

On the current character of Philippine society

Interview with Jose Maria Sison
Founding Chairperson, Communist Party of the Philippines and
Author, *Philippine Society and Revolution*

[Introduction: The question of the character of Philippine society is a key ideological question for the Party and the revolutionary movement. In recent months, there is marked increase in intellectual and political discourse on the matter especially among the Filipino youth.

Such interest is the natural outcome of the rising demand for fundamental solutions to the increasingly conspicuous crisis of the ruling system. At the same time, anti-Party elements including Trotskyites, social democrats and others have begun stepping up their anti-Party discourse to question the basic social analysis of the CPP with the aim of stemming the rising tide of new Party adherents.

The people's socioeconomic

conditions continue to worsen brought about by more than three decades of neoliberal policies. These have further sharpened recently by the massive destruction of productive forces due to the lockdowns related to the Covid-19 pandemic.

*To discuss this matter, we have decided to interview Prof. Jose Ma. Sison, the Party's founding chair, and who as Amado Guerrero, authored "*Philippine Society and Revolution*."*

In this special issue, Ang Bayan puts forward some critical questions surrounding the Party's analysis of the semicolonial and semifeudal social system in the Philippines.

We hope that this interview will help our members in further sharpening their grasp of the issues and help in study and research efforts to deepen our understanding of the mode of production. We invite our readers to send their feedback. Additional questions, as well as information, can also be submitted as these may help in future interviews and articles.]

Ang Bayan (AB): When you wrote *Philippine Society and Revolution* in 1969, you described Philippine society as semicolonial and semifeudal. What did you mean then?

Jose Maria Sison (JMS): By semicolonialism, I meant that the Philippines had been nominally independent since the US formally ended its colonial rule and formally granted independence to the Philippines in 1946. Instead of US colonial officials running the government from the national level downwards, politicians serving US monopoly

capitalism and representing the comprador big bourgeoisie and the landlord class have become responsible for the entire Philippine government.

But the US made sure with the US-RP Treaty of General Relations of 1946 and subsequent treaties, agreements and arrangements, that it would continue to dominate the Philippines economically, socially, politically and militarily. The US retained their property rights, their military bases, control over the economy and military and other means of dominating the Philippines. Semi-

colonialism means that the Philippines is not fully independent but is subject to the dictates of an imperialist power.

By semifeudalism, I meant that the Philippines was no longer fully feudal and was no longer ruled by the landlord class chiefly but by the comprador big bourgeoisie as the chief trading and financial agent of foreign monopoly capitalism that owns large tracts of land and extractive enterprises to serve as base for exporting raw materials in exchange for equipment and other manufactures from abroad.

The natural economy of feudalism began to be undermined when the commodity system of production and the use of money as medium of exchange began to prevail as the production of export crops developed significantly in the first of the half of the 19th century, especially after the Suez Canal opening, and when crop specialization arose with some regions producing export crops and other regions producing food crops for domestic consumption.

But it was during the US colonial period, when the semifeudal economic system became dominant in the Philippines, with the US colonial rulers opening the mines, granting logging concessions and expanding the plantations for the production of raw-material exports in exchange for larger imports of equipment and other manufactures. The comprador big bourgeoisie arose as the native and mestizo ruling class seated in the major cities and became more powerful than the landlord class ruling in the provinces. In the Spanish colonial period, the big compradors were the colonial officials, Spanish merchants and religious orders.

AB: Are the terms semicolonial and semifeudal still valid? Can we not use the term neocolonial for semicolonial and capitalist for



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semifeudal?

JMS: The terms semicolonial and semifeudal to describe Philippine society are still valid. Semicolonialism is a distinctly political term that refers to the lack of full national independence of the Philippines and to the continuing control of the Philippines by the US and its imperialist allies. This term has been widely accepted and has not been the target of questioning or objection. It is a longstanding term from Lenin who spoke of colonies, semi-colonies and dependent countries being subordinate to the imperialist powers.

Like other people, I sometimes use the term neocolony to refer to the Philippines to express the nuance that the Philippines is under a new form of political control by economic and financial means rather than by outright bureaucratic and military control by a colonial power. It was Sukarno and Zhou En-lai who were best known for using this term in connection with the Bandung Conference of African and Asian peoples against imperialism, neocolonialism and colonialism. I find nothing wrong with using neocolony as synonym for semicolonial.

Like the term semicolonialism, semifeudalism comes from Marxist-Leninist literature describing the Chinese economy before the victory of the Chinese revolution in 1949. It is used to describe economies that have long been dominated by the commodity system of production and no longer by a natural economy of feudalism. But it is a merchant bourgeoisie rather than an industrial bourgeoisie that is the chief ruling class based on land ownership or in partnership with the landlord class.

Semifeudalism is a precise term with a definite content. It is a big comprador type of capitalism that is based on feudal and semifeudal conditions and thrives on a lopsided colonial exchange of raw material exports and manufacture imports.

It is a term for a nonindustrial or pre-industrial and agrarian economy in which the comprador big bourgeoisie has arisen as the wealthiest and most powerful exploiting class from feudal haciendas as resource base for exports and in combination with the landlord class. Influenced by bourgeois economists, right wing social democrats and Trotskyites, some people think that it is a term that has never been valid or has outgrown its validity.

They think that an economy has to be exclusively feudal or capitalist. They do not understand that in its world history capitalism grew out of the womb of feudalism, first in the form of the handicraft business, some light manufacturing and the merchants trading between town and country before industrial capitalism surged forth as the dominant form of capitalism with the steam engine and then with the electro-mechanically powered machinery for the mass production and largescale circulation of commodities.

Semifeudalism is a term that refers to a kind of economy that evolved from feudalism and became starkly conspicuous in the 20th century in the Philippines with the rise of the comprador big bourgeoisie as the chief exploiting class in collaboration with the landlord class. Big compradors have long been big landlords because they base themselves on large landed estates and use these to produce crops for export in exchange for the importation of finished products from abroad. Prior to the rise of the native and mestizo comprador big bourgeoisie during the US colonial regime, the Spanish colonial bureaucrats, merchants and religious orders played the role of big compradors in the Manila-Acapulco trade and then in the direct Manila-Europe trade in the 19th century.

The big comprador Ayala family and related families have owned banks and trading companies but

have also owned or managed big landed estates in Calatagan and Nasugbu, Batangas and elsewhere since the beginning of the 20th century. In recent times in the 21st century, the recently deceased Eduardo Cojuangco owned the United Coconut Planters Bank and came to own the gigantic big comprador firm San Miguel Corporation but he also owned some twenty haciendas in various provinces in the Philippines (Tarlac, Pangasinan, Isabela, Negros, Palawan, Agusan, Albay and so on).

AB: How do you explain the Philippine economy as semifeudal at the present time?

JMS: The Philippine economy is still dominated by the comprador big bourgeoisie in combination with the landlord class. It has no industrial foundation of its own. It does not produce the industrial equipment but imports these with income mainly from the export of agricultural products and mineral ores. It does not have an independent steel industry. It has no machine-building industry nor the capacity to produce machine tools, vehicles, computers, basic chemicals, medicines and other capital goods and major manufactures.

Local manufacturing is dependent on imported machines and raw material inputs. So-called export processing zones of multinational firms are detached from the domestic economy and are engaged in semiprocessing and assembly. They are mere appendages or segments of the international assembly line of multinational firms.

The so-called service industries serve as adjuncts, not of an independent industrial capacity for the country, but of comprador-type operations in export and wholesale domestic trade, finance, tourism and travel, and the whole gamut of media, communications and infotech-based businesses that merely skim their share of profit from these basically commercial op-

erations with some globalized character. Such industries may impart a glossy, capitalist-like sheen on the Philippine economy at first glance, but are simply unsustainable outgrowths of the semifeudal economy.

In spite or because of the long running bogus land reform program of the agrarian state, agriculture remains a major base of the economy but it is in the main afflicted by traditional feudal relations of production, by backward, non-mechanized, non-irrigated, and with low output. However, there is the noticeable phenomenon of the scattered use of harvester and thresher combines from China and Japan in small to medium landholdings, displacing farmworkers. Large-scale agricultural production with some amount of mechanization and hiring of seasonal farm workers is carried out in foreign-owned and big comprador-owned plantations producing export crops.

AB: Can you explain the impact of the economic policy shifts of the US and world capitalist system on the Philippine economy since the 1950s? Have these policy shifts, which have been followed by the Philippine government, promoted the industrialization of the Philippines?

JMS: There have been conspicuous and superficial phenomena in the Philippines attendant to shifts in the economic policy of US imperialism and the local reactionaries. Up to the 1950s, US surplus consumer goods poured into the Philippines to exhaust US war damage payments and loans from the US Export-Import Bank. By the 1970s upon the rehabilitation of Japan, the Philippines was being swamped with all sorts of Japanese goods and Marcos went into showy infrastructure projects, using up Japanese reparations and availing of loans from the World Bank.

Some shallow-minded bourgeois economists thought that the Philippines could become a newly-indus-

trializing country when the export-processing zones were launched. But the Filipino rulers proved incapable of overcoming limitations imposed by the Japanese creditors on the Iligan Integrated Steel Mills which were established during the time of Macapagal and would be sold away to Chinese Malaysians in the time of Ramos.

The multilateral consensus among the industrial capitalist countries in IMF, World Bank and the Asian Development was to keep the Philippines nonindustrial and agrarian, a dumping ground of surplus manufactures and cheap source of raw materials, restricted to infrastructure building to enhance the export of raw materials and import finished manufactures.

The share that the Philippines got in the imperialist recycling of petrodollars in construction projects in the Middle East was the desperate shift of Marcos' crony construction companies to this region, the deployment of Filipino construction workers and the start of a significant amount of remittances from migrant workers to keep up the importation of consumer goods under the auspices of the Filipino comprador big bourgeoisie.

But the bigger phenomenon of exporting cheap Filipino labor in far larger numbers has arisen under the neoliberal policy framework to earn foreign exchange and augment foreign loans for covering the growing deficit due to the increased dumping of surplus consumer goods by the imperialist countries and by the neighboring newly-industrialized countries in East Asia.

The US instigated the neoliberal policy of imperialist globalization in a futile attempt to override the worsening crisis of overproduction within the US and among its industrialized allies from 1979 onwards. This policy has been awesome because it brazenly calls for the unbridled aggrandizement of monopoly capital, the deliberate reduc-

tion of the wage income and social services, the denationalization of weaker economies and the abuse of international credit for private construction and the provision of consumer goods.

In the neoliberal framework, the Philippines never had a chance to make its own national industrialization, until now when neoliberalism has become bankrupt and the public debt is already in the process of exploding in the face of both industrialized and non-industrialized countries.

Such new facets of the local economy as the significant rise in remittances of overseas Filipino workers since the late 1970s, expansion of so-called free economic zones, large-scale land-use conversion for real-estate, production of new commodity crops, have only served to aggravate and deepen the backward and nonindustrial character of the domestic forces of production in the Philippines.

Significant external changes like the complete restoration of capitalism in the Soviet Union and China, the rise of China as a manufacturing giant, technological developments in communications, robotics, and so on have only served to aggravate the crisis of overproduction in the world capitalist system and have not provided the Philippine reactionary government the opportunity to undertake the industrial development of the Philippines, especially because there has been a lack of political will for such purpose.

AB: What is the composition of the Philippine population in terms of socioeconomic class and urban-rural dichotomy?

JMS: Based on the false statistics of the reactionary government, the employees in the industry sector (19.1 per cent) and those in the service sector (58 per cent) now total 77.1 per cent of the labor force against the measly 22.9 per cent in the agriculture sector. There are

two points missed in the understatement of employment in agriculture: first, almost the entire family of peasants and farm workers, including women and children, do farm work and other productive activities in the natural economy; and second, most of the surplus population and the rural odd-jobbers and many of the urban odd-jobbers are still connected to their peasant families.

In considering the class composition of the Philippine population, one must in general count as members of a definite socioeconomic class those family members who are dependent on or assist their parents in work. This is especially in the case of peasants and farm workers because they take part in production and get a definite share of the social product. By this reckoning, the poor and middle peasants are still the overwhelming majority of the people employed in the two basic productive sectors of agriculture and industry. At the least, 60 per cent of the population are still peasant and based in the rural areas.

Even the false statistics of the reactionary government admit that there are still more people employed in agriculture than in industry, although the difference has been made incredibly small. The mechanical and superficial definition of "urban" in these statistics have the overall effect of bloating further the number of non-rural employment, where in fact these are typically members of peasant families engaged in sideline occupations in nearby town centers, such as drivers, haulers, vendors, shop assistants, and other casual laborers in the informal economy.

There is a noticeable degree of rural semiproletarianization, due to the limits of agricultural land, and widespread land-use conversion for real estate, tourism, energy and infrastructure projects. This results in the increasing number of surplus peasants and farmworkers who are

displaced from the land and could no longer be absorbed in agricultural production.

But they have scant opportunity to become productive since there are limited industries in the cities and the labor export market can only absorb so much, large amounts of rural labor are being displaced from the land and forced idle. To feed themselves and their families, they resort to all sorts of productive work from serving as habal-habal transport drivers, engaging in small retail, seasonal swidden farming, collecting firewood for sale, and so on, which are intrinsically tied to the rural economy.

The big compradors, landlords and bureaucrat capitalist families comprise fractions of 1 per cent of the Philippine population, the stunned middle bourgeoisie cannot exceed 2 percent of the population, the urban petty bourgeoisie still ranges from 6 to 8 per cent of the population. The workers and peasants comprise at least 90 per cent of the population, with the nonagricultural workers no more than 30 or 40 per cent. There has been no significant advance of industrial capitalist development to change radically the social pyramid and rural-urban distribution of the population since the writing of "Philippine Society and Revolution."

The Philippines is extremely underdeveloped if we consider the extent of unemployment as an indicator of development. According to 2019 official statistics, 12 million people or more than 26 per cent of the 45 million labor force cannot find work in the Philippines and have to seek jobs abroad. Another 10.6 million or 23 per cent of the labor force remain in the Philippines and are admitted by the reactionary government as unemployed. A total of 22.6 million people or more than 49 per cent of the labor force are unemployed.

The National Statistics Authority of the government admits that of the almost 70 million Filipinos

counted as working-age population (as of the 2017 Labor Force Survey), more than 27 million are categorized as “not in the labor force” (NILF). These include overseas workers, who are even excluded in the NSA’s labor data collection. Other NILF include those who are “not looking for work” for various reasons. This point alone proves the severity of the country’s unemployment problem.

Aside from exporting raw materials for foreign monopoly capitalism, the Philippines has exported huge amounts of cheap labor since 1980. It does this in two ways with huge increases:

1) in overseas Filipinos (with for instance OFW deployment increasing from just 214,590 in 1980 to over two million annually since 2016; the stock of overseas Filipinos meanwhile increased from 7.0 million in 1997 [earliest available data] to 10.3 million in 2013 [latest available data, although Migrante estimates at least 12 million today]); and

2) in employment in special economic zones (increasing from 91,860 in 1994 to over 1.5 million today; this is from how the number of economic zones increased from 16 to 395 and of enterprises [mainly foreign TNCs] in them from 331 to 4,341 over that same period). This grossly affirms how our lack of an industrial base means that foreign monopoly capital is able to exploit Filipino raw materials and cheap labor.

AB: In 1983 you and Ka Julie your wife analyzed the Philippine mode of production and countered the wrong line that the Philippines was no longer semifeudal but capitalist? What was the basis of that line?

JMS: Yes, we thought in 1983 that it was our duty to counter the erroneous line that the Philippine economy was no longer semifeudal but capitalist. The implication of the term capitalist was that the Philip-

pines had become industrial capitalist. There would have been no problem if the homegrown capitalism was described as semifeudal capitalism or big comprador capitalism or big comprador-landlord economy.

Certain cadres of the Communist Party of the Philippines were quite awed by the Marcos fascist regime’s infrastructure projects and propaganda that the Philippines was becoming industrial capitalist because of “eleven industrial projects” connected to the infrastructure projects and the promotion of universal banks so-called, no longer merely commercial banks but banks for industrial investment, as in the merger of bank and industrial capital in the emergence of monopoly capitalism in Europe.

Julie and I thought those CPP cadres I have mentioned were under the influence of bourgeois economists and even of Trotskyism. They were short of knowledge about political economy and were lacking in critical ability. They even claimed that the peasantry in Central Luzon was rapidly disappearing because of industrialization and did not recognize that the number of peasants persisted but the surplus rural population was increasing and desperate even for odd jobs on the farms and in Metro Manila. They were also dazzled by the prospects of export processing zones and semiprocessing enterprises.

They failed to recognize that the bureaucrat capitalist Marcos and his cronies were big compradors who were benefiting from infrastructure projects which were grossly graft-laden and dependent on onerous foreign debt as well as on imported construction equipment and structural steel. The so-called eleven industrial projects and universal banks were all balderdash and were subordinate to the infrastructure projects and export-import trading. The export-processing zones were not at all the cutting edge of industrialization but fringe-

processing or assembly of finished components.

The errant comrades were completely unaware that Marcos had already exhausted the Japanese war damage payments and that the neo-Keynesian lending under the auspices of the World Bank for the purpose of enhancing the colonial exchange of raw materials from the hinterlands and finished goods from the metropolis was under strain and severe criticism from 1979 onwards. The Marcos fascist regime was already in financial trouble due to the dwindling of international credit from 1979 to 1982.

AB: What were the consequences of the wrong line of those who practically praised Marcos for transforming the Philippines from semifeudal to industrial capitalist?

JMS: The subjectivist line that Marcos had transformed or was transforming the Philippine economy from semifeudal to industrial capitalist bred Right and “Left” opportunist lines. It reinforced the reformist Right opportunist line of the so-called popular democrats. It also whipped up the Left opportunist and Trotskyite line that the Maoist line of protracted people’s war was invalid and that victory in the armed revolution could be accomplished through urban uprisings and/or rapid regularization of the people’s army. The Left opportunist line manifested Trotskyite notions and did the most damage to the armed revolution from 1986 until 1992, prompting the Second Great Rectification Movement in 1992.

The critique of the wrong subjectivist line about the mode of production in the Philippines in 1983 did not stop the Right opportunists and “Left” opportunists in having their way and inflicting damage to the revolutionary forces at various times in various regions but it reinforced the Marxist-Leninist foundation of the CPP and

gathered the support of most cadres and members for the Second Great Rectification Movement. This was an educational movement to repudiate, criticize and rectify the erroneous subjectivist line and the Right and “Left” opportunist errors as well as consequent crimes. It saved the CPP and the revolutionary movement from disintegration.

AB: Now, there are again claims that the Philippines is no longer semifeudal but capitalist. Why? What is the basis for these claims? Has the neoliberal policy really developed beyond what you call the semifeudal economy?

JMS: As Lenin has taught us a long time ago about the law of uneven development, modern imperialism or monopoly capitalism can make spasmodic investments in colonies, semicolonies and dependent countries but these do not result in an even economic development from one level to a new higher level. The kind of foreign investments that flowed into the Philippines during the time of Marcos did not lift the Philippines from semifeudalism to industrial capitalism but to a worse kind of semifeudalism that resulted in the downfall of Marcos and the stagnation of the economy during the time of Cory Aquino.

Then from 1992 onwards Ramos as president pushed hard the neoliberal policy, privatised state assets to use the sales income for buoying up the budget and to get neoliberal credit for a private construction boom and larger importation of finished manufactures. The Philippine economy actually degenerated and then was adversely affected in a big way by the Asian financial crisis of 1997. The export-oriented processing enterprises collapsed and became subordinated to China as final assembly platform.

The Estrada regime could not last long because of corruption and depressed conditions of the economy. But despite continuing difficulties, the subsequent Arroyo and

Aquino regimes seemed to be able to fix the Philippine economy because of low-interest international credit by way of reviving the world capitalist economy, the inflow of speculative portfolio funds which did not build any productive enterprise, the foreign exchange remittances of overseas contract workers and the shift of business processing operations from the imperialist countries to the Philippines.

Philippine economic “progress” since the 2000s is equated or made to appear with the glossy high rise buildings due to neoliberal funding and a big amount of import-dependent consumption due to a rising level of foreign debt in combination with the remittances of the OFWs which have not been enough to cover budgetary and trade deficits. Thus there is now an unsustainable public debt of Php 9 trillion without any solid kind of industrial development. The backward nonindustrial character of the Philippine economy when the public debt bubbles of neoliberalism will be exploding in both industrial capitalist countries and in nonindustrial countries like the Philippines.

But there are those who think that the grotesque distribution of employment and outputs in the agriculture, industry and service sectors spells the rise of the Philippine economy, from semifeudalism to capitalism which is implied to be industrial capitalism. According to latest government statistics, agriculture is supposed to account for 22.9 percent employment and 7.4 per cent share of the GDP, industry for 19.1 per cent of employment and 34 per cent share of GDP and service sector for 58 per cent of employment and 58.6 of GDP.

These figures are patently false by understating the proportion of those employed in agriculture and disregarding the fact that entire families of peasants and farm workers (including children below the age of 10 years) participate in farm work and overstating employment

in the service sector which obviously includes estimates of the big number of odd-jobbers and unemployed. The service sector is not a basic productive sector, unlike agriculture and industry.

Nevertheless, the service sector is highly significant because it is where the comprador bourgeoisie reigns with its big financial, trading and other service corporations. These determine the semifeudal and big comprador capitalist character of the Philippine economy in line which lacks an industrial foundation. But the statisticians of the reactionary government also crowd the service sector with small and medium service enterprises and the far more numerous income-earners working as jeepney drivers, market stall proprietors, gasoline station attendants, sari-sari store owners, street vendors, cooks, waitresses and others involved in the so-called “informal economy.”

That the service sector dominates the economy indicates a grossly disfigured non-industrial state of the economy. The proportions of employment and output ascribed to the industry sector clearly do not make the Philippines industrial capitalist, especially if we consider that the Philippine industry sector is entirely dependent on imported equipment, fuel and other major components and raw materials.

What has been passed off by the reactionary rulers and economists as industrial capitalist development in the Philippines consists of pockets of large-scale industrial capitalist production dependent on imported equipment and components which include electronic parts, electrical wiring production and other export commodities inside the export processing zones. These zones of cheap Filipino labor and tax evasion form part of the international assembly line (now more fashionably called “global value chains”) of multinational corporations.

There are also large-scale extractive industries such as mining operations which make use of giant earth moving machines, high explosives, open pits and heavy doses of cyanide and other lethal chemicals, and international shipping vessels which often avoid customs with the complicity of corrupt officials. Large numbers of the Filipino proletariat are concentrated in these areas of economic activity. The question, however, is whether these form part of, or contribute to domestic capitalist development. The processing of the mineral ores is done abroad beyond the primary stage.

Except for the low wages they pay to workers, the mining enterprises, in fact, do not contribute anything fundamental to domestic capitalist development. In fact, they prevent local capitalist factors from developing industrially by sucking in domestic resources, and influencing economic policy to the detriment of the national bourgeoisie. The independent local capitalist sector is limited mainly to small and medium-scale manufacturing, with significant numbers in the local food manufacturing.

AB: What are the possible consequences of not describing Philippine politics and economy in the most precise way possible?

JMS: If the thinking gains ground that the Philippines has become industrial capitalist from being semi-feudal, there would be an obfuscation of the three basic problems of foreign monopoly capitalism, domestic feudalism and bureaucrat capitalism, with the big compradors and bureaucrat capitalists serving as the bridge between foreign monopoly capitalism and feudalism consisting of traditional rent-taking landlords and export crop land-

lords, and leasehold contract growers (including commercial livestock and poultry growers for niche markets) who combine some amount of mechanization and the use of seasonal farm workers.

Worst of all, there can be again the illusion that the peasantry is a dwindling or even disappearing class through capitalist development, agrarian revolution is no longer the main content of the people's democratic revolution and that the protracted people's war has lost the wide social and physical terrain for maneuver and growth in stages. The subjectivist line can again be whipped up for the Right and Left opportunist lines that arose from 1981 to 1992 and became very damaging to the revolutionary movement from 1985 to 1992.

Those who spread the aforesaid subjectivist line eventually exposed themselves as Trotskyites. They are again loudly attacking the characterization of the Philippine economy as semi-feudal in order to push the long-discredited Trotskyite line that there ought not to be two stages in the Philippine revolution because socialism is already the immediate issue, that there is no need for the people's democratic revolution, that the peasantry and the middle bourgeoisie are reactionary forces that should be kept out of the national united front, that the strategic line of protracted people's war by encircling the cities from the country should be discarded and that the workers must do all the revolutionary struggle and share no power with the peasant masses.

However, the semifeudal character of the Philippines will become even more conspicuous as the crisis of the world capitalist system and that of the domestic ruling system

worsen, especially after the aggravation of the crisis and large-scale disruptions of global and domestic supply chains wrought by COVID-19. The liberalized trade and investment policies of the reactionary government have favored foreign monopoly capitalists and smugglers through the ports and free economic zones at the expense of local production.

The Philippine economy remains dependent on imported equipment and many kinds of consumer manufactures, foreign debt and investments. It suffers from a rapidly worsening chronic trade deficit and mounting public debt. The people suffer high rates of unemployment, job insecurity, low wages, rising prices of food and other basic commodities, mass poverty and homelessness.

The export-oriented, import-dependent and heavily indebted economy is already reeling from the global economic slowdown and the aggravation done by the destruction of productive forces due to the Covid-19 lockdowns. The private construction boom, real estate development and tourist enterprises are likely to suffer a collapse as they did after the Asian financial crisis of 1997.

The GDP growth last year which slowed to 5.9%, the lowest in eight years, is set to be wiped out with the unprecedented contraction of the economy. Sure to further deteriorate are all sectors of the economy in terms of output and employment. Overseas remittances and BPO operations will slow down. The Philippine economy and government have gone bankrupt and will have no way whatsoever to claim any kind of economic development from the underdeveloped and impoverished conditions of semifeudalism. AB