

## Research Award to Professor Jayaraman

Fiji National University's new Professor in Economics, T K Jayaraman, has received a prestigious award for research. On December 2012, he was jointly awarded the Vice Chancellor's annual prize for excellence in research by his previous university, the University of the South Pacific.



( USP President and Vice-Chancellor Professor Rajesh Chandra presenting the award to Professor Jayaraman)

Professor Jayaraman's study on a single currency has been published in 2012 year as a book by Nova Science Publishers, New York.

He said he had been fascinated by the idea of a single currency from the time he was teaching monetary economics. In 2007 he wrote a paper for the Commonwealth Secretariat on economic integration for their collected volume of articles on *Issues in Small Developing States*.

That research won Professor Jayaraman the Vice-Chancellor's Prize (Inaugural) 2008 for Best Research Publication. His studies on single currency focusing on the currencies in the region attracted the attention of the Commonwealth Secretariat and he was asked write a book on monetary policy formulation and implementation in the region.

*Issues in Monetary and Fiscal Policy in Small Developing States* authored by Professor Jayaraman and Deakin University Professor Paresh Narayan, has recently been released by the Commonwealth Secretariat.

It carefully sets out both the policy and institutional constraints in monetary and fiscal policy

management giving case study examples and suggesting policy options that can be used by Pacific Island Countries.

“The publication is the first of its kind and marks an important contribution to the understanding of complex issues faced by the PICs in the context of growing globalisation and rising interdependence of economies,” Professor Jayaraman said.

Of the 14 Forum island countries, six have independent currencies: Fiji, Papua New Guinea, Samoa, Solomon Islands, Tonga and Vanuatu. The other eight -- Cook Islands, Kiribati, Marshall Islands, Federated States of Micronesia, Nauru, Niue, Palau and Tuvalu – are known as “dollarized countries” as they use one of the three currencies of the three major metropolitan powers in the region.

Professor Jayaraman said these island countries cannot pursue independent exchange rate and monetary policies to promote growth and development; the only way out is to resort to fiscal policies. The book deals with the experiences, successes and failures of the six PICs with independent currencies ever since their independence in regard to monetary policies, as well as their fiscal policies.

Professor Jayaraman describes the challenges thrown by exchange rate pressures created by expansionary fiscal policies.

Professor Jayaraman’s current work is on fiscal policies and public debt in island countries.

(From *Fiji National University Newsletter*, Dec 21, 3(51), 2012, page 5