

# Philippines: Present Aquino Gov't Surpasses Arroyo as Biggest Debtor; Voters Must Rise Up

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MANILA, Philippines – President Benigno Aquino III not only failed to curb the country's poverty and debt burden. He turned out to be the biggest loan addict, and a total failure in addressing the Philippines' entrapment in a cycle of debt dependence. The Freedom from Debt Coalition (FDC), in a press conference with selected election candidates on Friday, said that President Aquino has even eclipsed former President Gloria Arroyo as the biggest borrower among Philippine leaders, over a full term, from 1986 to present.

The group revealed that President Aquino will leave his successor with P6.4 trillion of national government outstanding debt, P4.16 trillion of which are borrowings made during his term. Divided among the projected 103 million population, each Filipino now owes a sum of P62,235.26 plus P4,251 in government-guaranteed debts.

According to FDC, this unresolved debt problem has resulted in the government's failure to meet its obligations to the people, or social debt as a percentage of the country's gross domestic product (GDP). FDC said that President Aquino's social debt in education and health alone already amounts to P7 trillion.

"Philippine leaders since 1986 have merely continued this dependence on debt and non-prioritization of the welfare of the people because of blind adherence to prescriptions of country and multilateral lenders. It is time for us, the voters, to rise up and stage an electoral insurgency against debt and its role in perpetuating poverty and inequality," FDC said.

FDC's call for electoral insurgency focuses on demands for the repeal of the automatic appropriations for debt servicing, repeal of the Electric Power Industry Reform Act, tax and fiscal justice to ensure priority government spending for the people's needs and welfare, climate justice, and housing and essential public services.

Dr. Walden Bello, an independent Senatorial candidate who resigned as a lawmaker in protest of President Aquino's double standards, said that it is criminal that debt payments get the first cut in the national budget before appropriations are made for social and economic services.

"This vicious cycle of debt and ballooning social debt will continue as long as the government resorts to new borrowings to pay for old loans, including those tainted with fraud and corruption, and with the existence of the law on automatic appropriations for debt servicing," said Dr. Bello, speaking as a guest in FDC's press conference.

FDC said that for 30 years, from 1986 to 2015, the continued implementation of the policy on

automatic appropriations for debt servicing has resulted in an average of 27.21 percent of annual public revenues automatically earmarked for interest payments, while principal amortization has eaten up an average of 67.61 percent of government's new borrowings.

### **Freedom from Debt Coalition (FDC)**

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\* "Aquino Gov't Surpasses Arroyo as Biggest Debtor; Voters Must Rise Up". [Freedom from Debt Coalition](#)