

# Taking Pacific Islands economies forward: what can we learn from the past?



by Tony Hughes

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Great efforts are, as usual, reportedly going into making national economic management in the Pacific island countries (PICs) more effective. National governments are resolving or claiming to do better than their predecessors at producing growth, equity and sustainability through a range of far-reaching interventions in the economy, while bilateral donors and multilateral providers of external funding and technical assistance are commissioning expert assessments, supporting reforms of institutions and building national capacity to do better. Pointers to how and why such domestic and external efforts work or don't work are being published in the region from comparative studies of small developing economies in other parts of the world. These illuminate afresh, for example, the often overlooked role of formal and informal institutions in determining a country's economic direction and performance.

Amid all this effort, a prime source of accessible and usable information, insights and know-how based on practical experience of planning and managing economic development in the PICs remains largely untapped, for reasons apparently related to an institutional characteristic shared by PIC and aid donor governments and the regional development banks—a chronic reluctance to frankly examine one's own past experience and learn from it. An attempt is afoot to remedy this. A proposal is now taking shape with multi-donor backing, aimed at helping both PICs and donors to answer the question 'What can we learn from our experience of economic management in the PICs?'

The rationale of the project is threefold:

1. The economic performance of individual PICs is conditioned by their remote locations and the nature of their historical contacts with Europe and Asia; their generally small land areas and scattered populations; the response of their traditional institutions and ways of life to the impact of monetisation; the strength of their ethnic identities, social cohesion, opportunities for working abroad, emigration

and connection to relatives settled overseas; the effectiveness of their formal institutions and the strength of the private sector ; their endowments of marine and terrestrial resources and the demand for those resources and tourism that drives foreign private investment and shapes their balance of payments; and geopolitical factors that affect their access to external aid.

2. Institutional memory in the PICs themselves and in the region of how these factors have interacted to set national economic parameters, and of the lessons of practical economic management to be had from experience, is often defective. National governments, aid donors and international institutions undergo frequent changes of key personnel. It is natural for incoming ministers, officials and advisers to look for new and different solutions, to advocate innovation and initiate 'reforms' to improve performance. In the process they can and often do overlook experiences that could help them understand past performance, make efficient use of resources, avoid disappointment and generally enable more effective interventions.

3. Thirty years after most PICs became independent, a cohort of Pacific Islander and expatriate men and women experienced as economic planners, managers and advisers, is moving or may soon move from active engagement to retirement or other pursuits. These practitioners have had responsibility for many aspects of economic management in PICs since independence. They have often been involved in practical examples of reluctance to learn from the past, and have learned lessons that they have not been able to share as effectively as they might have wished. Many of them have worked together from time to time across a range of regional development issues and island economies. If their collective knowledge of 'what worked, what didn't, and why' can be brought out, peer-reviewed, collated, analysed and published, it is potentially of great practical and historical value to PICs and the donor community.

The principal instrument envisaged for liberating and then capturing this knowledge is a symposium (a conference at which participants are also presenters) of about thirty invited persons fitting the above 'practitioner' description. This would be held in September, provided the logistics all come together in time. The symposium would be carefully planned and professionally facilitated to bring out participants' insights and lessons of experience, and subject them to discussion among peers.

From dissection and analysis of the symposium proceedings would come a handbook of 'What We Can Learn' from PIC development experience, in printed and internet-accessible form, with the additional possibility of a continuing web-based interchange and archive of development experience supported by current and future practitioners, hosted by an appropriate institution.

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As this project is in the planning and design stage now, comments and suggestions for making the project as useful and effective as possible are welcome, as blogs or by email to Tony Hughes at [avhughes@solomon.com.sb](mailto:avhughes@solomon.com.sb).

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