# The IMF and the Philippines: Anatomy of a Third World Debt

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The International Monetary Fund (IMF) is one of the most influential specialized economic agencies in the context of post-war international relations. The IMF's practice has become an important cornerstone in the creation of rules of customary law in the field of international rehabilitation and debt arrangements. Following the 1982 international debt crisis, the law of the IMF becomes significant to the Philippines as a third-world country.

Currently, the Philippines has consistently hurdled IMF performance reviews, entitling it to receive debt relied deals and assistance from foreign lenders under the economic stabilization program (ESP). In addition to this, the government has based its economic policy on the ESP for the year 1992. The Legislature, however, intends to place a debt cap on foreign debt payments, since the Philippines experiences difficulties in meeting these obligations. This debt cap, which is subject to approval by the Executive, is in danger of not having the President's support.

In light of the present day difficulties of debtor states to meet these foreign obligations, the IMF, instead of being a mere broker for international creditors, should take a more activist role by reviewing its stand-by arrangement policies to aid debtor states in adjusting to these obligations.