

Sub-topic	SL/HL core	HL
Multilateral development assistance		
The roles of the International Monetary Fund (IMF) and the World Bank	<ul style="list-style-type: none"> Examine the current roles of the IMF and the World Bank in promoting economic development. 	

4.7 The role of international debt

Sub-topic	SL/HL core	HL
Foreign debt		
Foreign debt and its consequences	<ul style="list-style-type: none"> Outline the meaning of foreign debt and explain why countries borrow from foreign creditors. Explain that in some cases countries have become heavily indebted, requiring rescheduling of the debt payments and/or conditional assistance from international organizations, including the IMF and the World Bank. Explain why the servicing of international debt causes balance of payments problems and has an opportunity cost in terms of foregone spending on development objectives. Explain that the burden of debt has led to pressure to cancel the debt of heavily indebted countries. 	

Theory of knowledge: potential connections

For each factor, what would you consider to be sufficient evidence that it plays a role in enhancing or inhibiting development?