Economic Resilience in the South Pacific: A Systematic Review of Small Island Macroeconomic Vulnerabilities

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Introduction

The South Pacific represents one of the most economically vulnerable regions within the contemporary global political economy. Dominated largely by Small Island Developing States (SIDS), the region includes economies characterized by limited domestic markets, geographic isolation, small populations, narrow productive sectors, and high dependence on external economic relations. Countries such as Fiji, Samoa, Tonga, Vanuatu, and Kiribati occupy a structurally fragile position within the international economic system because of their limited economic diversification and high exposure to external shocks. Unlike larger industrialized economies with diversified manufacturing sectors and substantial domestic demand, South Pacific economies rely heavily on tourism, remittances, fisheries, foreign aid, and a narrow range of commodity exports. These structural conditions significantly influence the region's macroeconomic stability and its capacity to withstand economic, environmental, and geopolitical disruptions. The concept of economic resilience has therefore become increasingly important in the study of South Pacific political economy and development. Economic resilience generally refers to the capacity of economies to absorb, adapt to, and recover from external shocks while maintaining long-term sustainability and social stability. In the context of the South Pacific, resilience is not merely associated with economic growth or macroeconomic performance; rather, it concerns the broader ability of small island economies to survive and adapt under conditions of continuous structural vulnerability. Economic resilience in the region is shaped by the interaction between domestic institutional capacity, external economic dependence, climate vulnerability, and geopolitical-economic relations.

The South Pacific's economic structures remain highly vulnerable because of several interconnected factors. One of the most significant is the limited scale of domestic markets. Small population size restricts domestic consumption and reduces opportunities for industrial diversification and economies of scale. Geographic isolation

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