Refereed article

An Ambivalent Civil Society in Democratic Consolidation — The Case of Local Chambers of Commerce and Industry in the Visayas and North Mindanao

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Summary
Democratic consolidation in the Philippines is stagnating despite the country having a vibrant civil society. A comparative exploration of three local chambers of commerce in the Visayas and Mindanao reveals that it is the advantages of non-confrontational stances toward government that keeps the chambers from contributing to democratic consolidation. It is apparent that working within the existing clientelistic structure of the informal system of interest intermediation is the most efficient way of achieving political goals, for publicly confrontational strategies, which may be most conducive to democratic consolidation, can actually take a heavy political and economic toll.

Keywords: Philippines, civil society, interest intermediation, democratization, clientelism, chambers of commerce and industry

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Introduction

"Democracy in the Philippines is a paradox" (Dressel 2011: 529). On the one hand, the country possesses a complete set of formal democratic institutions, its citizens are enthusiastic about politics, voter turnout is correspondingly high, and civil society is vibrant. On the other hand, the political system displays weak implementation capacity, a tendency toward elite capture, and strong informal political arrangements. However, conventional wisdom in political science holds that a strong civil society will invariably facilitate democratization (Mercer 2002): "A robust civil society […] can help start transitions, help resist reversals, help push transitions to their completion, and help consolidate and deepen democracy. At all stages of the democratization process, […] civil society is invaluable" (Stepan and Linz 1996: 18). Defying the linear model of democratization, i.e., moving from liberalization to the transition to democracy and finally to democratic consolidation, many neo-democracies, such as the "new" democracies in Southeast Asia, have stagnated in the phase of democratic consolidation (Schedler 1998: 98ff), developing political systems that fall short of liberal democracy but appear to be stable nevertheless (Croissant 2004). Prominent among these are the Philippines, whose democratization has stalled at a clientelistic "halfway house" democracy (Case 1996: 437) despite it having a "strong and vibrant" (Quimpo 2005: 247) civil society: "If civil society has contributed to democratization anywhere, it should be in the Philippines" (Wurfel 2003: 215). However, Schmitter calls the Philippines an "unconsolidated democracy where the procedural minimum [is] respected, but politicians and representatives […] prove incapable of agreeing on a viable set of rules" (Schmitter 1992: 429) that governs interest intermediation beyond the sphere of formal politics. One of civil society's major functions in terms of democratic consolidation is the institutionalization of informal politics in a democratic way. Philippine civil society has failed to fulfill this role so far, however: "Specifically, one of the most important questions for research on Philippine politics and for the broader literature on civil society and democratization more generally is whether new actors in civil society can effectively challenge traditional actors in political society in ways that lead to democracy's consolidation" (Eaton 2003: 470)

This article supports Loewen's argument that Philippine civil society has become deeply entrenched in the clientelistic structure of the political system, thus stabilizing the current democratic system, but also failing to contribute to further democratic consolidation (Loewen 2005).

The objective of this paper is to shed light on the alleged failure of Philippine civil society to catalyze democratic consolidation. To this end, I shall first contextualize my research with a brief outline concerning the economic and political elites and civil society in the Philippines. Second, I shall draw on democratization literature, particularly regarding the role of civil society in democratic consolidation, in order to frame my research theoretically. Third, I shall explore three case studies

illustrating the political behavior of local chambers of commerce and industry as examples of civil society activity in the Philippines. Comparing these cases will allow me to examine the relationship between Philippine civil society and democratic consolidation and assess whether there is merit to Loewen's claim.

The context: elites, democracy, and civil society in the Philippines

The Philippines have a century-old history of democratic governance dating back to the limited self-governance under American colonial rule (Hutchcroft and Rocamora 2003). Nonetheless, the Philippine democratic system is often described as "deeply flawed" (Putzel 1999: 198), as it remains an instrument of elite dominance. This elite consists of extended families (Hutchcroft 1991: 426) that derive their influence from "large, diversified, family-based conglomerates" (Kang 2002: 130) and constitute an additional layer of politics whose patterns of loyalty, patronage relations, and shifting alliances interweave in formal politics as well as in civil society. At the municipal and provincial level, political offices are typically manned by members or affiliates of important local families. From campaign donations to the far-reaching political connections of the extended family networks, support from one of the competing camps of the "oligarchy" is almost indispensable for Philippine politicians. In the Philippine Congress, more than 60 percent of the representatives have relatives that are either congressmen themselves or hold an elected office in the lower levels of government (Mendoza et al. 2011: 3). Some of these dynasties now span more than three generations of elected officials. In this regard, democracy is actually a vehicle for elite dominance in the Philippines, as the oligarchic families compete for political power within the formal institutions to seek rents for their economic interests, thus stabilizing it (de Castro 2007: 949). As Putzel argues, this political configuration is one of the major hindrances to further democratization: "The extensive clan based networks of patronage produce a kind of social capital that may be good for clan business interests [...]. However, the shared norms, values, and networks produced by this system act as a barrier, rather than an aid, to the deepening of democracy" (Putzel 1999: 216).

Beyond this classic narrative of Philippine "family politics" (Kerkvliet 1995; Sidel 1997), politics has become more diverse in recent decades, especially in urban areas. A growing number of politicians have run as anti-establishment candidates, capitalizing their "prestige, personality, and charisma" (de Castro 2007: 934) to win votes. Further, the so-called "Robredo style" (Kawanaka 2007) of political leadership is growing in popularity; this is named after the long-time mayor of Naga City, who relied on an effective personal political machine, good governance, and policy performance to win and keep office.

Hopes to break open the habitually elite-dominated and patronage-based informal institutions of Philippine politics have typically been pinned to civil society. It is one

of the strongest and most diverse in the region (Dressel 2011: 534) and enjoys considerable respect among the electorate and politicians alike, as the "People Power Revolution" of 1986 was commonly seen as an achievement of civil society (Abella and Dimalanta 2003: 231). Acknowledging this, the new government enshrined a strong role for civil society in the new constitution (Capuno 2005). One example is the 1991 Local Government Code, which requires the representation of civil society organizations in local bodies, such as the Local Development Councils, the Local Investment Boards, and the Regional Tripartite Wages and Productivity Boards. Alongside political empowerment, Philippine civil society saw increased attention from international donors throughout the 1990s, opening up easy access to funding and technical assistance. In this fertile environment, the number of registered NGOs grew from 23,800 in 1984 to 58,200 in 1993, and even rose to 100,100 in 2008 (Clarke 1995; Clarke 2012). Owing to its credentials from the People Power Revolution, civil society is the most trusted political actor capable of holding the government accountable (Caballero-Anthony 2004: 3).

Despite these enabling conditions since 1987, analysts focusing on Philippine civil society argue that it has failed to fulfill its potential to contribute to democratic consolidation. Only united by the common cause to topple Marcos, civil society has fragmented since 1986 in the pursuit of each organization's particular interests (Loewen 2005: 23). Further, the "normalization" and intensification of government–civil society relations after the confrontations of the Marcos era has led most civil society organizations to work within the established political system. One such example is the "symbiotic interaction between autonomous societal groups from below and strategically placed state reformists from above," which led to the relative success of the Comprehensive Agrarian Reform Program in the 1990s (Borras 1998; Borras 2001). However, most civil society actors have adopted a non-partisan stance to formal politics for fear of cuts being made in government funding (Wurfel 2003: 220). This attitude gained prominence as international donors shifted their focus from civil society development to trade and economic development in the early 2000s (Abella and Dimalanta 2003: 235). Beyond mere political neutrality, Loewen argues that most civil society organizations have since embraced clientelistic strategies and charismatic leadership to the detriment of democratic principles (Loewen 2005: 23).

Concluding the contextualization of my research now, I have highlighted how the Philippines' viable formal democratic system and vibrant democratic society are superimposed on traditional, elite-dominated, informal institutions. The historical perseverance of these informal systems of interest intermediation within and outside the formal democratic institutions is the major obstacle to deepening in the Philippines. Accordingly, the role as the avant-garde in democratizing these informal institutions falls to civil society, and an analysis of the Philippines'

stagnating democratic consolidation needs to address the question of why Philippine civil society has largely failed to succeed in this role to date.

Theoretical framework: civil society and democratization

How can the link between civil society and democratization in the Philippines be conceptualized? Democratization is canonically divided into three phases: *liberalization of autocracy, transition to democracy*, and finally the *consolidation of democracy* (Collier and Levitsky 1997). The Philippines is generally felt to be stagnating in the phase of democratic consolidation, when the ideal function of civil society shifts from opposing the autocrat to constructively contributing to "organizing democracy" (Schedler 1998). Democratic consolidation, in the "positive" sense of the term that goes beyond only avoiding a relapse to autocracy (Schedler 1998), refers to the complex process of establishing democracy as the "only game in town" (Stepan and Linz 1996: 14) in all parts of society. Merkel distinguishes four steps of democratic consolidation (Merkel 1998):

1. *Constitutional consolidation,* when formal democratic political institutions are set up.

2. *Representative consolidation,* referring to a representative configuration of parties and interest groups (civil society) and the institutionalization of a system of interest intermediation based on democratic principles.

3. *Behavioral consolidation*, when the incentive for powerful actors to pursue their interests outside and contrary to democratic institutions significantly drops or vanishes altogether.

4. *Consolidation of civic culture*, which completes the "stabilization of the socio-political substructure of democracy" (Merkel 1998: 40), based on individual commitment to democracy by the majority of citizens.

Civil society is broadly understood as being "an intermediate sphere of social organization or association between the basic units of society — families and firms — and the state" (White 1994: 377). It takes on a crucial role in *representative* and *behavioral consolidation* as well as in the *consolidation of civic culture*. Specifically, the external politics and advocacy strategies of civil society organizations contribute to the institutionalization of (formal and informal) systems of interest intermediation, while their internal politics instill norms and values in young activists and politicians.

Ideally, the internal politics of a civil society organization fulfills what Merkel calls the *Tocquevillian function* of civil society (Merkel 2004: 46f). Here, democratically organized associations serve as "schools of democracy," teaching their members "to take common counsel, choose leaders, harmonize differences, and obey the expressed will of the majority. In mastering the associative way, they must have

mastered the democratic way" (Schlesinger 1944). Thus, civil society is also a training ground and recruiting pool for new politicians.

With regard to civil society organizations' external politics, Merkel highlights three functions which they ideally fulfill in a democracy: the *Lockean function* of a watchdog that holds government accountable; the *Montesquieuian function* of a balancing intermediary between the state and its citizens, limiting the state's reach on the one hand, but mediating the rule of law toward the citizens on the other, thus stabilizing state authority; and finally, the *Habermasian function* of aggregating and articulating interests and opinions in the pre-parliamentary sphere. Diamond concisely sums up this positive view of civil society in democratization as follows: "By enhancing the accountability, responsiveness, inclusiveness, effectiveness, and hence legitimacy of the political system, a vigorous civil society gives citizens respect for the state and positive engagement with it" (Diamond 1994: 11).

However, civil society can also have a "dark side," as it may reinforce non-democratic norms through its external and internal politics. With regard to the Philippines, Loewen suggests that a civil society that plays by the established rules reproduces the status quo rather than contributing to further democratization. Lauth also proposes the possibility of an *ambivalent civil society*, which is so fundamentally opposed to government that its internal and external politics are in effect harmful to democratic consolidation:

> "Democratic behavior is practiced only to a limited degree, as many associations and organizations are hierarchically structured internally and follow the rules of clientelism and kinship. Additionally, equal interactions within the sphere of civil society are distorted by relations of dominance and dependence. [... Thus] the changed profile of civil society prevents the democracy-facilitating potential of a civil society from unfolding toward a system change" (Lauth 1999: 110f., my own translation).

A close look at the internal and external politics of civil society organizations may shed some light on the role civil society has played in the stagnation of Philippine democratic consolidation.

Research design

The overall research design for my empirical inquiry is an exploratory multiple case study. The internal and external politics of three local chambers of commerce are explored by mostly relying on semi-structured interviews with chamber officials like trustees, elected officers and administrative staff, ordinary chamber members, non-members who are local businesspeople, and local representatives of the politico-administrative system who are regular counterparts to chamber advocacies, thus triangulating from different perspectives. The interviews were conducted in October 2012 and interviewees recruited on the basis of their formal positions as well as by snowball sampling.

Cases were selected from an initial population of all chambers in the Philippines' Visayas and Caraga region, where access could be facilitated by AFOS Foundation for Entrepreneurial Development Cooperation, the implementing agency of the Philippine–German Chamber Cooperation Program. To ensure the comparability and representativeness of my cases, I homogenized the sample according to "reasonable" criteria (Sandelowski 1995: 182):

- a membership base of around 100 members
- a secretariat with no more than five members of staff
- politically active (which is not the case for all chambers)
- current or former beneficiary of international capacity-building programs
- roughly similar socioeconomic environments, i.e., economically dynamic medium-sized cities with 200,000 to 500,000 inhabitants in the Visayas and Northern Mindanao.

Drawing on initial expert interviews, I selected three chambers based on a phenomenal variation rationale. The cases thus vary deliberately with regard to their internal and external politics: from highly president-centered to rather inclusive internal decision-making, and from very close to adversarial relations with local government. Phenomenal variation is a strategy chosen to cope with selectivity issues arising from low numbers of cases, trying to include all the relevant features of a phenomenon.

Based on the theoretical framework, the guiding questions for the case studies were the following:

1. What are the internal decision-making processes of Philippine chambers of commerce and industry?

2. What advocacy strategies do chambers of commerce and industry in the Philippines employ?

3. Why do chambers of commerce and industry in the Philippines choose specific political strategies?

For each case, I have tried to generate a coherent narrative on the internal and external politics as well as the underlying motives, triangulated from different sources. The cases are then compared to answer the general, overarching question.

Case studies: chambers of commerce and industry

Local chambers of commerce and industry are an especially instructive case within the broad definition of civil society in the context of democratic consolidation, as they have a privileged role in shaping the Philippine system of interest intermediation. There are several reasons for this: Due to the local government reform of 1991, the chambers have preferred — and in some cases even mandatory — access to government and therefore have more regular and established relations

with the government than other civil society actors. Further, chambers of commerce can choose from a wider range of political strategies than labor unions or self-help groups of the urban poor, for example.[1] As the voice of business, they possess bargaining power (at least in principle). Due to the intertwined nature of economic and political clout in the Philippines outlined earlier, at least some members of a chamber typically have personal contact with local politicians or high-ranking civil servants. (The most influential families in the Philippines usually do not actively engage in the work of local chambers, however: "The big ones can lobby for themselves."[2]) Thus, the strategic choices of the chambers are more informative with regard to the research question than those of civil society actors with fewer political options.

The chambers of commerce and industry in the Philippines are private voluntary organizations that vary in size and professionalism. The services provided by the chambers include training, fairs, business conferences, trade missions, providing common service facilities, business matching, financing, and political advocacy. Despite a national apex organization existing, namely, the Philippine Chamber of Commerce and Industry (PCCI), the chamber landscape is fragmented. Often, local chambers in the provincial capital nominally serve the entire province, several overlapping chambers coexist, and business sector associations may or may not be associational members of the chamber. As a result of PCCI guidelines, all chambers have similar formal democratic procedures: the general assembly elects a board of trustees (usually with around a dozen members) along with the chamber's president for short terms normally lasting one to three years. In addition to this, many chambers form internal committees for specific sectors or issues to engage more members in their work. The chambers use these organizational structures quite variedly.

The following case studies have been anonymized, as all my interviewees were guaranteed anonymity due to the sensitive nature of internal and external politics.

Chamber I

Chamber I is still recovering from a major financial setback it suffered a few years ago and therefore currently prioritizes income generation more than advocacy work: "There is no money in the Chamber. All we have are IOUs," said the president of the chamber in an interview. Hence, internal management and decision-making is a major issue. Politically, the chamber is represented in different local special bodies

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1 Expert interviews with representatives of political foundations and NGOs working in capacity-building for left-leaning interest groups in the Philippines; conducted in Metro Manila, August 23–24, 2012.

2 Expert interview with a senior PCCI official in Cebu City, September 16, 2012.

and has had a good working relationship with the local government unit since a change in local government took place at the last election.

In terms of internal decision-making processes, Chamber I has embraced democratic principles after a traumatic experience with opaque leadership in the past and is trying to move toward more inclusive internal processes and decentralized hierarchies. This is a break with previous president-centered decision-making and is only slowly taking hold among the members and chamber officers, as many structural changes, such as activating the largely dysfunctional chamber committees, are still pending:

> "If a position is taken by the board, you have to consult the group — because what comes out should be a majority decision; it shouldn't be my decision. [...] In fact, they may be thinking that I am an indecisive president. But we have to do this." (Interview with the president of Chamber I)

> "I really don't know the roles of the people here. We should sit down and define our roles, because we're quarrelling already, shouting at each other. That should not be the case. Because we don't know our specific duties and responsibilities." (Interview with a board member of Chamber I)

One example of the remnants of the previous leadership style can be seen in several chamber seats in special local bodies like the Local Investment Board that are still held by the previous chamber president, whose link to the current chamber board is rather patchy: "You just have to feel what [the chamber's] sentiment is and basically express your own views" (interview with the past president of Chamber I).

While there seems to be a bias toward electing individuals from well-known families for chamber offices ("First is: you have an established name. You have to be known to the community.") (interview with executive director of Chamber I), there are some "outsiders" on the board who are quite vocal, too (e. g., owners of certain small businesses).

Some of my interviews indicated that the chamber had shifted its position from representing the interests of its members to aspiring to represent every business in the city: "I thought in the chamber, we would help each other first. I was disappointed when somebody said: 'Let's forget about our businesses, because we have to be serving the community'" (interview with a board member of Chamber I).

Collaboration between the chamber and local government is seen positively by both sides. Despite its rather weak representativeness with just a hundred members out of four or five thousand registered businesses in the city, the chamber is consulted on all business-related decisions by the city government and has assumed an active role in promoting investment:

> "As they say, the engagement of the chamber with the city has improved so much during my time. In fact, we have this local investment promotion board. The chamber has a few seats there, and they help me a lot in trying to create a business-friendly environment, to the point where it is now my vision to hand

[investment promotion] over to the private sector." (Interview with the city mayor
at Chamber I)

By mostly staying within the formal political processes of local special bodies,
consultations, and open resolutions, the chamber also strengthens these institutions.
Nonetheless, personal contacts and family affiliations are seen as the most efficient
way to speed up and ensure a favorable outcome of these formal processes, therefore
reproducing patterns typical of the Philippine's elite-dominated democracy.

> "The current mayor is close to my family [and has been] for three generations.
> These people running for political office, they are actually friends; families are
> close. The person running for Congress, the person running for the National Food
> Authority — he's a good friend of my family also. And it's cousins and it's in-
> laws. And he's running against this person who is also a cousin of a good friend
> of mine — we play soccer at the sports center." (Interview with the president of
> Chamber I)

> "I don't just go [to official consultations] as chamber, but I also go there as my
> family. So they respect you." (Interview with the president of Chamber I)

However, the chamber also tries to avoid seeming partisan or too close to
government: "In special cases, maybe we can go to the mayor directly. But as much
as possible we do it through formal process. So that you won't feel that you are
indebted to [the politicians]" (interview with the president of Chamber I). The
current chamber president actually turned down an offer to run for deputy mayor
with the mayor for this reason: "I told the chamber president to run with me [during
the mayoral election] and he refused because he said: 'I can do more things if I stay
in the background'" (interview with the city mayor at Chamber I).

The chamber shies away from public confrontation with politicians to avoid any
possible retribution, as business owners are particularly vulnerable to denied permits
and other forms of governmental arbitrariness, or to possibly sour relations and lose
influence:

> "If there were conflicts in the policies, the chamber people were so afraid to fight
> the mayors, because they can easily just close down the [business] establishment."
> (Interview with the city mayor at Chamber I)

> "Because in Filipino culture, if you're confrontational, sometimes the government
> officials act quite powerfully. Some people will just not invite you anymore to
> different council. You may be talking now, but the other day they will find a way
> of not inviting you. So your views are not heard. […] So it's best to do it the
> Asian way: cooperative, cooperation, push your way without offending"
> (Interview with the past president of Chamber I)

A similarly cautious approach is employed in holding government accountable:

> "You don't shout, you don't do it on the radio, you don't do it on the media. You
> go to the official: 'Please, do expedite.' If things don't work out, you report
> slowly, but not confrontational yet. When it's too much and they still haven't
> done anything, it's time for open action. Slowly." (Interview with the president of
> Chamber I)

In sum, then, chamber I is a constructive actor in terms of internal democracy and collaboration with the government. However, as it avoids publicly criticizing politicians for fear of retribution from offended politicians and it partly relies on personal ties in its advocacies, the chamber stays within the framework of the Philippines' hybrid democracy.

Chamber II

In expert interviews, Chamber II was presented as a very "traditional" chamber with rather opaque internal processes and close relations with the local government based on strong informal ties. Furthermore, the chamber closely coordinates with other business organizations in the province, essentially acting as an apex business association. It should be noted that this case study heavily relies on an interview with the chamber's president because of the concentration of responsibilities in his office; the other interviewees had fewer responsibilities and were consequently unable to provide substantial insights into the advocacy work the chamber does.

Chamber II acts as an apex organization for business associations in the province, which significantly increases the chamber's representativeness and its legitimacy as the voice of business, but also puts a strong concentration of power in the president's hands. With this focus on inter-associational negotiations, the chamber only partly fulfills its Tocquevillian function as a school of democracy. While compromise-building and interest aggregation among the business associations certainly has its democratic value, democratic decision-making within the chamber appears to be only of secondary importance: "We are not that big yet, so we have avoided having committees. We feel it works better with just the board" (interview with the past president of Chamber II). This situation is aggravated by the pronounced hierarchy that results from the strong focus on the president of the chamber. Additionally, the president's monopoly on all external relations cements his position by making him indispensable to the organization: "A board member is not allowed to contact the mayor; he always has to go through the president" (interview with the president of Chamber II); "The president spends all day here, even though his own office is downtown" (interview with the past president of Chamber II). In its external politics, Chamber II follows an extreme inside strategy:

"The position of the chamber is to always work hand in hand with the local government."

"The easiest way to do it is just sit down and talk with the mayor. You have to institutionalize the personal relations with the mayor: have a regular dinner, meet again and again. It takes a few years to build the relationship up. Very, very hard. There is always the professional side and the personal side; one cannot work without the other. You have to call the mayor now and then and have dinner, have coffee."

"Because of the good relations we have retained over the years, it's so easy to call the vice-mayor or the mayor: 'Let's have dinner, let's talk. I'll buy you dinner, I'll

buy you coffee. We have a problem with this, we have a problem with that. Can you take care of it?' Easier like this, because we are on talking terms. They can call me anytime, and I can call them anytime. It's easy to talk to them before things get blown out of proportion."

This closeness to the current government is also reflected in the political involvement of chamber officials who run on the ruling party's ticket in local elections:

"In fact, we are now encouraging business leaders to go into politics. There is no representation of business in City Hall. We have to put some business sense into our governance. We feel we have to be inside instead of just outside, advocating. We want our messages really to be in the council and be part of the law-making process. We have to put some good businessmen inside the council."

Chamber II's inside strategy was not only chosen because it seemed the most efficient one, but because of the danger of political retribution:

"You can't fight City Hall; they'll make your life miserable. They'll make it hard for businesses. They'll make it hard to talk to them. The climate should be amiable – open. If we go adversarial with city hall, there will be retaliation on our businesses. They can even make the whole business climate unfriendly. Only in extreme cases do we go adversarial."

"No community will advance fast if you are adversarial with the local government. We never try to go adversarial; we always like to negotiate."

Disagreements between the chamber and government are resolved privately:

"Instead of fighting on committees, we resolve conflicts in backdoor negotiations before going back to the committee."

In conclusion, then, the chamber's role in democratization appears highly ambivalent. Internal and external politics reflect a strong orientation toward personalistic strategies, reproducing typical patterns of Philippine hybrid democracy. However, while the chamber's non-conflictive approach appears to be a rational strategic choice in order to further and protect the interests of businesses, it renders the chamber a part of the ruling establishment that cannot act as a controlling instance.

Chamber III

Chamber III is well known in the regional chamber scene owing to its long-standing conflict with local government. Professionally organized internally, the chamber is extremely vocal in its external politics — so much so, in fact, that any hope of collaboration with city government is out of the question at the moment.

Although Chamber III is run very professionally with decentralized hierarchies and it has several feedback mechanisms between the board and general members, it is doubtful whether it truly acts as a Tocquevillian school of democracy. The board is

dominated by a core "junta" of relatives and friends who took over the chamber after business people affiliated with local government attempted to sideline it:

> "And not long after, they were the ones left running the chamber. What happened was, in less than two years, these friends of the mayor who were now running the chamber did not call meetings anymore; there were no more reports and no more activities. To the point that we lost our office — we didn't have money left to even pay our staff. It was embarrassing. Their design, I guess, was not to control the chamber but to make it insignificant." (Interview with board member I of Chamber III)

> "So my aunt formed a small group, including me, and decided that something had to happen. Kind of like a coup, we engineered a takeover of some sort. We went door to door to the members, informed them about what was happening; convinced them to reactivate their membership. Then we scheduled a general assembly and an election. We got ourselves elected and formed a new board, selecting suitable candidates like a junta: 'He can be useful; this person is ok.' Most of them were friends of ours." (Interview with board member I of Chamber III)

The chamber president claimed that there was no inherent bias in selecting board members:

> "As long as I can remember, we have not tapped people for the board just because of their political connections. We ratherRather, we tap people who work hard and who can deliver the function." (Interview with the president of Chamber III)

However, since the chamber's establishment in the late 1990s, a large number of members have been affiliated with one of the two main business families:

> "The chamber is identified with the opposition camp — because of the number of members who are affiliated with the opposition. Especially the officers." (Interview with the president of Chamber III)

This has led to a partisan perception of the chamber:

> "Unfortunately, [the chamber] was given political color. [Local government] says we are only complaining about the business climate because we are from the opposition." (Interview with board member I of chamber III)

While there are chamber members who are affiliated with the mayor's faction, the chamber itself has firm political ties with the dominant family:

> "The congresswoman has provided us funds for our Chamber's development because her family is more on our side." (Interview with the president of chamber III)

As a result, relations with local government are adversarial. The city mayor refuses to acknowledge the chamber as the legitimate voice of local businesses:

> "That's the question posed by the mayor: 'How can you represent [businesses here] if your membership is only 100 out of 4,000? How can you say that you represent the majority? You should have more or less 50 percent of the total number of businesses in the city. Probably they are just representing their members.'" (Interview with a local senior civil servant at Chamber III)

Bereft of more collaborative political options, Chamber III has chosen a very vocal strategy:

> "We are like a pariah; if you're in the chamber, you're like a leper. [...] Because you are always perceived as a troublemaker. They don't see that we have seminars and forums for our members. They just see us when we come out in the papers and shout against taxes and the like. [...] What can we do? We go to the media. We have one friendly newspaper, they have three. Where else can you go?" (Interview with board member I of Chamber III)

> "We are really fortunate, because one of our board members owns a local newspaper. So we actually have our own newspaper. Any activity, any position paper, any news is distributed through that. Another member owns a cable TV station. We use that media [channel], too — for our propaganda. We talk a lot on the FM stations, during their public service hour in the morning." (Interview with the president of Chamber III)

As a result of this open criticism, the city government largely refuses to cooperate with the chamber or even consider its proposals:

> "That's why sometimes the mayor is very adamant about anything involving the Chamber — because of some of the bias, and because they criticize the mayor a lot. This is one of the reasons why the mayor is very cold as far as the Chamber is concerned." (Interview with a local senior civil servant at Chamber III)

Advocacy alliances with other civil society actors have also become problematic:

> "It is very hard to form alliances with other organizations, because they may be friendly with the mayor or try to stay neutral politically." (Interview with board member I of Chamber III)

Out of frustration with the current administration, several senior members of Chamber III have become politically active themselves:

> "Our chamber president back in 2010 ran for council. A few friends of ours grouped themselves and launched a campaign for city council. Unfortunately, only one candidate was successful. They are going to run again now. A lot of our board ran back then or were members of the party. We were not aiming for mayor, but we wanted to change city council — because we saw that it was really just a rubber stamp of the executive. And it's supposed to be a form of checks and balances." (Interview with board member I of Chamber III)

However, this only cemented the deadlock with local government, as the step was seen as final proof that Chamber III was actually a vehicle for the political opposition:

> "And the president of the chamber right now ran against the incumbent, the current mayor. [...] That's why there are some animosities there. They are of course civil, but there are some animosities. Some of the chamber's members are candidates on the other side of the fence. You know politicians in the Philippines are very envious." (Interview with a local senior civil servant at Chamber III)

Political confrontation with local government has already led to the harassment of some members' businesses:

"For to be identified with the chamber was dangerous to your business. Contracts would no longer be approved, and even your business licenses would no longer be released. They have the power to do that." (Interview with board member I of Chamber III)

Caught up in this confrontational deadlock with the government, the chamber's only hope for better relations is a new administration:

"There's an upcoming election. And whoever wins, there'll be a new mayor. We are hopeful about working with the next one." (Interview with the president of Chamber III)

In sum, Chamber III seems to be entangled in family politics. While its internal democracy is hard to assess, it is striking that the chamber is dominated by a single family. The chamber's highly vocal criticism may seem laudable from a democratization perspective, but it is the consequence of the chamber being family-politicized and has resulted in it losing the ability to constructively pursue the strategic interests of its members and the business community it aspires to represent.

Cross-case analysis

As aimed for by the case selection rationale of phenomenal variation, the three cases mentioned above portray quite different approaches to internal and external politics adopted by local chambers of commerce and industry in the Visayas and Northern Mindanao. By comparing the cases, common strategic rationales and environmental factors may be identified that can be plausibly expected to be shared by most local chambers in the Visayas and Northern Mindanao.

Evolving internal democracy and the low orientation toward particular interests

The case studies each show different stages of internal democracy: Chamber II relies on a traditional president-centered system of decision-making, while Chamber III has more devolved hierarchies and feedback mechanisms, but is effectively controlled by a small group within the chamber. Chamber I is trying to move from a president-centered system to more inclusive decision-making processes. Nonetheless, in all three cases the chamber seems to successfully work on issues in the common interest of its members and even the business community at large, dissipating doubts about them being mere vehicles for the particular interests of specific companies and groups. Internal democracy appears to have a lower priority compared to influence on the policy process.

Weak representativeness

All three chambers have weak representativeness based on membership numbers, organizing only about two percent of all registered local businesses. Additionally, these are mostly medium-sized urban businesses. Strengthening representativeness

by acting as an apex organization for the fragmented local business associations, as witnessed most pronouncedly in Chamber II, is an ongoing process. However, due to the low percentage of businesses organized in the chambers, the chambers have to rely on the local government's acknowledgement of them being legitimate representatives of the business community. This is apparent in Chamber III's case, as it has been easily delegitimized by local government, which pointed out its low representativeness. Therefore, access to the policy process depends on staying in local government's good graces.

Vertical orientation toward government

While the extent of coordination with other local business associations differs among the case studies, none of them have strong horizontal links with civil society actors outside the business community. If such alliances occur, they are occasional issue-based exceptions. Rather, the chambers clearly focus on vertical links with government and administration. This is a typical pattern in clientelistic systems and a logical result of the dominance of inside strategies toward city government over pressure-based external strategies (Brinkerhoff and Goldsmith 2002: 5).

Informal institutions and elite politics

All three chambers reinforce existing patterns of informal interest intermediation. While Chambers I and II use family ties and informal inter-elite contacts to their advantage, Chamber III in effect perpetuates the divisive nature of family politics. For Chamber I and II, these are the most resource-efficient ways to push their advocacies and are thus especially attractive for the constantly underfinanced chambers. Chamber III illustrates that it is hard to escape the logic of family politics even if a chamber wants to. Therefore, working the framework of elite politics to their advantage, as demonstrated by Chambers I and II, seems a more prudent strategy for achieving policy results than trying to disrupt it.

"Silent politics" and collaboration with government

Strikingly, in all the case studies, the potential of local government to harm businesses and the likelihood of politicians' retributions in the event of open confrontation with the chamber were stressed. Chamber III is an unfortunate example of how local government can harass individual businesses and effectively curtail the chamber's ability regarding constructive advocacy by refusing any collaboration. Hence, the preferred strategy is to avoid public arguments with local government and to resolve disagreements in a private way so as not to expose and possibly anger politicians. While this is effective in producing policy results and securing long-term access to political decision-makers, these backdoor negotiations prevent the development of a public sphere in the Habermasian sense. Accordingly,

the incentive is to work as closely as possible with local government, maximizing an inside strategy for advocacy, as apparent from Chamber II. If chambers choose to keep a certain distance to the government, this is less motivated by "civil self-restraint" (Lauth 1999: 113) than by a strategic decision anticipating possible changes in administration when an overly partisan appearance could trigger a backlash.

Conclusion

The original puzzle of this paper is the Philippines' stagnating democratic consolidation despite it having a vibrant civil society, a fact that fundamentally contradicts the established axiom of democracy-facilitating civil society. Focusing on civil society's role in serving as a "school of democracy" and shaping the system of interest intermediation, which is crucial to democratic consolidation, I have explored the internal and external politics of three local chambers of commerce. Their comparison points toward a possible explanation of the initial puzzle.

With regard to the internal politics of the chambers, varying degrees of internal democracy seem to be mostly the product of individual paths of development. So while there is some potential to act as Tocquevillian schools of democracy, there are no general incentives to achieve more internal democracy.

In terms of external politics, a clear pattern has emerged. Strong incentives push chambers to adopt non-confrontational inside strategies within the established, elite-dominated informal system of interest intermediation. Since they have a severe lack of collective bargaining power, chambers of commerce and industry have to rely on government goodwill to be included in the policy process. In the case study involving Chamber III, which has a highly confrontational relationship with local government, it became apparent that despite formally institutionalized forums of participation existing, a chamber's ability to constructively shape policies purely depends on its ability to collaborate with local government. As the pursuit of strategic interests understandably takes precedence over general democracy promotion, chambers try to work with local government as closely as possible. This behavior is only limited by the danger of seeming to be overly partisan toward a specific party or individual, which may alienate the possible future administration. This points toward the fear of government retribution, which is especially relevant for businesspeople due to their dependency on government permits and the like, which renders public opposition a dangerous strategy. As the resulting policy of non-confrontation also entails avoiding public criticism, the Lockean and Habermasian function of civil society can hardly be fulfilled by the chambers. Rather, criticism and disagreement are preferably voiced in private meetings. Accordingly, inside strategies based on personal and family ties and other forms of established informal political processes have a clear advantage over outside strategies relying in public pressure. Even in cases like Chamber I's, which to some

extent acknowledges its role in strengthening democratic processes, the logic of influence and limited chamber resources render personalistic advocacy strategies the dominant choice. As an effect of this overall strategic rationale, the chambers rather work within and reproduce the established hybrid system of formal democratic processes and informal clientelistic relations.

Relating these findings to the original issue of civil society's failure to facilitate democratic consolidation in the Philippines, my empirical effort backs Loewen's suggestion that Philippine civil society has embraced the established political system and is therefore unfit to change it. In the dominant logic of influence, the relative certainty of the present system may even be preferable to the uncertain outcomes of more democratic and inclusive political processes, especially for civil society actors like the chambers that have already established more or less efficient conduits of influence in the current system. In this regard, the institutionalization of civil society participation in local government through the 1991 Local Government Code may have actually been detrimental to furthering democratic consolidation.

In conclusion, the case of local chambers of commerce in the Philippines illustrates that civil society does not axiomatically facilitate democracy. Especially in clientelistic systems similar to the Philippines', strategic rationales based on the logic of influence rather than civic virtues can lead civil society to reproduce informal "undemocratic" systems of interest intermediation rather than breaking them up.

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