

Example of Student/teacher questions (from readings 50 and 51)

1. Explain what is meant by a “monopoly” and why they are usually undesirable economically?
2. Explain what are the monopolies in Fiji’s telecommunications industry.
3. What does the author suggest are all the damaging direct effects on economic production and growth, and especially the development of new industries and their distribution throughout Fiji?
4. What does the author suggest are all the damaging direct effects on education?
5. Explain which broad groups of economic interests were affected by the planned privatization of FINTEL, TFL and Vodaphone.
6. Explain how and why the introduction of mobile phones inevitably implied the decline of the landline provider TFL.
7. Explain why Government granted monopolies to Telecom, FINTEL and Vodaphone, and created the umbrella super-monopoly, ATH.
8. Who does the author say will be the biggest losers from the monopoly pricing by the telecommunication companies? Can you suggest other groups not mentioned?
9. According to the best economic advice, how should the SVT Government have privatized its shares in the three telecommunication companies? Why did they not do so?
10. What regulatory framework should government have put in before privatizing?
11. What was wrong with the sale tender process and what was the evidence of that given the outcome?
12. What does the author outline as the possible conflicts of interest between the sellers of the Government shares and the buyers?
13. Why does the author argue that even though the FNPF represents hundreds of thousands of Fiji workers, its interests should not be confused with that of the “general Fiji public”.
14. How is it possible that FNPF may have paid “too high a price” and at the same time may even be better off? Explain carefully.
15. Explain why the country would be better off if Government allowed competition into the telecommunications industry.
16. Explain why the nature of ownership in the telecommunications industry was such that competition between the component companies (like Vodaphone, Telecom, and FINTEL) was unlikely to emerge.
17. Why does the author argue that in the long run competition will come in and FNPF returns will decline?
18. Discuss briefly what has happened in the telecommunications industry since 1997, not forgetting the impact of the arrival of Digicel, the mobile provider.
19. Why is the author critical of the involvement of Permanent Secretary of Finance and the Governor of the RBF on the Boards of the telecommunications companies?
20. Why does the author claim that FNPF’s short term strategy for profit maximizing from its telecommunication shares is opposed to its long term interests arising from higher economic growth?
21. Given that the Bainimarama Government recognizes the ill effects of monopoly, why is it that they allow some monopolies to continue?

Example of Economics terms in glossary beginning with “c”

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Comparative advantage

This concept is used by economists to identify those economic activities or industries in which a country has a basic economic advantage relative to other countries. These are goods or services which the rest of the world want to buy from us, without having to give the industry any subsidies or protection. Such “comparative advantage” industries tend to survive deregulation by international organizations like World Trade Organization (WTO).

Competition

Competition exists where economic agents compete with each other in terms of price and quality, in order to provide a good or service to consumers who have an effective choice.

Consumer theory

The branch of economics that tries to explain why consumers purchase particular goods rather than others, resulting in the prices they are willing to pay.

Cost benefit analysis

A simple quantitative way of estimating the ratio of benefits to costs of a particular project to arrive at one number which can then be compared with that for another project to rank them and help in selection of projects to implement and in what order.

CPI (Consumer Prices Index)

This is an index number (relative to 100) which averages out the price changes for a selected basket of goods and services consumed by the “average” consumers (not just the poor). The annual percentage change in the CPI represents the “rate of inflation”. The reference basket of goods and services for pricing by the FBS is usually changed every five years following a national household income and expenditure survey (HIES).

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Example of common abbreviations/acronyms used in Fiji

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AV	Alternative Vote electoral system in which voters rank candidates and preferences count.
CCF	Citizens Constitutional Forum
Cens.	Censored in Fiji media.
CEDAW	Convention for the Elimination of All Forms of Discrimination Against Women
COLA	Cost of Living Adjustment
CPI	Consumer Prices Index
DP	<i>Daily Post</i> . Fiji newspaper no longer in existence:

Example from index

Auditor General, 235, 345, 547, 548, 549, 555, 567, 572, 579, 581
Auditor General Reports, 515, 518, 572, 579
auditors, 533, 537
AusAID, 438, 441
Austen, Gaetane, 69
Australia, 3, 4, 18, 26, 82, 199, 364, 376, 384, 389, 392, 394, 400, 402, 407, 411, 413, 417, 419, 422, 426, 431, 435, 438, 441
Australian aid cuts, 407, 411
Australian Bureau of Statistics (ABS), 507, 527
baap ke paisa nahin hai, 549
Consumer Council, 141, 144, 148
Consumer Prices Index (CPI), 487, 492
consumer theory, 138, 141, 144, 148, 173, 177, 182
consumers, 173, 177, 182, 209, 210, 212, 240, 273, 435, 438, 441
contracts, 469

