The Unknown Countries

Figures current as of October 2026

Sixteen small states with outsized stories, and what each has to sell: oil and diamonds that made or unmade a country, coastlines rented to the great powers, recognition traded like currency, a nation planning for the sea to take it, and the kingdoms, digital states, and principalities that found their own way to matter.

MODULE 1 — Guyana

Goal: Read a petrostate born in a decade.

From one of the hemisphere's poorest countries to the fastest-growing economy on earth, on offshore oil; the Exxon contract; Venezuela's claim at the world court; the ethnic vote and the 2025 upset — where a barrel's money goes, worked.

MODULE 2 — Botswana

Goal: Understand the diamond exception.

One of the poorest countries at independence turned upper-middle-income through a 50-50 partnership with De Beers; lab-grown stones and the sale of De Beers; the ruling party's first defeat in 58 years — a carat's journey, worked.

MODULE 3 — Brunei

Goal: Follow a sultan's oil state.

The longest-reigning living monarch, who runs the government himself; no income tax; a Chinese refinery as the bet on life after oil; sharia law and the backlash — oil per citizen, worked.

MODULE 4 — Naoero (Nauru)

Goal: See a resource curse completed.

Once among the richest countries per person on phosphate; four-fifths of the island mined away and the trust fund lost; passports, offshore banks, and Australia's detention and resettlement deals; the treaty with Canberra — what the trust fund could have been, worked.

MODULE 5 — Turkmenistan

Goal: Read the closed gas state.

A leader who renamed the months; a dentist president and his son; the fourth-largest gas reserves on earth sold mostly to China; the crater that has burned for decades — what the gas earns, worked.

MODULE 6 — Djibouti

Goal: Understand the landlord of the strait.

Military bases for the United States, China, France, Japan, and Italy on one small coast; Ethiopia's port and its search for another; Chinese debt; a president in office since 1999.

MODULE 7 — Mauritius and the Chagos

Goal: Weigh an island's success and its lost archipelago.

A sugar colony that became one of Africa's richest countries with no army; the islanders expelled for the Diego Garcia base; the 2025 treaty to hand the islands back, and why it stalled — the price of a lease, worked.

MODULE 8 — Palau

Goal: See a small state between two powers.

An island republic defended by the United States under a compact; one of Taiwan's last allies; China's tourist squeeze; the ocean sanctuary — the compact per person, worked.

MODULE 9 — Somaliland

Goal: Understand a country that isn't.

Three decades of working self-government and elections without recognition; Berbera port; Ethiopia's sea-access deal; Israel's recognition in December 2025 and the wait for Washington — what recognition buys, worked.

MODULE 10 — Paraguay

Goal: Follow a landlocked country's electricity and its loyalty.

The war that killed most of its men; Stroessner's 35 years; Itaipú and the power it sells to Brazil; Taiwan's last South American ally — the dam's arithmetic, worked.

MODULE 11 — Eswatini

Goal: Read Africa's last absolute monarchy.

A king who appoints the government; a ban on political parties since 1973; the 2021 protests; an epidemic that infected nearly a quarter of adults, and its turnaround; the deportees accepted from the United States.

MODULE 12 — Moldova

Goal: Understand a country caught between.

A breakaway strip with Russian troops; the $1 billion bank theft; the EU referendum won by a sliver; the Russian gas cutoff of January 2025 — the theft against the economy, worked.

MODULE 13 — Tuvalu

Goal: Follow a nation planning for its own disappearance.

Nine coral islands a few meters above the sea; the 2023 treaty with Australia and its visa ballot; a constitution, and now a UN declaration, that keep the state alive without land; the .tv income — the migration arithmetic, worked.

MODULE 14 — Bhutan

Goal: Weigh the kingdom that measures happiness.

Gross National Happiness; a king who imposed democracy; hydropower sold to India, and the bitcoin mined with it; the expelled Lhotshampa; the young leaving and the Mindfulness City.

MODULE 15 — Estonia

Goal: Understand the digital state.

A government run almost entirely online; the X-Road; e-residency; Skype and the startups; the 2007 cyberattack and life on Russia's border — what a digital signature is worth, worked.

MODULE 16 — Liechtenstein

Goal: Read a principality that sells its sovereignty.

A prince with a real veto; the banking-secrecy era and its end; more jobs than residents; a country you could rent — the prince's veto, worked.

MODULE 17 — What Small Countries Sell

Goal: Pull the sixteen together and name the dates.

A windfall, a location, recognition, sovereignty as a product, a model, and survival — what the successes did differently, and a dated watch list.

A note on the ground. Small countries are measured badly. Their statistics offices are small, some publish little, and a few publish what their rulers prefer. Each module opens with a dated table of the country's leader, system, people, and pay; its population figures are UN estimates, which for Turkmenistan differ from the official count and for Somaliland do not exist. Elsewhere the course uses the International Monetary Fund (IMF), the World Bank, the UN, and national sources where they exist, names estimates as estimates, and dates its time-sensitive facts.

Who's Who

The groups, parties, institutions, and terms this course names

Every armed group, party, institution, and abbreviation the modules name is defined here, before Module 1. The first column gives the country each one belongs to or concerns, or how many of the sixteen when it spans several; an abbreviation's full name follows it in parentheses.

Terms and Measures

Country	Name	Who or what
Six of the 16	GDP (gross domestic product)	The value of all the goods and services an economy produces in a year; output per person divides it by the population.
All 16	Freedom House	An American nonprofit whose annual report, *Freedom in the World*, rates countries and territories Free, Partly Free, or Not Free.
Botswana, Eswatini	HIV (human immunodeficiency virus); AIDS (acquired immune deficiency syndrome)	The virus that destroys the immune system, and the disease it causes if untreated.
Guyana	Production-sharing agreement	An oil contract under which the state keeps ownership of the oil and pays the companies with a share of it.
Guyana	Stabroek block	The offshore license area where nearly all of Guyana's oil has been found.
Naoero	Offshore processing	Australia's policy of sending asylum seekers who arrive by boat to centers in other countries while their claims are heard.
Palau	Exclusive economic zone	The waters within 200 nautical miles of a country's coast, where it alone may fish and exploit the seabed.
Paraguay, Bhutan	Bitcoin	A digital currency whose transactions are recorded by computers competing, with large amounts of electricity, to do so — called mining.
Estonia	Unicorn	A privately held start-up company valued at $1 billion or more.
Bhutan	Gross National Happiness	Bhutan's official development philosophy.

International Bodies and Agreements

Country	Name	Who or what
Six of the 16	IMF (International Monetary Fund)	The international lender to governments in payment crises, which reviews each member's economy every year in an 'Article IV' report.
All 16	World Bank	The development lender owned by its member governments; its concessional arm lends to the poorest on easy terms.
All 16	United Nations (UN); General Assembly; Security Council	The organization of 193 member states; its General Assembly gives each one vote, and its fifteen-member Security Council, five of whose members hold vetoes, decides on peace and security.
Guyana, Mauritius	International Court of Justice	The UN's court for disputes between states, at The Hague; it also gives advisory opinions.
Mauritius	International Tribunal for the Law of the Sea	The court, in Hamburg, for disputes under the UN Convention on the Law of the Sea.
Moldova, Estonia	European Union (EU); European Commission	The union of 27 European states with a single market, and its executive.
Estonia	NATO (North Atlantic Treaty Organization)	The Western military alliance whose members pledge to defend one another.

Country	Name	Who or what
Liechtenstein	OECD (Organisation for Economic Co-operation and Development)	The organization of 38 mostly rich democracies that sets standards on tax and economic policy.
Moldova	Commonwealth of Independent States	The loose association of former Soviet republics formed as the Soviet Union dissolved in 1991.
Somaliland	African Union	The organization of Africa's 55 states, based in Addis Ababa.
Naoero, Palau	Pacific Islands Forum	The organization of 18 Pacific states and territories, Australia and New Zealand among them, whose leaders meet each year.
Eswatini	Southern African Customs Union	The customs union of South Africa, Botswana, Lesotho, Namibia, and Eswatini, which pools import duties and shares them by formula.
Palau	Compact of Free Association	The treaty that ties Palau to the United States in 'free association'.
Tuvalu	Falepili Union	The treaty between Tuvalu and Australia, named for a Tuvaluan word for neighborliness.
Somaliland	Abraham Accords	The agreements of 2020, brokered by the United States, under which the United Arab Emirates, Bahrain, Morocco, and Sudan agreed to normalize relations with Israel.
Turkmenistan	TAPI (Turkmenistan–Afghanistan–Pakistan–India pipeline)	The gas pipeline planned from Turkmenistan through Afghanistan and Pakistan to India.
Eswatini	PEPFAR (President's Emergency Plan for AIDS Relief)	The American government's global HIV program, begun in 2003.
Eswatini	Global Fund	The Global Fund to Fight AIDS, Tuberculosis and Malaria, an international financing partnership.
Eswatini	UNAIDS (Joint United Nations Programme on HIV/AIDS)	The UN program that leads the global response to HIV and publishes national estimates.
Naoero	Nauru Phosphate Royalties Trust	The fund set up to hold the island's phosphate royalties.
Paraguay	Itaipú Binacional	The binational company of Brazil and Paraguay that runs the Itaipú dam.
Djibouti	International IDEA (International Institute for Democracy and Electoral Assistance)	An intergovernmental body in Stockholm that tracks the state of democracy.
Turkmenistan	Energy Institute	The London-based professional body that publishes the *Statistical Review of World Energy*.
Turkmenistan	Reporters Without Borders	The Paris-based press-freedom group whose annual index ranks countries.
Somaliland	International Crisis Group	A research organization that reports on wars and political crises.
Bhutan	Human Rights Watch	A New York-based organization that investigates human-rights abuses.
Palau	Office of Insular Affairs	The office of the American Interior Department that manages the compacts and the US territories.

Parties, Movements, and Governing Bodies

Country	Name	Who or what
Guyana	People's Progressive Party/Civic	A Guyanese party founded in 1950 by Cheddi Jagan.
Guyana	People's National Congress	A Guyanese party founded in 1957 by Forbes Burnham.
Guyana	We Invest in Nationhood	A Guyanese party founded in 2025.
Botswana	Botswana Democratic Party	Botswana's founding party, first led by Seretse Khama.
Botswana	Umbrella for Democratic Change	A coalition formed in 2012 by Botswana's then-opposition parties.
Brunei	Malay Islamic Monarchy	The doctrine joining Malay culture, Islam, and the sultan's rule.
Turkmenistan	Halk Maslahaty	The People's Council, Turkmenistan's supreme body, standing above parliament and the presidency.
Mauritius	Alliance du Changement	The alliance of Mauritius's Labour Party and its partners formed for the 2024 election.
Somaliland	Waddani	The Somaliland party of President Abdirahman Mohamed Abdullahi, founded in 2012.
Somaliland	House of Elders (Guurti)	Somaliland's appointed upper house of clan elders.
Paraguay	Colorado Party	Paraguay's main conservative party, founded in 1887.
Eswatini	Tinkhundla	Eswatini's system of government through local councils, the tinkhundla, under the king.
Moldova	Party of Action and Solidarity	The pro-European party Maia Sandu founded in 2016.
Bhutan	People's Democratic Party	One of Bhutan's main parties, founded in 2007.
Estonia	Reform Party	Estonia's liberal, pro-market party, founded in 1994.
Liechtenstein	Patriotic Union	Liechtenstein's largest party, founded in 1936.

Armed Forces and Bases

Country	Name	Who or what
Djibouti, Somaliland	Houthis	The Zaydi Shia movement that holds northern Yemen.
Djibouti	Camp Lemonnier	The American military base in Djibouti, a former French Foreign Legion post.
Mauritius	Special Mobile Force	The paramilitary unit of the Mauritius police.

Companies and State Firms

Country	Name	Who or what
Guyana	ExxonMobil; Chevron; CNOOC (China National Offshore Oil Corporation)	Two American oil majors and China's state-owned offshore oil producer.
Guyana	Natural Resource Fund	Guyana's sovereign fund for its oil revenue.
Botswana	De Beers; Anglo American	The diamond company that dominated the trade for a century, and a London-listed mining group.
Botswana	Debswana; Okavango Diamond Company	Botswana's diamond-mining company, and the state's own diamond sales company.

Country	Name	Who or what
Brunei	Brunei Shell Petroleum; Hengyi Group; Brunei Investment Agency; Dorchester Collection	The state's 50-50 oil venture with the British oil major Shell; a Chinese petrochemical company; the sultanate's sovereign wealth fund; and a group of luxury hotels it owns.
Djibouti, Somaliland	DP (Dubai Ports) World	The port operator owned by the government of Dubai.
Djibouti	Export-Import Bank of China	China's state lender for trade and overseas projects.
Tuvalu	GoDaddy	The American web-domain company.
Bhutan	Druk Holding and Investments	The Bhutanese state's investment company.
Bhutan	Gelephu Mindfulness City	A planned new city in Bhutan.
Estonia	X-Road	Estonia's data-exchange system.
Estonia	E-residency	Estonia's digital identity for foreigners.
Estonia	e-Estonia	The Estonian government's center for presenting its digital state.
Estonia	Skype; Wise; Bolt	An internet-calling service built by Estonian programmers, and a money-transfer company and a ride-hailing company founded by Estonians.
Liechtenstein	LGT (Liechtenstein Global Trust); Hilti	A Vaduz-based private banking group, and the power-tool maker.

Module 1 — Guyana

The Petrostate Born in a Decade

Recommended Reading / Reference

Book: Walter Rodney, *A History of the Guyanese Working People, 1881-1905* (1981) — the plantation society and the ethnic division that still shape the country's politics

Reference: The IMF's Article IV reports on Guyana, and the Ministry of Natural Resources' reports on the Stabroek block

At a glance	As of October 2026
Leader	President Irfaan Ali, 46 — in office since August 2020 (6.2 years); People's Progressive Party/Civic; second term since September 2025
System	Presidential republic with a prime minister
Freedom House	Free
Population	841,000 (2026); the preliminary count of the 2022 census was 878,674, and the statistics bureau estimated 956,044 at the end of 2024
Land area	196,850 km² (76,000 sq mi)
Religion	Hindu 24.8%, Pentecostal 22.8%, other Christian 20.8%, Catholic 7.1%, Muslim 6.8% (2012 census)
People	East Indian 39.8%, African 29.3%, mixed 19.9%, Amerindian 10.5% (2012 census); median age 28; 28% urban
Minimum wage	60,147 Guyana dollars a month in the private sector since July 1, 2022 (US$288 at 208.50 = US$1, October 2026)

As of October 2026; ages and years in office as of October 6. Population, median age, and urban share: UN estimates for mid-2026; land area: World Bank. Religion and ethnicity: latest census or estimates, as marked. Wages converted at the exchange rate shown.

1a. The Story

In May 2015 ExxonMobil drilled the Liza-1 well, 190 kilometers off the coast of Guyana, and found oil. It was one of the largest discoveries of the decade anywhere in the world, and more followed. Oil first flowed in December 2019, and in September 2026 the block passed its billionth barrel. A country long one of the poorest in the hemisphere had become the fastest-growing economy on earth.

The numbers are unlike anything in modern economics. The economy grew 43% in 2020, 20% in 2021, 63% in 2022, 34% in 2023, 44% in 2024, and about 19% in 2025, and by output per person Guyana is now the richest country in South America. By how its people live, it is not. Much of the money goes to the oil companies' cost recovery, to the state's investment program, and to the Natural Resource Fund; the last household survey, in 2019, found nearly half the population living on less than $5.50 a day; and in July 2026 an 87-year-old government ferry sank on the run to the northwest, killing at least 73 people.

1b. What It Sells

Measure	Figure	Note
Economy	About $27 billion (2025); $34 billion projected for 2026	About $5 billion in 2019 (IMF)
Oil output	About 900,000 barrels a day (2026 average to August)	Four production ships; a fifth, for the Uaru field, is due to start by the end of 2026 and take output past a million, with more due in 2027 and 2029
Oil's share of exports	Over 90%	Gold, rice, and bauxite most of the rest
The Stabroek consortium	ExxonMobil 45% (the operator), Chevron 30%, CNOOC 25%	Chevron's stake came with a July 2025 takeover
Natural Resource Fund	About $4.3 billion (June 2026)	Drawn on each year for the budget

1c. The Contract

Guyana signed its production-sharing agreement with the Exxon consortium in 2016, before anyone knew how large the find would be. The terms were written for a frontier where no oil had yet been produced. Guyana takes a 2% royalty. The companies recover their costs from up to 75% of the oil each year. What remains is split 50-50. The government also pays the consortium's income tax out of its own share, a clause critics call a giveaway. Supporters of the deal answer that the terms brought the investment, that the companies took the exploration risk, and that the state's share rises sharply once the early costs are recovered. The government has kept the contract, but the blocks it auctioned in 2023 carry a 10% royalty, a 65% ceiling on cost recovery, and a 10% corporate tax.

1d. Essequibo and the Neighbor

Two-thirds of Guyana's territory lies west of the Essequibo River, and Venezuela claims it. An international tribunal set the border in 1899; Venezuela called that award void in 1962 and has pressed the claim since. The oil made the dispute urgent, because the offshore blocks lie off the claimed land. In December 2023 Nicolás Maduro held a referendum on annexing the region, in March 2024 Venezuela declared it a Venezuelan state, and in May 2025 it elected a 'governor' for the territory it does not control. Guyana took the case to the International Court of Justice, which ordered Venezuela not to change the situation on the ground (December 2023) or to hold elections there (May 2025), and heard the case itself in May 2026. Delcy Rodríguez, Venezuela's acting president since American forces seized Maduro in January 2026, argued Venezuela's case at the court in person and has said Venezuela will not accept a ruling against it. The United States backs Guyana, and the two agreed in December 2025 to broaden their military cooperation.

1e. Ethnic Politics and the 2025 Upset

Guyana's politics has split along ethnic lines since independence in 1966. The People's Progressive Party/Civic draws Indo-Guyanese voters; its rivals, led by the People's National Congress, have drawn Afro-Guyanese voters. Voters choose party lists, and the candidate heading the list with the most votes becomes president. Irfaan Ali, the first Muslim to hold the office, won in 2020 by 33 seats to 31 after five months of recounts and legal challenges. In September 2025 he won 55% of the vote and 36 of the 65 seats. The surprise was second place. We Invest in Nationhood, launched ten weeks before the vote by Azruddin Mohamed, a gold trader under US sanctions, took 16 seats and carried two regions the

Afro-Guyanese opposition had won in 2020, among them its historic stronghold, Upper Demerara-Berbice. Mohamed became leader of the opposition in January 2026 while fighting extradition to the United States on gold-smuggling and money-laundering charges.

Worked example — Where a Barrel's Money Goes

Take a barrel sold for $70. While the consortium is still recovering its costs, it can claim up to 75% of the value, $52.50, as cost oil. The remaining $17.50 is profit oil, split evenly: $8.75 to Guyana and $8.75 to the companies. The companies also pay the 2% royalty, $1.40, so Guyana's total is $10.15, about 14.5% of the barrel — and from its half it pays the companies' income tax. Once the early costs are recovered, cost oil falls to the actual cost of producing each barrel, perhaps $20. Then profit oil becomes $50, Guyana's half $25, and its total with the royalty $26.40, over a third of the barrel. The shift from the first number to the second is the whole argument about the contract: critics look at the early years, defenders at the later ones. As more fields finish paying back, Guyana's revenue rises faster than its oil output.

Module 2 — Botswana

The Diamond Exception

Recommended Reading / Reference

Book: Daron Acemoglu and James Robinson, *Why Nations Fail* (2012) — the chapter on Botswana is the best-known account of how its institutions beat the resource curse

Reference: The Bank of Botswana's annual reports and De Beers' production reports

At a glance	As of October 2026
Leader	President Duma Boko, 56 — in office since November 2024 (1.9 years)
System	Parliamentary republic with an executive president elected by parliament
Freedom House	Free
Population	2.60 million (2026)
Land area	566,730 km² (218,820 sq mi)
Religion	Christian 87%; no religion 7%; traditional 5% (2022 census)
People	Tswana about 79%, Kalanga 11%, San 3% (estimates); Setswana is the home language of 78% (2022 census); median age 25; 75% urban
Minimum wage	Sector minimums only, from February 2024: 9.06 pula an hour in eight trade and industry sectors, about 1,767 a month, and 1,500 for domestic and farm workers ($131 and $112 at 13.44 pula = $1)

As of October 2026; ages and years in office as of October 6. Population, median age, and urban share: UN estimates for mid-2026; land area: World Bank. Religion and ethnicity: latest census or estimates, as marked. Wages converted at the exchange rate shown.

2a. The Story

When Botswana became independent in 1966 it was among the poorest countries in the world. It had a few kilometers of paved road, a handful of university graduates, and an economy of cattle. A year later geologists found diamonds at Orapa, and in 1973 they found Jwaneng, now the richest diamond mine in the world by value. Most African countries that struck mineral wealth in those decades were ruined by it: coups, civil wars, and fortunes stolen. Botswana was not. It grew faster than almost any country on earth for thirty years and became a stable democracy — one that also came through one of the worst HIV epidemics on earth, with about a fifth of adults aged 15 to 64 carrying the virus and nearly all who know it on treatment.

The explanation most often given is institutions. The first president, Seretse Khama, and his successor, Quett Masire, kept the courts independent, held regular elections, and saved much of the windfall. They built a partnership with De Beers rather than a nationalization: Debswana, which mined the stones while the state took most of the profits through taxes, royalties, and dividends. Tribal chiefs had long been bound by consultation, and cattle owners, the country's elite, wanted secure property rights. The result was a state that treated the diamond money as a national asset.

2b. What It Sells

Measure	Figure	Note
Economy	About $20 billion (2025); about $7,500 a person	Upper-middle income
Diamonds	About 80% of exports; normally about a third of government revenue	About a sixth of revenue in the 2026/27 budget, after the slump
Diamond output	About 15 million carats (2025); 18 million planned for 2026	About 24 million a year before the slump
Debswana	50% government, 50% De Beers	Runs the Jwaneng and Orapa mines

2c. The Deal and Its Renewal

The partnership has been renegotiated as the balance of power shifted. Under terms agreed in 2023 and signed in February 2025, Okavango Diamond Company sells 30% of Debswana's output itself, up from 25%, rising to 40% after five years and to 50% only if the ten-year agreement is extended; the mining licenses run to 2054. In May 2024 Anglo American, which owns 85% of De Beers, put the company up for sale; Botswana owns the other 15%. Boko has called the old decision to take only a small stake a 'fatal error' and has sought a much larger one. In July 2026 Anglo chose a preferred buyer, a consortium led by Gareth Penny, a former De Beers chief executive, with Angola and Namibia as proposed partners, at a reported price of about $1 billion for its stake. Any deal needs Botswana's approval, Botswana can use its right to buy first, and nothing had been signed by early October. The state's leverage comes from geology: Jwaneng and Orapa hold some of the best diamonds in the ground anywhere.

2d. Lab-Grown Stones and the 2024 Turnover

Then the market broke. Laboratory-grown diamonds, chemically identical to mined ones and far cheaper, took a large share of the American engagement-ring market in a few years. Natural diamond prices fell by more than half from their 2022 peak, to a record low in April 2026, and Debswana cut output. For a country whose budget rests on diamonds, the fall was a fiscal crisis: the economy shrank 2.8% in 2024 and 0.7% in 2025, the deficit passed 8% of GDP, the savings account built up in the boom years was nearly emptied, and in August 2025 the president declared a public-health emergency over shortages of medicines. In the election of October 30, 2024, voters had removed the Botswana Democratic Party, which governed for 58 years from independence, and given Duma Boko's Umbrella for Democratic Change a landslide. The new government inherited the old question at its hardest: how to diversify an economy built on one product whose price may never recover. It raised the corporate tax rate from 22% to 25% and sought to lift the legal limit on debt from 40% to 60% of GDP; in September 2026, with prices of larger stones firming slightly, Boko said demand was 'bouncing back', and a larger-than-expected transfer from the central bank let the government cut its 2026/27 deficit forecast from 8.9% of GDP to 3.1%.

Worked example — A Carat's Journey

Suppose Debswana sells a year's output for $3 billion and mining costs take $1.2 billion, leaving a profit of $1.8 billion. The state takes a royalty of 10% of sales, $300 million, then tax on the profit, then half of what is left as dividends through its 50% stake. By most estimates the three together give the government around 80% of Debswana's profits — about $1.45 billion in this example — while De Beers keeps about $350 million. That share is why Botswana could build schools, roads, and clinics from diamonds. It is also why the slump opened a hole in a budget that spends about $7.7 billion a year.

Module 3 — Brunei

A Sultan's Oil State

Recommended Reading / Reference

Book: Graham Saunders, *A History of Brunei* (2nd ed., 2002) — from the sultanate that once ruled much of Borneo to the oil state

Reference: The IMF's Article IV reports on Brunei Darussalam and the Department of Economic Planning and Statistics

At a glance	As of October 2026
Leader	Sultan Hassanal Bolkiah, 80 — on the throne since October 1967 (59.0 years); also prime minister, defense minister, and finance minister
Heir	Crown Prince Al-Muhtadee Billah, 52 — crown prince since August 1998 (28.2 years); senior minister since 2005
System	Absolute monarchy
Freedom House	Not Free
Population	470,000 (2026)
Land area	5,270 km² (2,030 sq mi)
Religion	Muslim about 82%, Christian about 7%, Buddhist about 7% (estimates)
People	Malay about 66%, Chinese about 10%, indigenous groups and foreign workers the rest (official estimates); median age 34; 80% urban
Minimum wage	B$500 a month in the sectors covered so far, beginning with banking, finance, and information technology in July 2023 ($392 at about B$1.28 = $1, the Brunei dollar at par with Singapore's, October 6, 2026)

As of October 2026; ages and years in office as of October 6. Population, median age, and urban share: UN estimates for mid-2026; land area: World Bank. Religion and ethnicity: latest census or estimates, as marked. Wages converted at the exchange rate shown.

3a. The Story

Brunei is a sliver of northern Borneo, split in two by a strip of Malaysia. Five centuries ago its sultans ruled much of the island. By the end of the nineteenth century they had lost almost all of it to the White Rajahs of Sarawak and to Britain. What saved the remnant was oil, found at Seria in 1929. Brunei declined to join Malaysia in 1963, stayed a British protectorate, and became independent in 1984 as one of the richest small states in Asia.

Its ruler, Sultan Hassanal Bolkiah, has reigned longer than any other living monarch. He is not a figurehead: he runs the government himself, from the premiership and the ministries listed in the table above. In June 2026 he gave the foreign ministry, which he had held since 2015, to his son Prince Abdul Mateen, and made another son, Prince Abdul Malik, a minister in his own office — the clearest steps yet toward a generational handover, though no formal step in the succession has been announced. There is no elected legislature with power, no opposition party that can win, and a state ideology, proclaimed at independence, called Malay Islamic Monarchy. The bargain with his subjects is the Gulf's: no income tax, free schooling and health care, subsidized fuel and housing, and public jobs — paid for by oil and gas.

3b. What It Sells

Measure	Figure	Note
Economy	About $15 billion (2025); about $33,000 a person	Second in Southeast Asia, after Singapore
Oil and gas	About 45% of GDP; about three-quarters of government revenue	Crude oil and gas were under 40% of exports in 2025; the refinery's fuels and chemicals made up most of the rest

3c. The Money and the Fortune

Brunei's oil is produced mostly by Brunei Shell Petroleum, and its gas has been sold as liquefied natural gas to Japan since 1972. The surpluses of the high-price decades went into the Brunei Investment Agency, whose holdings include the Dorchester Collection. The line between the state's money and the royal family's has never been clear. The sultan's palace, the Istana Nurul Iman, has about 1,800 rooms. In the 1990s his brother Prince Jefri, then finance minister, was accused of losing some $15 billion of state funds; the resulting lawsuits ran for years.

The deeper problem is time. Crude output peaked at over 240,000 barrels a day in 1979, was cut back to conserve the reserves, reached a second, lower peak in 2006, and has since fallen below 100,000. The government's diversification bet is downstream: a $3.4 billion refinery and petrochemical plant on Pulau Muara Besar, 70% owned by China's Hengyi Group, which opened in 2019. It turns mostly imported crude into fuels and chemicals, and in January 2026 Hengyi committed to a second phase, due by the end of 2028, that would more than double its capacity. The plant ties Brunei more closely to China, with which it also has a quiet claim in the South China Sea. When the 2026 war in the Gulf drove oil prices up, the windfall was expected to ease the budget, and in April Brunei agreed to supply Australia with fuel and fertilizer.

3d. Sharia and the Backlash

In 2014 the sultan began introducing an Islamic criminal code in phases. The final phase, in April 2019, made adultery and gay sex punishable by stoning and theft by amputation. The reaction abroad was immediate: celebrities and companies boycotted the Dorchester hotels, and several governments protested. Within weeks the sultan extended a moratorium on the death penalty to the new code; Brunei has carried out no execution since 1957. The laws remain on the books. Brunei shows what a small, rich absolute monarchy can do that larger states cannot: change its criminal law by decree, then soften its application by decree when the world objects.

Worked example — Oil per Citizen

Suppose Brunei produces about 90,000 barrels a day of oil, and gas equivalent to about 200,000 barrels a day. At $70 a barrel for oil and a gas price worth about half that per barrel-equivalent, the output is worth about $4.9 billion a year. If the state captures around 40% through its stakes, royalties, and taxes, it receives about $1.9 billion — about $4,100 for every resident each year, enough to pay for public services, subsidies, and the public payroll. The same arithmetic shows the risk. A fall in output of 3% a year, or a $20 drop in the oil price, cuts that sum quickly, and the investment fund's returns must fill the gap.

Module 4 — Naoero (Nauru)

The Island That Ate Itself

Recommended Reading / Reference

Book: Carl McDaniel and John Gowdy, *Paradise for Sale* (2000) — the phosphate economy as a parable of spending natural capital

Reference: The Australian Department of Foreign Affairs and Trade's country brief and the IMF's Article IV reports

At a glance	As of October 2026
Leader	President David Adeang, 56 — in office since October 2023 (2.9 years)
System	Parliamentary republic with no formal parties
Freedom House	Free
Population	12,000 (2026)
Land area	20 km² (8 sq mi)
Religion	Nauru Congregational about 36%, Catholic about 33%, Assemblies of God about 13% (2011 census)
People	Nauruan about 89%, part-Nauruan about 7%, I-Kiribati about 2% (estimates); median age 21; 100% urban
Minimum wage	None set by law for private employers; the public service has a graded pay scale

As of October 2026; ages and years in office as of October 6. Population, median age, and urban share: UN estimates for mid-2026; land area: World Bank. Religion and ethnicity: latest census or estimates, as marked. Wages converted at the exchange rate shown.

4a. The Story

Naoero is a single raised coral island in the central Pacific, the third-smallest country on earth by area and by population. Until 2026 the world knew it as Nauru; that year it formally took the name in its own language. For thousands of years seabirds nested on the island, and their droppings, compressed over time, turned much of its interior into high-grade phosphate — one of the richest deposits on earth. A British company began mining it in 1906. After the First World War, Britain, Australia, and New Zealand took it over and shipped it to fertilize their farms. The island became independent in 1968 and took over the mines in 1970, and for a decade or two its people were among the richest in the world per person.

The mining removed about four-fifths of the island. What remains of the interior, called Topside, is a field of jagged coral pinnacles where the phosphate was dug out from between them; nothing grows, and no one can live there. The islanders live on the narrow coastal ring, and their rates of obesity are among the highest on earth. The wealth was meant to outlast the phosphate through a trust fund, the Nauru Phosphate Royalties Trust, which held about A$1.3 billion around 1990. It did not last. Bad investments, corruption, and spending emptied it; the investments included a Melbourne skyscraper, later sold to pay its debts, and a London musical about Leonardo da Vinci that closed within weeks. By 2002 it held about a tenth of its peak, the phosphate was nearly gone, and the country was effectively bankrupt.

4b. What It Sells

Measure	Figure	Note
Main revenue	Australia's offshore processing and resettlement deals; fishing licenses	Processing supplied about 58% of government revenue in 2019/20; phosphate is a small remnant
Resettlement deal (2025)	A$408 million up front and about A$70 million a year for up to 30 years	For taking up to 354 people
Australia treaty (2024)	A$140 million over five years	A$100 million of budget support and A$40 million for policing
Citizenship for sale (2025)	From about $105,000	Six applications approved in its first six months

4c. Selling Sovereignty

With its resource gone, Naoero sold what a state has that no one else does: its sovereignty. In the 1990s it licensed hundreds of offshore banks, until international pressure shut them down in the early 2000s. It sold passports. It traded diplomatic recognition between Taipei and Beijing, switching to China in 2002, back to Taiwan in 2005, and to China again in January 2024. Its largest sale has been to Australia. Since 2001, and again since 2012, the island has hosted an offshore processing center, with Australia paying for the facility and the island's services. In 2025 it agreed to take foreigners whom Australia could neither deport home nor keep in detention after a 2023 ruling of Australia's highest court, which in May 2026 upheld one such removal.

In December 2024, eleven months after the switch to Beijing, the relationship became a treaty. In return for Australian money, Naoero agreed that Australia must consent to any arrangement it makes with another country on security, banking, or telecommunications — a clause aimed at China. Its program selling citizenship to investors is presented as funding climate adaptation. And in September 2026, alone among the Pacific Islands Forum's members, it formally dissented from the leaders' concern over a Chinese missile test in July whose flight had crossed its waters. The pattern is consistent: each generation of the island's leaders has found something new to sell because the island itself has little left.

Worked example — What the Trust Fund Could Have Been

Suppose the fund's 1990 peak had been invested in a simple mix of global stocks and bonds earning 6% a year after inflation, with the country spending 4% a year and reinvesting the rest. The fund would have paid out about A$52 million in its first year — over A$5,000 for each of the roughly 10,000 people then living there — rising every year, and by 2026 it would have grown to more than A$2.6 billion at 1990 prices. Instead it was spent and lost. The difference is the lesson every resource state is taught by the island: the resource ends, and only the institutions that manage its proceeds decide whether the wealth ends with it.

Module 5 — Turkmenistan

The Closed Gas State

Recommended Reading / Reference

Book: Adrienne Edgar, *Tribal Nation: The Making of Soviet Turkmenistan* (2004) — how the Soviets built the nation the dictators inherited

Reference: The Energy Institute's Statistical Review of World Energy (production and trade) and Reporters Without Borders' annual index

At a glance	As of October 2026
Leader	President Serdar Berdimuhamedow, 45 — in office since March 2022 (4.6 years)
National Leader	Gurbanguly Berdimuhamedow, the president's father, National Leader of the Turkmen People and chairman of the Halk Maslahaty, 69 — in office since January 2023 (3.7 years); president 2006–22; widely seen as the real decision-maker
System	Presidential republic in form, hereditary personalist rule in practice
Freedom House	Not Free
Population	7.74 million (2026)
Land area	469,930 km² (181,440 sq mi)
Religion	Muslim about 96% (2020 estimate)
People	Turkmen 87%, Uzbek 9%, Russian 2%, Baloch 1% (2022 census, whose total is disputed); median age 28; 56% urban
Minimum wage	1,410 manat a month since January 2025 ($403 at the official 3.5 manat = $1, fixed since 2015; about $67 at the black-market rate, which in July 2026 was roughly six times the official one)

As of October 2026; ages and years in office as of October 6. Population, median age, and urban share: UN estimates for mid-2026; land area: World Bank. Religion and ethnicity: latest census or estimates, as marked. Wages converted at the exchange rate shown.

5a. The Story

When the Soviet Union dissolved in 1991, the Soviet-era party boss of Turkmenistan, Saparmurat Niyazov, became president of an independent desert country of a few million people. He then built one of the strangest personality cults of modern times. He took the title Turkmenbashi, 'leader of the Turkmen.' He renamed the months of the year, calling January after that title and April after his mother. He wrote a book of spiritual guidance, the Ruhnama, and made it required reading in schools, at universities, and for the driving test. He erected a gold statue of himself that rotated to face the sun. He banned opera, ballet, and lip-syncing, and closed hospitals outside the capital on the grounds that the sick could come to Ashgabat.

Niyazov died in December 2006. His successor, Gurbanguly Berdimuhamedow, a former dentist and health minister, undid some of the eccentricities — the old month names returned in 2008 — and replaced them with his own, building a cult around himself as a horseman, singer, and author. He later handed the presidency to his son, Serdar, in an election with no real opposition, and kept power from the Halk Maslahaty. It was Gurbanguly, not his son, who negotiated gas supplies in Afghanistan in August 2026. The capital was rebuilt in white marble, holding a world record for its density of marble-clad buildings. The 2022 census counted 7.1 million, while exiled media citing officials have put the true number at under half that, after years of emigration.

5b. What It Sells

Measure	Figure	Note
Gas reserves	About 13.6 trillion cubic meters	The fourth-largest on earth, after Russia, Iran, and Qatar (end of 2020, the last year the Energy Institute reported reserves)
Main field	Galkynysh, producing since 2013	One of the largest gas fields in the world
Gas output	About 77 billion cubic meters (2025)	Most of the surplus is exported
Exports to China	About 30 billion cubic meters in 2025 by China's count; about 40 by Turkmenistan's	Worth roughly $8.6 billion a year at the 2025 rate

5c. Gas and the Customer

Turkmenistan's wealth is gas. For most of the 1990s and 2000s it could sell mainly through Soviet-era pipelines to Russia, which paid what it chose. In December 2009 a pipeline to China opened across Uzbekistan and Kazakhstan, built with Chinese loans that Turkmenistan said in 2021 it had repaid, and China became the dominant buyer; by March 2026 it had taken about 460 billion cubic meters through it. Dependence on one customer lets that customer set the price. In 2025 Russia overtook Turkmenistan as China's largest supplier of piped gas by value. The alternatives are moving slowly. TAPI, first agreed in 1995, is at last being built on its Afghan stretch, which is due to reach Herat by the end of 2026; nothing has been built in Pakistan or India. A pipeline across the Caspian to Europe, which Russia and Iran oppose, won American backing in 2026 but no financing. And since 2025 small volumes have gone to Turkey by swap through Iran.

5d. The Door to Hell

In the Karakum desert near the village of Darvaza is a crater about 70 meters wide that has burned for decades — by the usual account since 1971, when a Soviet drilling rig collapsed into a gas pocket and geologists set it alight to burn off the methane, though Turkmen geologists date the collapse to the 1960s and the fire to the 1980s. It became the country's best-known sight. The government called for it to be put out in 2010 and again in 2022, and in 2025 said the fire had been cut nearly threefold, with new wells drawing off the gas. The crater is also a symbol of a larger problem: satellite studies have recorded more super-emitting methane leaks in Turkmenistan's oil and gas fields than in any other country, and in 2022 the leaks from two fields alone warmed the climate more than Britain's carbon emissions for the whole year. Fixing the leaks would cost little by the standards of the industry; in a closed state with no free press and no independent regulator, no one is made to do it.

Worked example — What the Gas Earns

Start from what Turkmenistan's gas sales to China earn a year (5b). Suppose the state keeps half after the costs of producing the gas: about $4.3 billion. Spread across the 7.1 million people of the official census, it is worth roughly $600 a person — about a seventh of Brunei's figure in Module 3. The difference is not only volume and price. Turkmenistan sells mostly to a single buyer through one route, and so cannot charge what gas is worth elsewhere; Brunei ships its gas by tanker and can sell it to any buyer.

Module 6 — Djibouti

The Landlord of the Strait

Recommended Reading / Reference

Book: Robert Kaplan, *Monsoon* (2010) — the Indian Ocean as the center of great-power competition, and the ports that matter in it

Reference: The IMF's Article IV reports on Djibouti and International IDEA's democracy tracker

At a glance	As of October 2026
Leader	President Ismaïl Omar Guelleh, 78 — in office since May 1999 (27.4 years); won a sixth term with 97% of the vote on April 10, 2026
System	Presidential republic under one-party dominance
Freedom House	Not Free
Population	1.20 million (2026)
Land area	23,180 km² (8,950 sq mi)
Religion	Muslim about 94% (Sunni), Christian about 6% (estimates)
People	Somali, mainly Issa, about 60%; Afar about 35%; Arab, French, Ethiopian, and others about 5% (estimates); median age 26; 79% urban
Minimum wage	Could not be confirmed

As of October 2026; ages and years in office as of October 6. Population, median age, and urban share: UN estimates for mid-2026; land area: World Bank. Religion and ethnicity: latest census or estimates, as marked. Wages converted at the exchange rate shown.

6a. The Story

Djibouti is a hot, dry country at the mouth of the Red Sea, on the Bab el-Mandeb strait. Before the Houthi attacks on shipping began in late 2023, roughly a tenth of world trade passed its coast on the way between the Suez Canal and the Indian Ocean. That location is almost its whole economy. Djibouti rents it out in two ways: as the port for Ethiopia, a landlocked country of nearly 140 million, and as a site for foreign military bases. No other place on earth hosts the armed forces of so many rival powers side by side.

France, the colonial power until 1977, never left. The United States arrived after the September 11 attacks and built Camp Lemonnier into its only permanent base in Africa. Japan opened its first long-term overseas base since the Second World War there in 2011, to fight piracy, and Italy set up a small one in 2012. In 2017 China opened its first overseas military base, beside the port of Doraleh. A Saudi base has been agreed but frozen. Each rent is small by the standards of the powers paying it and large by the standards of Djibouti's economy.

6b. What It Sells

Measure	Figure	Note
Economy	About $5 billion (2026)	Ports, logistics, and base rents; growth of about 6% a year
Base rents	France €85 million a year (2024 treaty); the United States about $63 million (2014 lease)	China's, Japan's, and Italy's are unpublished
Ethiopia's trade through Djibouti	Over 90%	By road and the railway to Addis Ababa
Public debt	About 67% of GDP (2025)	56% of external debt owed to China's Export-Import Bank (2023)

6c. The Ports and the Debt

Djibouti's other business is being Ethiopia's gateway. Ethiopia lost its coast when Eritrea became independent in 1993, and its war with Eritrea in 1998 sent almost all its trade through Djibouti. To serve it Djibouti built new ports and, with Ethiopia, an electric railway to Addis Ababa, inaugurated in 2016 and in commercial service from 2018; about $3 billion of Chinese loans paid for most of the line, some $600 million of them Djibouti's. The debts from that building boom are large relative to the economy; in 2023 Djibouti stopped paying its main Chinese lender, which agreed a moratorium while new terms are negotiated. In 2018 Djibouti seized the Doraleh container terminal from its operator, DP World. A London tribunal confirmed in October 2025 that the seizure was unlawful, and about $685 million of earlier awards remain unpaid. The episode made investors wary and moved the port closer to China.

The business has competitors and risks. Ethiopia wants its own sea access. Its 2024 deal with Somaliland stalled (Module 9); in April 2026 it turned down Djibouti's offer of a 60% stake in the port of Tadjourah, holding out for a corridor of its own; and in October 2026, days after breaking relations with Eritrea, its prime minister again promised Ethiopians an outlet to the sea. The two governments still build together — in September 2026 they launched a $660 million fuel pipeline with the Nigerian industrialist Aliko Dangote — but the IMF warns of trade diverted to other ports. The Houthi attacks diverted shipping around Africa. After the Saudi-Houthi war resumed in July 2026, the Houthis seized Perim island and posts around the strait, Yemenis began crossing to Djibouti by the thousands, and Red Sea traffic fell below a third of its level before the attacks. A country that lives on location feels every change in who uses the route.

6d. The President

Ismaïl Omar Guelleh succeeded his uncle, the first president. He removed term limits in 2010 while adding an age limit of 75, which would have ended his rule in 2026. In November 2025 parliament removed the age limit; at the next election he faced a single challenger, with most of the opposition boycotting the vote or backing him, and he then reappointed Abdoulkader Kamil Mohamed, prime minister since 2013. None of the governments with bases in Djibouti is reported to have objected. For them, a stable host on the strait matters more than how he stays in office, and that is the logic of the landlord state: its rent buys protection for its ruler as well as for its tenants.

Module 7 — Mauritius and the Chagos

An Island's Success and Its Lost Archipelago

Recommended Reading / Reference

Book: Philippe Sands, *The Last Colony* (2022) — the Chagossians' expulsion and the legal fight that followed, by a lawyer for Mauritius

Reference: The International Court of Justice's 2019 advisory opinion on the Chagos Archipelago, and the UK Parliament's papers on the 2025 treaty

At a glance	As of October 2026
Leader	Prime Minister Navin Ramgoolam, 79 — in office since November 2024 (1.9 years); also prime minister 1995–2000 and 2005–14
Head of state	President Dharam Gokhool, 76 — in office since December 2024 (1.8 years); ceremonial
System	Parliamentary republic
Freedom House	Free
Population	1.27 million (2026)
Land area	2,030 km² (784 sq mi)
Religion	Hindu 48%; Christian 32%; Muslim 18% (2022 census)
People	Indo-Mauritian about two-thirds, Creole about a quarter, with Sino-Mauritian and Franco-Mauritian minorities (estimates; ethnicity not recorded since 1972); median age 39; 41% urban
Minimum wage	17,745 rupees a month from January 2026 ($374 at 47.4 rupees = $1, September 2026)

As of October 2026; ages and years in office as of October 6. Population, median age, and urban share: UN estimates for mid-2026; land area: World Bank. Religion and ethnicity: latest census or estimates, as marked. Wages converted at the exchange rate shown.

7a. The Island That Beat the Forecast

In 1961 James Meade, who later won the Nobel Prize in economics, studied Mauritius and predicted failure. It had one crop, sugar, a fast-growing population, and deep divisions among the descendants of Indian laborers, African slaves, French planters, and Chinese traders. He was wrong. After independence in 1968 Mauritius built an export-processing zone that made textiles for Europe, then added tourism, then offshore finance. It kept regular elections, a free press, and a welfare state, and it has no standing army; the Special Mobile Force does the work. By the 2010s it was one of the richest countries in Africa per person, a record rarely matched on the continent. Its democracy still turns governments out: in November 2024 Navin Ramgoolam's Alliance du Changement won 60 of the 62 elected seats.

7b. What It Sells

Measure	Figure	Note
Economy	About $17 billion (2026); about $13,500 a person	Growth of about 3.2% in 2025/26
Public debt	About 88% of GDP (June 2026)	Its budgets have counted on Chagos payments that have not come
The Chagos	More than 60 islands in seven atolls, about 2,000 km to the northeast	Diego Garcia hosts a British-American base

7c. The Expulsion

The Chagos Archipelago was administered as part of colonial Mauritius. In 1965, as independence approached, Britain detached the islands and paid Mauritius £3 million, then agreed to let the United States build a base on the largest island, Diego Garcia. The islands' inhabitants, the Chagossians, about 2,000 people whose families had lived there for generations, were removed between 1967 and 1973 and left, mostly destitute, in Mauritius and the Seychelles. Diego Garcia became one of the most important American bases outside the United States, used for bombers and ships in the Gulf wars and Afghanistan.

Mauritius argued for decades that the separation was illegal. In 2019 the International Court of Justice advised, by 13 votes to 1, that Britain's decolonization of Mauritius had not been lawfully completed and that it should end its administration of the islands as rapidly as possible. The UN General Assembly backed the opinion by 116 votes to 6, and in 2021 a special chamber of the International Tribunal for the Law of the Sea treated the sovereignty question as settled. Britain disputed the opinion's force but opened talks.

7d. The Treaty and Why It Stalled

On May 22, 2025, Britain and Mauritius signed a treaty transferring sovereignty over the archipelago to Mauritius, under which Britain would lease Diego Garcia for 99 years, extendable by agreement, for payments averaging about £101 million a year. Ramgoolam had renegotiated the draft he inherited so that the payments rise with inflation and any extension needs Mauritius's consent. The United States backed the deal at signing. Britain's lower house passed the implementing bill in October 2025, but it met resistance in the unelected upper house, which voted to require a referendum of Chagossians, and from Chagossians who wanted a say — many would rather remain British than Mauritian, and in March 2026 a court in the territory affirmed their right to live on their home islands. In January 2026 President Trump turned against the deal, and in April the bill lapsed for want of American support. On September 22, 2026, Trump told Britain's prime minister, Andy Burnham, that the deal was 'terrible'; the next day the British government said it would go 'back to the drawing board' with Washington and make no payments for now. Mauritius threatened in October to go to court. The treaty is signed but ratified by neither side, and Britain still administers the islands.

Worked example — The Price of a Lease

Payments averaging £101 million a year are about $135 million at current exchange rates. For Britain, that is a small line in a defense budget of about £66 billion — about 0.15%. For Mauritius it is close to 1% of GDP and a noticeable share of public revenue, every year for a century. The asymmetry explains both sides. Mauritius gains sovereignty and a steady rent; Britain and the United States keep a base they regard as irreplaceable at a price they can easily afford. The stalling of the treaty shows what the arithmetic leaves out: the Chagossians, whose claim is to return home rather than to be paid, and the American president, whose consent turned out to be the deciding term.

Module 8 — Palau

A Small State Between Two Powers

Recommended Reading / Reference

Book: Graeme Smith and Terence Wesley-Smith, eds., *The China Alternative: Changing Regional Order in the Pacific Islands* (2021) — how the islands' governments deal with Beijing and the West

Reference: The US Department of the Interior's Office of Insular Affairs (the compacts) and the Palau government's national statistics

At a glance	As of October 2026
Leader	President Surangel Whipps Jr., 58 — in office since January 2021 (5.7 years)
System	Presidential republic in free association with the US
Freedom House	Free
Population	18,000 (2026)
Land area	460 km² (178 sq mi)
Religion	Catholic 46.9%, Protestant 30.9%, Modekngei 5.1%, Muslim 4.9% (2015 census)
People	Palauan about 73%, Filipino about 16%, other Asian about 5% (2015 census); median age 40; 83% urban
Minimum wage	US$5.00 an hour since October 1, 2025, for all but foreign workers

As of October 2026; ages and years in office as of October 6. Population, median age, and urban share: UN estimates for mid-2026; land area: World Bank. Religion and ethnicity: latest census or estimates, as marked. Wages converted at the exchange rate shown.

8a. The Story

Palau is an archipelago of about 340 islands east of the Philippines, with fewer people than a small American town. Spain, Germany, and Japan ruled it in turn; the United States took it in 1944 after one of the Pacific war's bloodiest battles, on Peleliu, and administered it for fifty years, most of them as a UN trust territory. In 1994 Palau became independent. Under the Compact of Free Association, Washington is responsible for Palau's defense and may use its territory for military purposes; Palauans may live, work, and serve in the American military without visas; and the United States pays economic aid. Palau uses the dollar and has no army of its own.

8b. What It Sells

Measure	Figure	Note
Economy	About $300 million a year	Tourism, aid, and fishing licenses
Compact funding (2024-43)	About $889 million over 20 years	Signed in 2023; funding approved in Washington in March 2024
Tourism	About 66,000 visitors (fiscal 2025)	Chinese arrivals alone peaked at about 91,000 in 2015

8c. Taiwan, China, and the Tourists

Palau has recognized Taiwan since 1999 and is one of the dozen countries that still do. Beijing has tried to change that with the tool that works best on small economies: tourists. After Chinese tour groups became Palau's largest source of visitors in the mid-2010s, China in late 2017 told its travel agencies to stop selling Palau packages, and visitor numbers fell sharply. Hotels built for the Chinese market emptied. Palau held its position, and its presidents have leaned further toward Washington. The United States has been building a long-range radar on the islands, despite lawsuits by two of Palau's states; President Whipps has offered to host more American forces; and in December 2025 Palau agreed to take up to 75 people deported from the United States, in return for aid. The compact renewal was America's answer to Chinese offers across the Pacific. In September 2026 Palau hosted the Pacific Islands Forum's leaders in Koror, with Taiwan invited as the Forum's sole 'development partner' and its foreign minister in the same room as China's envoy.

8d. The Ocean

Palau's other export is an idea about the sea. In 2009 it declared the world's first shark sanctuary. In 2015 it passed a law closing about 80% of its exclusive economic zone — an area nearly the size of France — to commercial fishing, keeping a fifth for local fishermen. The ban took full effect in 2020, and attempts in 2021 and 2022 to reopen part of it to foreign fleets were stopped by public opposition. Since 2017 every visitor has had to sign a pledge, stamped into the passport, to behave responsibly. The sanctuary costs Palau some fishing-license revenue and gains it a reputation that sells high-end tourism. Enforcing it across hundreds of thousands of square kilometers with a few patrol boats depends on help from the United States, Japan, and Australia.

Worked example — The Compact per Person

Spread over twenty years, the renewed compact provides about $44 million a year. For each resident that is roughly $2,500 a year — money that pays for government operations, infrastructure, and a trust fund meant to replace aid over time — and it equals some 15% of the economy. For the United States, the whole twenty-year sum is less than the price of a single modern destroyer. The deal is cheap for the great power and transformative for the small one, which is why the competition for the Pacific's small states is so often fought with budget support, radar sites, and tourist flows rather than force.

Module 9 — Somaliland

The Country That Isn't

Recommended Reading / Reference

Book: Mark Bradbury, *Becoming Somaliland* (2008) — how clan conferences built a working state out of a civil war

Reference: The International Crisis Group's Horn of Africa reports and the African Union Peace and Security Council's records

At a glance	As of October 2026
Leader	President Abdirahman Mohamed Abdullahi ('Irro'), 69 or 70 (born 1956) — in office since December 2024 (1.8 years); Waddani; won 64% of the vote as the opposition candidate in November 2024
System	Presidential republic; self-declared independent since 1991 and recognized only by Israel (since December 2025)
Freedom House	Partly Free (rated as a territory)
Population	No UN figure and no census in decades; estimates run from 3.5 million (a UN Population Fund survey, 2014) to about 6 million (Somaliland sources, 2024)
Land area	176,120 km² (68,000 sq mi); the borders of British Somaliland, as claimed; the east around Las Anod has been held since 2023 by an administration that became a Somali federal state in 2025
Religion	Muslim nearly 100% (Sunni; Islam the state religion)
People	Somali, by clan family: the Isaaq the largest, with the Dir (Gadabuursi and Issa) in the west and the Harti (Dhulbahante and Warsangeli) in the east; no census shares; median age not estimated separately (17 for Somalia as a whole); no UN urban estimate
Minimum wage	No statutory minimum found

As of October 2026; ages and years in office as of October 6. The UN and the World Bank publish no separate figures for Somaliland, so its population, land area, and median age are the estimates, the territory it claims, and Somalia's figure, as shown.

9a. The Story

For five days in June 1960 Somaliland was an independent country. Britain gave its protectorate independence on June 26, and on July 1 it joined the former Italian Somaliland to form the Somali Republic. The union went badly. Under the dictator Siad Barre, the northern Isaaq clan was persecuted, and in 1988 his forces bombed Hargeisa, the northern capital, killing tens of thousands and flattening most of the city. When Barre's regime collapsed, the north declared on May 18, 1991 that the union was over and Somaliland had resumed its independence.

What happened next is unusual. While southern Somalia fell into three decades of civil war, famine, and piracy, Somaliland built a state. Clan elders met in long conferences, most famously at Borama in 1993, and agreed on a government. It issued its own currency, passports, and license plates, formed an army and police, and held elections. In the 2003 presidential election the count gave the winner an 80-vote margin, and after a court challenge the loser accepted it. Incumbents have since lost and handed over power twice, in 2010 and in 2024. By the standards of its region Somaliland is a working democracy, if a strained one: in April 2026 its unelected House of Elders, itself last chosen in 1997, extended the terms of parliament and the local councils by 27 months, to October 2028.

9b. What It Sells

Measure	Figure	Note
Economy	Livestock exports to the Gulf, remittances, and the port of Berbera	
Berbera port	Run by DP World (51%) with the government (49%)	A $442 million, 30-year concession signed in 2016
Currency	The Somaliland shilling, since 1994	About 10,000 to the dollar on the street (2025); dollars and mobile money circulate beside it

9c. Why Recognition Is Withheld

The African Union's founding principle is that colonial borders stand, because redrawing one would invite claims across the continent. Somalia claims Somaliland as part of its territory, and most governments defer to Mogadishu and to the African Union. Somaliland's answer is that it is not seceding but restoring a border that existed at independence and was recognized then — the argument that carried Eritrea's case, and different from a region breaking away from a colonial-era state. The argument has persuaded analysts more than governments.

9d. The Port and the Deals

Somaliland's strongest card is Berbera, a deep-water port on the Gulf of Aden. On January 1, 2024, Ethiopia signed a memorandum with Somaliland to lease 20 kilometers of coast for a naval base, in return for considering recognition. Somalia called it an act of aggression; Turkey mediated between Ethiopia and Somalia, and the deal stalled. Then, on December 26, 2025, Israel became the first UN member to recognize Somaliland, describing the move as in the spirit of the Abraham Accords. Somalia rejected it, the UN Security Council and the African Union held emergency sessions, and fifteen Arab and Muslim states condemned Somaliland's plan for an embassy in Jerusalem, which opened in June 2026. Israel has since sent an ambassador. The Houthis threatened Somaliland in January 2026, and reports have since described Emirati and Israeli military use of Berbera's airfield, which Hargeisa denies.

The prize Somaliland wants is Washington. Early in 2026 it offered American forces access to Berbera and its minerals. In September Irro made his first official visit to the United States, met think tanks and lawmakers, offered soldiers for a stabilization force in Gaza, and went home without recognition or an agreement. The United States works with Hargeisa on security but continues to recognize Somalia's sovereignty over the territory. American recognition would probably bring others; without it, Somaliland remains what it has been since 1991: a state in everything but name.

Worked example — What Recognition Buys

Consider what Somaliland cannot do. It cannot borrow from the World Bank's concessional arm or the IMF, which lend only to members; when Somalia received about $4.5 billion of debt relief in 2023, Somaliland was outside it. Its banks struggle to connect to the international payments system, so remittances — a large share of household income — travel through informal networks, and foreign investors, airlines, and shippers face uncertain legal standing. Its whole government budget was about $400 million in 2025. If recognition brought even the modest development lending a country of its size normally receives — a few hundred million dollars a year — it would add something like half to everything the government spends. That is the value of a word no government would say for 34 years, until one did.

Module 10 — Paraguay

The Dam, the Dictator, and Taiwan's Last Friend

Recommended Reading / Reference

Book: Thomas Whigham, *The Road to Armageddon: Paraguay versus the Triple Alliance* (2017) — the war that emptied the country, by its leading historian

Reference: Itaipú Binacional's annual reports and the Central Bank of Paraguay's statistics

At a glance	As of October 2026
Leader	President Santiago Peña, 47 — in office since August 2023 (3.1 years); Colorado Party; single term to August 2028
System	Presidential republic
Freedom House	Partly Free
Population	7.10 million (2026); the 2022 census counted 6.11 million, and the statistics institute estimated 6.42 million for 2025
Land area	397,300 km² (153,400 sq mi)
Religion	Catholic 88.3%, Protestant 6.8%, no religion 2.6% (Latinobarómetro, 2018)
People	Mostly mestizo; Guaraní is spoken by most of the population alongside Spanish; Indigenous peoples about 2% (estimates); median age 28; 64% urban
Minimum wage	3,044,000 guaraníes a month since July 1, 2026 (US$535 at 5,694 guaraníes = US$1, central bank, October 9, 2026)

As of October 2026; ages and years in office as of October 6. Population, median age, and urban share: UN estimates for mid-2026; land area: World Bank. Religion and ethnicity: latest census or estimates, as marked. Wages converted at the exchange rate shown.

10a. The Story

Paraguay is a landlocked country in the heart of South America, and its history is defined by two catastrophes and a dam. In 1864 its dictator, Francisco Solano López, went to war with Brazil, and within months with Argentina and Uruguay as well. The War of the Triple Alliance lasted until 1870 and killed a larger share of a country's population than almost any modern war — by most estimates more than half, and the great majority of its men. In the 1930s Paraguay fought Bolivia for the Chaco and won. Then, from 1954 to 1989, General Alfredo Stroessner ruled for 35 years, one of the longest dictatorships in the hemisphere, through the Colorado Party, which has governed for all but five years since 1947. Its grip held in the municipal elections of October 4, 2026, when it won a record 187 of 263 mayoralties, though the opposition took the capital, Asunción, by about 5,000 votes.

10b. What It Sells

Measure	Figure	Note
Economy	About $49 billion (2025)	Soybeans, beef, and electricity; growth of 6.6% in 2025
Itaipú	14 gigawatts	Opened 1984; record output of 103 terawatt-hours in 2016
Electricity	Almost entirely hydropower	Itaipú alone met 88% of Paraguay's use in 2025

10c. Itaipú

The dam on the Paraná River at Itaipú, built by Brazil and Paraguay under a 1973 treaty, is one of the largest hydroelectric plants in the world. Each country owns half its output. Brazil, with about 213 million people, uses all of its half and more; Paraguay uses only part of its share and, under the treaty, must sell the rest to Brazil at a price based on the dam's costs plus a compensation payment, far below what the power would fetch on an open market. For decades Paraguayans have argued the terms were imposed by a dictatorship on its weaker partner. The treaty's financial annex was due for revision after fifty years, in 2023. With the construction debt paid off, the two governments agreed in 2024 on a tariff of $19.28 per kilowatt-month for 2024-26, on the principle that from 2027 the tariff should cover only the cost of running the dam — roughly half the old level, by Brazilian estimates — and on letting Paraguay sell part of its surplus on Brazil's open market. The new tariff is still not agreed. Talks broke down in 2025 over Brazilian spying on Paraguay's negotiators and resumed in 2026, and in October President Peña said there was no news, with both sides waiting on Brazil's election.

10d. Taiwan's Last Friend

Paraguay has recognized Taiwan since July 1957, when both were anti-communist dictatorships, and it is now Taiwan's only diplomatic ally in South America. Every government since has been lobbied to switch, by farmers as well as by Beijing: China is the largest buyer of South American soybeans and beef. Taiwan has answered with aid, scholarships, and investment, and Paraguay's presidents have stayed. The 2023 election was fought partly on the question — the opposition's candidate promised to switch — and Peña won promising to keep the relationship. On a state visit to Taipei in May 2026 he called Paraguay Taiwan's 'staunchest ally' and agreed to build an artificial-intelligence hub with it. The cheap power has brought one new kind of investor: Bitcoin miners, who by 2026 held about 4% of the world's mining capacity, some of them connected to the grid illegally, which the government has fought with a 2024 law carrying prison terms of up to ten years.

Worked example — The Dam's Arithmetic

In 2025 Itaipú produced about 73 terawatt-hours. Paraguay's half was about 36, of which it used about 26 and ceded about 10 to Brazil. If it could sell those 10 terawatt-hours at a regional wholesale price of about $50 a megawatt-hour, they would earn about $500 million a year — about 1% of Paraguay's economy. Under the treaty it received about $165 million in compensation for ceding the power, beside about $250 million in royalties. The gap, a few hundred million dollars a year, is what the renegotiation is about — and it shrinks every year as Paraguay uses more of its own half, for industry, data centers, Bitcoin mining, and electrified transport, which is why its governments court energy-hungry investors.

Module 11 — Eswatini

Africa's Last Absolute Monarchy

Recommended Reading / Reference

Reference: Freedom House's *Freedom in the World* country report on Eswatini, and UNAIDS country data on its HIV response

At a glance	As of October 2026
Leader	King Mswati III, 58 — in office since April 1986 (40.4 years); absolute monarch
System	Absolute monarchy; political parties are banned
Freedom House	Not Free
Population	1.27 million (2026)
Land area	17,200 km² (6,640 sq mi)
Religion	Christian 89%, mostly Protestant and Zionist churches (2017 census)
People	Swazi about 97%, with Zulu and European minorities (estimates); median age 24; 25% urban
Minimum wage	Sector minimums only: from 1,366 emalangeni a month in day care and 1,453 for domestic workers ($82 and $87 at 16.68 emalangeni = $1)

As of October 2026; ages and years in office as of October 6. Population, median age, and urban share: UN estimates for mid-2026; land area: World Bank. Religion and ethnicity: latest census or estimates, as marked. Wages converted at the exchange rate shown.

11a. The Story

Eswatini is a small, mountainous kingdom almost surrounded by South Africa. Its king, Mswati III, was crowned at 18; his father, Sobhuza II, reigned for 82 years, the longest verifiable reign of any monarch in recorded history. In 1973 Sobhuza repealed the constitution and banned political parties. In 2018 Mswati renamed the country from Swaziland to Eswatini by announcement at his 50th birthday celebration. The country is Africa's last absolute monarchy: the king can dissolve parliament and controls a large share of the economy through a royal investment fund.

11b. What It Sells

Measure	Figure	Note
Revenue	About 40% from the Southern African Customs Union	Tariffs set largely by South Africa; receipts fell a fifth in 2025/26
Recognition	Taiwan, since 1968	Taiwan's last ally in Africa

11c. How the Kingdom Is Governed

Eswatini holds elections, but under the Tinkhundla system candidates run as individuals in local constituencies, without parties, and the king appoints the prime minister, the cabinet, and some members of both houses. Real power runs through the royal family and the chiefs. In June and July 2021, protests demanding democracy spread across the country and were put down by the security forces; scores were killed, and no one has been held to account. In January 2023 the human-rights lawyer Thulani Maseko, a leading voice for reform, was shot dead at his home, and no one has been arrested. The royal court's

spending — palaces, luxury cars, a private jet — sits beside rural poverty and unemployment of about a third, and the contrast is the monarchy's weak point.

11d. The Epidemic and Its Turnaround

Eswatini has the highest HIV rate in the world: nearly a quarter of adults aged 15 to 49 carry the virus. In the 2000s life expectancy fell below 50. What followed is one of global health's success stories. With money from PEPFAR and the Global Fund, the country expanded testing and treatment until, around 2020, it was reported to be the first African country to meet the UN's targets of 95% of people with HIV diagnosed, 95% of them on treatment, and 95% of those with the virus suppressed, though the latest estimates put the second and third measures just under 95%. New infections fell sharply. The success depended on foreign funding, which is why the American aid cuts of 2025 were felt hard there: in June 2025 the largest referral hospital closed for two days for lack of medicines and staff. In December 2025 Eswatini became the first African country to give lenacapavir, a preventive injection taken twice a year, and signed a five-year health agreement with Washington.

11e. The Deportees

In May 2025 Eswatini agreed to accept deportees from the United States who were citizens of other countries — up to 160 people, for $5.1 million. The first five men, from Vietnam, Jamaica, Laos, Cuba, and Yemen, arrived in July 2025 and were held in the maximum-security prison at Matsapha. By the end of August 2026 five flights had brought 32 men, and in September 26 of them were still detained. Lawyers in Eswatini challenged the arrangement; a court dismissed the challenge in February 2026, and in April the country's highest court ruled that the detainees must be allowed to see lawyers. For a small monarchy dependent on outside money and friendly governments, accepting another country's deportees was a way to earn goodwill in Washington — the same logic, in a harder form, as Naoero's detention center in Module 4. Its other patron, Taiwan, received the king in October 2026, on his twentieth visit.

Module 12 — Moldova

The Country Between

Recommended Reading / Reference

Book: Charles King, *The Moldovans* (2000) — Romania, Russia, and the politics of identity in the country between them

Reference: The European Commission's enlargement reports on Moldova and the Moldovan Central Electoral Commission

At a glance	As of October 2026
Leader	President Maia Sandu, 54 — in office since December 2020 (5.8 years)
Head of government	Prime Minister Vasile Tofan, 44 — in office since July 2026 (0.2 years); governs with the Party of Action and Solidarity's majority
System	Parliamentary republic with a directly elected president
Freedom House	Partly Free
Population	2.96 million (2026); UN estimate, including Transnistria; the 2024 census of the territory the government controls counted 2.42 million
Land area	32,850 km² (12,680 sq mi)
Religion	Orthodox Christian, over 90% (2014 census)
People	Moldovans about 77%, Romanians about 8%, Ukrainians about 5%, Gagauz about 4%, Russians about 3% (2024 census, excluding Transnistria); median age 40; 44% urban
Minimum wage	6,300 lei a month since January 2026 ($352 at the National Bank of Moldova's 17.90 lei = $1, October 9, 2026)

As of October 2026; ages and years in office as of October 6. Population, median age, and urban share: UN estimates for mid-2026; land area: World Bank. Religion and ethnicity: latest census or estimates, as marked. Wages converted at the exchange rate shown.

12a. The Story

Moldova lies between Romania and Ukraine, and it has spent its independence caught between Europe and Russia. Most Moldovans speak Romanian, and the country was part of Romania between the world wars; before that it was ruled by the Russian Empire, and after, by the Soviet Union. When the Soviet Union dissolved, the narrow strip of land east of the Dniester River, with a large Russian-speaking population and a Soviet army, broke away. A short war in 1992 ended with a ceasefire that left Transnistria, home to about 370,000 to 450,000 people, as an unrecognized state with about 1,500 Russian troops and one of the largest ammunition depots in Eastern Europe, at Cobasna. Hundreds of thousands of Moldovans work abroad.

12b. The Theft of the Century

Between 2012 and 2014 about $1 billion was drained from three Moldovan banks through a web of loans to shell companies, most of it in the last week of November 2014, just before an election. It was one of the largest bank frauds in the world relative to the size of an economy. The state covered the banks' deposits with emergency loans. The businessman Ilan Shor was convicted — his sentence was raised to 15 years, in his absence, in 2023 — and fled, eventually to Russia, from where he has run pro-Russian parties and, prosecutors say, vote-buying networks. Vlad Plahotniuc, the oligarch who dominated Moldovan politics in

the 2010s, fled in 2019, was extradited from Greece in September 2025, and in April 2026 was sentenced to 19 years in prison; he is appealing.

12c. Europe, Russia, and the Gas

Maia Sandu, a former World Bank economist, won the presidency on an anti-corruption platform and set Moldova toward the European Union. It became a candidate in 2022 and opened accession talks in 2024. In October 2024 a referendum to write the EU goal into the constitution passed with 50.35% of the vote, after the authorities documented a vote-buying scheme run from Russia that paid some $39 million to more than 138,000 people; Sandu won re-election the next month. On January 1, 2025, Russian gas stopped reaching Transnistria when the transit route through Ukraine closed. The region's power plant, which had supplied most of the rest of Moldova's electricity from cheap Russian gas, cut output, and Transnistria suffered blackouts while Moldova bought power from Romania. Since February 2025 the region has run on gas bought through a Hungarian trader with Russian money, a supply that broke down again in March 2026.

In September 2025 Sandu's party kept its majority, with 55 of 101 seats. In 2026 Moldova opened two of the six clusters of its EU negotiations, in June and July, and signed the decrees taking it out of the Commonwealth of Independent States. The country between has chosen a side; the breakaway strip and the Russian troops remain.

Worked example — The Theft Against the Economy

Moldova's economy was about $8 billion in 2014, so a $1 billion theft was about 12.5% of it. Scaled to the American economy of today, it would be like losing about $4 trillion — about two years of federal deficits — to three banks in a few days. The state's bailout converted the loss into debt worth hundreds of dollars for every Moldovan, to be repaid over 25 years from a budget that also pays pensions in one of Europe's poorest countries. That is why the theft still shapes Moldovan politics a decade later: it discredited a generation of politicians, created the anti-corruption movement that elected Sandu, and handed its organizers money and motive to fight the result from Moscow.

Module 13 — Tuvalu

A Nation Planning for Its Own Disappearance

Recommended Reading / Reference

Book: Bill McKibben, *Falter* (2019) — the climate chapters frame the choices the atoll nations face

Reference: The Australian Department of Foreign Affairs and Trade's Falepili Union documents and the Tuvalu Central Statistics Division

At a glance	As of October 2026
Leader	Prime Minister Feleti Teo, 63 — in office since February 2024 (2.6 years)
Head of state	King Charles III, 77 — in office since September 2022 (4.1 years); ceremonial; represented by Governor-General Temukisa Auina Penehuro Hauma since September 2026
System	Parliamentary constitutional monarchy with no political parties
Freedom House	Free
Population	9,000 (2026); UN estimate; Tuvalu's 2022 census counted 10,643
Land area	30 km² (12 sq mi)
Religion	Church of Tuvalu (Congregational) about 86% (2012 census)
People	Tuvaluan (Polynesian) about 96%, I-Kiribati about 2% (2012 census); median age 25; 67% urban
Minimum wage	None set by law for private employers; the public service has its own pay scale

As of October 2026; ages and years in office as of October 6. Population, median age, and urban share: UN estimates for mid-2026; land area: World Bank. Religion and ethnicity: latest census or estimates, as marked. Wages converted at the exchange rate shown.

13a. The Story

Tuvalu is nine low coral islands in the central Pacific. Its most populated atolls stand about two meters above the sea, and its highest point, on Niulakita, is 4.6 meters. The sea around it has risen about twice as fast as the global average, and king tides already flood parts of Funafuti, the capital atoll, where most people live; much of the country's land could be under the sea by the end of the century. Few countries face the question Tuvalu faces: not how to adapt, but whether the state can outlive its territory. Several thousand Tuvaluans already live abroad, most of them in New Zealand.

13b. What It Sells

Measure	Figure	Note
The .tv domain	About $8-10 million a year, roughly an eighth of GDP	'.tv' reads as television; licensed out since 1998, to GoDaddy since 2021
Other income	Fishing licenses, aid, and a trust fund	The fund was set up in 1987 by Britain, Australia, and New Zealand
Recognition	Taiwan	One of its three allies left in the Pacific

13c. The Treaty with Australia

In November 2023 Tuvalu and Australia signed the Falepili Union, which came into force in August 2024. It gives up to 280 Tuvaluans a year the right to move to Australia to live, work, and study, with access to health care and education, chosen by ballot. Australia also committed to help Tuvalu respond to disasters, pandemics, and military aggression, and in return Tuvalu agreed that any security or defense arrangement it makes with another country needs Australia's agreement. The first ballot, in mid-2025, drew 8,750 registrations, counting dependents, for the 280 places; by April 2026 more than 100 people had moved, and a second ballot ran in May. The treaty is the first of its kind: a migration pathway designed for a country that may become uninhabitable.

13d. A State Without Land

Tuvalu has also prepared for the possibility that its land disappears entirely. In 2023 it amended its constitution to declare that the state and its maritime boundaries will continue permanently, whatever happens to its territory, and asked other countries to recognize that principle; 26 had done so by the end of 2023, and in September 2026 the United Nations adopted by consensus a political declaration that statehood and maritime zones continue despite rising seas. Tuvalu has begun digitizing its records, culture, and government services as a 'digital nation,' starting with laser scans of all its islands. And it is building land where it can: on Funafuti it has raised 15 hectares of new, higher ground from dredged sand, with 10 more under way, to give the capital a refuge above future tides.

Worked example — The Migration Arithmetic

At 280 people a year, the Falepili pathway could move about 2,800 Tuvaluans in a decade and 7,000 in 25 years — roughly a quarter of the population counted in the 2022 census within ten years, and most of it within a generation, if every place were used and few returned. Families moving together would speed the shift, and remittances from Australia would support those who stay. The numbers show the treaty's two faces. It is a lifeline: no Tuvaluan need wait for the last high tide. It is also a slow emptying: a nation of about 10,000 losing a few percent of its people each year may reach the point where its schools, clinics, and government cannot be staffed long before the sea arrives. That is why Tuvalu pairs the migration route with land-raising and the constitutional claim to permanence.

Module 14 — Bhutan

The Kingdom That Measures Happiness

Recommended Reading / Reference

Book: Karma Ura and others, *A Short Guide to Gross National Happiness Index* (Centre for Bhutan Studies, 2012) — the index in its authors' own words

Reference: The National Statistics Bureau of Bhutan and Human Rights Watch's reporting on the Lhotshampa refugees

At a glance	As of October 2026
Leader	King Jigme Khesar Namgyel Wangchuck, 46 — on the throne since December 2006 (19.8 years); a constitutional monarch since 2008; the constitution requires the king to step down at 65
Head of government	Prime Minister Tshering Tobgay, 61 — in office since January 2024 (2.7 years); People's Democratic Party; also prime minister 2013–18
System	Constitutional monarchy with an elected parliament since 2008
Freedom House	Free
Population	802,000 (2026); UN estimate; Bhutan's own projection for 2024 was about 777,000
Land area	38,140 km² (14,730 sq mi)
Religion	Buddhist about 75%, Hindu about 23% (estimates; the census does not record religion)
People	Ngalop about 50%, people of Nepali origin (Lhotshampa) about 35%, other indigenous groups about 15% (older estimates; the census records no ethnicity); median age 32; 46% urban
Minimum wage	215 ngultrum a day (about $2.20: the ngultrum is pegged 1:1 to the Indian rupee, about 96.4 = $1 on October 6, 2026); the date it took effect could not be confirmed

As of October 2026; ages and years in office as of October 6. Population, median age, and urban share: UN estimates for mid-2026; land area: World Bank. Religion and ethnicity: latest census or estimates, as marked. Wages converted at the exchange rate shown.

14a. The Story

Bhutan is a Himalayan kingdom between India and China, never colonized and closed to most outsiders until the 1970s. In 1972 its young king, Jigme Singye Wangchuck, said that Gross National Happiness mattered more than Gross National Product. The phrase became a policy: the government measures wellbeing across nine domains — from health and education to cultural diversity, time use, and ecological resilience — and for years screened its policies against them, though the commission that did so was dissolved in 2022. Bhutan's constitution requires at least 60% of the country to remain forested; about 70% is. It absorbs more carbon than it emits, one of the few countries that does.

The same king did something rarer still. Over the objections of many of his subjects, he pushed the country to become a democracy and abdicated in favor of his son. Bhutan held its first parliamentary elections under a new constitution that lets parliament remove the king: a motion tabled by two-thirds of its members must win three-fourths of a joint sitting and then a national referendum. Power has changed hands at every election since.

14b. What It Sells

Measure	Figure	Note
Electricity	About 5,500 gigawatt-hours exported (2024), earning about $240 million	Its largest export
Tourism	About 209,000 visitors (2025)	A fee of $100 a night until August 2027, cut from $200 in 2023

14c. Selling Water to India

Bhutan's rivers fall steeply from the Himalayas, and its economy is built on them. India has financed and built a series of hydropower plants through grants and cheap loans and buys most of their output. In November 2025 India's prime minister and the king inaugurated the 1,020-megawatt Punatsangchhu-II, and in April 2026 work resumed on its larger neighbor, Punatsangchhu-I, halted since 2019 by an unstable slope. Electricity ties the kingdom closely to India, which also supplies most of its imports and has long shaped its foreign policy. Bhutan has no formal diplomatic relations with China, and their border is disputed; boundary experts from the two met again in Beijing in April 2026. The state has found one new use for cheap hydropower: Druk Holding and Investments has mined Bitcoin since about 2019 and built a holding of about 13,000 bitcoins, worth over $1 billion, by late 2024. Blockchain trackers counted about 3,100 left in May 2026, though the company says it does not recall selling any.

14d. The Other Side of Happiness

The happiness story has a harder chapter. In the late 1980s the government began requiring the national dress and language, and a census stripped many Lhotshampa — Nepali-speaking Hindus in the south — of citizenship. After protests, around 100,000 were expelled or fled to camps in Nepal in the early 1990s, about a sixth of the population at the time. Most were resettled in the United States and other countries after 2007. Today's pressure is emigration. Since 2022 more than 6% of the population has left for study and work, above all in Australia, which granted 15,552 visas to Bhutanese in 2022-23 alone; half the migrants hold degrees, and nearly half are civil servants. The answer, announced by the king in December 2023, is Gelephu Mindfulness City: a special administrative region on the Indian border with its own laws, meant to draw investment and give the young a reason to stay. By December 2025 it had approved 28 investors and broken ground on an international airport.

Module 15 — Estonia

The Digital State

Recommended Reading / Reference

Reference: The e-Estonia briefing center's statistics on the digital state, and the Estonian State Electoral Office's internet-voting data

At a glance	As of October 2026
Leader	Prime Minister Kristen Michal, 51 — in office since July 2024 (2.2 years); Reform Party
Head of state	President Ülle Madise, 51 — in office since October 2026 (newly in office); ceremonial
System	Parliamentary republic
Freedom House	Free
Population	1.33 million (2026)
Land area	42,390 km² (16,370 sq mi)
Religion	No religion 58%, Orthodox 16%, Lutheran 8% (2021 census, residents aged 15 and over)
People	Estonians 69.1%, Russians 23.7%, Ukrainians 2.1% (2021 census); median age 44; 70% urban
Minimum wage	€946 a month gross since April 2026, up from €886 ($1,066 at the European Central Bank's $1.1269 = €1, October 6, 2026)

As of October 2026; ages and years in office as of October 6. Population, median age, and urban share: UN estimates for mid-2026; land area: World Bank. Religion and ethnicity: latest census or estimates, as marked. Wages converted at the exchange rate shown.

15a. The Story

When Estonia regained its independence from the Soviet Union in 1991, it had nearly 1.6 million people, almost no money, and a state to build from scratch. Its young leaders decided to build it online. There were few legacy systems to replace, and a small country could not afford a large bureaucracy. Three decades later, almost every public service in Estonia can be used online — divorce, in December 2024, was the last to follow. Filing taxes takes minutes, prescriptions are digital, companies can be founded in an afternoon, and citizens have voted over the internet since 2005, the first country to do so nationally. In the 2023 parliamentary election 51% of votes were cast online, and in the 2025 local elections about 46%.

15b. What It Sells

Measure	Figure	Note
E-residents	More than 144,000 from 185 countries (September 2026)	Their 44,000 companies brought the state €125 million in 2025
Startups	Ten unicorns, from Skype and Wise to Bolt	The most per person in the European Union

15c. How It Works

Two pieces make the system. The first is identity: every resident has a chip-enabled identity card, or a mobile equivalent, that can sign documents with the same legal force as a handwritten signature. The second is the X-Road, launched in 2001, which connects government and private databases without centralizing them. The tax office, the health system, the population register, and the banks keep their own data but can query each other securely, with every access logged and visible to the citizen. The rule that

follows is 'once only': the state may not ask a citizen for information it already holds. The government's own estimate is that digital signatures alone save about 2% of GDP a year in time and paper.

In 2014 Estonia began offering e-residency, which lets foreigners found and run an Estonian company online from anywhere, using European Union banking and payment services. It does not grant citizenship or the right to live in Estonia. It is sovereignty sold as a product, and it has made a small country into a brand.

15d. Life on the Border

The digital state has an enemy next door. In April 2007, after Estonia moved a Soviet war memorial from central Tallinn, its government, banks, and media were hit by weeks of cyberattacks traced to Russia — one of the first such campaigns against a country. Estonia responded by hosting NATO's cyber-defense center, storing backup copies of its critical data in a 'data embassy' in Luxembourg, and building one of Europe's strongest cyber defenses. More than a quarter of its people speak Russian as a first language, and its eastern city, Narva, is almost entirely Russian-speaking and sits across a river from Russia; since 2025 Russian citizens may no longer vote in Estonia's local elections. Russia tests the border: in September 2025 three Russian fighters spent almost twelve minutes in Estonian airspace. The war next door reaches it too: in March 2026, during Ukrainian strikes on a Russian port, a drone that flew in from Russian airspace struck a power-plant chimney near Narva. Estonia now spends more than 5% of GDP on defense, second in NATO by the alliance's estimate, and in October 2026 it announced it would move its main brigade's headquarters closer to the border, to Jõhvi, and build a base in Narva. Its former prime minister, Kaja Kallas, became the EU's foreign-policy chief in 2024. At home the governing coalition lost its majority in August 2026.

Worked example — What a Digital Signature Is Worth

Estonians sign millions of documents digitally each year. Suppose each digital signature saves an average of 30 minutes compared with printing, signing, and delivering a paper one, and that Estonians sign about 30 million documents a year. That is 15 million hours — the equivalent of about 7,500 full-time jobs in a workforce of about 700,000, or about 1% of all hours worked. Add the savings in paper, postage, office space, and the errors avoided when data is entered once, and the government's estimate becomes plausible. The larger return is harder to count: a state whose citizens can reach it in minutes spends less on bureaucracy and can raise taxes with less friction — a small country's advantage turned into a system.

Module 16 — Liechtenstein

A Principality That Sells Its Sovereignty

Recommended Reading / Reference

Book: Nicholas Shaxson, *Treasure Islands* (2011) — the offshore world Liechtenstein belonged to, and how it was pried open

Reference: The Liechtenstein Office of Statistics and the IMF's documents on Liechtenstein's 2024 membership

At a glance	As of October 2026
Leader	Hereditary Prince Alois, 58 — regent since August 2004 (22.1 years); exercises the powers of his father, Reigning Prince Hans-Adam II (born February 14, 1945; reigning since November 1989), who remains head of state
Head of government	Prime Minister Brigitte Haas, 61 — in office since April 2025 (1.5 years); Patriotic Union; the first woman in the post
System	Constitutional monarchy in which the prince holds a veto and can dismiss the government
Freedom House	Free
Population	40,000 (2026); UN estimate; the national statistics office counted 41,237 at the end of 2025
Land area	160 km² (62 sq mi)
Religion	Catholic 69.6% (the state church), no religion 9.6%, Protestant 8.1%, Muslim 6.0% (2020 census)
People	Liechtenstein citizens 64.7%; foreign nationals 35.3%, among them Swiss 9.5%, Austrians 5.8%, and Germans 4.9% of all residents (end of 2025); median age 46; 15% urban
Minimum wage	No statutory minimum; pay floors are set by collective agreements the government makes binding — in carpentry, 3,652 to 5,000 Swiss francs a month from August 2026 ($4,400 to $6,020 at about 0.83 francs = $1, October 6, 2026)

As of October 2026; ages and years in office as of October 6. Population, median age, and urban share: UN estimates for mid-2026; land area: World Bank. Religion and ethnicity: latest census or estimates, as marked. Wages converted at the exchange rate shown.

16a. The Story

Liechtenstein is a principality in the Alps between Switzerland and Austria. The princely family bought its two lordships, in 1699 and 1712, to gain a seat among the rulers of the Holy Roman Empire, and it has ruled ever since. The country has had no army since 1868, uses the Swiss franc, and has shared a customs union with Switzerland since 1924. It is also one of the richest countries on earth per person, and the story of how a farming backwater became that is a story about selling sovereignty.

16b. What It Sells

Measure	Figure	Note
Output	About 7.8 billion Swiss francs (2024); national income of about 175,000 francs a resident (2023)	Output per head is no longer published, because of the cross-border commuters
Jobs	43,330 at the end of 2025, more than the number of residents	57% of workers commute in, mostly from Switzerland and Austria
IMF membership	Since October 2024	The IMF's 191st member

16c. The Prince's Powers

Most European monarchs are ceremonial. Liechtenstein's is not. Under the 2003 constitution, approved by 64% in a referendum after the prince threatened to move to Vienna if he lost, the prince holds the powers listed in the table above and appoints judges together with parliament. In 2011 Alois said he would veto any law legalizing abortion; voters rejected that law anyway, and in July 2012 a campaign to strip the prince of his veto over referendums lost by about three to one. Liechtensteiners appear to value the monarchy as a stable, apolitical guarantee — and the principality's wealth makes the arrangement easy to accept. In August 2026 the princely house changed its own law so that the first-born child, son or daughter, will inherit the throne, though only among heirs not yet born.

16d. Selling Sovereignty

The wealth came from two businesses. The first is industry: Liechtenstein is home to Hilti, its largest employer, and to other specialized manufacturers. The second was finance built on secrecy. Liechtenstein's foundations and trusts let wealthy foreigners hold assets anonymously, and for decades tax authorities could not see through them. That ended in 2008, when it emerged that a former employee of the princely family's bank, LGT, had sold stolen client data to Germany's intelligence service, exposing hundreds of tax evaders, including the head of Germany's postal service. Under pressure from the OECD, Liechtenstein pledged in 2009 to share tax information and has since rebuilt its finance industry on compliance. The principality has also sold its sovereignty in lighter ways: its stamps are collectors' items, and in 2011 the whole country was offered for rent online, at about $70,000 a night. Its size still sets its limits: in 2025 the United States threatened a 37% tariff on its goods, then set 15%, and in November Liechtenstein settled the terms in a joint framework with Switzerland.

Worked example — The Prince's Veto

Consider how the veto works in practice. Liechtenstein's parliament passes a law, or voters approve one in a referendum, and it goes to the prince for sanction. If he withholds it for six months, the law fails. Parliament cannot override him. The people's only remedy is the one the 2003 constitution provides: a referendum of no confidence in the prince, which the princely family's own house law then handles, or a referendum to abolish the monarchy, which would require the voters to approve a new constitution. The design gives the monarch the last word on everything short of the monarchy's own existence — and the voters, asked in 2003 and again in 2012, have chosen to keep it that way.

Module 17 — What Small Countries Sell

The Patterns and the Dates

Recommended Reading / Reference

Book: Clive Archer, Alyson Bailes, and Anders Wivel, eds., *Small States and International Security* (2014) — how small states survive among large ones

Reference: The World Bank's small-states data and the International Court of Justice's docket

17a. Six Things to Sell

The sixteen countries of this course have little in common except size and a story. Read together, they show the handful of things a small state can sell to a world that would otherwise ignore it. Most sell more than one.

What it sells	Countries	What decides whether it works
A windfall	Guyana, Botswana, Brunei, Turkmenistan; Naoero until its phosphate ran out	Institutions that save and manage the money, and whether there is more than one buyer
Location	Djibouti, Palau, Mauritius (through the Chagos lease), Somaliland (through Berbera)	Whether the great powers keep needing the place, and at what price
Recognition	Paraguay, Palau, Eswatini, and Tuvalu, which recognize Taipei; Naoero, which switched to Beijing; Somaliland, which seeks recognition rather than selling it	Whether the currency holds its value as Taipei and Beijing bid
Sovereignty as a product	Liechtenstein, Estonia, Naoero, Tuvalu (.tv), and Eswatini and Palau, which take America's deportees	Rules the larger world tolerates; Liechtenstein's secrecy ended when the world stopped tolerating it
A model	Bhutan, Estonia, Mauritius, Botswana	Whether the model delivers for citizens, not only for visitors
Survival between powers	Moldova, Tuvalu, Somaliland	Allies willing to guarantee what the state cannot defend alone

17b. What the Successes Did Differently

The clearest contrast is between Botswana and Naoero. Both were poor at independence and suddenly rich from the ground. Botswana built institutions that saved much of the windfall (Module 2). Naoero spent, lost, and was cheated out of its fund, and now sells what sovereignty it has left. Yet Botswana's slump shows the limit of even the best institutions: they can save a windfall but cannot set its price. Guyana is running the same experiment now, faster and with more money. Mauritius and Estonia add a second lesson: a small state with no resource can still build a valuable one, in institutions that make it easy to trade with, invest in, and live in. Brunei and Turkmenistan show the third: a windfall can sustain an absolute ruler for decades, and a single buyer can take much of its value.

The deepest pattern is dependence. Almost every country here survives by being useful to a larger one: Palau and the United States, Naoero and Tuvalu and Australia, Djibouti and everyone with a navy, Paraguay and Brazil, Bhutan and India, Moldova and the European Union, Liechtenstein and Switzerland. The successful small states choose their patron, bargain hard, and keep a second option. The unsuccessful ones have one customer, one buyer, or one protector, and take what they are given. The years 2025 and

2026 showed how far a patron's moods now reach: Washington paid small states to take its deportees and, with a word, stalled a treaty two other governments had signed.

17c. What to Watch

When	What	Why it matters
November 2026 – January 2027	The International Court of Justice's judgment on the Essequibo (Module 1)	Whether the border and the windfall both hold, and whether Caracas complies
Fourth quarter of 2026	The sale of De Beers, and whether Botswana joins the buyer, uses its right to buy first, or keeps its 15% (Module 2)	Whether the partnership survives lab-grown stones
By the end of 2026	Itaipú's tariff from 2027, when the current one lapses (Module 10)	Who gets the dam's surplus
Open	The Chagos treaty: reworked with Washington, ratified, or abandoned; Mauritius's threatened lawsuit (Module 7)	Whether the islands change hands; Britain may wait for a new American administration in 2029
Open	Further recognitions of Somaliland, and Washington's position (Module 9)	Whether Israel's move becomes a trend
2026-27	Moldova's next EU negotiating clusters; its exit from the Commonwealth of Independent States, effective April 2027 (Module 12)	Whether the country between becomes a member
Each year	The Falepili ballot; the sea level at Funafuti (Module 13)	The pace of Tuvalu's slow emptying
March 7, 2027	Estonia's parliamentary election (Module 15)	A digital state's government tested by its voters, with Russia on the border
2027-29	Gelephu Mindfulness City's investors, and its airport, due to open in 2029 (Module 14)	Whether Bhutan's young have a reason to stay
Ongoing	Taiwan's remaining allies, four of them in this course (17a)	Each switch shifts the recognition market

17d. The Last Word

Small countries are where the forces that move the world are easiest to see. A great power's navy needs a harbor, and Djibouti charges rent. A commodity's price falls, and Botswana's budget breaks. The sea rises, and Tuvalu writes its own permanence into law. Two capitals compete for recognition, and Paraguay and Palau decide the score. Each of these countries is small enough to understand whole and large enough in consequence to matter. The reader who knows them knows how the world's big stories reach the ground.

Key Points

The Unknown Countries

The Leaders, Ranked by Time in Office

Country	Leader	Title	Age	In office since	Years
Brunei	Hassanal Bolkiah	Sultan	80	October 1967	59.0
Eswatini	Mswati III	King	58	April 1986	40.4
Djibouti	Ismaïl Omar Guelleh	President	78	May 1999	27.4
Liechtenstein	Alois	Hereditary Prince (regent)	58	August 2004	22.1
Bhutan	Jigme Khesar Namgyel Wangchuck	King	46	December 2006	19.8
Guyana	Irfaan Ali	President	46	August 2020	6.2
Moldova	Maia Sandu	President	54	December 2020	5.8
Palau	Surangel Whipps Jr.	President	58	January 2021	5.7
Turkmenistan	Serdar Berdimuhamedow	President	45	March 2022	4.6
Paraguay	Santiago Peña	President	47	August 2023	3.1
Naoero	David Adeang	President	56	October 2023	2.9
Tuvalu	Feleti Teo	Prime Minister	63	February 2024	2.6
Estonia	Kristen Michal	Prime Minister	51	July 2024	2.2
Botswana	Duma Boko	President	56	November 2024	1.9
Mauritius	Navin Ramgoolam	Prime Minister	79	November 2024	1.9
Somaliland	Abdirahman Mohamed Abdullahi	President	69–70	December 2024	1.8

Ages and years in office as of October 6, 2026, counting each leader's current continuous tenure. Where a prime minister governs — Mauritius, Tuvalu, Estonia — the head of government is shown. Moldova's president, who leads in practice, and Bhutan's king, a constitutional monarch since 2008, are shown, with their prime ministers in the facts tables. Liechtenstein's Hereditary Prince Alois has exercised his father's powers as regent since 2004; Hans-Adam II, reigning prince since 1989, remains head of state. In Turkmenistan the president's father, Gurbanguly Berdimuhamedow, chairs the Halk Maslahaty and is widely seen as the real decision-maker. Somaliland's president leads a state recognized only by Israel. Ramgoolam was also prime minister in 1995–2000 and 2005–14. Only the birth year of Somaliland's president is confirmed.

The Takeaways

- Offshore oil made Guyana the world's fastest-growing economy; a world-court ruling on Venezuela's claim to two-thirds of it is expected by early 2027.
- Botswana beat the resource curse through Debswana, which gives the state about 80% of diamond profits — but halved prices broke its budget.
- Brunei's sultan, on the throne since 1967, still runs the government; a Chinese refinery's fuels and chemicals now outsell its crude and gas.
- Naoero, the former Nauru, mined away four-fifths of its island, lost its trust fund, and now sells its sovereignty, above all to Australia.
- Turkmenistan holds the fourth-largest gas reserves but sells mostly to one buyer, China; the president's father is still the power behind him.

• Djibouti rents its strait: bases for the United States, China, France, Japan, and Italy, and the port for nearly all Ethiopia's trade.

• Mauritius beat a forecast of failure; its 2025 treaty to regain the Chagos stalled when Washington turned against it.

• Palau, defended by the United States under its compact, still recognizes Taiwan; the compact brings about $2,500 a resident a year.

• Somaliland has governed itself since 1991 through elections incumbents lose; only Israel recognizes it, since December 2025.

• Paraguay owns half of Itaipú and sells its surplus to Brazil at treaty prices; the tariff after 2026 is unsettled.

• Eswatini's king appoints the government; foreign aid turned around its HIV epidemic, and it takes American deportees.

• Moldova lost about an eighth of its economy to a 2014 bank theft; it has chosen the EU while Russian troops stay in Transnistria.

• Tuvalu's treaty with Australia lets 280 people a year move there, and the UN now accepts that its statehood can outlive its land.

• Bhutan measures happiness and sells hydropower to India, but more than 6% of its people have left since 2022.

• Estonia runs its state online, sells e-residency to foreigners, and spends more than 5% of GDP on defense against Russia.

• Liechtenstein's prince can veto any law; secret trusts made the principality rich until stolen bank data exposed them in 2008.

• Small states sell a windfall, a location, recognition, sovereignty, or a model; institutions and a second patron decide who prospers.

Quiz

Fifteen questions on the sixteen countries

1. Under Guyana's 2016 oil contract, how does the state's share of each barrel change over time?

A) It falls as the fields age and output declines
B) It stays fixed at the 2% royalty for the life of the fields
C) It rises once the consortium's early costs are recovered
D) It rises only if the government renegotiates the contract

2. What did Botswana's 2025 sales agreement with De Beers give the state's Okavango Diamond Company?

A) 30% of Debswana's output, rising to 40% after five years
B) Full ownership of the Jwaneng and Orapa mines from the start of 2026
C) A controlling stake in De Beers itself, bought from Anglo American
D) The right to buy all of Debswana's output at a fixed price

3. Which of the course's leaders has held his position longest?

A) Eswatini's King Mswati III, since 1986
B) Liechtenstein's Prince Hans-Adam II, reigning since November 1989
C) Djibouti's President Ismaïl Omar Guelleh, since 1999
D) Brunei's Sultan Hassanal Bolkiah, on the throne since 1967

4. What does Naoero's December 2024 treaty with Australia require?

A) That it restore recognition of Taiwan
B) Australia's consent to any deal it makes with another country on security, banking, or telecommunications
C) That Australia run its remaining phosphate mines
D) That its citizens may move to Australia by annual ballot

5. Who is widely seen as Turkmenistan's real decision-maker?

A) Serdar Berdimuhamedow, the president, elected in 2022
B) A prime minister chosen by the parliament
C) Gurbanguly Berdimuhamedow, the president's father
D) A council of the five regional governors

6. Why do so many rival militaries keep bases in Djibouti?

A) A United Nations mandate requires them to be there
B) It sits on the Bab el-Mandeb, the Red Sea's southern gate
C) It pays them to defend it against Ethiopia
D) It has Africa's largest army to protect them

7. Where did the 2025 treaty to hand the Chagos to Mauritius stand in October 2026?

A) Signed but not ratified, and under review
B) In force since 2025, with Britain leasing Diego Garcia
C) Rejected by Mauritius in a referendum
D) Annulled by the International Court of Justice

8. Which of these pairs of the course's countries both agreed in 2025 to take people deported from the United States?

A) Bhutan and Mauritius
B) Djibouti and Somaliland
C) Liechtenstein and Estonia
D) Eswatini and Palau

9. Which state recognized Somaliland in December 2025, and who had followed by October 2026?

A) The United States; Ethiopia followed in 2026
B) Israel; no other state had followed
C) Ethiopia; Israel followed it in early 2026
D) Taiwan; Paraguay and Palau followed in 2026

10. What does Paraguay do with the share of Itaipú's power it does not use?

A) Sells it on the open market to Argentina
B) Exports it to Bolivia through a line built in 2024
C) Sells it to Brazil at a treaty price based on the dam's costs
D) Leaves it unused, as the treaty requires, as a reserve

11. What is Eswatini's largest single source of government revenue?

A) Its share of customs-union duties
B) Royalties on its coal and diamond mines
C) Aid from Taiwan
D) Taxes on remittances from South Africa

12. What happened to Transnistria's gas on January 1, 2025?

A) Moldova cut it off to force reunification
B) Romania began supplying it through a new pipeline
C) Supplies doubled as Russia rerouted gas across the Black Sea
D) Russian supplies stopped as transit via Ukraine ended

13. What did the United Nations adopt by consensus in September 2026?

A) A plan to resettle all Tuvaluans in Australia by 2050
B) A declaration that statehood survives the sea
C) A fund to raise the atolls above the rising sea
D) A treaty giving the atoll states a seat on the Security Council

14. What does Bhutan's constitution require for the king to be removed?

A) A two-thirds vote of the National Assembly alone
B) India's consent, under the 2007 friendship treaty with Delhi
C) A unanimous vote of the royal council
D) Three-fourths of a joint sitting, then a referendum

15. Which pair best shows 'sovereignty as a product' in the course's typology?

A) Liechtenstein's secret trusts and Estonia's e-residency
B) Guyana's oil and Botswana's diamonds
C) Djibouti's bases and Palau's compact
D) Bhutan's happiness index and Mauritius's textiles

Answer Sheet

Answers to the course quiz.

1. C 2. A 3. D 4. B 5. C 6. B 7. A 8. D 9. B 10. C 11. A 12. D 13. B 14. D 15. A