

The Role of Trade Reform and Labour Mobility in Assisting Pacific
Island Countries to Reduce Poverty and Achieve Sustainable
Development

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ABSTRACT

This thesis argues that, under the right conditions, the expansion of international trade flows and increased labour mobility through circular migration have contributed both directly and indirectly to the goals of poverty reduction and sustainable development in the Pacific Forum Island Countries (FICs). An extensive range of both specific and general policy conditions to ensure those outcomes are specified. Based on these conditions, the study suggests a strategic approach to the implementation of trade liberalisation and circular migration, which offers a clear path for Pacific Island governments to embrace. It involves balancing the pace and staging of liberalisation to ensure that trade reform, migration policy and development goals are well aligned. Such 'strategic liberalisation' can embed the fundamentals of competitiveness in FICs, while ensuring that transition costs, regulatory disciplines, and other conditions are in place to allow Pacific communities to benefit from future trading arrangements. The thesis concludes that while FICs need to ambitiously lock in necessary political, economic and trade reforms, developed countries and larger developing countries with whom they trade also need to intensify their efforts to allow sufficient market access, an increase in the temporary migration of Pacific Islanders and adequate capacity-building support for FICs to adjust to and consolidate these trade and migration policy reforms.

DECLARATION

I certify that this work contains no material which has been accepted for the award of any other degree or diploma in my name, in any university or other tertiary institution and, to the best of my knowledge and belief, contains no material previously published or written by another person, except where due reference has been made in the text. In addition, I certify that no part of this work will, in the future, be used in a submission in my name, for any other degree or diploma in any university or other tertiary institution without the prior approval of the University of Adelaide and where applicable, any partner institution responsible for the joint-award of this degree.

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DATE: 10 March, 2015

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LIST OF ACRONYMS OR ABBREVIATIONS

ACP	Africa, Pacific and Caribbean (countries who are parties to the Cotonou Agreement between the EU and the ACP states)
ADB	Asian Development Bank
AFT	Aid for Trade
ANZ	Australia-and New Zealand
ANZCER	Australia New Zealand Closer Economic Relations
ANZCERTA	Australia New Zealand Closer Economic Relations Trade Agreement
APEC	Asia Pacific Economic Cooperation
ASEAN	Association of Southeast Asian Nations
AUSAID	Australian Government Overseas Aid Program
AUSFTA	Australia United States Free Trade Agreement
CARICOM	Caribbean Common Market
CGE	Computer-generated equilibrium
CIE	Centre for International Economics
CNMI	Commonwealth of the Northern Mariana Islands
UN COMTRADE	United Nations Commodity Trade Statistics Database
CTH	Change of Tariff Heading
DFAT	Department of Foreign Affairs and Trade in Australia
EC	European Community
EEC	European Economic Community
EEZ	Exclusive Economic Zone
EPA	Economic Partnership Agreement (between EU and PICs)
EU	European Union

FEA	Fiji Electricity Authority
FIC	Forum Island Country in the Pacific
FSANZ	Food Standards Australia-New Zealand
FSM	Federated States of Micronesia
FTA	Free Trade Agreement
GATS	General Agreement on Trade in Services
GATT	General Agreement of Tariffs and Trade
GDP	Gross Domestic Product
GNP	Gross National Product
GSP	Generalized System of Preferences
GST	Goods and Services Tax
HS	Harmonised System
IIT	Institute for International Trade
IMF	International Monetary Fund
IP	Intellectual Property
LDC	Least Developed Country
MFN	Most Favoured Nation
MSG	Melanesian Spearhead Group Trade Agreement
NAMA	Non-Agricultural Market Access
NFF	National Farmers Federation
NGOs	Non-Government Organisations
NZ	New Zealand
OECD	Organisation for Economic Co-operation and Development
PACER	Pacific Agreement on Closer Economic Relations [between the Forum Island Countries and Australia and NZ]

PACP	Pacific, African, Caribbean Partners (Cotonou Agreement)
PATCRA	Agreement on Trade and Commercial Relations Between the Government of Australia and the Government of Papua New Guinea
PIC	Pacific Island Country
PICTA	Pacific Island Countries Trade Agreement
PIFS	Pacific Islands Forum Secretariat
PIPSO	Pacific Island Private Sector Organisation
PMV	Passenger Motor Vehicle
PNG	Papua New Guinea
PPP	Purchasing Power Parity
RERF	Revenue Equalisation Reserve Fund [specific to Kiribati]
RMI	Republic of the Marshall Islands
ROO	Rules of Origin
ROW	Rest of World
RTA	Regional Trade Agreement
SDT	Special and Differential Treatment
SIS	Smaller Island States
SPARTECA	South Pacific Regional Trade and Economic Cooperation Agreement
SPS	Sanitary and Phytosanitary Measures
TAFTA	Thailand Australia Free Trade Agreement
TBT	Technical Barriers to Trade
TCF	Textiles, Clothing and Footwear
TTF	Tuvalu Trust Fund

UK	United Kingdom [of Great Britain and Northern Ireland]
USA	United States of America
VAT	Value-added Tax
WTO	World Trade Organisation