

Comprador and bureaucrat capitalism and crisis of neocolonial rule¹

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Warm revolutionary greetings to all participants of the Fourth International Theoretical Conference on Comprador and Bureaucrat Capitalism in the Neocolonies co-organized by National Democratic Front of the Philippines (NDFP) and the Communist Party Marxist Kenya (CPMK). We extend our revolutionary salute to the National Democratic Front of the Philippines and to the Communist Party Marxist Kenya for taking the initiative to organize this important conference. It is especially meaningful that this conference is being held here in Nairobi, Kenya – a nation whose history bears the scars and resistance of generations against colonial and neocolonial plunder. A country where the masses of workers, peasants and

¹Keynote article to the Fourth International Theoretical Conference on Comprador and Bureaucrat Capitalism in the Neocolonies, held in Nairobi, Kenya

youth continue to wage struggle for genuine national independence and social liberation.

Through this conference, we hope to share our analysis of bureaucrat capitalism and comprador capitalism in the Philippines, exploring its origins and operations, and how it oppresses the broad masses of the Filipino people. At the same time, we hope to engage with the perspective of other participants and learn from their experiences and strategies of resistance.

A. History of bureaucrat capitalism and the comprador big bourgeoisie in the Philippines

The Philippines is a semicolonial and semifeudal society. This condition is the byproduct of a historical process of colonial conquest, imperialist domination, and collaboration of domestic ruling classes.

Spanish colonial rule began in the 16th century and lasted three centuries. At the outset, it violently suppressed communal landholding practices and replaced them with a land monopoly system that concentrated vast tracts of land into the hands of the Spanish Crown, religious orders, and local colonial elites. The *encomienda*² system and later the *hacienda*³ system dispossessed the local people and subjected them to rent extraction, forced labor (*polo y servicios*), and tribute.

These feudal relations persisted even as the colony began producing for the global capitalist market in the 19th century. The export of sugar, abaca, tobacco, and other agricultural products increased.

Towards the end of the 19th century, aspirations for national freedom to end feudal and colonial abuses drove the Filipino people to unite. Inspired by the bourgeois democratic ideals of the French revolution, a nationwide anti-colonial and antifeudal armed revolution broke out in 1896, which brought together the local bourgeoisie, the petty-bourgeoisie, the nascent

²The *encomienda* system is a colonial feudal arrangement established by the Spanish crown where Spanish *encomenderos* were granted control over specific territories and the right to extract tribute, labor, and agricultural products from the local population in exchange for having subjugated the local population supposed protection and religious instruction, and through which Spanish colonial power flowed.

³The *hacienda* system is a land-tenure system that succeeded and expanded upon the *encomienda*, consolidating vast tracts of agricultural land under the control of religious orders, Spanish colonial officials, and local collaborators (the *ilustrado* and *principalia* classes). It promoted the cultivation of commercial crops for export promoted by foreign commercial capital which marked the rise of semifeudal relations of production.

working class and peasant masses along the common aspiration for political and economic freedom.

The victory of the old-type bourgeois democratic revolution, the 1896 Philippine Revolution, was taken away from the Filipino people when the United States “bought” the Philippines from Spain in 1898 and carried out a war of aggression and occupation at the turn of the 20th century. In imposing colonial rule, the US imperialists preserved the old feudal order and shaped it for its own imperial interests. It entrenched semifeudalism—where foreign monopoly capitalism and domestic feudalism intertwined resulting in the erosion and dissolution of a natural economy of self-sufficiency in favor of a commodity economy, serving imperialist interests. The US benefited from colonial trade and investment from which it siphoned millions of dollars of gold, red mahogany, sugar, garments and other semi-processed goods.

The comprador bourgeoisie emerged from elite landlord families who became agents of foreign capital, serving as intermediaries in trade, finance, and commercial ventures. The US imperialists preserved the land monopolies of big landlords while ensuring that the economy served American economic and strategic needs. It drew the Philippine economy into the sphere of US capital.

The US promoted the so-called “Filipinization” of the colonial bureaucracy in order to co-opt the local elite and train them to administer the colonial government. It established the Philippine Assembly in 1907 to develop and train an entire stratum of local elites who could administer the neocolonial state on its behalf. Towards this end, the US dispatched more than a thousand teachers to establish a public education system to promote the use of English and “American values” to develop a local elite loyal to the US. It also started the pensionado system in 1903 to provide scholarships for Filipinos to study in the US, established the Philippine Military Academy in 1905 to train officers of the Philippine Constabulary (later the Armed Forces of the Philippines), and established the University of the Philippines in 1908 to provide training in various fields including law, public administration, medicine, engineering, arts and letters, and sciences.

It granted Philippine “independence” in 1946 and ensured that US-trained political, economic and military leaders will run the bureaucracy as a puppet republic in line with the interests of the ruling elites beholden to foreign capital. Five military agreements⁴ were imposed upon

⁴These include the Military Bases Agreement (MBA) of 1947 while allowed the US to maintain and operate at least 23 military bases throughout the Philippines; the Military

independence including the maintenance of large US military bases, while lopsided economic agreements were imposed to perpetuate trade and investment policies favoring American corporations, derailing land reform and national industrialization. The US imposed free trade policies and other lopsided investment and trade agreements, ensuring Philippine dependence on American markets for its agricultural exports and dependence on US imports for industrial and manufactured goods. This unequal exchange preempted and undermined local industrial development and maintained the feudal land ownership structure in the countryside.

This historical process from the establishment of feudal relations by the Spanish conquistadors and the superimposition of capitalist structures under US imperialist rule created the semicolonial and semifeudal system. The landlord class was maintained to provide the base for the colonial trade, along with emergence of the comprador bourgeoisie to serve as agents or intermediaries of foreign monopoly capital. These compradors have no interest in building national industries as they merely engage in wholesale and retail trade of foreign goods, in the export of raw or semiprocessed materials, profiting from unequal trade and economic dependence, and serving as local managers of subsidiaries of foreign monopoly capitalists engaged in the reexport of goods assembled from imported components.

B. Bureaucrat capitalism and the crisis of the neocolonial state

Encapsulating the process of the Philippines' transition from a direct colony to a neocolony, Ka Joma (CPP Central Committee founding chair Jose Maria Sison wrote: "With US imperialism enlarging its interests at the expense of the broad masses of the people, the colonial bureaucrats have become bureaucrat capitalists. They are capitalists by keeping the government as a large private enterprise from which they draw enormous private profits. ... They serve the comprador big bourgeoisie and the landlord class which are their internal material basis. Nevertheless, as distinguished from these two

Assistance Agreement (MAA) of 1947 and the creation of the Joint US Military Advisory Group (JUSMAG) which ensured continued US influence and control over the development of the Philippine military, molding it to serve US interests; the Mutual Defense Assistance Agreement (MDAA) of 1953 which cemented military dependence of the US by formalizing US military aid, weapons transfers, and training; and the Mutual Defense Treaty (MDT) of 1951 which served as legal cover for continued US military presence in the country.

exploiting classes, the bureaucrat capitalists build up or expand their wealth through the exercise of political power.”⁵

The US imperialists established a puppet or neocolonial state in the Philippines to institutionalize class rule by the big bourgeois compradors and big landlords in the service of imperialism. The class rule of these local exploiting classes is the direct expression of imperialist dominance in the country. These classes lack independence or national character, acting as mere appendages of US imperialism.

Alongside the big bourgeois compradors and big landlords, US imperialism developed a stratum of bureaucrat capitalists. In the Philippine experience, bureaucrat capitalists did not emerge wholly as a new class, no more than mere extensions or political agents of the landlord class and big comprador bourgeoisie. They administered the puppet state, enacted laws, formulated programs and policies, which protected and allowed the big bourgeois compradors and big landlords to consolidate and further accumulate capital and wealth.

In general, bureaucrat capitalists have arisen from different layers of society: traditional landlord families, commercial compradors, the military hierarchy, and even segments of the petty bourgeoisie who climb into power via elections or appointment. Even in the most “democratic” republics that boast of regular elections and representative assemblies, the major political parties that dominate these “democratic” processes and fill out its governance bodies are controlled by the local ruling classes and their imperialist overseers.

In the Philippines, bureaucrat capitalists perpetuate themselves in power in the form of dynasties, where multiple family members and close friends occupy positions of power. Rival dynasties divide political power and state privilege through elections, that often break out in violence, especially when these dynasties are also local warlords with their private armies and control of local military and police units. Ruling dynasties have the advantage of using state resources to promote patronage politics, based on the feudal culture to make the masses feel beholden for having received government subsidies or some other form of state aid, packaged and distributed with the name of politicians running for office. They also use state power to manipulate the results of elections through various means. Over the past 15 years, the automated vote counting system has allowed systematic and widespread manipulation of election results.

⁵Amado Guerrero, *Philippine Society and Revolution*, “The Basic Problems of the Filipino People, Bureaucrat Capitalism, The Meaning of Bureaucrat Capitalism”

The relationship of bureaucrat capitalists with the US imperialists is that of agents and clients. In exchange for loyalty to US imperialist interests – political-military control, imperialist trade and investment like liberalization of markets and access to natural resources – they are given access to wealth, power, and political protection in return.

Over the course of time, the functionaries of the neocolonial state in the Philippines took advantage of the privilege and control of state resources that come with their high public offices to accumulate capital and wealth. Steadily, bureaucrat capitalists merged their operations with the big bourgeois compradors and big landlords. In Ka Joma's words, it developed as "a form of capitalism in which the highest public officials use their government powers and control of government agencies and enterprises, public funds and natural resources in the public domain to serve their capital accumulation in collaboration with their families and cronies in the private sector as already accomplished big compradors or wannabe big compradors."⁶

Graft and corruption constitute a large aspect of bureaucrat capitalism, but does not form its entirety. Beyond graft and corruption, bureaucrat capitalism is a systemic mode of accumulation for a whole class of puppet rulers whose power is maintained through their alliance and dependence on imperialism. They use state power not to develop national industries or uplift the plight of the masses, but to plunder public wealth, enrich their own class, and implement US-dictated economic policies.

The crisis of the neocolonial state generated conditions conducive to the rapid development of the bureaucrat capitalist stratum as a distinct class. In the 1970s, the crisis of the global capitalist system exacerbated the chronic crisis of the semicolonial and semifeudal system in the Philippines. As a result, the economic resources available for distribution and sharing among the ruling classes decreased, leading to intensified competition and conflicts among the different factions.

The crisis induced Marcos to monopolize political power in 1972 by imposing martial law and using absolute power to take over business and trade operations of rival factions, in favor of himself and crony capitalists. He bought the loyalty of top military and police officers and allowed them to accumulate wealth through mulcting and connivance with criminal syndicates. Fourteen years of martial law paved the way for distinct

⁶Basic Problems of the Filipino People: Initial Q & A on Chapter 2 of Philippine Society and Revolution, In the webinar series of the ND Online School conducted by Anakbayan-Europa, Answers by Jose Maria Sison to questions from Anghelo Godino, June 21, 2020 <https://www.prismm.net/2020/06/21/sison-qa-psr2-basic-problems/>

bureaucrat capitalist operations and the morphing of bureaucrat capitalists into a distinct class as a part of the ruling classes⁷ - big comprador bourgeoisie and big landlords in the Philippines. The most successful and powerful among them are bureaucrat capitalist and comprador-landlord at the same time.

Bureaucrat capitalism is the ground on which fascism grows. They employ the state's armed forces and other instruments of coercion to unleash outright violence and terror to perpetuate imperialist domination and the reactionary class rule through suppression of all forms of revolutionary resistance. The Marcos dictatorship saw heightened fascism as the state grew its armed forces by severalfold to put the country under military rule. Pseudo-democratic governments since 1986 have maintained democratic trappings (elections, courts and so on) even as they have waged increasingly violent wars of suppression against the people, in line with the US counterinsurgency doctrine.

In a 2020 interview, Ka Joma noted that while bureaucrat capitalists in the Philippines first emerged as mere political agents of the big compradors and big landlords, "they have become a distinct class by accumulating power and wealth by using their governmental authority. They gained notoriety as political dynasties wanting to perpetuate themselves in power in order to further accumulate private capital and land."

C. Mechanisms and operations of bureaucrat capitalism

Bureaucrat capitalism in semicolonies is a parasitic system of class rule that uses state power to accumulate capital through subservience to imperialism, political privilege and outright theft. In semicolonial and semifeudal societies such as the Philippines, it is one of the key instruments by which foreign monopoly capital and local ruling classes exploit the nation's labor and resources. It subjects the broad masses through various forms of oppression. As Ka Joma explains, bureaucrat capitalism is the use of political power for economic gain by a stratum of the ruling classes embedded into the state apparatus.

Let us go through some of the distinct mechanism and operations for capital accumulation by bureaucrat capitalists:

⁷On The People's Democratic Revolution: An Interview With Jose Maria Sison, <https://www.redspark.nu/peoples-war/on-the-peoples-democratic-revolution-an-interview-with-jose-maria-sison/>

1. Kickbacks and diversion of public money for infrastructure and development projects into private accounts or shell companies.

Government contracts are awarded to cronies or family-run firms, while procurement, bidding, and regulatory processes are routinely manipulated for profit. A significant conduit for this corruption is Official Development Assistance (ODA), which, while presented as “aid”, often becomes a source of massive kickbacks for bureaucrat capitalists. Infrastructure projects are overpriced or implemented below specifications.

During Marcos’s martial rule, loans to the Philippines from imperialist financial institutions quadrupled between 1972 and 1980, the height of Marcos’ martial rule. The regime funneled huge sums of these loans into white elephant infrastructure projects, overpriced energy and dam construction, and grandiose construction efforts in Metro Manila designed to boost the image of the fascist dictatorship. Many of these were awarded to cronies, shell corporations, and companies controlled by the Marcos family itself. The IMF and other agencies estimate that the Marcoses embezzled around 13 – 15 billion during the fascist dictatorship, using a network of 170 dummy corporations and offshore accounts.

Succeeding regimes have invariably engaged in the same operations of collecting kickbacks and diversion of public funds, especially through infrastructure projects that include roads, bridges, rails, telecommunications and others. With every new regime comes the rush to negotiate new contracts or renegotiate old contracts to ensure that the new ruling elite faction gets the kickbacks. Under the Duterte regime (2016-2022), the bureaucrat capitalists accumulated large amounts of capital from government contracts for dams, bridges and other major infrastructure projects funded by China’s state banks and corporations. With the rise to power of US puppet Marcos, a number of these contracts have been renegotiated and awarded to American and Japanese banks.

2. Liberalization of natural resources, land, utilities and key industries and sale of public assets

Another key mechanism of bureaucrat capitalist operations is the liberalization of natural resources, land, utilities and key industries. Bureaucrat capitalists act as brokers and protectors of foreign capital, securing mining concessions, logging rights, and agricultural export zones at the expense of national patrimony and people’s rights. They amass

wealth by receiving commissions, shares, and bribes in exchange for allowing imperialist pillage of the nation's wealth.

For instance, former president Noynoy Aquino III aggressively pushed for Public-Private Partnerships (PPPs) that opened public infrastructure and utilities to transnational corporations. These PPPs, packaged as reforms, allowed foreign companies to enter joint ventures in transportation, water services, energy, and telecommunications—sectors critical to national sovereignty. Aquino's government championed neoliberal measures such as further deregulation of mining and foreign investments, issuing Executive Order 79 which undermined local resistance to destructive mining operations and signaled to imperialist firms that the Philippines was "open for business." Under his watch, foreign and local conglomerates were granted extensive privileges, while the Filipino people were burdened with rate hikes, environmental destruction, and displacement.

In these roles, bureaucrat capitalists do not passively allow exploitation—they actively plan, promote and engineer it - rewriting laws, dismantling regulations, negotiate contracts and repressing opposition in order to safeguard imperialist interests. Their accumulation is thus premised not on production, but on their capacity to serve as reliable intermediaries for foreign monopoly capital. By betraying national interests and collaborating with imperialist firms, the bureaucrat capitalists become the domestic agents of foreign plunder. They become richer as the country becomes poorer.

3. Land grabbing in the guise of "development" projects

Land grabbing is another integral part of bureaucrat capitalist operations. They use state authority to expropriate or reclassify land for "development" projects that serve imperialist or comprador interests. Bureaucrat capitalists use their control over legislation, zoning, and public works to artificially raise land values, take over government and private lands and displace communities, often in direct collusion with real estate oligarchs, comprador firms, and foreign capital.

A stark example is the Villar political dynasty in the Philippines. The Villar family, one of the richest in the country with landlord origins, has amassed enormous wealth through strategic land banking and real estate development. Manny Villar entered politics in 1992, and from that point onward, skillfully combined his political career with the expansion of his wealth. Their empire expanded even further when his son, Mark Villar, was appointed Secretary of Public Works and Highways under the Duterte

regime, during which the family's wealth doubled, consistently topping the Forbes list of richest Filipinos.

During his tenure, billions of pesos in infrastructure projects were poured into key areas – many of which happen to align with or pass through land owned by the Villar group's real estate firms such as Vista Land and Golden Bria. These state-built roads dramatically increased the land values in those regions, delivering windfall profits to the family. This is a textbook case of how bureaucrat capitalists exploit their position to consolidate class interests – using the state to enrich themselves, leverage foreign investment, manipulate policies, and entrench elite dominance over land and resources.

The Villar case illustrates how bureaucrat capitalists transform into powerful comprador bourgeoisie, acting as local agents of imperialist capital. By fusing state access with capital accumulation, they evolved from local landlords into bureaucrat capitalists, and later as part of the biggest comprador bourgeoisie in the Philippines, while maintaining their hold on political positions at the national and local levels.

4. Control of state-owned enterprises, government-controlled private pension and insurance funds, and regulatory agencies.

Bureaucrat capitalists in the Philippines also accumulate capital by controlling pension funds, such as the Government Service Insurance System (GSIS), the Social Security System (SSS), the Pag-IBIG fund and the PhilHealth funds. These pension funds are designed to provide retirement benefits, low-interest loans for housing and medical insurance to government employees and private sector workers.

Bureaucrat capitalists appoint their agents as executives and run these as private corporations, earning fat salaries, perks and control over vast sums of money. Bureaucrat capitalists systematically use their influence to control the investment decisions of these funds, channeling them into projects and businesses that benefit themselves and their allies, taking away money from pensioners. Billions upon billions of pesos have been lost in failed investments, which these pension corporations try to recover by increasing the burden on its supposed beneficiaries.

Bureaucrat capitalists also accumulate capital through control of state-owned enterprises including the Philippine Economic Zone Authority, the Philippine National Oil Company, the National Power Corporation, the Philippine Ports Authority, the Light Rail Transit Authority and others. By

controlling these state enterprises, bureaucrat capitalists pocket huge sums of money in awarding contracts to favored companies, granting of incentives to favored companies, corruption in the issuance of permits, sale of land and other public resources, or using company resources for personal gain.

The Marcos Jr. regime recently revived the Maharlika Fund, a sovereign wealth fund with a projected capital of P550 billion, which will be sourced through collections from various public funds and state banks. Marcos and his bureaucrat capitalist agents who manage the fund are certain to accumulate wealth and enrich themselves through kickbacks and other forms of corruption, particularly from companies that receive favorable investments, which include mining companies that have been granted lucrative contracts and concessions.

5. Melding of bureaucrat capitalism and criminal operations

In the Philippines, bureaucrat capitalist mechanisms have melded with criminal operations providing even greater opportunities for capital accumulation. Smuggling operations are among the biggest sources of bureaucratic capital where the Customs Bureau is controlled by retired and active military and police officers. Every new regime takes over the smuggling operations of rice, sugar, fuel, cigarettes, and various types of commodities. This has become even more rampant with the all-out liberalization of importation. They collude or provide protection to local cartels who control importation and local supplies, making even greater profit through manipulation of local prices.

Vast sums of capital are also amassed through the protection of illicit activities, such as drug trafficking and illegal gambling. By leveraging police crackdowns, bureaucrat capitalists are able to exert control over these syndicates, forcing them to submit to their authority and pay tribute. This extortionate system allows bureaucrat capitalists to accumulate enormous wealth, which they then invest in a range of business ventures, real estate developments, and other lucrative enterprises.

6. “Counterinsurgency” and defense contracts

Bureaucrat capitalist parasitism is not confined to civilian bureaucrats. A substantial and strategic segment of the bureaucrat capitalist class is composed of the military and police elite. These are generals and officers who gain wealth through defense contracts, control over internal security

budgets, and foreign military aid. The bloated budget for “counterinsurgency,” a large part of which are unaudited on the pretext of “tactical information,” line up the pockets of military generals and field officers. Corruption in the military and police has expanded under the US counterinsurgency doctrine of “whole-of-nation approach” under which all agencies of the government are placed under the purview of the military and police, further consolidating the power and financial interests of the military elite.

Upon retirement or appointment, they take civilian posts in key agencies—transportation, energy, peace negotiations, agrarian reform—thereby entrenching the military and police in the economic and political administration of the state.

These are just of the most typical mechanisms by which bureaucrat capitalists in the Philippines amass capital. In its most concentrated form, bureaucrat capitalism becomes state capitalism that controls the neocolony’s natural resources, public utilities, vital industries, sovereign funds, and other key economic facilities— in partnership with and in service of imperialism.

In countries deeply trapped in the neocolonial system like the Philippines, the most powerful bureaucrat capitalist blocs are those that belong to the ruling clique. They use their positions to expand and deepen their big comprador-landlord interests. They do not develop national capitalism and are entirely dependent on foreign monopoly capital, and form part of the international capitalist system dominated by the United States. They are prevented by the imperialist-dominated semifeudal system from freely developing a national capitalism from industrializing the country independently.

In sum, bureaucrat capitalism operates through state plunder, foreign collusion, land grabbing, debt dependency, and militarized control, all to the benefit of imperialism and the local ruling classes. It is a parasitic and reactionary mode of capital accumulation that concentrates wealth in the hands of a few, while dispossessing the masses and subordinating national development to foreign domination.

D. The big comprador bourgeoisie as the dominant ruling class in the Philippines

The semicolonial and semifeudal system in the Philippines is dominated by the domestic big bourgeoisie, both comprador and bureaucratic. They use

state power to facilitate and profit from imperialist investment, thereby solidifying their class character.

The big comprador bourgeoisie in the Philippines represents a class that has accumulated vast wealth not through industrial innovation or productive labor, but through its parasitic collaboration with foreign monopoly capital. These are the economic overlords who profit by importing finished goods, exporting raw materials, and controlling the flow of foreign investments in real estate, agriculture, energy, mining, retail, semi-processing or assembly operations, and finance. They play a central role in reproducing the backward, dependent nature of the Philippine economy—one designed to serve the needs of foreign capital rather than domestic development.

Many of these big compradors emerged historically from the traditional landlord class, who used the capital extracted from feudal land rent to enter into commerce and finance. Rather than being abolished, feudal property relations served as a stepping stone for entry into modern capitalist circuits—not to develop the countryside, but to further integrate the economy into the global market under imperialist terms. This transition gave rise to the landlord-comprador fusion, where old wealth rooted in land is transformed into new wealth tied to foreign capital.

It is in the fundamental nature of the big comprador bourgeoisie to prevent industrial development that would dismantle their class privilege or weaken the grip of imperialism. They are not interested in investing capital on basic industries including steel, petrochemical and machine-building. Traditionally and to a still large extent today, the business interests of the comprador big bourgeoisie are concentrated in raw-material extractive industries, import-export trade, domestic wholesale and retail trade, transport and communications, real estate, and banking and finance supportive of extractives and trade—rather than on domestic production for domestic consumption. “The comprador big bourgeoisie and the landlord class combine in opposing national industrialization and land reform. They combine in opposing the development of a self-reliant and progressive national economy.”⁸

They also engage in low-value added local-processing or finishing of raw-material exports and assembly, inspection and packing of manufactured imported components for re-export that form part of the imperialist-controlled “global value chains.” There are also the “sunshine industries” of

⁸Philippine Society and Revolution

information-based services such as BPOs⁹, which remain dependent on, or defined by, core industrial operations outside the neocolony. Under the push of the neoliberal offensive since the late 1980s, many public utilities including water, electricity, transportation which were once owned by the state have been privatized and subsumed under the profit-driven comprador operations. Thus, “service industries” have expanded tremendously as adjuncts of industrial production and new niches for comprador business.

Insofar as the comprador-dominated economy remains non-industrialized (agricultural, over reliant on extractive industries and bloated “service industries”)—as evident in semifeudal economies that emerged from traditional agrarian countries—the big comprador bourgeoisie’s interests are closely intertwined with the landlord class, especially the big landlords engaged in export crops, extraction of raw materials, and businesses based on real estate, construction, and services including tourism. In fact, the big comprador bourgeoisie are often former landlords or their descendants, who have partnered themselves with TNCs through investments in agro-export, manufacturing, real estate development, and finance. These landlords of a new type no longer rely solely on rent extraction; they now operate as capitalist intermediaries between foreign capital and domestic agriculture markets, thus deepening semifeudal exploitation.

In the Philippines, some sections of the big comprador bourgeoisie operate vast plantations, often with minimal degrees of mechanization. These are not traditional landlords relying solely on tenancy but corporate landholders who employ wage labor under highly exploitative conditions, alongside traditional semifeudal arrangements like contract-growing and land lease schemes. These comprador-landlords are key partners of TNCs in large-scale agribusiness, mining, and logging operations—particularly in banana plantations in Mindanao, as well as in extractive projects across the country. These TNCs, for their part, also derive profit directly from land rent, often securing long-term land control through lease agreements and joint ventures, with state support. The result is a landscape where both the comprador class and foreign capital benefit from the continued enclosure and exploitation of land and labor under conditions shaped by neocolonial rule.

⁹Business Process Outsourcing (BPOs) refer to the transfer of non-core business operations, such as customer service, technical support, and back-office functions from corporations in imperialist countries to low-wage, labor-surplus countries like the Philippines.

The most powerful comprador-landlord blocs could also easily branch out into a distinct bureaucrat-capitalist class, which thrive in fund-rich fields of government operations such as military and civilian procurement, bloated bureaucracies, and state corporations and financial institutions. In any case, these comprador-landlord-bureaucrat blocs command the biggest levers of economic wealth and enjoy political power at the highest levels.

One notable example is the Zobel de Ayala family, whose roots trace back to Spanish colonial landownership. They transformed their landholdings into urban real estate capital during American colonization and, today, control Ayala Corporation—one of the largest conglomerates in the Philippines. Their purchase of Manila Water¹⁰, a public utility once controlled by the state and privatized in 1997, reflects the comprador logic: public goods are commodified through neoliberal reforms, foreign partnerships are established to guarantee profit, and the people are burdened with soaring rates and poor service.

Another big comprador bourgeoisie, Enrique Razon Jr. leveraged inherited capital and connections to expand his shipping and port services industry empire. Razon's companies function as a classic comprador operation: facilitating foreign trade and the global flow of capital while extracting rents from strategic infrastructures in the backward countries. In the Philippines, the Razons have been implicated in the displacement of coastal communities, labor repression, and land-use conversion in areas such as Manila's port zone and parts of Mindanao, serving the interests of foreign capital and logistics networks while exacerbating local poverty and dislocation.

The Cojuangco-Aquino clan exemplifies how landlords morphed into big bourgeois compradors through their control of vast landholdings and access to foreign capital. Their economic ascent began with the acquisition of Hacienda Luisita, a sprawling 6,000-hectare sugar estate in Tarlac that they obtained in the late 1950s through a loan facilitated by the US-controlled World Bank and the Government Service Insurance System (GSIS). The Cojuangcos amassed profits through the export-oriented sugar industry through the 1960s and 1970s.

Over time, the clan parlayed their accumulated wealth into the establishment and expansion of businesses in banking, insurance, manufacturing, and real estate development, including significant

¹⁰The Manila Water company is now owned by big bourgeois comprador Enrique Razon, who bought the entire share of the Ayalas in 2024 for P12.9 billion through his investment company Trident Water.

investments. Moreover, their political influence, marked by the rise to the presidency of Corazon Aquino in 1986, and less than two decades later by her son Benigno Aquino III, ensured the preservation of elite landownership and foreign investment incentives. The first Aquino regime enacted the Comprehensive Agrarian Reform Program (CARP), which was riddled with legal loopholes like the Stock Distribution Option (SDO) that allowed landlords like the Cojuangcos to maintain control of Hacienda Luisita while evading actual land redistribution. This highlights how bureaucrat capitalism, landlordism, and comprador interests intertwine, maintaining feudal exploitation while adapting to the demands of global capital.

In the extractive sector (logging and mining), comprador families such as the Alcantara group have facilitated the large-scale plunder of natural resources through partnerships with foreign firms. These ventures evict indigenous communities, destroy ecosystems, and militarize entire provinces.

The comprador big bourgeoisie facilitates imperialist plunder while extracting rent and commission from the destruction of the nation's patrimony. They also dominate finance and banking, ensuring that the economy remains in debt dependency. They act as agents of foreign monopolies and banking institutions, facilitate loan transactions and capital movements, and take their cut in commissions and service fees. They do not produce value. They thrive on remittances and speculative investments, keeping the national economy subservient to foreign monopoly capitalist interests.

Furthermore, their influence extends to media, academia, and political discourse. Comprador-controlled media normalizes imperialist plunder, vilifies revolutionary resistance, and peddles falsehoods about "progress" and "investment."

The big comprador bourgeoisie has no stake in developing local forces of production. Rather, it plays a gatekeeping role for imperialist capital, extracting wealth through a dependent, backward economy designed to serve external powers and internal elites. As Philippine Society and Revolution summarizes: "It [big comprador bourgeoisie] is the most reliable social base of imperialist rule in the country and is extremely fearful of and hostile to any movement that seeks national independence and democracy."

The three ruling classes perpetuate semifeudal exploitation in the countryside while reinforcing semicolonial subservience in the cities. Only by dismantling this comprador-landlord alliance, destroying the

bureaucrat-capitalist state machinery of repression, and building a people's democratic government can the Filipino masses break free from the three evils of feudalism, bureaucrat capitalism, and imperialism.

E. Mechanisms of neocolonial rule

Neocolonial rule is maintained and consolidated by US imperialism over its semicolonies and its puppet states through various mechanisms, mainly through exerting or projecting military power, political intervention and subversion, economic pressure and cultural influence. Whether under civilian rule or under military juntas, the essence of puppet rule remains: a neocolonial state dominated by the comprador big bourgeoisie, big landlords, and bureaucrat capitalists – all subservient to imperialism. These three classes, while distinct in function, are united in their class interest and in their dependence on US imperialist patronage. Together, they form the ruling class alliance that administers the semicolonial and semifeudal system and obstructs genuine national and democratic development in the Philippines.

This entrenchment of puppet rule in the neocolonies takes different forms depending on the historical and material conditions of each country. In some cases, especially in post-colonial states, imperialist powers can manufacture an entirely new stratum of elite rule – bureaucrat capitalists – tasked with managing the affairs of the neocolony on their behalf. Once in power, they are cultivated by US imperialism through aid, training, ideological patronage, and security alliances. Indeed, under certain conditions, bureaucrat capitalists can emerge as a distinct class forged directly by imperialist design.

We have discussed in the first part above how US imperialism developed and prepared an entire stratum of local elites in the Philippines to administer the neocolonial state on its behalf. Their training was further reinforced by US scholarships and grant programs funded both by private institutions such as Rockefeller and Ford Foundations, as well as by various public academic and military institutions. These programs shape the ideological orientation and technocratic skillset of a loyal bureaucratic class.

In many countries, the US imperialists supported Right-wing regimes, coups and military dictatorships, such as in the Philippines (Marcos), South Korea (Park Chung-Hee), Indonesia (Suharto), Chile (Pinochet), Nicaragua (Somoza), Argentina (Videla), Iran (Pahlavi) and many other countries. In the Philippines, the US trains and funds the military to ensure that it is

oriented towards securing its strategic interests. There are also cases where governments assertive of national sovereignty were subjected to intense economic and political pressure, which were either coopted or replaced through elections or even assassinations such as in the case of Congo's Patrice Lumumba in 1961 and Burkina Faso's Thomas Sankara in 1987.

Governments are subordinated through intense imperialist control via international financial institutions such as the IMF and World Bank. These institutions function as instruments of finance capital. Through the implementation of IMF Structural Adjustment Programs (SAPs) which started in 1979, the US enforced neoliberal economic restructuring across its semicolonies – mandating the privatization of public utilities and services, deregulation of industries, liberalization of trade and investment laws, and reduction of government spending on social services. The SAPs were imposed as conditions for loan refinancing. These programs dismantled any semblance of nationalist or self-reliant economic policies. Instead, they reoriented the economies of semicolonies to cater to imperialist strategic interests – turning them into sources of cheap raw materials, labor, and dumping grounds for surplus goods.

This neoliberal orientation further embedded the interests of foreign monopoly capital within national economies and subordinated domestic policies to imperialist dictates. IMF/WB programs widened the door for foreign corporations to seize control over land, extractive industries, public services, and even education and health care. These adjustments institutionalized backward economies, widened social inequality, and entrenched and expanded bureaucrat and comprador capitalism.

US imperialism also maximizes its federal agencies, especially the State Department, the Pentagon, intelligence agencies such as the Central Intelligence Agency and National Security Agency, and their myriad of heavily funded non-state policy “think-tanks” and institutions and conduits like USAID and NED. They are all geared to fine-tune US imperialism's control panels over the said puppet states and current ruling regimes, using all the dirty tricks in the imperialist playbook. These are on top of more levers of politico-diplomatic, military, cultural (including media and church) and socio-economic control.

It is in line with its neocolonial policy for the US to maintain close ties with all factions of the ruling classes, whether in power or not. By having a “reserve horse,” the US can replace the ruling clique with other pro-US factions when a puppet regime becomes a political liability, develops or asserts nationalist aspirations.

It also monitors its puppet regimes very closely, for signs of becoming over-ambitious—as when a section of the local ruling elite attempts to consolidate too much economic and political power, develop nationalist pretensions, or seek greater autonomy from their imperialist sponsor. Such behavior threatens to disrupt the tight structure of neocolonial dependency that imperialism has painstakingly constructed. Washington and other imperialist centers are acutely aware of the risk that these regimes may eventually shift alliances or seek to “play both sides,” aligning with rival imperialist powers to bargain for better terms or retain their domestic hegemony. The imperialist playbook, therefore, includes not just economic domination and military agreements, but also constant political surveillance and intervention—ranging from soft diplomacy and aid conditionalities to more direct forms of coercion such as sanctions, or even regime change operations.

Even Ferdinand Marcos Sr. was ultimately discarded by US imperialism when his thirst for wealth and power became a political liability. Throughout the early 1980s, the US used the IMF to apply economic pressure on the Marcos regime, especially by pushing for neoliberal structural adjustment programs including the Value Added Tax (VAT). Marcos ordered the assassination of his political rival Benigno Aquino Sr. who had propitiously returned from exile in 1983, which further inflamed popular unrest. When Marcos hesitated to implement the VAT, the IMF closed the tap in the dollar-starved financial system resulting in a severe economic crisis in 1984 marked by inflation, devaluation and mass discontent.

But the dictator held on, and his continued rule could provoke a revolutionary rupture. In response, the US, through Senator Lugar, orchestrated a snap election in 1986. When Marcos still claimed victory over Cory Aquino in 1986, the US shifted its strategy and covertly backed a military-civilian uprising that culminated in the EDSA ‘people power’ uprising. In the end, it was the US itself that arranged Marcos’s departure, flying him out to Malacañang and into exile in Hawaii aboard an American military plane. As the economic crisis deepened and popular unrest surged in the 1980s, Marcos’s regime could no longer serve US imperialist interests, and was thus replaced with a more “viable” agent of control. Marcos Sr.’s ouster is a textbook case of how imperialism uses and disposes of local tyrants when their rule threatens to provoke a broader revolutionary rupture.

In essence, imperialist control of its puppet states and their ruling regimes can range from the minutiae of policy issuances, fund utilization, and choice

of key officials and personnel, all the way to determining the outcome of elections, constitutional processes, and behind-the-scenes factional struggles. In the extreme case, the imperialist playbook includes CIA dirty tricks including “regime change” through assassinations, coup d’etats, and direct military intervention.

In this context, the armed forces and police become an important base for bureaucrat capitalism. Many generals, upon retirement or through appointment, enter civilian bureaucracy to manage departments, public enterprises, or development projects, which become avenues for self-enrichment and corruption. In other cases, military officers lead fascist dictatorial regimes under the guise of “order and security,” while using state violence to repress resistance and protect ruling class interests. This is why even under so-called “civilian” governments, the military remains a crucial pillar of the bureaucrat capitalist class.

The political subservience of the ruling classes is rooted in the economic structure of ruling system of imperialism. They do not govern in the interest of the masses because their class existence depends on serving imperialist and landlord-capitalist interests. Their governance perpetuates a cycle of exploitation, poverty, and dependency – ensuring that the chains of imperialism remain tightly bound around the neck of the Filipino people.

F. Inherent crises in the neocolonies

The semicolonial and semifeudal character of Philippine society condemns it to a permanent state of underdevelopment. The Philippine economy, tethered to the demands of, and stifled by its dependence on foreign monopoly capital, and constrained by feudal land relations, is incapable of standing on its own two feet. It is a country that periodically suffers from sharp economic, social, and political downturns. Crisis is not an aberration—it is a permanent feature of the system.

The country remains non-industrial. It has no steel nor other basic industries, and cannot produce vital machines, tools and other building blocks of the real economy. Local production is limited to basic processing of raw materials, or low value-added semi-processing and assembly of imported components. Industrial production is tied to the global supply chains of multinational corporations and operates as a mere extension of their international assembly line. This is not integrated with the broader local economy, which is incapable of producing the majority of the needs of the people and relies mainly on imports. Dependence on imports result in constant price increases.

Agricultural production in the country, particularly of rice, corn, coconut and other commodities for local consumption, is small-scale and mainly utilizes farm animals and manual tools. There is limited mechanization and agricultural yield is relatively low, with limited irrigation, post-harvest facilities and subsidies. Import liberalization, particularly in rice, has resulted in massive losses to peasants¹¹. Large tracts of land are dedicated to export crops such as bananas and pineapple. Decades of fake land reform programs perpetuate landlessness. Vast tracts of agricultural land have been converted into commercial and real estate projects. Millions are being displaced by land grabbing. Meanwhile, landlord families continue to dominate control over vast tracts of land, forcing peasants into cycles of debt and insecurity.

The country suffers from a widespread unemployment as the economy is incapable of producing enough jobs to absorb the country's labor force. This is worsened daily by the imperialist push to dispossess peasants, fisherfolk and ordinary people of their land, livelihood and source of income. Millions of people capable of being productive are forced to be idle.

Institutionalized since the Marcos Sr regime, the labor export policy is a clear expression of the state's failure to develop national industry and provide jobs. It is further driven by the reactionary state's prioritization of remittance inflows. This policy has led to the annual departure of over 1 million Filipinos seeking employment overseas. The state has effectively become a broker of cheap Filipino labor for global capital. The domestic economy is artificially propped up by foreign currency remittances, but with staggering social cost—family separation, abuse of migrant workers, and the systemic deskilling of the workforce.

To generate jobs, the ruling classes promote the policy of attracting foreign capital investments, which only exacerbate the local crisis. They allow monopoly companies unrestricted freedom to plunder and make profits. This results in the unrestrained exploitation of labor and natural resources. Workers' rights are systematically violated. Foreign corporations are granted mining permits, given military and paramilitary protection. These operations displace communities of national minorities, militarize rural

¹¹Filipino rice farmers, for instance, have suffered heavily under the Rice Liberalization Law (RA 11203), which removed quantitative restrictions on rice imports in 2019 upon the prodding of the World Trade Organization. As a result, cheap imported rice flooded the market, driving down farmgate prices of palay (unhusked rice) to as low as ₱10–₱12 (\$0.17-\$0.21) per kilo, far below the ₱21 (\$0.37) per kilo average cost of production. According to reports, farmers lost over ₱90 billion in income from 2019 to 2022 due to this policy. Many smallholder farmers were unable to recover from their losses, with some abandoning rice farming entirely.

communities, and poison rivers and forests—all to generate export earnings and state revenue while delivering kickbacks to the bureaucrat capitalist class.

The country suffers from chronic trade imbalance. It imports the majority of its consumer and capital goods while exporting cheap raw materials and semi-processed commodities. To cover trade deficits and balance of payment gaps, the country is compelled to accumulate unsustainable foreign debt. The reliance on remittances and foreign investment to maintain solvency makes the economy especially volatile and beholden to imperialist financial institutions.

The burden of this debt is passed on to the people. Public funds are diverted to debt servicing, while spending for social services are subjected to belt-tightening. The people suffer from increasing tax burdens on basic goods and higher user fees on public services and utilities. Lenin warned of this phenomenon in *Imperialism, the Highest Stage of Capitalism*, where he noted that “the yoke of a few monopolists on the rest of the population becomes a hundred times heavier, more burdensome and intolerable.”

All these reveal how the ruling classes are incapable of resolving the contradictions of their own system. Instead, they exacerbate them. Lenin described this as “precisely the parasitism and decay of capitalism, characteristic of its highest historical stage of development, i.e., imperialism.”

Whether it’s inflation, energy instability, or agrarian decay, the pattern is clear: the semicolonial and semifeudal system is in a state of irreversible decay. The Marcos-Duterte axis today exemplifies the confluence of all crisis-breeding features of this semicolonial and semifeudal system. Both families draws legitimacy from a fascist legacy as well as a dynastic grip over plundered wealth. Together, they deepen militarization, suppress dissent, and promote reliance on foreign loans, infrastructure boondoggles, and repressive taxation to prop up a crumbling order. No matter who occupies Malacañang, the ruling class clings to power by tightening the chains of imperialist dependency and semifeudal repression.

In such a context, it becomes clear that the crisis will not be resolved within the framework of the existing system. It can only be resolved by dismantling the system itself. The next and only logical conclusion is to build a revolutionary movement that aims not for piecemeal reforms, but for the total overthrow of the semicolonial and semifeudal order.

G. The only path forward is the people's democratic revolution

In the face of the intractable crises wrought by bureaucrat and comprador capitalism under a semicolonial and semifeudal order, the Filipino people have long arrived at the only truly revolutionary solution: the people's democratic revolution.

As Ka Joma outlined in *Philippine Society and Revolution*: "The people's democratic revolution is the means to liberate the people from imperialism, feudalism and bureaucrat capitalism. It is a comprehensive social revolution to establish a people's democratic state and lay the foundation for socialism. This revolution aims to abolish the exploitation and oppression imposed by imperialism and its local agents and to initiate the task of building a self-reliant and progressive national economy."

This revolution is national in character, directed against foreign domination and control, and democratic in content, targeting the domestic feudal and comprador classes who serve as imperialism's enforcers. The revolutionary strategy is one of protracted people's war of encircling the cities from the countryside, that will go through the probable stages of strategic defensive, strategic stalemate and strategic offensive. Throughout the defensive stage, the countryside serves as the main arena for armed struggle, antifeudal and antifascist mass struggles and base-building, while the cities serve as secondary but crucial arena for antifascist and anti-imperialist legal struggles and political work, serving the principal arena.

The revolutionary movement, led by the Communist Party of the Philippines, has established organs of political power in guerrilla zones and base areas across the country. These are the embryo of the people's democratic government in the countryside, where revolutionary land reform, health care, education, and cultural work are being carried out. The New People's Army (NPA), the main armed force of the Philippine revolution, serve as the principal weapon for destroying the armed might of the reactionary state.

The NPA started in 1969 virtually from scratch with but a few high-powered rifles and small weapons. It is still a small and weak army relative to the big and strong reactionary armed forces supported by the biggest imperialist power. However, with the support of the peasant masses, it has succeeded to grow in strength by waging guerrilla warfare and launching tactical offensives to annihilate the enemy's forces part by part. It has built companies of Red fighters across guerrilla fronts across the Philippine

archipelago. It has accumulated achievements and victories, but has also suffered from losses due both to internal weaknesses and the all-out strategic offensives of the enemy. Together with the CPP, the NPA is undergoing a rectification movement, determined to bring the people's war to greater heights than ever before.

While the revolutionary mass movement in the countryside carries out the primary task of armed struggle to seize political power, the legal democratic mass movement plays a vital and complementary role in the cities and urban centers. It exposes the semicolonial and semifeudal character of society through mass campaigns, education, and legal struggle, arousing and mobilizing broad sections of the people. It forges the unity of the broadest possible array of progressive and democratic forces, and builds alliances across various oppressed classes and sectors. Their struggles are linked to the central contradiction of Philippine society, linking with antifeudal, antifascist and anti-imperialist movement in the countryside. Ka Joma explains, legal struggles are "wielded as a weapon of the revolutionary struggle and not as a substitute for it."

The mass movements in the cities must serve to amplify, support, and reinforce the agrarian revolution, mass base building, and the overall advance of the armed revolution. Workers and urban sectors must stand in solidarity with the landless and impoverished peasants, recognizing that the peasant majority is the principal force in the people's war. The legal democratic movement must thus function not merely as a vehicle for sectoral demands, but as a consciousness-raising force that leads the people to a revolutionary understanding of their exploited condition and oppression by the puppet state. It must expose the illusion of reformism, demonstrate the limits of liberal democracy, and present the necessity of revolutionary change especially in the face of the crisis brought by the semicolonial and semifeudal system.

It plays a strategic role in developing revolutionary cadres. It trains organizers, deepens their theoretical understanding, and tests the political resolve of activists. From this movement emerge revolutionaries who choose to go to the countryside and join the armed struggle. Many of the most committed and capable Red commanders and guerrilla fighters came from the ranks of worker and petty-bourgeois intellectuals who began their political lives as student activists, community organizers, trade unionists, church workers, or cultural workers.

The people's democratic revolution in a semicolonial and semifeudal country like the Philippines represents the first historic stage of the two-

stage revolutionary process that seeks to smash the foundations of imperialism, feudalism, and bureaucrat capitalism. Upon the victory of the people's democratic revolution, the revolution proceeds from democratic to socialist tasks. It will suppress the old exploiting classes and ensure that necessary bourgeois reforms do not lead to the consolidation of the bourgeoisie. The revolution will move seamlessly to the socialist stage. It will complete the distribution of land to tillers, and lay the basis for the socialist transformation of agriculture. National industrialization must be launched to build a self-reliant economy, break dependency on imperialist capital and goods, and provide jobs for the people. The commanding heights of the economy will be controlled by the people's democratic state. It will socialize the means of production, and transform the economic base and superstructure to serve the interests of the proletariat and the people as a whole.

The Communist Party of the Philippines has persevered over the past 56 years in leading the New People's Army and all revolutionary forces to wage revolutionary armed struggle and advance the people's democratic revolution against the local puppet regime of the most powerful imperialist power. Much of this period, especially since the 1976, is marked by the defeat of socialism in China and overall retreat of the international communist movement. Waging people's war in the Philippines is the CPP's contribution to the struggle of all oppressed peoples to fight imperialism and all reaction.

The revolutionary struggles of oppressed people's in semicolonial and semifeudal countries are not an isolated process. They form part of the world proletarian struggle against the combined forces of imperialism and local reaction.

They must boldly and comprehensively confront the semicolonial and semifeudal system in its totality—exposing its roots in imperialist domination, comprador betrayal, landlord exploitation, and bureaucrat capitalist plunder. The path forward is neither easy nor short, but it is the only road to genuine freedom and liberation.

Let the proletariat and people of every neocolony take up the historic task of revolution in their own countries. Let us forge stronger proletarian unity, deepen our theoretical grounding, and march toward victory with arms in hand, banners raised, and the masses awakened.

Long live proletarian internationalism!

Long live the people's democratic revolution!