

**BOOK REVIEW: SATISH CHAND (ED.) *PACIFIC ISLANDS REGIONAL INTEGRATION AND GOVERNANCE* (2005)**

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This is a well edited and thought provoking book. It comprises contributions of various authors presented at a conference held at the Australian National University in June 2005. The title of the book indicates that the topic it attempts to cover is regionalism. This is a topic that is of considerable importance in economic, political and academic spheres in the South Pacific. Each chapter of the book attempts to discuss not only *why* regionalism is important but also *how* it should be achieved.

The book begins by stating that regionalism is an impetus for trade intensity and governance. It offers the opportunity to reap the benefits of scale. However, chapters 2 and 3 highlight how small island states are faced with the problem of high manufacturing costs, economic vulnerability and the lack of ability to respond to the negative impacts of external economic shocks. Therefore, businesses should be subsidized, market sizes increased and a resilience index established.

Chapter 4 deals with agriculture trade liberalization. This chapter states that countries such as the United States, Canada and Japan who import agricultural products from small island states have provided preferential market access. Unfortunately, the liberalization of agriculture creates erosion on preferential market access. Therefore, there is need for pooled regional governance. Whatever the case, trade liberalization and financial market integration are issues that Pacific island states have to face.

Chapter 5 focuses on the idea of pooled regional governance. It provides a historical account of how the idea of pooled regional governance was initiated and developed by Pacific island countries. The chapter emphasizes the importance of looking at past regional initiatives as lessons to assist in pushing forward the idea of pooled regional governance. It further explains that smallness in size and lack of capacity by Pacific island countries are factors justifying the pooling of resources. While I do agree with this explanation, it must be realized that capacity takes capacity. There are already regional bodies established such as the Forum. Where do they get their capacity from? An example of the pooling of resources is the common currency idea. The discussion for and against a common currency is covered in chapter 6.

Chapter 7 discusses the inter-relation between globalization and governance. It points out that the negative impacts of globalization are a result of poor government policies and action. The chapter also contains case studies of sub Saharan Africa and Mauritius. The intention of these case studies is to show the correlation between the effects of globalization and governance. For instance, in Mauritius it was discovered that globalization had an impact on the expansion of the public sector. However, it would be more interesting had there been a focus on one or two countries in the Pacific region.

Chapter 8 looks at integration of Pacific island countries with Australia and New Zealand. This is because there is potential for such an arrangement in economic terms. The chapter also discusses the proposal for a free trade agreement due to preferential access. The Pacific Islands Countries Trade Agreement (PICTA) and the Pacific Agreement on Closer Economic Relations were also looked at apart from the negotiation for an Economic Partnership Agreement to replace provisions of the Cotonou Agreement. In-depth analysis of the provisions of these agreements and whether they are effective catalysts for integration would have been useful.

Chapters 9, 10 and 11 are quite different from the other previous chapters because they look at fisheries, air transport and sugar cane. Due to the size of Pacific island states and remoteness these three industries have been affected. Therefore, regionalism should be encouraged. Fisheries and sugar cane are viable industries which must be protected from unsustainable harvest or preferential erosion. This would require policy initiatives as well as government action. The author argues that this should be the approach taken by Pacific island states instead of opting for integration. The final Chapter of the book states that Pacific island countries are not yet prepared to be integrated. The arguments against integration outweigh the arguments for.

In short, the book provides a useful insight on the discourse of regional integration and governance. It is an end product of solid, competent and well founded research on different aspects of regionalism and governance in small island states. Both the overview and the final chapter of the book provided a contrast on the idea of regional integration. Although the book is interesting, some parts of it were not easy to understand by a reader with limited economics background. However, this book is useful because it represents a broad spectrum on the discussion of integration and regionalism in Pacific island countries.

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