Department of Economics  
University of Hawaii (Mānoa) 
Summer Session II, 2011 

EC 418: PACIFIC ISLAND ECONOMIES 

Syllabus 

1. COURSE OBJECTIVES 

The course, which covers 14 member Pacific island countries (PICs) of the regional organization the Pacific Forum, focuses on various issues relating to their economic conditions and institutional features. Utilizing the findings of annual social and economic surveys by various international organizations, including the United Nations Economic Social and Economic Commission for Asia and the Pacific, Bangkok and Asian Development Bank, Manila and studies by academics, the course will discuss growth potential and constraints faced by the PICs. Strategic objectives and policy options will be explored and analyzed. The course will also examine the causes behind lower growth in PICs as compared to growth in the Caribbean and Indian Ocean Island countries. 

By the end of the course, students are expected to have developed a broad vision of the economic future of PICs and how this future could be improved. The course will also examine the special circumstances of the least developed countries in the region, which are exposed to environmental risks arising from global warming. The roles of external aid and debt will also be assessed in this regard. 

The course will explore possibilities of eventual regional integration of the islands in the context of the ongoing globalization. Specifically, it will examine the opportunities presented to them in terms of the Pacific Island Countries Trade Agreement (PICTA) already signed and ratified by the PICs and Pacific Closer Economic Relations Agreement also signed and ratified by the PICs, Australia and New Zealand, the two advanced member countries of Pacific Forum. The course will also examine the prospects of a Pacific Union on the lines of the European Economic Union with a common currency and free mobility of capital and labor. 

2. STUDIES AND REPORTS 

The course is highly reading oriented. There is no specific textbook for the course. Students have to review important studies and reports of the World Bank and Asian Development Bank and other international agencies as well as regional agencies, including the Pacific Forum. Students are also expected to go through additional reading material. A list of readings will be given to the students.
3. **WEBSITES FOR NEWS SOURCES / LATEST REPORTS / UPDATES ON PICs**

- [www.forumsec.org](http://www.forumsec.org)
- [www.thecommonwealth.org](http://www.thecommonwealth.org)

4. **COURSE CONTENT**

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List of Readings

The literature on Pacific islands dealing with various aspects of economic and social development is growing. The publications include regular Annual Surveys by UN ESCAP and Asian Development Bank’s quarterly, Pacific Economic Monitor. Students are encouraged to browse past and current issues, which are available in the Pacific Collection of Hamilton Library.

The following is the list of articles, which is not in any way considered exhaustive and complete, on each Topic. Students are urged to read as much as possible of these articles/chapters. Class lectures, because of limited time, may not focus on each of the articles but would certainly cover the major contributions to date.

1. **Introduction:**


2. **Sociocultural Issues**


   (c) K. Gannikot (1993)”Human Resource Development in the South Pacific” in Cole and Tambunlertchai (Eds.), *Pacific Islands at the Crossroads? Canberra: Australian National University.*


3. **An Overview of Growth Potential & Constraints**


4. Pacific Islands in the International Economy


5. External Aid and Pacific Islands


(d) B. Samuel (2010), “Dutch Disease in the Western Pacific: an overview of the FSM economy under the Amended Compact of Free Association,” *Pacific Economic Bulletin*, 25 (3) 24-39:


6. Migration and Remittances and Growth


(c) Chapter 5 on Remittances and Migration in C. Browne, *Pacific Island Economies*.


7. External Debt


8. **Macroeconomic Management**


9. **Policy and Sector Reforms**

(a) Chapter 2 on Public Sector Activities in C. Browne (ed). *Pacific Island Economies*.


10. **Environmental Concerns**


(c.) M. Reddy, (2000). “Natural Disasters and Island Economies: An Examination of the Cost of Natural Disasters,” *South Pacific Study*, 21(1);31-42.

11. **Private Sector Development**

(a) Chapter 3 on Private Sector Development, in C. Browne (ed.), *Pacific Island Economies*.


12. **Areas of Growth**

A. **Tourism**


B. **Financial Services**


C. Marine Resources


13. Free Trade


(h) www.forumsec.org for FAQs on Free Trade Area (PICTA).

(i) www.fdc.org.au for studies on free trade and in the area.

14. **Regional Integration**


