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**THE IMF AND WORLD BANK  
IN PAPUA NEW GUINEA:  
ALL POWERFUL?**

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## **ABSTRACT**

In international political economy, international institutions like the International Monetary Fund (IMF) and World Bank are often looked upon as significant forces, capable of imposing their will on sovereign governments. Through the onerous conditions attached to their loans and assistance, these institutions, it is argued, are able to interfere in the economic and political affairs of a country, with significant implications. This thesis assesses this claim with reference to Papua New Guinea (PNG) in the 1990s. It suggests that while severe demands were certainly placed on the government on the occasions assistance was requested, owing to the unique socio-political structure of PNG, demands in some critical areas have been circumvented or even ignored. It appears, therefore, that at least in the case of PNG, these institutions have not been wholly successful in imposing their agendas. In the light of this, the wider assertion of the IMF and World Bank being all-powerful should be treated with some caution.

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**ACRONYMS / ABBREVIATIONS.**

AAID	Australian Agency for International Development.
AIDAB	Australian International Development Assistance Bureau
ADB	Asian Development Bank
AUSAID	Australian Agency for International Development
BBC	British Broadcasting Corporation
BPNG	Bank of Papua New Guinea
EDF	Electoral Development Funds
EIU	Economist Intelligence Unit
GDP	Gross Domestic Product
IFIs	International Financial Institutions - the World Bank and the IMF
IMF	International Monetary Fund
LDC	Lesser Developed Countries
LTC	Land Tenure Conversion
MLAR	Minimum Liquid Asset Ratio
MP	Member of Parliament
MRSF	Mineral Resources Stabilisation Fund
MUG	Minimum Unconditional Grant
NGO	Non-Governmental Organisation
OLPG	Organic Law on Provincial Government
OLPGLLG	Organic Law on Provincial Governments and Local-Level Governments
PNG	Papua New Guinea
SAL	Structural Adjustment Loan
SAP	Structural Adjustment Programme



Source: Bateman 1999