence that the microstate cannot remove on its own. Although microstates can make strategic choices and pursue their interests, their options remain limited by structural constraints. In other words, even effective strategies are developed and implemented within boundaries that microstates cannot fully control. A

[83] Brunhart, A. (2016) 'Liechtenstein's Economic Model and International Integration', Intereconomics, 51(4), pp. 216–222.
[84] ooney, F. (2013) The Global Vatican. Lanham, MD: Rowman & Littlefield.

second major limitation concerns economic vulnerability. The same specialization that allows microstates to generate prosperity at a small scale also concentrates their exposure to external disruption. States that cannot support a diversified economic base, either because the domestic market is too small or because the population is insufficient to sustain multiple industrial sectors, compensate by concentrating resources in areas where small size is less of a disadvantage. Monaco has built its economy around financial services, luxury real estate, high-end retail, and premium event hosting. Liechtenstein has concentrated on financial services and precision manufacturing. These strategies work well under stable conditions, but they create economies with a narrow range of vulnerabilities. When a shock affects the sectors on which a microstate depends, there are few other sectors to absorb the impact.[85]

The COVID-19 pandemic illustrated this dynamic directly in Monaco's case. The simultaneous cessation of international travel, luxury tourism, and large-scale events placed multiple pillars of Monaco's economic model under pressure at the same moment. In a more diversified economy, a pandemic-induced shock to the tourism sector might be partially offset by continued activity in domestic manufacturing, public services, or other industries less dependent on physical mobility. Monaco had no comparable cushion available. The subsequent recovery, which was relatively swift once international mobility resumed, confirms the model's viability under normal conditions but also its dependence on a specific set of external circumstances, such as open borders, functioning air travel, and the demand for premium lifestyle experiences, that cannot be taken as permanently guaranteed.

The vulnerability inherent in specialisation is not unique to microstates, every economy is exposed to the shocks most relevant to its own structure. What distinguishes the microstate case is that the range of exposures is compressed into a small number of closely related sectors, making it more likely that a single shock will affect the entire economic base simultaneously rather than only

[85] Robert O Keohane, 'Lilliputians' Dilemmas: Small States in International Politics' (1969) 23 International Organization 291.

one part of it. This is not a policy failure that better planning could correct. It is a structural feature of the microstate condition itself, arising directly from the scale constraints that make diversification impractical.

A third limitation operates at the level of political influence rather than economic stability. Microstates can achieve considerable international visibility through participation in multilateral forums, through coalition building, through the careful cultivation of a distinctive international image, but visibility does not automatically translate into systemic power. The gap between the ability to shape debates and the ability to determine outcomes is a persistent feature of microstate diplomacy, and understanding it is essential to an accurate assessment of what microstate agency actually achieves.

Tuvalu offers the clearest illustration of this gap. Its advocacy within the climate negotiation regime has been remarkable given its size. Acting through coalitions of small island states, Tuvalu and its partners have influenced the language of international climate agreements, pushed for more ambitious temperature targets, and contributed to the creation of a loss-and-damage financing mechanism that larger states were initially reluctant to establish. These are real outcomes attributable, at least in part, to sustained advocacy by actors with minimal material leverage. Yet the physical trajectory of global emissions, that is, the phenomenon on which Tuvalu's physical survival ultimately depends, has not changed in proportion to this diplomatic achievement. The states whose emission levels are most consequential to Tuvalu's future have continued to balance their climate commitments against domestic economic and political pressures. Tuvalu's visibility in international forums is not in doubt, but its capacity to determine the behaviour of the actors that matter most to its survival is far more limited.[86]

The Vatican and Monaco present analogous patterns in their respective domains. The Holy See participates actively in international debates on bioethics, migration, and human rights, contributing to deliberations that carry genuine

[86] Farbotko, C. (2005) ‘Tuvalu and Climate Change: Constructions of Environmental Displacement in the Sydney Morning Herald’, Geografiska Annaler: Series B, Human Geography, 87(4), pp. 279–293.

weight in certain national and international policy contexts. But its capacity to ensure that the positions it advances are reflected in the domestic law of states with different governmental priorities remains indirect and contingent. Monaco's prominent role in ocean governance and environmental diplomacy positions it favourably within the community of states committed to sustainability norms, but it does not give Monaco a decisive voice in determining the fundamental parameters of international environmental policy. In each case, the symbolic resources available to the microstate are real and consequential but they are resources that shape conversations rather than command outcomes.

This pattern invites a reassessment of where microstate studies sit between two competing analytical positions. The traditional realist view holds that states without significant material capabilities are essentially marginal to international politics. They may exist as legal entities, but they do not shape outcomes in any meaningful sense.

The revisionist literature that developed in response to this position argues that small states have developed sophisticated adaptive strategies that allow them to exercise influence well beyond what their size would suggest, and that the realist framework fails to capture the diversity of resources through which influence is actually exercised in the contemporary international system. Both positions contain important insights, but neither is fully adequate on its own. The realist position is wrong to conclude that material size determines relevance because the evidence assembled in this study demonstrates that microstates do exercise influence across a range of policy domains. But the revisionist position risks overstating the degree to which niche influence translates into the capacity to shape systemic outcomes, and underestimates the degree to which microstate strategies depend on systemic conditions that the microstates themselves cannot guarantee.[87]

This dependence on systemic conditions is, arguably, the most important and least discussed limitation on microstate agency. The strategies through which

[87] Hey, J.A.K. (ed.) (2003) Small States in World Politics: Explaining Foreign Policy Behavior. Boulder, CO: Lynne Rienner.

microstates generate influence are not effective in all environments. They work under specific conditions that characterise the contemporary international order but that cannot be assumed to be permanent. The Vatican's diplomatic standing depends on a multilateral system that recognises non-territorial entities as legitimate participants in international forums. Tuvalu's leverage in climate negotiations depends on the continued operation of a multilateral regime that gives small states a platform from which their voices can reach large ones. Liechtenstein's dual integration into Swiss and European frameworks depends on the stability of both arrangements. Monaco's capacity to attract globally mobile capital depends on an international environment that remains relatively permissive toward capital mobility and offshore residential choices.

In each case, the relevant systemic conditions are not maintained by the microstate itself but rather depend on the policies and commitments of much larger actors. Consequently, they remain vulnerable to broader developments, including rising economic nationalism, the weakening of multilateral institutions, and intensified great-power competition, all of which lie largely beyond the influence of microstates.

An international order that becomes more fragmented, more bilateral in its architecture, or more aggressive in constraining the movement of capital and persons across borders would substantially reduce the effectiveness of the strategies that have served microstates well over the past several decades. Microstates are unusually exposed to this kind of systemic change precisely because they have no independent capacity to resist it, and their adaptive strategies are calibrated to prevailing conditions, not equipped to transform them.[88]

These findings carry implications that extend beyond the specific cases analysed here and bear on broader theoretical questions in the study of international relations. The first concerns the relationship between formal sovereignty and substantive autonomy. International law treats all sovereign states as formally equal, regardless of territorial size or demographic weight. Microstates

[88] Troy, J. (ed.) (2014) Religion and the Realist Tradition: From Political Theology to International Relations Theory and Back. London: Routledge.

are the most extreme test of this principle. They are maximally endowed with formal sovereign rights and minimally endowed with the material resources that sovereignty is meant to underwrite. Their experience demonstrates that formal legal equality and substantive self-sufficiency are not the same thing, and that the gap between them can be very wide indeed. This observation is not new, but the microstate cases examined here illustrate it with unusual clarity, since the gap between legal form and practical capacity is more visible at the margins of the state system than it is for states of moderate size.

A second implication concerns the concept of power in international relations. The cases examined in this study support the view that power should be understood as multi-dimensional and context-dependent rather than as a single resource convertible across all domains. The Vatican's moral authority does not translate into military deterrence. Tuvalu's leverage in climate negotiations has no purchase in trade or security forums. Monaco's reputational capital attracts wealthy residents and investors, but does not give it influence over the design of the international regulatory frameworks within which it operates. Each form of influence is effective in a specific context and largely non-transferable to others. This suggests that single-dimensional accounts of power, whether emphasising military force, economic weight, or any other single variable, are insufficient frameworks for analysing how influence is actually distributed and exercised in the contemporary international system.

A third and broader implication concerns what microstates can tell us about global governance more generally. Because microstates cannot afford strategic inertia, they must track and respond to changes in the international environment more quickly and more transparently than larger states with deeper reserves of capacity and resources. Tracing how Monaco has adapted its economic model over a century, from gambling concession to tax haven to regulated financial centre and lifestyle brand, provides a compressed record of how the conditions for attracting mobile capital and wealthy individuals have shifted in response to changes in international regulatory norms, tax policy coordination, and reputational pressures. The microstate, precisely because it is maximally sensitive to systemic conditions, functions as a particularly clear diagnostic of the environment in which all states must operate, even if larger states are able to respond to that environment more slowly and at lower cost. The value of studying microstates lies precisely in this combination: they illuminate, with unusual clarity, both the possibilities and the limits of agency in an international system that continues to be structured by fundamental asymmetries of size, capacity, and material resources.

Conclusion

This thesis began with a question that cuts against the assumptions of mainstream international relations theory: how can a state of two square kilometres exercise meaningful influence in a global system shaped by and for much larger actors? The answer developed across four chapters is neither simple nor unqualified. Monaco does exercise influence. But it does so within structural conditions it did not create, through strategies that depend on an international environment it cannot fully control, and up to a ceiling it cannot independently raise. Acknowledging all of this does not diminish the significance of what this study has found. It makes the findings more honest and ultimately more useful.
Chapter I established that the existence of microstates is itself a theoretical puzzle. Classical realism, with its emphasis on military self-sufficiency and the survival of the materially strongest, cannot account for the fact that forty-one recognised sovereign states are smaller, by population, than most medium-sized cities and that most of them are not merely surviving but prospering. The key to understanding this lies in the transformation of the international system that accelerated after 1945. Dense networks of multilateral institutions created platforms where formal legal equality provides small states with access and voice they could never derive from material capabilities alone. The rising cost of economic, political, and normative factors of outright conquest reduced the threat environment facing small polities. And the shift from coercive to institutional and economic forms of power created new niches in which states with limited territory but specific advantages could find relevance. Power must be understood as multi-dimensional: intrinsic, derivative, and collective forms each offer distinct pathways through which small actors can make themselves matter.
Chapter II grounded these theoretical insights in Monaco's specific history. The Grimaldi family has ruled the rock since 1297, with only a short interruption during the Napoleonic period, and is in itself evidence of how smaller polities can survive through strategic realignment with successive dominant powers.

The bilateral relationship with France that governs Monaco today is the latest iteration of a pattern stretching back centuries. The Principality delegates costly sovereign functions such as territorial defence, customs administration, and aspects of monetary policy, and receives security and market access in return. This is not subordination; it is a rational division of responsibilities between asymmetric partners, one that Monaco has repeatedly renegotiated to its advantage. Chapter II also demonstrated that Monaco's integration into international organisations like the UN in 1993, the Council of Europe in 2004, and its partial alignment with European monetary and regulatory frameworks has been an active and deliberate strategy rather than a passive accommodation to external pressure. Each membership has expanded Monaco's diplomatic surface area and provided institutional cover for its sovereign independence.

Chapter III showed how this institutional foundation is activated through practice. Monaco's diplomatic toolkit is unconventional by design. The Formula 1 Grand Prix, the Monte-Carlo Masters, and a long calendar of cultural and philanthropic events serve functions that go well beyond their obvious economic and promotional value. They create regular occasions for informal diplomatic contact, they sustain global media visibility, and they anchor Monaco's international identity as a place associated with excellence, ambition, and cosmopolitan openness. Prince Albert II's sustained engagement with environmental causes, particularly ocean governance and the work of the Prince Albert II Foundation has added a dimension of political seriousness to this identity, positioning the Principality as an advocate for global sustainability norms rather than merely a beneficiary of the international system. Soft power, in Joseph Nye's sense of generating attraction rather than coercion, is Monaco's primary diplomatic instrument. And the chapter showed that this instrument, while less predictable and harder to measure than military or economic leverage, produces real outcomes in terms of access, credibility, and partnership within international forums.

Chapter IV tested these findings against comparison and qualified them through critical analysis. The cases of Vatican City, Tuvalu, and Liechtenstein demonstrated that microstate influence takes radically different forms. The Vatican's authority rests on a transnational religious community and centuries of institutional continuity. It does not need to be constructed or maintained through events and reputational management; it is inherited. Tuvalu's leverage, by contrast, was not chosen; it emerged from a condition of existential vulnerability that the international community has found impossible to ignore. Liechtenstein engineered a layered architecture of legal and economic integrations that provides access to Swiss and European markets without sacrificing formal independence. Monaco fits none of these models exactly. Its influence is economic and reputational, constructed across multiple registers simultaneously, and more fragile than the Vatican's inherited authority, less urgent than Tuvalu's existential claim, and less structurally diversified than Liechtenstein's layered integrations. Chapter IV also demonstrated, with equal importance, that all four cases operate within structural constraints they cannot dissolve. Material dependency, economic vulnerability arising from narrow specialisation, and the persistent gap between international visibility and real systemic power all set limits on microstate agency that no amount of strategic ingenuity can fully overcome.

Understanding why these constraints coexist with genuine agency, why microstates can matter even though they are so structurally dependent, requires a wider historical perspective. Samuel Huntington's account of democratisation as a sequential global process provides one of the most useful frameworks for thinking about this. His three waves describe not merely the political trajectories of individual countries but the gradual transformation of the normative climate of international relations as a whole. The first wave, stretching from the early nineteenth century through the 1920s, established democratic governance as a legitimate political form in a limited number of mostly Western states. The second, in the aftermath of the Second World War, extended democratic institutions to many of the states rebuilt or newly independent in the post-war period. The third wave, beginning with Portugal's transition in 1974 and spreading through Spain, Latin America, East Asia, Central and Eastern Europe, and parts of sub-Saharan Africa over the following two decades, was the broadest and most geographically diverse of the three.

Cumulatively, these waves did more than change individual governments. They reshaped the expectations of the international system itself. By the close of the twentieth century, democratic governance, human rights, the rule of law, and the protection of state sovereignty against forcible interference had achieved a status not merely as political preferences but as international norm standards against which the behaviour of states was routinely measured and judged. This normative shift is one of the primary reasons why Monaco can exist as a sovereign state in the twenty-first century without a military and without a realistic fear of absorption. The costs of violating the sovereignty of a recognised state, even a very small one, have risen substantially in a world shaped by three successive democratic revolutions.

Public opinion plays a crucial reinforcing role in sustaining this environment. It functions as a soft cushion beneath the formal structures of international law, not legally binding, but politically real in its effects on how governments behave. When powerful states consider their options with respect to smaller ones, they do so in a world where those choices are observed, reported on, and judged by domestic and international publics whose reactions carry genuine political costs. This dynamic is not symmetrical: large states can, and sometimes do, ignore international opinion when their core interests are at stake. But the friction is real, and it consistently creates space for smaller actors. Tuvalu's capacity to hold the world's attention on its climate predicament depends directly on this mechanism. The moral force of a disappearing island reaches publics far larger than any negotiating chamber, and the sympathy it generates constrains the behaviour of major emitters in ways that Tuvalu's material capabilities alone never could.

Monaco understands and exploits this logic with considerable sophistication. Its investment in environmental leadership, royal visibility, cultural prestige, and institutional engagement is not merely promotional. It is a systematic effort to build and maintain the goodwill of international publics and to ensure that the world continues to view Monaco as a place worth engaging with, worth protecting, and worth taking seriously as a diplomatic partner. The glamour and visibility of Monaco, which some academics see as superficial, can actually be useful politically. It helps Monaco stay noticed and involved in international discussions, even though it is a very small country with limited power to influence others directly.

None of this produces a simple verdict. The microstates examined in this thesis are neither the irrelevant entities of realist dismissal nor the unfettered sovereignty entrepreneurs of the most optimistic small-state literature. They are something more interesting: actors whose genuine capacity for adaptation and influence is real and documented, but whose room for manoeuvre is shaped at every turn by structural conditions they cannot determine. The system that makes them possible is also the system they depend on.

Small states can influence because today's international system supports cooperation between countries, open trade, democratic values, and international rules that public opinion helps enforce. These conditions allow countries like Monaco, the Vatican, Tuvalu, and Liechtenstein to make their voices heard despite their small size.

If the world became more divided, focused more on one-to-one power deals, or relied more on pressure and force, these small countries would find it much harder to influence international affairs. What this thesis ultimately argues is that the study of very small states is not a niche subfield at the margins of international relations. It is a lens through which the system's deeper logic becomes visible. The international order is not only about the domination of the strong. It is also about the accommodation of the small, the leverage of the legitimate, and the influence of those who have learned to convert constraint into a distinctive and sometimes indispensable form of international presence. Monaco has done this across centuries, and with particular sophistication in the decades since the end of the Cold War. Its story is, in the end, the story of an evolving international system, one whose full character becomes clearest when examined from its smallest corners.

After all little things make big things happen. -John Wooden

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