

Masterarbeit

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Thesis

Ambivalent civil society in democratic consolidation

**– The case of local chambers of commerce and industry in the
Visayas and Northern Mindanao**

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Zusammenfassung

Das Länderbeispiel der Philippinen, mit stagnierender demokratischer Konsolidierung trotz lebhafter Zivilgesellschaft, stellt die allgemeine politikwissenschaftliche Annahme einer demokratisierungsfördernden Funktion der Zivilgesellschaft in Frage. Über zwanzig Jahre nach dem Sturz des autokratischen Präsidenten Marcos sind die Philippinen wieder zu ihrem hybriden System aus lebendigen formalen demokratischen Prozessen, die von elitendominierten und patronagebasierten informellen Institutionen durchzogen sind, zurückgekehrt. Gerade hier sind die theoretischen demokratisierenden Funktionen der Zivilgesellschaft, die insbesondere auf die Ausgestaltung informeller Interessensvermittlungssysteme und der Etablierung einer Staatsbürgerkultur wirken, von besonderer Bedeutung. Diese theoretischen Überlegungen führen allerdings auch zur Möglichkeit einer ‚dunklen Seite‘ der Zivilgesellschaft, die ambivalente oder sogar schädliche Auswirkungen auf Demokratisierung haben kann.

Auf dieser theoretischen Grundlage werden im Rahmen eines explorativen, interviewbasierten Fallstudien-Designs drei lokale Industrie- und Handelskammern in den Visayas und Nord-Mindanao bezüglich ihrer internen und externen Politik sowie dem ihren politischen Handeln zugrundeliegenden strategischen Kalkül untersucht. Im Vergleich der Fallstudien wird deutlich, dass die strategischen Anreize der Handelskammern zu einer übermäßigen Nähe zur Kommunalregierung führen. Wegen der schwachen Verhandlungsposition der Handelskammern und der realen Gefahr von Racheakten durch öffentlich kritisierte Politiker bevorzugen die Kammern diskrete Insider-Strategien zur politischen Einflussnahme. Durch diese und andere Verhaltensweisen innerhalb des etablierten personalistischen und patronagebasierten Systems informeller Interessensvermittlung reproduzieren die Kammern nicht nur den Status Quo, sondern können auch den demokratischen Funktionen als Watchdog und als Teil einer öffentlichen Sphäre politischen Diskurses kaum nachkommen.

Insgesamt wird durch die Fallstudien deutlich, dass nicht nur eine übermäßige Staatskepsis der Zivilgesellschaft, sondern gerade in klientelistischen Systemen wie den Philippinen auch eine übermäßige Staatsnähe bzw. Nähe zu den informellen Eliten zu einer ambivalenten Wirkung von Zivilgesellschaft in der demokratischen Konsolidierung führen kann.

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1. Introduction

Over twenty years after the third wave of democratization, more than half of the world's countries are labeled as democracies.¹ However, a majority of these democracies are categorized as 'flawed', suggesting that democratization is far from finished even after stable electoral processes are established. Accordingly, the focus of democratization research has to shift from the transition to democracy to the more delicate issue of democratic consolidation, which goes beyond mere constitutional configurations.

In the voluminous body of literature on democratic transitions from the 1990s, an especially prominent role in democratization is awarded to civil society. Hence, civil society is generally assumed to take on a facilitating role in democratic consolidation, too. However, country cases that simultaneously display strong civil societies and stagnant democratic consolidation, such as the Philippines, call this simple, positive relationship into question.

Consequently, this thesis explores the link between civil society and democratic consolidation, and specifically tries to shed light on the case of the Philippines where the assumed link between the two does not seem to hold, posing a challenge to traditional conceptualizations of civil society in democratic consolidation.

1.1 The puzzle: Civil society and democratic consolidation

Conventional wisdom in political science holds civil society to invariably facilitate democratization:²

“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.”³

A positive role of civil society for democratization has become almost “axiomatic”⁴ in democratization literature and even more pronouncedly in concepts for development programs.⁵

This proposition has its origin in research on democratization from the heyday of the third wave of democratization in the early 1990s. Accordingly, studies on the role of civil society in democratization have generally focused on the initial phases of liberalization and transition to democracy.⁶

However, twenty years down the road, the progress of democratization has faltered:

¹ Economist Intelligence Unit 2011

² Mercer 2002

³ Stepan & Linz 1996, p. 18

⁴ Mercer 2002, p. 6

⁵ Burnell 2004, p. 110

⁶ Examples are Waldenhof 2003, Lauth 2003, Mathy 1998, and particularly for the Philippines Loewen 2005.

“By far the majority of third-wave countries have not achieved relatively well-functioning democracy or do not seem to be deepening or advancing whatever democratic progress they have made.

[...] They have some attributes of democratic political life, including at least limited political space for opposition parties and independent civil society, as well as regular elections and democratic constitutions. Yet they suffer from serious democratic deficits, often including poor representation of citizens’ interests, low levels of political participation beyond voting, frequent abuse of the law by government officials, elections of uncertain legitimacy, very low levels of public confidence in state institutions, and persistently poor institutional performance by the state.”⁷

Defying the linear model of democratization as proposed in the euphoria of the liberalization years during the third wave of democracy, many neo-democracies, e.g. the ‘new’ democracies in Southeast Asia, stagnate in the phase of democratic consolidation⁸ and have developed political systems that fall short of liberal democracy but appear to be stable.⁹ CASE argues that especially these Southeast Asian “semidemocracies”¹⁰ challenge established typologies and theories of democratization and therefore “may help also to illuminate some newer puzzles of [democratic] consolidation.”¹¹

Unconsolidated democracy despite strong civil society in the Philippines

Among these puzzles are countries that possess a strong civil society but yet do not progress in their democratic consolidation.¹² Particularly the Philippines, whose democratization stalls at a clientelistic “halfway house”¹³ democracy despite a “strong and vibrant”¹⁴ civil society, challenge the conventional wisdom about the democratizing force of civil society: “If civil society has contributed to democratization anywhere, it should be in the Philippines.”¹⁵

However, SCHMITTER calls the Philippines an “unconsolidated democracy where the procedural minimum will be respected, but politicians and representatives will prove incapable of agreeing on a viable set of rules”¹⁶ that governs interest intermediation beyond the sphere of formal politics. As I will show later on, one of civil society’s major functions in democratic consolidation is the institutionalization of informal politics in a democratic way. Despite its apparent strength, Philippine civil society has so far failed to fulfill this role:

⁷ Carothers 2002, p. 9f

⁸ The term ‘democratic consolidation’ is used here not only in its ‘negative’ notion of preventing a relapse to autocracy but particularly in its ‘positive’ notion referring to the establishment of democratic procedures and institutions in all partial regimes of society (Schedler 1998, p. 98ff).

⁹ Croissant 2004, p. 175

¹⁰ Case 1996, p. 438

¹¹ Case 1996, p. 460

¹² Lowry 2008, p. 3ff

¹³ Case 1996, p. 437

¹⁴ Quimpo 2005, p. 247

¹⁵ Wurfel 2003, p. 215

¹⁶ Schmitter 1992, p. 429

“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.”¹⁷

Addressing this puzzle, the objective of this thesis is to work out the role of civil society in democratic consolidation and to offer an explanation why the Philippines’ civil society fails to facilitate democratic consolidation in a meaningful way, refining the axiom of democracy-facilitating civil society.

Phrasing this in a neutral way, my overarching research question reads: *How does civil society contribute to the Philippines’ democratic consolidation?*

1.2 Structure of this thesis

To answer this question, I first introduce the specific context of the Philippines. Here, I elaborate on the special role of the country’s economic and political elites and the general quality of democracy to highlight the peculiar hybrid of elite dominance within a lively democratic process. Further, the historic role and basic configuration of Philippine civil society is outlined.

Exploring the theoretical foundations of the assumed link between civil society and democratic consolidation, I present different notions of civil society and democratic consolidation and adjust them to the case of the Philippines. On this conceptual basis, I then revisit the theoretical functions of civil society in democratic consolidation. Linking these positive functions with the possibility of a ‘dark side’ of civil society provides an analytical framework to assess Philippine civil society’s contribution to democratic consolidation.

As empirical foundation for this assessment, three local chambers of commerce and industry in the Visayas and Northern Mindanao serve as case studies. After laying out the methodological and practical background of my empirical research, I present and analyze the three cases in line with the elaborated theoretical framework, focusing on the strategic rationales underlying their political behavior. In a final cross-case analysis, I emphasize common strategic rationales and factors among the case studies that plausibly illustrate the behavioral logic of Philippine civil society at large.

Summarizing my findings in the conclusion, I relate them back to the theoretical framework and the original puzzle of civil society and democratic consolidation.

¹⁷ Eaton 2003, p. 470

2. The context of democratic consolidation in the Philippines: Elites, democracy, and civil society

As suggested above, the Philippines are a most instructive case for the study of democratic consolidation and civil society. The country has a century-old history of democratic governance, with intermissions by Japanese occupation in World War II and the autocratic regime under President Marcos in the 1970s and early 1980s. Its civil society is regarded one of the strongest in the region and held in high popular regard especially due to its role in bringing down the Marcos regime. Still, more than twenty years after the restoration of democracy, the Philippine democratic system is typically described as “deeply flawed”¹⁸ as it remains an instrument of elite dominance.

To properly contextualize my analysis of the Philippines’ civil society’s in democratic consolidation, I provide a short overview of the country as well as a more elaborate introduction into the Philippine elites, state of the democracy, and civil society.

2.1 Overview: The Philippines

The Philippines are a tropical archipelago of about seven thousand islands in the western Pacific Ocean and regarded a part of Southeast Asia. The country is divided into the large islands of Luzon in the north and Mindanao in the south as well as the central region of the Visayas which consists of several medium-sized islands. Defining features are a strong colonial heritage including the long co-evolution of democratic governance and elite dominance.

Historical overview of the Philippines

While maritime trade brought various cultural influences to the archipelago, the Philippines islands have been largely omitted by Chinese and Southeast Asian empire-building. The local principalities were only unified politically with the advent of the Spanish¹⁹ who gradually conquered and colonized the archipelago over the course of the 16th century. Colonial administration outside the city of Manila was mostly left to Catholic orders, which thoroughly Christianized the previous mosaic of Muslim, Hindu, Buddhist and animist believers. An exception was the southern part of Mindanao which the Spanish struggled to control and consequently is home to most of the country’s 5–10 percent Muslim population today. As a result, today about 80 percent of the population adheres to the Catholic belief, granting the Catholic Church an important role in contemporary Philippine politics.²⁰ Corresponding reproductive policies have led to a

¹⁸ Putzel 1999, p. 198

¹⁹ Gonzalez 2007, p. 372

²⁰ National Statistics Office of the Philippines 2012

growth rate of about 2 percent for the Philippines' population of about 92 million – the highest population growth in Asia.²¹

Especially in the final decades of the 350-year Spanish colonial rule, the Philippines saw large investments in infrastructure and education, rendering it one of the most advanced colonies in Asia. This boosted the productivity of the large-scale latifundia that dominated the Philippine economy and gave rise to an educated local elite that finally revolted against Spanish rule in 1896.²² However, the Philippines were ceded to the United States of America as a result of Spain's defeat in the Spanish-American War in 1898, the independence movement was quelled. For the next fifty years, the United States colonial administration, ruling in cooperation with the local elites, invested in public services such as education and health and oversaw strong economic growth that was fuelled by customs-free trade with the US market.²³

After the end of World War II and Japanese occupation, the Philippines gained full independence but retained close military and economic ties with the United States. The former colonial power remained influential in internal politics as well. For example, the United States backed President Ferdinand Marcos who declared martial law in 1972 and ruled the Philippines autocratically until he was ousted by the peaceful People's Power Revolution in 1986. His pretense was the armed threat posed by the communist New People's Army and the separatist Moro National Liberation Front in Mindanao – conflicts that are still simmering today.

Despite these ongoing internal conflicts and regular corruption scandals up to the presidential level, the Philippines have been relatively stable since the reestablishment of democracy in 1986. In foreign relations, the Philippines are closely aligned with the United States and their Southeast Asian neighbors. However, a Philippine claim to the disputed Spratly Islands in the South China Sea has been a recent source of rising international tension, especially with the People's Republic of China.

Economic overview of the Philippines

The Philippines' colonial economy was dominated by large-scale agricultural production that already saw foreign (non-Spanish) investments in the 19th century.²⁴ As the country's agrarian reform has been stalled for decades,²⁵ large foreign-owned plantations, especially tropical fruit and sugar cane, are still an important part of the country's economy. Along with forestry and fishery, agriculture employs about 30 per-

²¹ National Statistics Office of the Philippines 2012

²² Anderson 1988, p. 8

²³ Hutchcroft 2000, p. 277ff

²⁴ Anderson 1988, p. 6

²⁵ Dressel 2011, p. 532

cent of the work force but accounts only for some 13 percent of the Gross Domestic Product (GDP).²⁶ Classified as a Newly Industrialized Country, 16 percent of the Philippines' workforce are employed in the manufacturing sector, producing about 33 percent of the GDP. This is predominantly food processing, but a notable exception is electronics manufacturing, mostly by Japanese and American companies, in the Philippines' over two hundred special economic zones. The remainder of the economy is made up of services, where call centers and other forms of business process outsourcing are a booming sector, mostly attributed to the abundant supply of college graduates with high English proficiency.²⁷

A substantial factor in the Philippine economy are the estimated 9 million Overseas Filipino Workers.²⁸ Their remittances amount to at least 12 percent of the Philippines' GDP and have been crucial in stabilizing the Philippine economy during times of economic crises.²⁹

Generally regarded as the second wealthiest nation in Asia after World War II,³⁰ the Philippines have been underperforming in terms of economic growth compared to many of their neighbors due to economic mismanagement and massive graft by public officials, especially during the Marcos era. Only in recent years has growth picked up and the country now ranks among the 'Tiger Cub Economies' and the 'Next Eleven' emerging markets whose role in the global economy is expected to significantly increase until 2050.³¹

Defining for the Philippine economy are the "large, diversified, family-based conglomerates"³² that make up most of the larger businesses. As these are the basis of the country's economic and political elite, I examine them in greater detail in the next section.

2.2 Economic and political elites in the Philippines

To understand the dynamics of Philippine democratization and the political environment that civil society and especially local chambers of commerce and industry work in, the make-up and role of the country's elite are crucial. First of all, "the basic building blocks of the political economy of the Philippine oligarchy are not 'elite segments' but extended families."³³ Essentially, these extended families constitute an additional layer of politics in the Philippines, whose patterns of loyalty, patronage relations and shifting alliances interweave formal politics as well as civil society.

²⁶ National Statistics Office of the Philippines 2012

²⁷ Friginal 2007

²⁸ Commission on Filipinos Overseas 2010

²⁹ Migration Policy Institute 2011

³⁰ The Economist 2001

³¹ Wilson & Stupnytska 2007

³² Kang 2002, p. 130

³³ Hutchcroft 1991, p. 426

Historical origins of the Philippines' elites

ANDERSON³⁴ and HUTCHROFT³⁵ portray Philippine political history as a continuity of elite dominance, tracing today's elites to the Western-educated 'ilustrados' ('enlightened ones') of the 19th century. This social class of mestizos, mostly of Chinese-Filipino origin, had emerged as a distinct, politically recognized group in Philippine society since the 18th century. With the dual advantage of being Christian – in contrast to competing Chinese businesspeople in the Philippines – and speaking Spanish – in contrast to an estimated 95 percent of the colonial subjects in the Philippines³⁶ – they gradually rose as an economic power. In the second half of the 19th century, boosted by the opening of the Suez Canal in 1869, they gained widespread access to European education. With increasing intellectual and economic prowess, the 'ilustrados' eventually became the leaders of the Philippine independence movement in the late 19th century. While aspirations to independence were initially thwarted, American rule finally turned them into a "national oligarchy".³⁷ By purchasing the church's dispossessed hacienda lands from the American colonial administration, the ilustrados cemented their economic dominance in the archipelago.

Further, the American policies of "political education", i.e. the establishment of an elected Philippine Assembly, and gradual "Filipinization" of the colonial bureaucracy paved the way to the ilustrados' dominance of the political-administrative system.³⁸ Here, the American administration granted the existing elite preferential access as a form of appeasement to achieve local cooperation in colonial rule.

"In the end, the American regime provided the perfect opportunity for provincial elites to build upon their previously constructed local economic base, consolidate a powerful local political bailiwick and proceed to emerge as a national oligarchy able to take control of the central government in Manila. This, in turn, brought countless new opportunities for further enrichment and empowerment."³⁹

Despite phases of retreat to their provincial economic bases, e.g. during Japanese occupation and the Marcos era (for those families out of Marcos' favor), this social group has successfully retained and expanded its grip on political and economic power up to today.

Patterns of economic and political elite dominance

As shown by KANG, the Philippines' family-based business networks are usually built around a bank and have highly diversified from their origins in large-scale agriculture. A quote from 1998 by Imelda Marcos, widow of President Ferdinand Marcos, illustrates this well:

³⁴ Anderson 1988

³⁵ Hutchcroft 2000

³⁶ Anderson 1988, p. 6

³⁷ Anderson 1988, p. 11

³⁸ Hutchcroft 2000, p. 291ff

³⁹ Hutchcroft 2000, p. 296

In this regard, the Philippines' democracy is actually a vehicle for elite dominance as the oligarchic families compete for political power within the formal institutions to seek rents for their economic interests:

“Corruption in the Philippines swung like a pendulum, as one group or another gained predominant power, and each group in turn would busily set about lining its own pockets, aware that in the next round its fortunes might well be reversed.”⁴⁶

Nonetheless, this elite capture of the democratic system is only relative in comparison to other Southeast Asian nations. The Philippines' economic and political dynasties are numerous and no closed circle as families rise and fall. Due to this fragmentation of the elite, no single family or coalition of families is powerful enough to consolidate their claim to political power in a meaningful way (with the exception of the Marcos years).⁴⁷ Rather, the different dynasties keep each other in check, separately pursuing their particularistic interests and preserving the status quo as a minimal consensus:

“The state reeled under the demands of the oligarchs, but as long as the oligarchs were receiving their share of the benefits, they had no incentive to implement genuine change in the system. This approximated a prisoner's dilemma, in which changing the rules might help the nation as a whole, but not the individuals with the power to actually change the system.”⁴⁸

Summary on the Philippine elites

The Philippines' political elite is a mosaic of extended families whose claim to power rests on their respective business conglomerates. In a formalized variation of rent-seeking behavior, they vie for political power within the democratic institutions, adding a dynastic element to the political system but in effect stabilizing it.⁴⁹ 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”.⁵⁰

Thus, the dimension of personalistic and patronage-based family politics must be included in any analysis of Philippine politics.

2.3 Quality of Philippine democracy⁵¹

“Democracy in the Philippines is a paradox.”:⁵² On one hand, the country possesses a complete set of formal institutions, its citizens are enthusiastic about politics, voter turnout is correspondingly high, and civil

⁴⁶ Kang 2002, p. 150

⁴⁷ Rocamora 2004

⁴⁸ Kang 2002, p. 147

⁴⁹ De Castro 2007, p. 949

⁵⁰ Putzel 1999, p. 216f

⁵¹ A more complete assessment is conducted by Dressel 2011.

society is vibrant. On the other hand, the political system displays weak implementation capacities, a tendency towards elite capture, and strong informal political arrangements.⁵³

History of democracy in the Philippines

The Philippines' experiences with democratic governance date back to 1907 when the United States installed a popularly elected bicameral parliament to assist their colonial administration of the Philippine islands and to gradually prepare the inhabitants for independence. Progressing towards this goal, the Commonwealth of the Philippines was established in 1935 which enjoyed self-government with a largely US-inspired political system and limited sovereignty under United States supervision. After the end of Japanese occupation (1941–1945), the Republic of the Philippines was granted full independence in 1946.

Despite continued elite dominance, the Third Republic of the Philippines saw the peaceful succession of election governments. However in 1972, second-term President Ferdinand Marcos took the occasion of a government-staged ambush on his defense minister to declare martial law, citing the growing armed threat from the communist New People's Army and the separatist Moro National Liberation Front on Mindanao. Initially ruling by decree, President Marcos used patronage, repression and violence as well as election fraud to establish a façade democracy that lasted until 1986.⁵⁴ With support from the Philippine Armed Forces and the United States eroding, Marcos' victory in a snap election in February 1986, which was massively accused of election fraud, led to a coup attempt by parts of the armed forces and the defense minister. Consequently, as a growing number of members of government and opposition leaders announced their support for the coup, hundreds of thousands of citizens took to the streets in Manila and were joined by increasing numbers of defectors from the military. A few days later, President Marcos asked for safe passage to Hawaii and his opposing candidate in the snap elections, Corazon Aquino, was sworn in as president. The aftermath of this so-called People's Power Revolution (also known as EDSA Revolution after the Epifanio de los Santos Avenue in Metro Manila where the majority of demonstrations took place) saw the restoration of democracy and "a return to elite-dominated patronage politics."⁵⁵

Even including the autocratic Marcos regime,⁵⁶ this elite dominance is the most consistent and distinctive feature of Philippine democracy, apparent from classifications as "cacique democracy"⁵⁷, "elite democra-

⁵² Dressel 2011, p. 529

⁵³ Dressel 2011, p. 529f

⁵⁴ Rutten 2011, p. 597ff

⁵⁵ Freedom House 2011

⁵⁶ Pinches 1997, p. 108

⁵⁷ Anderson 1988

cy”⁵⁸, “clientelistic democracy”⁵⁹ or simply “bossism”⁶⁰. ROCAMORA argues that as a result of this elite capture, “the Philippines has the most persistently undemocratic democracy in Asia.”⁶¹

Weak parties, populism and family politics

As presented in the previous section, Philippine politics are very much personalistic and family-based. As a result, political parties are persistently weak:

“In as much as parties exist they constitute ‘political machines’ made up of relatively unstable family alliances geared to the mobilisation of votes and disbursement of patronal largesse, rather than the promotion of contending political philosophies.”⁶²

Therefore, displaying a behavior that KANG calls “bandwagoning politics”,⁶³ politicians easily switch parties, often throwing their weight behind the victorious party to gain access to government resources.

With parties almost indistinguishable in ideology and policies,⁶⁴ populism is a central aspect of Philippine politics. Traditionally, this has included pork-barreling and election gifts to the extent that political representatives in the Philippines are officially allocated discretionary funds which they can employ any way they like.⁶⁵ In recent decades, the personal appeal of politicians based on their “prestige, personality, and charisma”⁶⁶ has also become a central factor, with candidates deliberately presenting themselves as anti-establishment women or men of the people to gain popularity. In effect, Philippine politics are therefore highly personalistic: “Among Filipinos, the focal point of public support is clearly the person rather than the office or institution one is identified with.”⁶⁷

As a result, intermediary organizations like interest groups and NGOs cannot rely on building organizational relations but have to lobby relevant politicians individually. However, these politicians want to be seen as responsive to popular demands, rendering government and politics rather accessible and devoid of overt repression.

However, overall the way family politics prevail throughout the political system “illustrates how formal democratic institutions are dominated by informal power structures”.⁶⁸

⁵⁸ Pinches 1997

⁵⁹ Friedrich-Ebert-Stiftung 2009

⁶⁰ Sidel 1999

⁶¹ Rocamora 2004, p. 1

⁶² Pinches 1997, p. 107

⁶³ Kang 2002, p. 122

⁶⁴ Montinola 1999, p. 134

⁶⁵ Hutchcroft & Rocamora 2003, p. 275

⁶⁶ De Castro 2007, p. 934

⁶⁷ Miranda 1997 as cited in Loewen 2005, p. 23

⁶⁸ Dressel 2011, p. 530

Media, the judiciary and people's power: A lively democracy

Despite apparent elite dominance, the Philippines have an open and lively democratic system.⁶⁹ Even though Filipino politicians have refined the art of election cheating during their long democratic experience,⁷⁰ elections are generally fair and clean, rendering them true competitions with uncertain outcome.⁷¹ Media is free and critical, in defiance of a history of violent retributions against journalists:⁷² “Both the private media and the country’s many publicly owned television and radio stations address numerous controversial topics, including alleged election fraud, ongoing counterinsurgency campaigns, and high-level corruption cases.”⁷³ The judiciary and the many anti-corruption government agencies are known for their independence⁷⁴ and even if they seem rather ineffectual in fighting corruption, this cannot be explained by systematically elite capture.⁷⁵ Rather, the affected groups work to resolve each investigation and trial individually by exerting political pressure and other means of manipulation.

Nonetheless, as a consequence of the Marcos era and dubious constitutional moves by subsequent presidents, sentiment has grown that a vigilant public and occasional displays of popular pressure are necessary to keep the ruling class in check.⁷⁶ A prominent example is the EDSA II ‘revolution’ of 2001, when thousands of citizens took to the streets in a reprisal of the 1986 EDSA revolution to oust President Estrada, who stood trial on charges of corruption. One effect of this emphasis on ‘people power’ is the elevated role of civil society, which I turn to in the next section.

Summary on the quality of Philippine democracy

Over their long history of democratic governance, the Philippines have developed a full landscape of relatively functional democratic institutions and a free society with deeply held democratic convictions. However, “democratic institutions remain a stronghold and guarantee of oligarchic dominance”.⁷⁷ Working within the democratic system and enabled by a weak party system, the oligarchic families hold on to power through populist, charismatic politics. Pointing out the importance of informal politics in this peculiar hybrid of elite dominance through the constitutional democratic system, PUTZEL concludes:

“Democracy in the Philippines remains shallow because of the still pervasive mismatch between formal political institutions and the informal institutions that govern behaviour and influence the standards of legitimacy.”⁷⁸

⁶⁹ Human Rights Watch 2012, p. 1

⁷⁰ Case 2002, p. 238

⁷¹ Montinola 1999, p. 126ff

⁷² Freedom House 2012

⁷³ Freedom House 2012

⁷⁴ Dressel 2011, p. 530

⁷⁵ Quimson 2006, p. 29ff

⁷⁶ Montinola 1999, p. 127

⁷⁷ Croissant 2004, p. 161

⁷⁸ Putzel 1999, p. 216

2.4 Civil society in the Philippines

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 region⁷⁹ and enjoys considerable respect among the electorate and politicians alike. However, more than twenty years after the victory of ‘people power’ and its enshrinement in the 1987 constitution, the transformative power of Philippine civil society stands to question.

‘People power’ and participatory government

Especially in comparison to its Southeast Asian neighbors, the Philippines’ civil society is assessed as “robust and vibrant”.⁸⁰ Largely ignored by the state and fostered by the Catholic Church, local NGOs found an enabling environment in the Philippine Republic’s early decades. Under the Marcos regime, involvement in civil society organizations gained popularity as a means of anti-government agitation. Despite suspicious observation by the state, NGOs spread throughout the country and especially the community-organizing ‘People’s Organizations’ became known for their resistance to the government.⁸¹

The People Power Revolution of 1986 was commonly seen as an achievement of these civil society organizations’ persevering work. Acknowledging their instrumental role in the revolution, the new government enshrined a strong role for civil society in the new constitution.⁸² Probably the most important feature is the 1991 Local Government Code that requires the representation of civil society organizations in local legislations and local special bodies (such as the Local Development Council, the Local Investment Board, Regional Tripartite Wages and Productivity Board, etc.).

Alongside political empowerment, the Philippines civil society saw increased attention from international donors throughout the 1990s, opening up easy access to funding and technical assistance. In this fertile environment, ABELLA & DIMALANTA estimate the number of civil society organizations in 1997 somewhere between 249,000 and 497,000, with activities in all sectors.⁸³

Owing to their credentials from the People Power Revolution, civil society is the most trusted political actor to hold government accountable.⁸⁴ Civil society coalitions are still able mobilize the masses on uniting issues, as displayed in the 2001 EDSA II demonstrations, and can exert corresponding political pressure.

⁷⁹ Dressel 2011, p. 534

⁸⁰ Arugay 2005, p. 80

⁸¹ Abella & Dimalanta 2003, p. 231

⁸² Capuno 2005

⁸³ Abella & Dimalanta 2003, p. 236

⁸⁴ Caballero-Anthony 2004, p. 3

Post-liberalization civil society: Fragmented and mired in clientelism

Despite these enabling conditions in the Fifth Republic of the Philippines since 1987, analysts of Philippine civil society argue that it has failed to fulfill its potential for in democratization. Only united by the common cause to topple Marcos, civil society has since 1986 fragmented in the pursuit of each organization's particular interests and not been able to coherently lobby for further democratization of the political system.⁸⁵

The ample availability of donor funds for civil society organizations in the 1990s also attracted enterprising members of the middle class who saw the non-governmental sector as a business opportunity rather than a sphere of social activism.⁸⁶ Therefore, the quantitative growth of civil society (the number of registered NGOs increased by 144 percent from 1984 to 1993 alone)⁸⁷ cannot necessarily be equated with progress towards democratic consolidation.

Further, the 'normalization' and intensification of government-civil society relations after the confrontations of the Marcos era has led most civil society organizations to now work within the established political system. Most have adopted a non-partisan stance towards formal politics for fear of cuts in government funding.⁸⁸ This motive has gained prominence as international donors shifted their focus from civil society development to trade and economic development in the 2000s.⁸⁹ Beyond mere political neutrality, LOEWEN argues that most civil society organizations have now embraced clientelistic strategies and charismatic leadership to the detriment of democratic principles.⁹⁰

Summary on civil society in the Philippines

The Philippines' civil society has emerged from the 1986 revolution as a strong force in society and politics, with high general legitimacy among citizens and far-reaching rights of participation in the formal political process. However, without a common overarching cause, the majority of civil society organizations have gradually slipped towards working within the established political system and patronage networks, weakening its potential as a force for democratic consolidation.

⁸⁵ Loewen 2005, p. 23

⁸⁶ Loewen 2005, p. 22f

⁸⁷ Loewen 2005, p. 21

⁸⁸ Wurfel 2003, p. 220f

⁸⁹ Abella & Dimalanta 2003, p. 235

⁹⁰ Loewen 2005, p. 23

2.5 Summary on the context of Philippine democratic consolidation

With spotlights on the country's elite, the general quality of the democratic system and civil society, I have embedded my concrete research effort in the rich context of Philippine sociopolitics. As a central finding, I have tried to point out that the Philippines possess a viable formal democratic system and a vibrant democratic society (including civil society actors) which is however 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 democracy 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 has to address the question why Philippine civil society largely fails to succeed in this role.

3. Theoretical background:

Civil society and democratic consolidation

In the previous descriptive section, I have suggested a strong link between civil society and democratic consolidation via the element of informal political institutions. Drawing on the voluminous democratization literature, I now underpin these assumptions theoretically and clarify underlying concepts.

Civil society and democratic consolidation are two concepts of political science that are as ubiquitous as they are vague. Therefore, any study of the nexus between the two has to be very clear about how they are understood to avoid conceptual confusion. Consequently, before elaborating on the theoretical functions of civil society in democratic consolidation, I first outline the major contemporary connotations of civil society and how I use the term in this thesis. Then, I examine different notions of democratic consolidation and which of these are relevant to the case of the Philippines. Once it is clear how civil society and democratic consolidation are understood in this thesis, I work out the different theoretical contributions of civil society to democratic consolidation.

3.1 The concept of civil society

Since its introduction by Aristotle over 2000 years ago and more importantly as an anti-absolutist utopia during the political struggles of Enlightenment, the term ‘civil society’ has been used in different contexts and gathered many connotations.⁹¹ Consequently, “given the enormous range of behaviour which political philosophers have labelled as civil society [...] a justification can be offered for virtually any use to which the concept is now put.”⁹² In political science, it has resurfaced most significantly in the 1980s as a catch-all concept in the analysis of the third wave of democratization. Observing the conceptual arbitrariness of civil society, WHITE asks: “Surely a concept with this degree of elusiveness should be sent back to its coffin in the crypt of the great church of political theory?”⁹³ However, undoubtedly owing to its multifacetedness, civil society now takes a prominent place in most theories of democratization. Therefore, as the objective of this thesis is the critical examination of the axiom of democracy-facilitating civil society, rather than discarding the term altogether, I try to disaggregate its different connotations.

⁹¹ Kocka 2004

⁹² Kasfir 1998, p. 3f

⁹³ White 1994, p. 378

3.1.1 Contemporary connotations of civil society

Without dwelling on the complex Begriffsgeschichte of the term ‘civil society’,⁹⁴ I focus on its three major contemporary connotations which are of relevance to its role in democratization:

1. “civil society as a *kind* of society (characterized by positive norms and values as well as success in meeting particular social goals)”
2. “civil society as the *public sphere*”
3. “civil society as a *part* of society (the neo-Tocquevillian school that focusses on associational life)”⁹⁵

In its connotation as a *kind of society*, civil society is in essence a normative vision of a democratic social order beyond mere constitutional procedures. “As such it becomes virtually indistinguishable from a standard conception of a liberal democratic political system and probably should be described as such.”⁹⁶ With regard to democratization, this connotation of civil society constitutes the goal of the democratic consolidation process rather than a facilitating factor in it. Consequently, a positive correlation between civil society and democratic consolidation becomes a logical necessity. Thus, this connotation is explicitly not how civil society is understood in this thesis.

In its meaning as the *public sphere*, civil society is an abstract discursive space where pre-parliamentarian deliberations on the ‘public good’ take place.⁹⁷ In the terminology of pluralism, it is the political arena where social groups voice their interests and negotiate compromises without interference by the state. This idea is taken up later on as one of the functions of civil society in democratization. However, by itself, the scope of civil society as the public sphere is too narrow with regard to democratic consolidation and the objective of this thesis.

The third and by far most widespread current connotation of civil society describes it “as an intermediate sphere of social organization or association between the basic units of society – families and firms – and the state.”⁹⁸ Most conceptualizations of the nexus between civil society and democratization are based on this connotation of civil society as a realm of associations, possibly because it is less normative and abstract than the connotations of civil society as a social order or the public sphere and therefore more easily empirically measurable. For this reason and because of the theoretical problems with regard to the objective of this thesis outlined above, I also follow this connotation of civil society. However, one central question in

⁹⁴ This is provided, among many other authors, more concisely by Kocka 2004 and more elaborately by Seligman 1995.

⁹⁵ All three quotes from Michael Edwards 2009, p. 10

⁹⁶ White 1994, p. 377

⁹⁷ Michael Edwards 2009, p. 64

⁹⁸ White 1994, p. 377

all approaches based on this connotation of civil society is which organizations are defined as part of civil society.

3.1.2 Minimal definition of civil society

Consolidating different definitions of civil society as an associational realm, SCHMITTER proposes four minimal criteria for civil society organizations:⁹⁹

- *Dual autonomy* as the relative independence “of both public authorities and private units of production and reproduction, i.e. of firms and families”¹⁰⁰
- *Collective action* as the ability to postulate common interests and collectively act upon them.
- *Non-usurpation* as the absence of intentions to assume public office or replace private producers.
- *Civility* as the adherence to established rules.

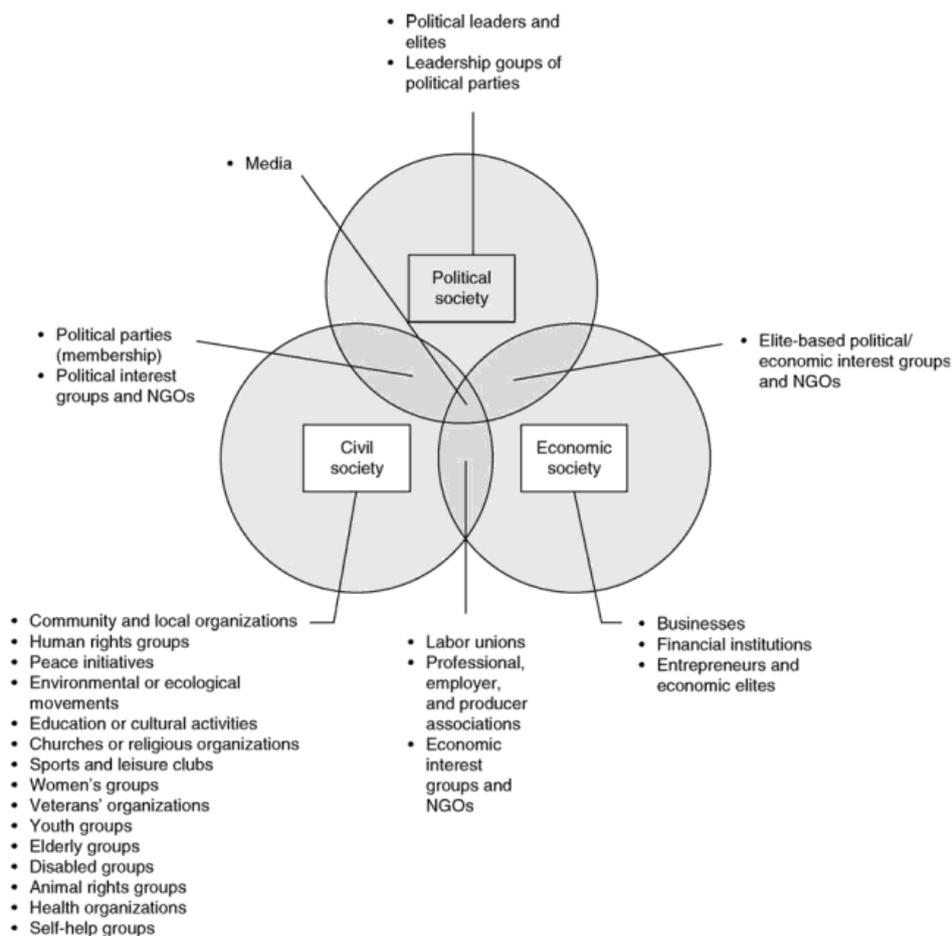


Figure 2: The groups of civil society, political society and economic society (Anheier & Toepler 2009, p. 188)

⁹⁹ Schmitter 1993, p. 4

¹⁰⁰ Schmitter 1993, p. 4

Here, SCHMITTER builds upon the established trichotomy of society's intermediate sphere (located between the public sphere of the state and the private sphere of personal networks). Accordingly, he demarcates civil society from 'political society' (i.e. political parties and leaders) and 'economic society' (e.g. individual businesses). As apparent in Figure 1 and in my example of the Philippines' chambers of commerce, the boundaries between these 'societies' are blurry and should rather be understood as heuristics than as exclusive categories.

However, additional criteria in the definition of civil society can have severe implications for how its role in democratization is modeled, as two examples illustrate:

Referring to the classical liberal antagonism between state and society, BAYART defines civil society "as society in its relation with the state [...] in so far as it is in confrontation with the state."¹⁰¹ Similar limitations of civil society to those organizations that actively oppose the state can be found throughout the early literature on the third wave of democratization.¹⁰² While this definition may be handy in the analysis of transitions to democracy and more specifically during resistance against an autocratic regime, it becomes problematic once the phase of democratic consolidation is reached since "the possibility for civil society to play a role in the consolidation of democracy evaporates if associations cannot be perceived as working constructively with the state as well as opposing it."¹⁰³

As another example, MERCER describes a tendency in the literature on the political role of non-governmental organizations to define civil society as those non-state actors who are explicit proponents of democracy and civic rights.¹⁰⁴ As a logical consequence of this definition, the proposition that civil society facilitates democratization always holds true. However, as a tautological statement, this insight has no further theoretical value.

Consequently, I concur with WHITE who argues that an "inclusive definition [of civil society] – which recognises 'actually existing civil societies' as opposed to a normative model of 'civil society' – is more appropriate to the hybrid character of developing societies and can better capture the consequent diversity of their associational life."¹⁰⁵ Since the question of my study is precisely why the Philippines' civil society fails to foster democratic consolidation, more normative definitions could exclude large segments of the relevant sphere of intermediary organizations. Hence, I keep my understanding of civil society as open as possible by only referring to SCHMITTER's minimal conditions.

¹⁰¹ Bayart 1986, p. 111

¹⁰² White 1994, p. 377

¹⁰³ Kasfir 1998, p. 4f

¹⁰⁴ Mercer 2002, p. 9f – An example is Diamond 1994 who excludes any organization that does not adhere to pluralist convictions from his definition of civil society.

¹⁰⁵ White 1994, p. 379

3.1.3 Summary on civil society

Civil society is a concept central to the study of democratization with a range of different connotation. In line with most contemporary studies on democratization, I understand it as the realm of politically active associations between the political-administrative system and the private sphere of firms and family. Avoiding inadvertent theoretical and empirical implications of additional criteria, I rely on Schmitter's minimal definition of civil society as autonomous, rule-abiding associations that extend or protect the interest of particular social groups without intentions to assume public office.

3.2 The concept of democratic consolidation

To understand the concept of democratic consolidation, which is the focus of this thesis, it is necessary to shortly outline its context in the democratization literature. Democratization being one of the core topics of political science, there is a large body of literature with a plethora of competing definitions.¹⁰⁶ For the sake of brevity, I thus limit myself to a rather superficial presentation of the well-established three-phase model of democratization.

3.2.1 Phases of democratization

In the literature on the third wave of democratization, it is canonical to divide democratization into three phases: *liberalization of autocracy*, *transition to democracy* and finally the *consolidation of democracy*.

Liberalization

Liberalization refers to the institutionalization of "certain rights that protect both individuals and social groups from arbitrary or illegal acts committed by the state or third parties"¹⁰⁷ within the autocratic ancien régime. These rights are the prerequisite for resistance to autocratic government and broad mobilization for regime change. This becomes apparent from a more concrete look at these rights:

"At the level of individuals, these guarantees include the classic elements of the liberal tradition: habeas corpus; sanctity of private home and correspondence; protection against torture and inhuman treatment by authorities; the right to be defended in a fair trial according to pre-established laws; freedoms of movement, of speech, petition, religious conviction and so forth.

For social or political groups, these rights have historically covered such things as freedom from punishment for collective expressions of dissent from government policy, freedom from censorship of the means of communication, and freedom to associate voluntarily and peacefully with other persons."¹⁰⁸

¹⁰⁶ Collier & Levitsky 1997 provide a comprehensive albeit slightly outdated overview.

¹⁰⁷ Schneider & Schmitter 2004, p. 61

¹⁰⁸ Schneider & Schmitter 2004, p. 61

This three-phase model of democratization is not teleological: The institutionalization of civic rights does not necessarily result in a regime change towards democracy, as ample examples of liberalized autocracies illustrate.¹⁰⁹ However, they are seen as a crucial precondition for the transition to democracy.

Transition to democracy

Transition to democracy is a very general term for the varied and often messy process of the breakdown of the autocratic regime and eventual establishment of an infant democracy. Struggling with the fuzzy boundaries between the phase of transition and the phases of liberalization and consolidation, SCHEDLER defines the transition phase as a time characterized by high uncertainty of expectations.¹¹⁰ “Democratic transitions take off with the question: When do authoritarians start to worry?”¹¹¹ – i.e. when a majority of political actors are uncertain about the continuity of the autocratic regime. “Focal events” leading to such uncertainty are not only liberalizing reforms, but also the occurrence of liberalizing reformers in the ruling establishment, popular pressure and external shocks, e.g. the death of an autocrat.¹¹² During the breakdown of the *ancien régime*, the outcome of the transition process is likewise highly uncertain. Therefore, transitions to democracy can be defined to end when the establishment of a new democratic regime becomes a certainty to a majority of political actors.

Continuing in SCHEDLER’s terms of uncertainty, *consolidation of democracy* then is the process which achieves certainty about the persistence of democracy among a majority of political actors. As democratic consolidation is central to this thesis, I now examine the concept in greater detail.

3.2.2 Negative and positive notions of democratic consolidation

As the third phase of democratization after the breakdown of the preceding autocratic regime and the initial establishment of a democratic government, democratic consolidation can be understood as the stabilization of the new democratic regime. Inevitably, democratic consolidation suffers from the same problems of conceptual vagueness as the superordinate term of democracy.¹¹³ “At this point, with people using the concept any way they like, nobody can be sure what it means to others.”¹¹⁴ Therefore, I lay out different notions of democratic consolidation and how it is understood and used in this thesis.

¹⁰⁹ Elaborations on liberalized autocracies can be found e.g. in Carothers 2002 and Brumberg 2002.

¹¹⁰ Schedler 2001

¹¹¹ Schedler 2001, p. 16

¹¹² Schedler 2001, p. 12

¹¹³ Collier & Levitsky 1997, p. 433

¹¹⁴ Schedler 1998, p. 92

‘Negative’ notion of democratic consolidation

As exemplified by the uncertainty-based view on democratic consolidation above, a minimal (or ‘negative’) notion of democratic consolidation is the absence of an imminent risk of a relapse to autocracy.¹¹⁵ This understanding is dominant in the ‘third wave of democratization’ literature which focusses on the transition from autocracy and the formation of new democracies.

In a review of existing concepts, SCHEDLER distinguishes the dimensions of *avoiding democratic breakdown*, i.e. a sudden death of democracy through a coup d’etat or similar occurrences, and *avoiding democratic erosion*, i.e. the slow death of democracy as they are gradually undermined by ruling elites or disillusioned voters, ultimately resulting in a façade democracy.¹¹⁶ Both variations of democratic demise are realistic threats to the democracies of Southeast Asia, as recent episodes like Thailand’s putsch of 2006 or the contained military mutiny of 2003 in the Philippines demonstrate.

Democratic stability as put forward by this negative notion of democratic consolidation can also be fulfilled by mere ‘electoral democracies’,¹¹⁷ i.e. regimes that only qualify for DAHL’s minimal procedural criteria of democracy:¹¹⁸ “universal, active suffrage, universal, passive right to vote, free and fair elections and elected representatives.”¹¹⁹ With regard to Southeast Asia’s semidemocracies in general and the Philippines in particular, this degree of ‘electoral democracy’ is already achieved.¹²⁰ In SCHMITTER’s words, these polities are “stuck in a sort of purgatory [...] where the procedural minimum is respected” but further advances in the ‘quality of democracy’ are pending. Therefore, I do not concentrate on these notions of democratic consolidation but turn towards the ‘positive’ notions of democratic consolidation.

‘Positive’ notions of democratic consolidation

As a common denominator, the various ‘positive’ notions of democratic consolidation are concerned with establishing democracy as the “only game in town”¹²¹ in all parts of society. Here, SCHEDLER distinguishes the dimensions of *completing democracy* and *deepening democracy*. *Completing democracy* mostly aims at formal (constitutional) aspects of democracy like ending the disenfranchisement of entire social groups or bringing ‘reserved domains’ that have so far remained outside the control of the elected government under democratic supervision. Approaches classified as *deepening democracy* go beyond this formalistic approach and spell out requirements for different parts of society, the political-administrative system and in some

¹¹⁵ Schedler 1998, p. 96f

¹¹⁶ Schedler 1998, p. 96ff

¹¹⁷ Diamond 2002, p. 22ff

¹¹⁸ Dahl prefers the term ‘polyarchy’.

¹¹⁹ Merkel 2004, p. 38

¹²⁰ Case 1996

¹²¹ Stepan & Linz 1996, p. 14

instances even policy outcomes to be ‘truly’ democratic.¹²² It has been critically remarked that the formulation of such requirements is highly normative and ripe with Eurocentrism, aiming at replicating Western-style political systems.¹²³ Although democracy is an inherently normative concept, this criticism has to be taken seriously as it possibly delegitimizes such notions of democratic consolidation.¹²⁴

In reaction to this criticism, SCHEDLER’s develops a third positive notion of democratic consolidation that goes beyond *completing democracy* but tries to avoid the overly normative aspects of *deepening democracy*. He calls this ‘organizing democracy’, as it is concerned with establishing democratic processes in societal spheres beyond the scope of the constitution but does neither postulate requirements for their exact configuration nor specific policy outcomes.

“Thus democratic consolidation comes to be synonymous with ‘institution building’. It implies constructing all those big organizations that make up the characteristic infrastructure of modern liberal democracies: parties and party systems, legislative bodies, state bureaucracies, judicial systems, and systems of interest intermediation.”¹²⁵

To render this idea more concrete, I next examine MERKEL’s four-step-model of democratic consolidation.

3.2.3 MERKEL’S four steps of democratic consolidation

“The core of the consolidation dilemma lies in coming up with a set of institutions that politicians can agree on and that citizens are willing to support”,¹²⁶ which can obviously not be achieved instantaneously. Summarizing different approaches of democratic consolidation, including the different notions presented above, Merkel identifies four consecutive steps for the evolvement of democratic institutions:¹²⁷

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 along democratic principles.
3. *Behavioral consolidation*, when the incentive for powerful actors to pursue their interests outside and against democratic institutions significantly drops or vanishes altogether.
4. *Consolidation of civic culture* completes the “stabilization of the socio-political substructure of democracy”,¹²⁸ based on individual commitment to democracy by a majority of citizens.

¹²² Schedler 1998, p. 100

¹²³ Schedler 1998, p. 93

¹²⁴ Casanova 1998

¹²⁵ Schedler 1998, p. 101

¹²⁶ Schmitter 1992, p. 425

¹²⁷ Merkel 1998, p. 38f

¹²⁸ Merkel 1998, p. 40

This model clearly illustrates that formal political procedures are only one part of democratic consolidation. More importantly, the success of democratic consolidation is determined by the political behavior of actors outside the narrower political-administrative sphere, from social groups to powerful businesses to the military all the way down to the individual citizen. Once pursuing their interests in a democratic manner and within or at least along the lines of formal political procedures becomes the dominant strategy and natural choice for most actors, democratic consolidation is achieved.¹²⁹

Regarding SCHEDLER's notion of *organizing democracy* and the special role of civil society, *representative consolidation* and *consolidation of civic culture* are the most relevant steps in my analysis. Thus, they are examined in greater detail next.

Representative consolidation

Representative consolidation points towards the system of interest intermediation, i.e. the formal and informal political institutions through which political positions of social groups are articulated and negotiated. As the factual system of intermediation has a "significant impact upon the performance, distribution of benefits and 'quality' of [...] democracy",¹³⁰ it is one of the central "partial regimes"¹³¹ of society where "new democratic norms"¹³² have to take root after transition to democracy. Rather than by constitutional rules, the system of intermediation is institutionalized by the practices of the involved actors. Therefore the advocacy strategies employed by civil society organizations, i.e. how they influence politics, directly contribute to setting the norms in the system of intermediation.

The system of intermediation is of special relevance in clientelistic political systems like the Philippines, as one insight from the study of defective democracies is the possible embeddedness of non-democratic informal institutions within democratic formal institutions.¹³³ Preexisting informal clientelistic arrangements may persist as the actual system of intermediation within and besides (new) formal democratic processes. Such constellations are most likely to arise in systems where political and economic elites remain unchanged over regime transitions, as in the Philippines and other countries of Southeast Asia.¹³⁴ As suggested in the earlier section on the Philippines political context, the clientelistic structure of the Philippines' informal institutions is indeed a major factor in its stagnating democratic consolidation.

¹²⁹ Assuming there is a status of „consolidated democracy“. Schedler 2001 convincingly summarizes the argument that democratic consolidation is an everlasting process.

¹³⁰ Schmitter 1993, p. 5

¹³¹ Merkel 2004, p. 36ff

¹³² White 1994, p. 385

¹³³ Merkel & Croissant 2000, p. 17f

¹³⁴ Köllner 2005, p. 16

Consolidation of civic culture

Consolidation of civic culture takes place at the level of the individual citizen. Only when democratic conduct has become a normalcy for every citizen can a democracy be called truly consolidated. Here, civil society organizations can be seen as ‘microcosms of democracy’ where democratic procedures are exercised on a smaller, more easily comprehensible scale.¹³⁵ Accordingly, SCHLESINGER writes that members of democratically organized associations “have been trained [...] 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.”¹³⁶ Thus, if their internal decision-making processes are democratic and inclusive, civil society organizations can serve as Tocquevillian “schools of democracy”¹³⁷ for their members and thus strengthen the overall democratic civic culture.

To sum it up, the two major ways through which civil society organizations contribute to democratic consolidation are their internal politics as ‘schools of democracy’ and their external politics via the system of interest intermediation. For the latter, the role of civil society becomes more apparent when examined through the lens of SCHMITTER’s ‘partial regimes’.

3.2.4 SCHMITTER’s partial regimes of democracy

In his analysis of democratic consolidation, SCHMITTER concentrates on the system of interest intermediation, or in MERKEL’s terms, representative consolidation. He argues that democracy is not one monolithic system of government but a composite of “partial regimes”¹³⁸ that govern the different relations between actors of society and state. Accordingly, in each of these relations, interests are negotiated and eventually inserted into the formal political process:

“Parties, associations, movements, localities and various clientele would compete and coalesce through these different channels in efforts to capture office and influence policy. Authorities with different functions and at different levels of aggregation would interact with these representatives and could legitimately claim accountability to different citizen interests (and passions).”¹³⁹

The overview of the different partial regimes in Figure 3 illustrates why the external politics of civil society organizations are theorized to play a substantial role in democratic consolidation. Interest associations, social groups and potential groups¹⁴⁰ all fall within SCHMITTER’s definition of civil society as outlined above. Therefore, civil society is actively involved in three out of the five partial regimes (*concertation regime, clientelistic regime, pressure regime, representation regime* and *electoral regime*):

¹³⁵ Mercer 2002, p. 9

¹³⁶ Schlesinger 1944 as quoted in Bernhagen & Maloney 2010

¹³⁷ Foley & Bob Edwards 1996, p. 44

¹³⁸ Encarnación 2000 provides a concise summary of the concept of partial regimes.

¹³⁹ Schmitter 1992, p. 427

¹⁴⁰ Segments of society that have a common interest but fail to organize effectively for various reasons, see Zeitler 2006, p. 62f

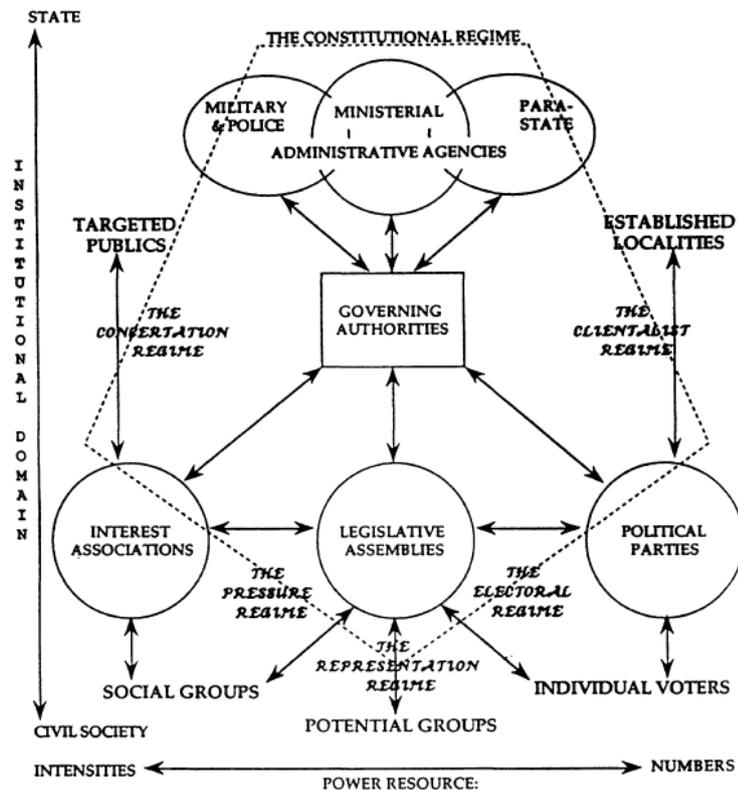


Figure 3: Sketch of actors and relations constituting the partial regimes of democracy (Schmitter 1992, p. 428)

- The *concertation regime*, which describes the cooperation between civil society organizations and state agencies in policy design and policy implementation
- The *pressure regime*, where civil society organizations use their varying forms of bargaining power to push legislature for specific policies and hold abuse of power in check
- The *representation regime* refers to “the division of labor between associations, parties, and movement”¹⁴¹ in aggregating and articulating the interests of specific parts of the electorate and integrating divergent opinions.

The partial regimes of a new democracy are institutionalized as fixed patterns of interaction emerge between the involved actors. The nature of these rules then determines whether and what type of democracy consolidates:¹⁴²

“In the short run, the consolidation of democracy depends on actors’ and citizens’ ability to come up with a solution to their intrinsic conflicts over rules; in the long run, it will depend on the extrinsic impact that policies made under these rules will have on social groups.”¹⁴³

Hence, it can be safely concluded that the external politics of civil society organizations have a substantial impact on democratic consolidation via the partial regimes of informal political institutions.

¹⁴¹ Schmitter 1992, p. 443

¹⁴² Power & Powers 1988, p.

¹⁴³ Schmitter 1992, p. 425

3.2.5 Summary on democratic consolidation and civil society

As the final phase of democratization, democratic consolidation not only refers to the stabilization of the new democratic regime against a relapse to autocracy but also to the organization of society as whole in a democratic manner. With regard to the Philippines, this challenge of *deepening* or *organizing democracy* is of relevance. Breaking democratic consolidation down into several consecutive stages, it becomes apparent that civil society organizations can have two distinct fundamental functions in democratic consolidation: Internally serving as ‘schools of democracy’ for their members and shaping the system of interest intermediation with their external politics. Disaggregating the system of interest intermediation into several partial regimes shows that much of it is not governed by constitutional rules but relies on the established patterns of interaction that emerge from the behavior of the involved actors, with civil society playing a central part. As pointed out before, these informal institutions are at the core of the Philippines’ stagnating democratic consolidation.

3.3 Contribution of civil society to democratic consolidation

Outlining the concepts of civil society and democratic consolidation, I have already worked out some of the main channels through which civil society has an impact on democratic consolidation. After summarizing the different positive contributions of civil society to democratization, I will then present the concept of ‘ambivalent civil society’ which highlights the possibility of civil society’s negative impact on democratic consolidation.

3.3.1 Democratic functions of civil society

The literature on civil society suggests a number of positive functions of civil society in a democracy, including those already presented in the section on democratic consolidation.¹⁴⁴ To concentrate them in an orderly fashion, I follow MERKEL’s distinction of four major functions:¹⁴⁵

The Tocquevillian function: ‘Schools of democracy’

The *Tocquevillian function* of civil society refers to the idea of democratically organized associations as ‘schools of democracy’ and highlights the importance of civil society organization’s internal politics. This function has its effect on the level of the individual citizen, thus being one of many factors in the consolidation of an overall civic culture. Further, civil society is a training ground and recruiting pool for new politicians.

¹⁴⁴ More elaborate compilations of civil society’s democratic functions are provided e.g. by Diamond 1994 and Lauth 1999.

¹⁴⁵ Merkel 2004, p. 46f

The *Lockean function*: Keeping arbitrary rule in check

The *Lockean function* centers on the idea of civil society as a watch dog who holds government accountable. This not only includes agenda-setting and following up political promises but extends to independently gathering and publicizing information about state activities.

The *Montesquieuan function*: Balancing state and society

The *Montesquieuan function* focuses on civil society as a balancing intermediary between state and citizens. On the one hand, civil society limits and questions the reach of state authority through self-organization and self-government of certain spheres of society. On the other hand, referring to the definitional civility of civil society, it also mediates the rule of law towards the citizens and thus stabilizes state authority.

The *Habermasian function*: A public sphere of pre-parliamentarian deliberation

The *Habermasian function* takes up the notion of a pre-parliamentarian public sphere where political questions are discussed. Here, civil society organizations first aggregate and articulate group interests and then possibly negotiate balances of interest.¹⁴⁶ In doing so, they offer opportunities for political participation and integrate otherwise marginalized opinions. Additionally, a rich civil society organizes group interests that may cut across the major social and political cleavages of a society, pacifying such conflicts and increasing readiness to compromise.¹⁴⁷

Summary on civil society's democratic functions

DIAMOND concisely sums up this positive view of civil society in democratization: "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."¹⁴⁸ The presence of these different functions in the Philippine chambers' of commerce internal and external politics can be an indicator to assess their contribution to democratic consolidation. However, as my interest lies with the failure of civil society to work in this way, I now turn towards the theoretical "dark side"¹⁴⁹ of civil society.

¹⁴⁶ Straßner 2010

¹⁴⁷ Diamond 1994, p. 9

¹⁴⁸ Diamond 1994, p. 11

¹⁴⁹ Lauth 1999, p. 100

3.3.2 The ‘dark side’ of civil society: Ambivalent contributions to democratic consolidation

Qualifying the very positive portrayal of civil society’s role in democratization, several scholars of civil society argue for a more neutral view:¹⁵⁰ “Civil society is [...]political, not per se democratic, not bound to democracy and not per se civilised.”¹⁵¹ While civil society may contribute positively to democratization, there is a “dark side” to it, too. Through its external and internal politics, civil society can just as well reinforce non-democratic norms. This also relates to LOEWEN’s earlier argument that Philippine civil society’s adaption of clientelistic advocacy strategies and internal charismatic leadership is ultimately harmful to the country’s democratization.

Based on SCHMITTER’s neutral definition of civil society and the elaborations on the role of informal systems of interest intermediation, such a detrimental effect cannot necessarily be ascribed to a lack of inherent democratic principles of a civil society organization but can as well be the unintended side effect of an organizations dominant advocacy strategy.

3.3.3 LAUTH’s typology of ambivalent civil society

LAUTH takes up this idea of an ‘ambivalent civil society’ and considers the different manifestations that civil society may take in different phases of democratization. Mostly drawing from empirical examples in Eastern Europe and Latin America,¹⁵² he distinguishes four ideal types of civil society that may serve as a “Maßstab, an dem überprüft werden kann, inwieweit jeweils die realen Ausprägungen der Zivilgesellschaft den Prozeß der demokratischen Transition und Konsolidierung stützen”:¹⁵³

- *Strategic civil society* holds few democratic values but strategically represents its interests.
- *Constructive civil society* may lack internal democracy and representativeness, but plays a constructive part in stabilizing society by integrating social conflicts and establishing democratic processes (especially in the system of interest intermediation).
- *Ambivalent civil society* is neither in its internal nor external politics democratically inclined and takes on a purely obstructive stance towards government.
- *Reflexive civil society* is fully aware of its role in democratization and democratic governance and heeds those principals in its internal and external politics.

¹⁵⁰ e.g. Schmitter 1993, White 1994, Lauth & Merkel 1997, Mercer 2002 and Lauth 2003

¹⁵¹ Zinecker 2005, p. 1

¹⁵² Lauth & Merkel 1997

¹⁵³ Lauth 1999, p. 104

According to LAUTH's model, *strategic civil society* typically emerges from the undemocratic environment of the autocratic ancien régime and is decisive in bringing down the autocratic government. As in the Philippines' People Power Revolution, possible democratic deficiency and varying particular interests of civil society actors are covered by their common cause. With the progress of democratization, LAUTH's typology forks: Either, civil society evolves along with the regime, through the rather fuzzy state of *constructive civil society* during the "institutionalization of democracy" (roughly corresponding to the MERKEL's *constitutional* and *representative consolidation*) to an ideal *reflexive civil society* in the advanced stages of democratic consolidation. Or fundamental opposition to government gains dominance over democracy-facilitating behavior, producing an *ambivalent civil society* whose internal and external politics are harmful to democratic consolidation:

„Das Einüben demokratischer Verhaltensweisen findet nur begrenzt statt, da viele Assoziationen und Organisationen intern hierarchisch strukturiert sind und den Regeln von Klientelismus und *kinship* folgen. Eine gleichberechtigte Interaktion innerhalb der zivilgesellschaftlichen Sphäre wird zudem durch Dominanz- und Abhängigkeitsverhältnisse verzerrt. [...] So] verhindert die Profilveränderung der Zivilgesellschaft, daß sich das demokratieförderliche Potential einer Zivilgesellschaft voll für den Systemwechsel erschließt.“¹⁵⁴

Regarding my research question and the situation in the Philippines, these ideal types of civil society provide a useful analytical framework. Therefore, I take a closer at their respective characteristics.

Indicators for Lauth's ideal types of civil society

LAUTH suggests a matrix (see Figure 1) that indicates the different ideal types of civil society along several dimensions of their internal and external behavior.¹⁵⁵ These dimensions also reflect the democratic functions of civil society as outlined above.

- *Communication patterns*: Are relations between civil society and government rather conflictive or cooperative? Does the civil society organization cooperate with other political actors? Are these cooperations typically among homogenous actors and do they mirror social cleavages and power asymmetries?
- *Interest orientation*: Are the actions of a civil society organization only orientated towards the special interests of its constituency or is the public good (e.g. values of democracy and good governance) considered? Does the organization have a sense of civic responsibility and for the relevance of its actions for society and the political system as a whole?
- *Democratic internal structure*: Are decisions within the civil society organization made in a democratic way? How inclusive and transparent are internal decision-making processes?

¹⁵⁴ Lauth 1999, p. 110f

¹⁵⁵ Lauth 1999, p. 101f

- *Representativeness*: Is the membership of the organization representative of its theoretical constituency? Are there barriers for interest articulation? Are interests actively aggregated?
- *Civil society – state relations* are divided into four aspects:
 - Does the organization take over *state responsibilities* or deliver services for the government?
 - Is the organization helpful in *recruiting political personnel*?
 - Does the organization participate in *shaping political order*?
 - Does the organization hold government *accountable*?

indicators	strategic CS	constructive CS	ambivalent CS	reflexive CS
<i>phase</i>	<i>liberalization</i>	<i>institutionalization of democracy</i>	<i>democratic consolidation</i>	<i>democratic consolidation</i>
no conflictive structure of civil society	yes	yes	no	unclear
organizations span social cleavages	yes	yes	no	yes
no pronounced hierarchies	no	unclear	no	yes
Importance of civic virtues	no	unclear	no	yes
low relevance of particular interests	yes	yes	no	yes
internal democratic structure important	no	unclear	no	yes
social representativeness apparent	yes	unclear	no	yes
delivers government services	no	no	unclear	yes
recruits political personnel	no	yes	no	yes
involved in shaping the political order	no	yes	no	yes
holds government accountable	yes	yes	unclear	yes

Figure 4: LAUTH's ideal types of civil society and their indicators (own translation and adaptation based on Lauth 1999, p. 117)
 – CS = civil society

Complementing LAUTH, SCHMITTER adds further aspects that supposedly determine a civil society organization's contribution to democratization:¹⁵⁶ For single civil society organizations, he highlights *strategic capacity*, the financial and political independence of an organization and therefore its ability to act autonomously, and *encompassingness*, which refers to the brevity of interests that are represented by an organiza-

¹⁵⁶ Schmitter 1993

tion. On the structural level, SCHMITTER stresses *class governance* as the ability of an interest association or to effectively bind a coherent social group to policy decisions, and the *congruence* of different interest associations in terms of monopoly status, coverage and coordinative capacity.

As LOEWEN's analysis of Philippine civil society's role in democratization suggests that at least some aspects of ambivalent civil society may be at work here,¹⁵⁷ I incorporate the indicators above into my research design.

3.3.4 Summary on the contribution of civil society to democratization

Civil society can fulfill a number of different functions in democratization, from spreading a civic culture, stabilizing the rule of law and holding government accountable to lively pre-parliamentarian political discourse. However, building on the possibility of a 'dark side' of civil society, LAUTH introduces a set of characteristics that can lead to a civil society with detrimental effects on democratization. The operationalization of the concept of ambivalent civil society directly refers to the role of civil society organizations' internal and external politics in democratization which I have identified before as the major channels to democratize the Philippines' clientelistic informal political institutions. Therefore, I can build on this conceptualization in my empirical analysis.

3.4 Actor-theory approach to democratization

As a final remark in the theoretical section, it should be noted that the theoretical contribution of civil society to democratic consolidation as presented in the previous sections is firmly based on an actor-theory approach to democratization. In this approach, pioneered by PRZEWORSKI and O'DONNELL & SCHMITTER,¹⁵⁸ systemic phenomena such as the institutionalization of formal and informal political processes are understood as the result of strategic decisions by the involved actors.¹⁵⁹ Particularly the institutionalization of the system of interest intermediation is subject to unintended effects of the actors' strategic decisions. Staying within this actor-centered logic, I focus my empirical research on single civil society organizations in the Philippines to analyze their behavior with regard to democratic consolidation.

However, beyond merely observing the internal and external political behavior of civil society organizations, actor centrality stresses the importance of an actor's motivations and rationales underlying its strategic choices. From this perspective, "democracy is consolidated when compliance – acting within the insti-

¹⁵⁷ Loewen 2005

¹⁵⁸ Merkel & Thiery 2010, p. 196ff

¹⁵⁹ Mathy 1998, p. 9f

tutional framework – constitutes the equilibrium of the decentralized strategies of all the relevant political forces“.¹⁶⁰ Typical factors determining an actor’s decisions are:¹⁶¹

- *interests*
- available *resources*
- *perceptions* of self and the organizational environment
- accepted *norms and institutions*¹⁶²

Accordingly, understanding the chambers’ strategic rationales and the factors determining these rationales has to be a central aspect of my empirical effort.

3.5 Summary on the theory of civil society and democratic consolidation

Revisiting different conceptualizations of civil society, I have made it plausible why it is appropriate to the case of the Philippines to work with a minimal definition of civil society. By presenting different notions of democratic consolidation, it has become apparent that for the Philippines and similar democracies in Southeast Asia, the relevant issue in democratic consolidation is the advanced idea of ‘organizing democracy’ in all parts of society rather than the mere stabilization of electoral democracy. A closer look at the stages of democratic consolidation and the partial regimes of democracy has given theoretical backing to the centrality of informal political institutions and civil society in democratization.

After summarizing the positive functions of civil society in democratization, I have then presented the concept of an ambivalent civil society that cannot only fail to foster democracy but actually harm its consolidation, which may be the case in the Philippines. Equipped with the indicators for ambivalent civil society and the implications of the actor-centered approach that the entire theoretical nexus of civil society and democratic consolidation rests on, I now move on to the research design of my empirical endeavor.

¹⁶⁰ Przeworski 1991, p. 26

¹⁶¹ Merkel & Thiery 2010, p. 197ff

¹⁶² Although paradigmatically problematic in an actor-centered approach, as norms and institutions constitute part of the structure that is supposedly determined by the actors’ behavior rather than vice versa, these are included by most authors in the field.

4. Empirical research: Design, methodology & data collection

After introducing the specific context of the Philippines' democratic consolidation and elaborating on the theoretical nexus between civil society and democratic consolidation, I now move on to my empirical research. In line with the actor-centric approach and based on LOEWEN's general suggestion that Philippine civil society's internal and external politics may be detrimental to the country's democratic consolidation, I conduct case studies on three single local chambers of commerce and industry in the Visayas and Northern Mindanao.

I first show why chambers of commerce are worthwhile cases to explore Philippine civil society in regard to democratization. Then I present my overall research design, data collection methods and analytical approach.

4.1 Local chambers of commerce and industry as illustrative cases

Among the diverse civil society of the Philippines, local chambers of commerce and industry are not an obvious choice for the investigation of the nexus of civil society and democratic consolidation. However, at a closer look it becomes apparent why they are particularly suited to explore the conflicting dynamics of Philippine civil society in democratic consolidation.

Philippine local chambers of commerce and industry in general

The chambers of commerce and industry in the Philippines are private voluntary organizations that vary in size and professionalism. While Cebu City's Cebu Chamber of Commerce and Industry (CCCI) is one of the oldest chambers in Southeast Asia and with some 3000 members unrivalled in size and number of staff, most chambers in the Visayas have about one hundred members and few, if any, paid staff.¹⁶³ Services provided by the chambers include trainings, fairs, business conferences, trade missions, common service facilities, business matching, financing, and political advocacy.

Despite a national apex organization, 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 member of the chamber.

As a result of PCCI guidelines, all chambers have formal democratic procedures. The general assembly elects a board of trustees (with usually around a dozen members) and the chamber president for rather

¹⁶³ Based on the "Visayas & Caraga Factbook" at www.wecan-vc.org (visited 6 August 2012).

short terms of usually around one to three years. Additionally, many chambers form internal committees for specific sectors or issues to engage more members in the chamber work.

Chambers as part of civil society

As voluntary intermediate associations, chambers qualify for SCHMITTER's definition of civil society. Even though they organize business interests and therefore fall within the blurry boundary of civil and economic society (see Figure 2), Philippine chambers are non-profit organizations and generally geared towards improving the overall business climate rather than individual economic profit. Hence, they can be counted as classified of civil society.

Further, Philippine administrative procedures in effect treat the chambers as civil society organizations since they can become accredited civil society partners of government agencies and act as representatives of civil society in local special bodies.

Special relevance of chambers to the research question

Chambers are especially instructive on the role of civil society in shaping the Philippine system of interest intermediation because of several reasons:

Since the local government reform of 1991, the chambers have preferred (and in some cases even mandatory) access to government. This ranges from seats in local special councils to mandatory consultations by local government units on certain topics to the encouragement of joint ventures between administration and civil society. Therefore, chambers have more regular and established relations with the government than other civil society actors. This is of relevance because government–civil society relations rank prominently among the indicators for LAUTH's ideal types of civil society.

Further, chambers of commerce can choose from a wider range of political strategies than for example labor unions or groups representing the urban poor.¹⁶⁴ As the voice of business, they represent a segment of society that is of inherent interest to local governments and therefore possess, at least in principle, bargaining power.

Due to the intertwined nature of economic and political clout as presented earlier, at least some members of a chamber typically have personal relations with local politicians or high-ranking civil servants. This not only opens up additional advocacy strategies but also ensures that clientelistic networks are to some extent

¹⁶⁴ 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 on 23-24 August 2012.

represented in the case studies. On this note, it should be remarked that the 'top 100' businesses and families typically do not actively engage in local chambers: "The big ones can lobby for themselves."¹⁶⁵

In a similar vein, the establishment and growth of chambers of commerce may by itself be seen as a democratizing change in the system of interest intermediation. Pursuing interests as a common business sector rather than along the lines of family networks would be a notable development. In 1991, HUTCHCROFT still observed:

"Philippine business associations are notoriously weak and poorly institutionalized, and its members know that the way to make money is to gain privileged access to the government and then to exclude information from each other."¹⁶⁶

Influence of international donors

While it may be suspected that chambers predominantly perceive themselves as interest groups, the strong influence of international donors suggests a more balanced view. Especially chambers in the Visayas have been exposed to international development programs for at least twenty years, such as the long-standing Philippine German Chamber Cooperation Program, the United States Agency for International Development and the Canadian International Development Agency. These external actors generally push for more internal democracy within the chambers and professional advocacy work, essentially driving Visayan chambers towards a more positive role in democratic consolidation.

Summary on the local chambers of commerce and industry

In sum, the local chambers are politically active, well-connected and powerful political actors but are also pushed to become more inclusive and democratic representatives of business. With these contradicting features, the chambers in the Visayas and Northern Mindanao are well suited to explore the dynamics of civil society in democratic consolidation.

4.2 Research design

The overall research design for my empirical inquiry is an exploratory multiple case study. The internal and external politics of three chambers are explored mostly relying on semi-structured interviews. By comparing and pattern-matching the different cases, hypotheses about the motives and rationales governing the chambers' contributions to democratic consolidation are generated.

¹⁶⁵ Expert interview with a senior PCCI official in Cebu City, 16 September 2012

¹⁶⁶ Hutchcroft 1991, p. 426

4.2.1 Research questions

Going back to the puzzle of the Philippines' stagnant democratic consolidation despite a strong civil society, my initial research questions read: *How does civil society contribute to the Philippines' democratic consolidation?*

Based on the aspects of external politics, internal decision-making processes and strategic rationale outlined in the theoretical considerations above, this question is broken down into three lower-level¹⁶⁷ research questions and placed in the context of the chambers of commerce and industry:

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?*

This inquiry into the special case of the chambers of commerce as political actors results in a set of observations and hypotheses that may constitute a tentative model of civil society's behavior in the Philippines' democratic consolidation, addressing the original puzzle of my thesis.

4.2.2 Exploratory approach

Exploratory research designs inductively generate hypotheses from the data rather than test causal relations proposed by existing theories. As no scientific literature on the internal and external politics of Philippine chambers exists from which hypothesis could be derived, an exploratory design is the only option for this study.¹⁶⁸

The openness of an explorative approach is also useful to avoid reproducing stereotypes. For example, the dominance of the patron-client framework in political analysis of the Philippines has crowded out alternative explanations for several decades.¹⁶⁹

Nonetheless, the theoretical background presented above serves as a conceptual framework which "guides data collection and analysis"¹⁷⁰ by providing guiding questions and analytical categories.

4.2.3 Multiple case study design

As an "empirical inquiry that investigates a contemporary phenomenon within its real-life context, especially when the boundaries between phenomenon and context are not clearly evident", case-based research

¹⁶⁷ Yin 2009, p. 74

¹⁶⁸ Baxter & Jack 2008, p. 552

¹⁶⁹ Kerkvliet 1995, p. 419

¹⁷⁰ Yin 2009, p. 14

designs are well suited to the study of civil society and democratic consolidation. Due to this inherent holistic approach, case-based designs are an appropriate choice for exploratory research efforts.¹⁷¹ Further, following the actor-theory approach to democratic consolidation, this study's research questions can only be sensibly answered at the level of single civil society organizations.

A multiple case study of several chambers captures more variations of a phenomenon and therefore produces more robust results.¹⁷² Further, analytical techniques like comparison and pattern-matching, which are only possible with multiple cases, allow for deeper insights and a more fruitful hypothesis generation:¹⁷³

“...the qualitative analysis of a few cases naturally has the advantage that it is possible to give a far more penetrating and variegated picture of the situation under study. It is thus feasible to follow in detail the processes which contribute to (or prevent) change in the respects of interest. Furthermore, such studies normally need not be as firmly structured beforehand as those quantitatively oriented. Through this more flexible approach the researcher is in a better position to find new trails and clues along the way. The scope for ‘discoveries’ is therefore greater.”¹⁷⁴

4.2.4 Case selection

My selection of cases among the population of chambers of commerce and industry in the Philippines is guided by the principle of phenomenal variation, as

“purposeful sampling for demographic homogeneity and selected phenomenal variation is a way a researcher working alone with limited resources can reduce the minimum number of sampling units required within the confines of a single research project, but still produce credible and analytically [...] significant findings.”¹⁷⁵

Further, phenomenal variation is a productive strategy in hypothesis-generating designs.¹⁷⁶ It should be noted that this is a sub-variation of purposeful sampling and therefore a deliberate selection of cases based on their observable characteristics. This selection rationale is more appropriate to a qualitative case study than probability sampling or other selection rationales from quantitative methodology.

Initial geographical restriction of the sample due to research access

Research access to the local chambers of commerce was facilitated by AFOS Foundation for Entrepreneurial Development Cooperation, the implementing agency of the Philippine German Chamber Cooperation Program. To ensure trusting access, I populated my initial sample only with chambers that AFOS has

¹⁷¹ Creswell 2008, p. 18

¹⁷² Yin 2009, p. 46

¹⁷³ Muno 2009, p. 122

¹⁷⁴ Hadenius 1992, p. 155

¹⁷⁵ Sandelowski 1995, p. 182

¹⁷⁶ Sandelowski 1995, p. 181

already had contact with, geographically restricting my sample to the Visayas and Northern Mindanao.¹⁷⁷ This decision was made on practical grounds and without theoretical implications. To be precise, I will henceforth only refer to the chambers of commerce and industry in the Visayas and Northern Mindanao to reflect this bias in the sample.

Homogenizing the sample

In the first step of case selection, I generated a homogenous sample of potential cases from the population of local chambers in the Visayas and Northern Mindanao to ensure comparability and representativeness of the cases. Towards the goal of representativeness, these basic characteristics should reflect the typical local chambers in the greater Visayas area.¹⁷⁸ Therefore, “reasonable”¹⁷⁹ criteria for the chambers include:

- a membership base around 100 members
- a secretariat with no more than 5 staff
- politically active
- current or former beneficiary of international capacity building programs
- roughly similar socioeconomic environments

All chambers meeting these conditions were included in the second step of case selection.

Case selection for phenomenal variation

In a second step, the homogenized sample of chambers was screened through expert interviews and pre-studies for differences in internal and external politics.

To be concrete, Chamber I was selected because of an ongoing change process towards more inclusive internal decision-making processes and a notable shift in government-chamber relations from confrontational to collaborative following a change in local government. Chamber II is known for its rather non-transparent internal politics and close affiliation to the local government. In contrast, Chamber III is notorious in the chamber scene for its long-standing confrontation with its local government.

By selecting cases with phenomenal variation, a more encompassing variation of behaviors and strategic rationales is captured for hypothesis-generation.¹⁸⁰

¹⁷⁷ Mierke 2012, p. 3

¹⁷⁸ Based on the “Visayas & Caraga Factbook” at www.wecan-vc.org (visited 6 August 2012).

¹⁷⁹ Sandelowski 1995, p. 182

¹⁸⁰ Eisenhardt & Graebner 2007, p. 27

4.3 Data collection and sources

As common in case-based designs, this study relies on a mix of data collection methods.¹⁸¹ Main sources of data are persons and documents from chambers and their political environment as well as experts and organizations supporting the chambers. Data collection took place during a research stay in the Philippine from August to October 2012 in Metro Manila, Metro Cebu and three towns in the Visayas and Northern Mindanao. All chambers and interviewees are anonymized as internal and external politics of chambers may to some extent be sensitive issues.

Data collection methods

As auxiliary sources of information, I gathered relevant *statistics*, chamber *documents* like positions papers and minutes of meetings, and conducted *participant observation* of occasional chamber activities. Due to their irregular availability and accessibility, I use these data only complementary.

The bulk of data collection was based on *semi-structured interviews*.¹⁸² This method well reflects the overall design as an exploratory study: While guiding questions ensure that all dimensions of a topic that have been identified as relevant by deduction or previous enquiries are touched upon, the interviewees are encouraged to freely elaborate on the topics.¹⁸³ As the internal and external politics of Philippine local chambers are largely undocumented, this is crucial. Further, interviews are the most straightforward way to elicit the meaning and deliberations an actor attaches to his or her behavior. This ability to holistically trace and reconstruct decision processes is the inherent advantage of qualitative methods and therefore suitable to this research effort.

4.3.1 Interviews

The semi-structured interviews that I conducted can be divided into two categories: expert interviews and case-related interviews. Most interviews took place in a formal interview setting and were taped, but important context information was also gained in informal conversations. A complete list of interviews is available in the annex.

Expert interviews

I conducted expert interviews with representatives from non-governmental organizations, international development agencies and government organizations that work with and for the local chambers in the Philippines. The objective of these interviews was to gain orientation in the Philippine chamber world and

¹⁸¹ Kohlbacher 2006

¹⁸² Gert Pickel & Susanne Pickel 2009, p. 446

¹⁸³ Hopf 1978, p. 99ff

develop a rough understanding for the internal and external politics of the local chambers previous to the actual case studies.¹⁸⁴ These interviews were allowed to unfold freely and took a minimum of one hour to discover as many relevant dimensions as possible to be integrated into the case-related interviews.

Case-related interviews

For each selected case, I tried to interview several individuals from different stakeholder groups as a way of triangulation. These groups are:

- chamber officials (trustees, officers, office staff)
- ordinary chamber members
- non-member local businesspeople
- local representatives of the political-administrative system that are regular counterparts to chamber advocacies

Case-related interviews typically took no more than one hour to respect the interviewees time. Accordingly, the guiding questions were followed more closely than in the expert interviews to cover all relevant aspects within the limited time frame. While my guiding questions were originally geared towards general political processes in the chambers, it quickly became a more successful interview strategy to at least partially work in a problem-centered way by referring to known events in the chamber history that illustrate certain political strategies.

4.3.2 Triangulation and problems of the research design

The selected research methodology is appropriate to the research question but entails several problems. While I tried to counter the most grave of these problems by relying heavily on triangulation, others simply have to be noted as inherent limitations of the research design.

Triangulation

Due to the limited number of interviewees and the nature of semi-structured interviews, the gathered data may be subject to *informant bias*¹⁸⁵, i.e. highly selective and subjective. To counter this effect as well as partially compensate the expected problems mentioned above, triangulation¹⁸⁶ is the guiding principle of the research design. In a nutshell, triangulation in social science labels the use of different methods of data collection and sources of data to observe the same phenomenon, thus validating observations and creating

¹⁸⁴ Meuser & Nagel 2009, p. 471

¹⁸⁵ Eisenhardt & Graebner 2007, p. 30

¹⁸⁶ Maxwell 2008, p. 235

multi-faceted, “thick description”.¹⁸⁷ Hence, a major principle of my research design is *data-source triangulation*.¹⁸⁸ Not only by having several chamber officials individually describe practices of the chamber and explain the underlying rationales but also by pointedly including interviewees from further stakeholder groups like members, non-members and involved politicians into the study. Auxiliary data sources, most prominently chamber documents and participant observation, further triangulate statements from interviews.

Selectivity

The selectivity of the case study design may overall lead to an incomplete picture of Philippine chambers, omitting crucial features and strategies. While the case selection rationale of phenomenal variation tries to minimize this risk, it is inherent to qualitative exploratory research. Hence, my findings can merely be the starting point for more encompassing and statistically representative studies.

Interviewer effects

My overt affiliation to AFOS foundation lead to wanted and unwanted interviewers effects: While interviewees may in principle be tempted to hide strongly clientelistic advocacy practices, the trustful and open attitude towards AFOS foundation also extended to me and my research. Being perceived as an AFOS-affiliated researcher therefore ensured access to this information. On the downside, this close affiliation to the foundation also enticed socially desirable answers concerning the role and mission of a chamber as propagated by AFOS.

After initial pilot interviews, I largely refrained from direct questions about the role of chambers in democratization and even avoided implications towards democratization, transparency and good governance in general. Possibly due to the chambers’ long experience with international donors, these buzzwords quickly framed interviews in a very normative way, inciting socially desirable declarations rather than descriptions of the actual political behavior.

Cultural knowledge

The internal and external politics of the chambers are heavily determined by tacit social norms. Due to my lack of specific “cultural knowledge”,¹⁸⁹ I may be oblivious of certain processes and institutions that inter-

¹⁸⁷ Kohlbacher 2006

¹⁸⁸ Susanne Pickel 2009, p. 518

¹⁸⁹ Spradley 1980, p. 6

viewees take for granted. Although this “outsider’s perspective”¹⁹⁰ is often described as beneficial to social science research, it may also result in analytically limited and even faulty conclusions.

4.4 Analytical approach

As a multiple case design, analysis is divided into within-case analysis and cross-case analysis.¹⁹¹

Within-case analysis

Within the single cases, the basic logic of triangulation is also adhered in analysis. Looking for patterns and corresponding explanations across a case’s data – STAKE calls this “categorical aggregation”¹⁹² – the chamber’s political processes and strategic rationales are established.

More precisely, this is achieved by coding transcripts of interviews and relevant documents according to categories representing specific political processes and rationales in the spirit of qualitative content analysis.¹⁹³ In line with the exploratory approach of the study, these categories are not only based on the theoretical framework but also developed inductively from the data in a circular trial process.¹⁹⁴ Based on some of the thusly identified characteristics, the chamber’s contribution to democratization can be assessed along the established framework of civil society’s democratic functions and LAUTH’s ideal types of civil society. Further analytic step, the found processes, rationales and self-conceptions are composed to a rough behavioral model of the chamber.

Cross-case analysis

Cross-case analysis relies on a comparative approach. Matching patterns across all three cases and trying to explain differences in behavior and rationale, the different case studies are synthesized to an encompassing general behavioral model of chambers in Philippine democratization. Finally, by connecting these findings with the theoretical background of civil society in democratization and the specific context of the Philippines, I inform the original puzzle of this study.

¹⁹⁰ Spradley 1980, p. 56ff

¹⁹¹ Ebbinghaus 2009, p. 489

¹⁹² Stake 1995, p. 74ff

¹⁹³ Mayring 2010

¹⁹⁴ Kohlbacher 2006

5. Empirical analysis

In line with the case selection criteria, all examined chambers have a membership base around one hundred members and a small office with a handful of staff. They are located in economically dynamic medium-sized cities with 200,000 to 500,000 inhabitants in the Visayas and Northern Mindanao. All are politically active within their local government unit. They have ongoing or past cooperations with the Philippine German Chamber Cooperation Program and other international donor organizations.

Remark on *class governance* and *congruence*

Even before delving into the single case studies, it can be stated that SCHMITTER's indicators for the democratizing potential of civil society on the structural level, *class governance* and *congruence*, are not fulfilled by Philippine local chambers. As will become apparent in the case studies, only a small fraction of businesses are chamber members, and usually there is more than one business association in the chamber area. (Typically, there are at least one Filipino-Chinese Chamber of Commerce and several sector associations unaffiliated with the chamber present.) Thus, the local chambers are not able to coherently bind the entire business community to certain policies and not able to project *class governance*. This fragmentation of business associations also renders SCHMITTER's notion of *congruence* among different civil society actors inapplicable to the Philippine context.

The remaining indicators for ambivalent civil society as put forward by LAUTH and SCHMITTER are now examined for each individual case. It should be noted that some of the case studies' aspects are not taken up in later stages of analysis but are still presented to create a well-rounded and conclusive portrayal of the individual chamber.

5.1 Chamber I

Chamber I is still recovering from a major financial setback a few years ago and therefore currently prioritizes income generation over advocacy work: "There is no money in the chamber. All we have are IOUs."¹⁹⁵ Hence, internal management and decision-making is a major issue. Politically, the chamber is represented in different local special bodies and, after a change in local government in the last municipal elections, has a good working relationship with the local government unit.

5.1.1 Internal decision-making processes

The internal decision-making processes of Chamber I are currently undergoing a change process towards more internal democracy and inclusion.

¹⁹⁵ Interview with president of Chamber I

More inclusive internal processes

After the chamber finances were abused by previous senior chamber officials, the current president and board is very concerned with transparent and inclusive processes:

“If a position is taken by the board, you have to consult the group. Because what comes out should be a majority decision. It should not be my decision. [...] In fact they may be thinking that I am an indecisive president. But we have to do this.”¹⁹⁶

This is a departure from previous decision-making patterns that were centered on the president: “We give the shots to the president. It’s in the Filipino culture. We defer to whoever is the elected president.”¹⁹⁷

While recent board minutes show a culture of open discussion and majority decision in the board, internal democratization seems to be an ongoing process. Attendance in board meetings is low. Most chamber committees are not functional and can therefore not serve as feedback mechanisms between board and general membership. A chamber trustee problematized the insufficient outreach towards the general membership, particularly smaller companies, which is reflected in low attendance at the quarterly general assembly. While both the low attendance at board meetings and the low engagement of common members may be due to their tight schedules as businesspeople, it is surprising for an organization of just one hundred members and shows that internal feedback and democracy are still a novelty.

The change of the president’s role from dominant decision-maker to facilitator has also caused confusion about internal hierarchies as decentralized responsibilities

“I really do not know the roles of the people here. We should sit down and define our roles. Because we are quarreling already, shouting at each other. That should not be the case. Because we do not know our specific duties and responsibilities.”¹⁹⁸

Local elites in the chamber

There is no inherent bias towards the representatives of larger companies, as the board is made up of smaller and bigger businesspeople and one past president is the owner of a small retail shop.¹⁹⁹ However, most chamber officials are from better-known families or at least better-known companies in town, indicating that the social structure of elite dominance is to some extent replicated in the chamber: “First is: you have an established name. You have to be known to the community.”²⁰⁰

¹⁹⁶ Interview with president of Chamber I

¹⁹⁷ Interview with past president of Chamber I

¹⁹⁸ Interview with board member of Chamber I

¹⁹⁹ Interview with board member of Chamber I

²⁰⁰ Interview with executive director of Chamber I

Coordination with chamber representatives in local special bodies

A separate issue in internal political processes are the chamber's seats in the local special bodies. These are mostly occupied by past presidents who do not consult with or even report to the chamber. "You just have to feel what is [the chamber's] sentiment and basically express your own views."²⁰¹ Thus, the voice of the chamber in these councils is not coordinated with the internal decision-making processes of the chamber.

Strategic capacity despite financial worries

Even though the chamber's desolate financial situation hampers its political advocacy work, it is careful not to compromise its autonomy. City government co-sponsored a recent regional business conference, but the chamber deliberately invited the opposition-party district congressman as a speaker along with the mayor to make the event politically neutral. As another example, the chamber turned down the offer of a local mining company to sponsor a planned newspaper ad on responsible resource extraction that the chamber could not realize on its own for lack of funds:

"They would pay for the ad, but they want to include mining there. Fine with us, but they want us to really support, name the company. Instead of just a one page report on responsible mining, they want us to name their company. So it will make the chamber appear as mercenaries. Which defeats the purpose, right?"²⁰²

Conclusion on internal decision-making processes

Overall, an internal democratic structure seems to be evolving in a top-down process but entails a change in the organizational culture that is still incomplete, as apparent from the low commitment by chamber members and the chamber's overly independent representatives in the local special bodies. Further, previously pronounced hierarchies have been broken down by this change in leadership style, with more decentralized responsibilities still waiting to be implemented. In terms of strategic capacity, the chamber tries to stay financially and politically independent even though its financial situation is a major concern.

5.1.2 Representativeness

With only one hundred members out of some four to five thousand registered businesses in the provincial capital alone, the representativeness of Chamber I in sheer numbers is quite low. Particularly smaller businesses shy away from membership: "What I see for now is that the smallest members [of the business community] are not being reached. With that, it is safe to say that we really aren't representing them."²⁰³ Even though the chamber aspires to represent the entire local business community, this undermines their

²⁰¹ Interview with past president of Chamber I, who represents the chamber in some of the local special bodies.

²⁰² Interview with president of Chamber I

²⁰³ Interview with board member of Chamber I

legitimacy among smaller businesses (“They see it as something of an elitist group of the businessmen in the area.”)²⁰⁴ and with city government (“They represent the bigger business, not the [smaller ones].”).²⁰⁵

However, the scope of the chamber’s advocacies extends beyond its members particular interests: “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.’”

In sum, the social representativeness and encompassingness of Chamber I is not very high, but they are still acknowledged as one of the major voices of business by the local government. Despite its rather narrow membership base, particular interests seem to be a low priority for the chamber’s work.

5.1.3 External politics

Chamber I has a collaborative relation with current the local government:

“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.”²⁰⁶

Preferred advocacy strategies

The different local councils and consultations are the chamber’s main channels of influencing local policies. Advocacies are typically presented as position papers or resolutions and then lobbied for personally: “It should be in writing. So that can people can see what is your real intent. [...] If there’s delay, you follow it up personally.”²⁰⁷

For the follow-up, the chamber relies on acquaintances and friends in the involved agencies. Some of these are long-standing work relationships:

“We deal with the mayors, the governors and the government line agencies. We’ve been dealing with them for many years; that’s the key. Dealing with people from all levels from the department heads to the regional director. It takes a while, but you get to do things faster and you accomplish more if you have good relations with them. [...] It helps a lot if the people behind the institutions know each other. If you want to get things done, just call. If you don’t have closeness, sometimes you call and you don’t get attended to. But if there’s trust from periods of working together, things are faster.”²⁰⁸

Others are based on personal friendships and family relations:

²⁰⁴ Interview with board member of Chamber I

²⁰⁵ Interview with city mayor of Chamber I

²⁰⁶ Interview with city mayor of Chamber I

²⁰⁷ Interview with past president of Chamber I

²⁰⁸ Interview with past president of Chamber I

“The current mayor is close to my family 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 National Food Authority is 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 in the sports center.”²⁰⁹

While these personal contacts are said to be the most efficient way to push for advocacies, the officers of Chamber I are careful to only use them as flanking measures for formal processes: “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].”²¹⁰

While the personal factor is important even in formal political processes (“I don’t just go [to official consultations] as chamber, but I also go there as my family. So they respect you.”),²¹¹ the separation of personal relations and the formal relations between chamber and local government is a fundamental stance in the chamber. This is important to keep the chamber non-partisan and ensure the possibility of cooperation with local administration when there is a change in government: “If the chamber is perceived to be close with the mayor, the next administration will take it as not good.”²¹²

Avoiding confrontation and open criticism

The chamber’s non-partisan stance is motivated by a fear of retribution from politicians which also incites a strong reluctance to openly confront the government:

“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.”²¹³

“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.”²¹⁴

Accordingly, the chamber hardly vents dissenting political positions through media. Only when a compromise is reached in backroom negotiations with the government will it be presented to the public.

Discreetly holding government accountable

In the same vein, the chamber claims to actively work against misconduct in the administration and hold the government accountable, but preferably without involving the public:

²⁰⁹ Interview with president of Chamber I

²¹⁰ Interview with president of Chamber I

²¹¹ Interview with president of Chamber I

²¹² Interview with city mayor of Chamber I

²¹³ Interview with city mayor of Chamber I

²¹⁴ Interview with past president of Chamber I

“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 are still not doing anything, it’s time for open action. Slowly.”²¹⁵

Recruiting political personnel

Past presidents of the chamber have started local political careers after their term, so Chamber I certainly serves as a recruitment pool for local politics. Even during my research stay, the city mayor offered the chamber president to run for city councilor on his ticket in the upcoming election. However, the chamber’s attention to non-partisanship also extends to the personal political engagement of active chamber officials: “I told the chamber president to run with me and he refused because he said: ‘I can do more things if I stay in the background.’”²¹⁶

Horizontal relations with civil society actors

On major issues, Chamber I coordinates with other business associations in town. Apart from this, there are only occasional alliances with other civil society actors as the focus of its advocacy work lies on the government. “Reaching out to other organizations outside the government – I haven’t seen that yet. I think we should!”²¹⁷

Conclusion on external politics

Chamber I’s good working relationship with the local government mostly runs through formal channels, but at least partially rests on close personal relations between chamber officers and local politicians. It is unclear whether the pronounced non-partisan stance is the expression of deeply held civic virtues or merely a strategic reaction to the danger of politician’s retributions. As open confrontation is avoided for the same reason, the chamber appears as a part of the ruling establishment, even though it claims to discreetly hold government accountable.

5.1.4 Conclusion on Chamber I

In terms of internal decision-making processes, Chamber I has embraced democratic principles after a traumatic experience with intransparent leadership in the past and tries to move towards more inclusive internal processes and decentralized hierarchies. This is a break with previous president-centered decision-making and only slowly takes hold among the membership and chamber officers as many structural changes, e.g. activating the largely dysfunctional chamber committees, are still pending. While there seems to be a bias towards electing individuals from well-known families, there are quite vocal ‘outsiders’ in the board,

²¹⁵ Interview with past president of Chamber I

²¹⁶ Interview with city mayor of Chamber I

²¹⁷ Interview with board member of Chamber I

too. In this respect, the Chamber I begins to function as a Tocquevillian function as a school of democracy.

Collaboration between chamber and local government is seen positively by both sides. Despite its rather weak representativeness, the chamber is seen is consulted on all business-related decisions by the city government and has assumed an active role in investment promotion. In this Montesquieuian sense of participatory government, Chamber I successfully starts to bring policy fields under increased self-government of the private sector. (As far as this function can be fulfilled given the lacking class governance of Philippine Chambers.) 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 chamber shies away from public confrontations with politicians to avoid possible retributions, as business-owners are particularly vulnerable to denied permits and other forms of government arbitrariness, or to possibly sour relations and lose influence. With regard to policy results, this appears to be the most efficient strategy. However, as a consequence of hiding criticism in backroom negotiations, Chamber I loses its capacity to publicly hold government accountable and insert substantial views into the public sphere, therefore largely failing its Lockean and Habermasian function.

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

5.2 Chamber II

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

5.2.1 Internal decision-making processes

Chamber II's internal processes are characterized by strong concentration on the president and negotiations among business associations rather than internal majority decisions.

Chamber II as an apex organization

While all major decisions of Chamber II nominally run through the board of directors, this seems not to be the place where political positions emerge. Rather, the chamber acts as an apex organization of local business associations, aggregating their interests and negotiation common positions.

“When an issue comes up in a committee, we communicate it back to the chamber, then we throw it to the sector associations concerned to deliberate it, bring it back to our board, discuss it and throw it back to the city.”²¹⁸

There are even reserved seats in the chamber's board for the respective presidents of the province's three Filipino-Chinese chambers of commerce. Consultations with affected sector associations are typically led by the chamber president: “When it comes here the heads of associations already have consulted their members and then it is consulted and elaborated here, with our president and the directors.”²¹⁹

Therefore, the political positions of Chamber II are rather the product of negotiations between the presidents of the involved business associations. The two interviewed board members seemed largely oblivious to much of the chamber politics, since it is handled by the president. Additional internal structures besides the board, like committees on issues or sectors, are missing: “We are not that big yet, so we have avoided having committees. We feel it works better with just the board.”²²⁰

Concentration on the president

In Chamber II, the president is a very prominent figure. “The president spends all day here, even though his own office is downtown.”²²¹ He handles all external contacts, including the government, other business associations and the media: “A board member is not allowed to contact the mayor. It always has to go through the president.”²²² The chamber has a small secretariat, but without an executive director, the chamber president is even involved in micromanagement.

²¹⁸ Interview with president of Chamber II

²¹⁹ Interview with board member of Chamber II

²²⁰ Interview with past president of Chamber II

²²¹ Interview with past president of Chamber II

²²² Interview with president of Chamber II

No concern about strategic capacity

While I did not gain insight into the chamber's financial structure, the chamber office is strikingly located in a government building. However, as will become apparent in the next section, the chamber is not particularly concerned with its autonomy but rather tries to be as close to city government as possible. For resource-intensive efforts like charities towards the city or a recent court trial against the local administration, the chamber relies on the contribution of individual members and businesses.

Summary on internal decision-making processes

As an aggregator of different business associations' positions, Chamber II does not seem to give importance to internal democracy. Internal hierarchies are quite pronounced due to the high concentration of powers and responsibilities with the president. Strategic capacity is no particular concern.

5.2.2 Representativeness

"We are just a fraction, if you think about the businesses of the city. There are something like 10,000 businesses in the city and we are just 200 members."²²³ Like most Philippine local chambers, Chamber II's representativeness by numbers is low. However, about thirty of its members are associations and therefore represent additional businesses. By closely coordinating the different business associations in the province and acting as the representative of their aggregated positions, "the chamber is seen now as the voice of the business community"²²⁴ despite a rather small membership base. Accordingly, the chamber claims to work for the general interest of the business community and the city as a whole rather than the particular interests of its members:

"Six, seven years ago, we were only concerned with our members and their interests. But a few years ago, we learned that businesses thrive if the whole community will operate prosperously. In short, what's good for the community is good for business. So we should be working for the development of the whole community, not only our own interest. We should be representing especially the smaller and those who are not even our members."²²⁵

5.2.3 External politics

In external politics, Chamber II believes in working close with the government: "The position of the chamber is to always work hand in hand with the local government."²²⁶ Here, the chamber's representation in various local special bodies is named as the principal channel of influencing government policies.

²²³ Interview with past president of Chamber II

²²⁴ Interview with president of Chamber II

²²⁵ Interview with past president of Chamber II

²²⁶ Interview with president of Chamber II

“Never be adversarial.”

The president of Chamber II very much stresses the cooperative stance with regard to local government: “No community will advance fast if you are adversarial with the local government. We never try to go adversarial, we always like to negotiate.” As with Chamber I, this is a strategic reaction to possible retribution by politicians:

“You cannot fight city hall. They will make your life miserable. They will make it hard for businesses. They will 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.”²²⁷

Accordingly, disagreements between chamber and government are resolved privately: “Instead of fighting in the committees, we resolve conflicts in backdoor negotiations before going back to the committee.”²²⁸

Building personal relations to local officials

Although the chamber is reluctant to use members who are friends or family with city officials “because they may have their own agenda”,²²⁹ it favors informal meetings to follow up issues and resolve conflicts:

“In the backdoor negotiations with city government, it’s usually the chamber president and the president of the Chinese chamber. But it’s normally the position of the whole board taken from the position of various sectors. It’s easier sometimes to talk without media because you can talk openly. Sometimes you get a lot of concessions if you really open up.”

To gain the personal access needed to successfully initiate and execute such backdoor negotiations, the chamber president carefully grooms relations with the mayor and other senior city officials:

“The easiest way to do it is just to sit down and talk with the mayor. You have to institutionalize the personal relation with the mayor. Have a regular dinner, meet again and again. It takes a few years to build the relation. 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.”

Discreetly holding government accountable

In line with its non-adversarial stance towards the city government, Chamber II claims to only use private channels to address misconduct in the government:

“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

²²⁷ Interview with president of Chamber II

²²⁸ Interview with president of Chamber II

²²⁹ Interview with president of Chamber II

are on talking terms. They can call me anytime, I can call them anytime. It's easy to talk to them before things get blown out of proportion."²³⁰

In a recent episode, the chamber discreetly let one of its larger members sue the government over misconduct rather than take overt action itself.

Placing political personnel

The chamber president himself is member of the ruling political party and will run for city council next year. He believes more chamber members should follow his example:

“In fact we are encouraging now 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.”²³¹

He plans to step down as chamber president if he is elected, but only because of the work load, not because of possible conflicts of interest: “There is no conflict of interest between business and politics.”²³²

Conclusion to external politics

As with their negotiation-based internal decision-making processes, the chamber prefers to solve conflicts with city hall through private negotiations. To this end, the president has strategically built personal relationships with senior city officials. Thus, the chamber can achieve its political goals without publicly confronting the local government, as it is very intent on an amiable relation with the local government unit for fear of retaliation. Choosing an inside strategy for advocacy, it is a logical next step to place chamber members within city government to consolidate influence and align interests.

5.2.4 Conclusion on Chamber II

While acting as an apex organization for business associations in the province significantly increases the chamber's representativeness and its legitimacy as the voice of business, it entails a strong concentration of power in the president. 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 a junior priority. This is aggravated by the pronounced hierarchy that results from the strong focus on the chamber president. Additionally, the president's monopoly on all external relations cements his position by making him indispensable to the chamber.

²³⁰ Interview with president of Chamber II

²³¹ Interview with president of Chamber II

²³² Interview with president of Chamber II

Chamber II's extreme inside strategy, which stretches from its non-adversarial stance towards city government to grooming personal relations with senior officials and even running on the ruling party's ticket, is chosen not only because it seems the most efficient but also because of the danger of politician's retributions. Rather than restricting the reach of government in a Montesquieuan sense, the chamber seems to aim at greater integration with the government apparatus. While this maximizes the chamber's influence towards the government, the Lockean function of holding government accountable and the Habermasian function of creating a public sphere of political discourse cannot be fulfilled.

Concluding, the chamber's role in democratization appears highly ambivalent. Its internal as well as external politics reflect a strong orientation along personalistic strategies, reproducing typical patterns of Philippine hybrid democracy. While the chamber's non-conflictive inside strategy appears to be the rational strategic choice in order to further and protect the interests of business, it renders the chamber a part of the ruling establishment that cannot act as a controlling instance.

5.3 Chamber III

Chamber III is well-known in the regional chamber scene for its long-standing conflict with local government. Internally professionally organized, the chamber is extremely vocal in its external politics to the degree that any hope of collaboration with city government is out of the question at the moment.

5.3.1 Internal decision-making processes

Chamber III's internal management is characterized by a very professional setup and decentralized responsibilities. Following disastrous management by board members close to city government, the chamber is now run by a small core group.

Professional organizational structures

Chamber III has clearly defined individual responsibilities by assigning issue-based vice-presidencies to most board members. Through corresponding chamber committees, work load and decision-making is distributed towards the general membership.

This kind of delegative leadership is also used to work out chamber positions: "On the electrical rates issue, we formed a committee, we hired a CPA, we hired a lawyer and they then together investigated the issue and formed a position. So it's not only the position of the president."²³³

²³³ Interview with president of Chamber III

“Like a junta”

Several years ago Chamber III experienced a significant reduction in chamber activity as a larger group of board members retired. At this time, a several “businessmen who were friendly to the city government”²³⁴ joined the chamber.

“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, no more activities. To the point that we lost our office, 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.”²³⁵

Realizing this development, a small group of chamber members tried to reactivate the chamber:

“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 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.”²³⁶

This core group still dominates the chamber board and is most active in initially formulating political positions which are then presented for feedback from the general membership via newsletters or in the quarterly general assembly:

„Im Board wird erst einmal darüber gesprochen. Die anderen Mitglieder werden dann informiert: ‚So und so ist das, wenn ihr irgendwas zu sagen habt, dann sagt uns das.‘ Und dann besprechen wir das weiter. Aber der Board of Directors macht das, wie sie das eben machen, soweit kein Problem. Jedem gefällt das.“²³⁷

Family affiliation in board and membership

The chamber president claims that there is no inherent bias in selecting board members: “As long as I can remember, we did not tap people for the board just because of their political connections. We rather tap people who work hard, who can deliver the function.”²³⁸ However, since the chamber’s establishment in the late 1990s, a large number of members are affiliated with one of the two main business families: “The chamber is identified with the opposition camp. Because of the number of our members who are affiliated with the opposition. Especially the officers.”²³⁹ This seems to be largely irrelevant in internal chamber politics (“Spielt keine Rolle, wieviel Geld du hast und wo du herkommst und so weiter.”),²⁴⁰ but is an

²³⁴ Interview with board member I of Chamber III

²³⁵ Interview with board member I of Chamber III

²³⁶ Interview with board member I of Chamber III

²³⁷ Interview with member I of Chamber III

²³⁸ Interview with president of Chamber III

²³⁹ Interview with president of Chamber III

²⁴⁰ Interview with member I of Chamber III

important factor in the chamber's external perception, although "there are a few members affiliated to the ruling party."²⁴¹

Family affiliation and strategic capacity

While the tendency in chamber membership towards a specific local business family may be the result of the organic recruitment of friends and family by members, it still inhibits the chamber's strategic capacity because it is perceived as the vehicle of one family's interests. The chamber's autonomy is further put into question as "[t]he congresswoman has provided us funds for our chamber development because her family is more on our side" while the chamber does not receive any funding from the rival local government that could balance this affiliation.

Conclusion on internal decision-making

Chamber III is professionally run by a core group of members who are mostly affiliated to one local family. However, internal feedback processes such as committees and newsletters are in place that allow general membership to voice their opinions. While family affiliation may be less relevant in internal decision-making, it strongly shapes the chamber's external perception.

5.3.2 Representativeness

The chamber's representativeness in numbers is weak: "Out of 4,000 registered businesses here, 100 is a very small sample."²⁴² Only a handful of larger companies are members of the chamber as most prefer to be represented by the less politicized Filipino-Chinese chamber. Rather, the chamber represents locally owned, medium-sized businesses. The chamber tries to increase its representativeness by attracting more sector associations as members: "We hope to have more sectoral representation for example for the small vendors. We hope to be an inclusive chamber and we would really value their input."²⁴³ With these sectoral associations, the chamber holds a special forum at least once a year to align interests and identify issues.

Based on this weak representativeness, although typical for Philippine local chambers, the city mayor refuses to acknowledge the chamber as the legitimate voice of business:

"That's the question posed by the mayor: 'How can you represent 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 businesses in the city. Probably they are just representing their members.'"²⁴⁴

²⁴¹ Interview with president of Chamber III

²⁴² Interview with board member I of Chamber III

²⁴³ Interview with board member I of Chamber III

²⁴⁴ Interview with local senior civil servant of Chamber III

5.3.3 External politics

Chamber III takes a quite confrontational stance towards city government and openly criticizes local politicians. Along with the perceived affiliation with the local opposition family, this has soured relations with city government to the point where no collaboration is possible.

Open confrontation and cold relations with local government

Chamber III is very vocal in its criticism of local government which it vents through the media:

“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 too, for our propaganda. We talk a lot on the FM stations, during their public service hour in the morning.”²⁴⁵

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

“That’s why sometimes the mayor is very adamant in anything involving the chamber, because of some of the biases, because they criticize the mayor very much. This is one of the reasons why the mayor is very cold as far as the chamber is concerned.”²⁴⁶

According to chamber members, the local government in the past even retaliated by harassing their businesses: “For you to be identified with the chamber was dangerous to your business. Contracts would no longer be approved, even your business licenses would no longer be released. They have the power to do that.”²⁴⁷ Relations have soured to the point that the chamber has given up on collaborating with local government, concentrates on pushing its advocacies through media, initiatives it can take without support from the local government and services towards their members. Even participation in the formal political process through seats in local special bodies is partially hampered as the chamber lost its accreditation in the Local Development Council during the mismanagement of the previous board and claims, in contradiction to city representatives, that local government regularly fails to invite them to meetings.

Thus, in relation to the local government, confrontation and obstruction are the only strategies left to the chamber:

“So, city government tried to ram a new tax code down our throats. They sent the invitations to the final hearing on December 23rd, when nobody in the Philippines works anymore. The hearing was scheduled for December 27th. The tax code was to be effective in January. So we convened an emergency meeting, telling people: ‘You want to wake up in January and realize your taxes are this high?’. So, there were only three or four of us here, but we called the radio station. We were very vocal. We really went to town. We were going to file a temporary restraint order. We were going to fight this any

²⁴⁵ Interview with president of Chamber III

²⁴⁶ Interview with local senior civil servant of Chamber III

²⁴⁷ Interview with board member I of Chamber III

way. It was the principle of the thing of passing this backdoor, without anybody's scrutiny. True enough, the media picked this up and city hall was forced to cancel this. They were forced to retreat. This is just one example of how a chamber can be effective. [...] By that point, it was beyond being careful. We were always perceived as their enemies. We were not getting any favors from them. So what's the point beyond that? To hurt their feelings? Did it come with a price? We paid that in advance already."²⁴⁸

Caught in this confrontational deadlock with the government, the chamber's only hope for improved relations is a new administration: "There is an upcoming election. And whoever wins, it is a new mayor. We are hopeful about working with the next one."²⁴⁹

Limited strategic options due to perceived family affiliation of the chamber

As mentioned before, the chamber is perceived as siding with the local opposition because "most of the family names in the chamber board are affiliated with the opposing camp."²⁵⁰ Consequently, any criticism by the chamber is not seen as legitimate concerns of the business community but rather as politically motivated attacks: "Unfortunately [the chamber] was given political color. [Local government] says we are only complaining about the business climate because we are from the opposition."²⁵¹

The aforementioned confrontational stance therefore is the only available advocacy strategy for the chamber:

"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?"²⁵²

Advocacy alliances with other civil society actors are also 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."

In a previous attempt to prove the chamber's non-partisanship and improve relations with government, the chamber invited the businesspeople who eventually took over the board and then severely mismanaged the chamber, as detailed above: "We thought this was the best way to show the city that [the chamber] is not political, so we reached out to them and asked them to join."

²⁴⁸ Interview with board member I of Chamber III

²⁴⁹ Interview with president of Chamber III

²⁵⁰ Interview with local senior civil servant of Chamber III

²⁵¹ Interview with board member I of Chamber III

²⁵² Interview with board member I of Chamber III

Holding government accountable

Since relations with local government are confrontational anyway, the chamber is not hesitant to publicly denounce government misconduct. However, investigating suspected mismanagement in a municipal company, the chamber also showed that it prefers discreet strategies if feasible:

“We took the issue to the [company] management. We wanted to have an open letter. But we did not want to be so drastic, so we first wanted to sit down with the management and ask about their practices before doing the open letter.”²⁵³

Recruiting political personnel

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.”²⁵⁴

However, this cemented the deadlock with local government as it was seen as final proof that Chamber III is 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 members are candidates on the other side of the fence. You know politics in the Philippines are very envious.”²⁵⁵

Conclusion on external politics

Being identified with the opposition camp has restricted the chamber’s strategic options to confrontation and obstruction, increasingly worsening relations with local government. While this allows the chamber to be a very vocal civil society actor, there is severe frustration about not being able to constructively work with government on improving the business climate within the chamber.

5.3.4 Conclusion on Chamber III

Although Chamber III is run very professionally with decentralized hierarchies and has several feedback mechanisms between board and general membership, it remains doubtful whether it acts as a Tocquevillian school of democracy. The board is dominated by a core “junta” of relatives and friends which rather seems to reproduce patterns of elite dominance than democratic and inclusive decision-making.

²⁵³ Interview with president of Chamber III

²⁵⁴ Interview with board member I of Chamber III

²⁵⁵ Interview with local senior civil servant of Chamber III

The confrontational relation with local government, firmly rooted in local family politics, prevents the chamber from acting as a constructive intermediary between government and the business community in the Montesquieuian sense. It can neither successfully present proposals to the government nor is it able to take over sectoral self-government responsibilities as both require collaboration. However, as obstructing government policies and being very vocal through media are the only strategic choices left to the chamber, it scores well in the Lockean and Habermasian functions of civil society.

In sum, while the chamber vocal criticism probably furthers democratization on a structural level, it has as a result largely lost its ability to constructively pursue the strategic interest of its membership and the business community it aspires to represent.

5.4 Cross-case analysis

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

5.4.1 Evolving internal democracy and low orientation towards particular interests

The case studies show different stages of internal democracy. Chamber II relies on a traditional president-centered system of decision-making. Chamber III has more devolved hierarchies and feedback mechanisms, but is effectively controlled by a small group within the chamber. Chamber I tries 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. Hence, internal democracy appears to have a lower priority compared to influence on the policy process.

5.4.2 Weak representativeness

All three chambers have weak representativeness based on membership numbers, organizing only about 2 percent of the registered 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 lack of

class governance, chambers have to rely on the local government's acknowledgement as representatives of the business community. This becomes apparent with Chamber III which is easily delegitimized by its local government by pointing out its low representativeness. Therefore, access to the policy process depends on staying in local government's good graces.

5.4.3 Vertical orientation towards government

While the extent of coordination with other local business association differs among the case studies, none 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 towards city government over pressure-based external strategies.²⁵⁶

5.4.4 Informal institutions and elite politics

All three chambers reinforce existing patterns of informal interest intermediation. While Chambers I and Chamber II use family ties and informal inter-elite contacts to their advantage, Chamber III (possibly unintentionally) perpetuates the divisive nature of family politics. For Chamber I and II, these are the most resource-efficient ways to push their advocacies, thus especially attractive for the persistently under-financed 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.

5.4.5 "Silent politics" and collaboration with government

Strikingly, in all case studies the potential of local government to harm businesses and the likelihood of politician's retributions in case of open confrontation with the chamber were stressed. Chamber III is an unfortunate example how local government can harass single businesses and effectively shut down the chamber's ability for constructive advocacies by denying collaboration.

Hence, the preferred strategy is to avoid public arguments with government and resolve disagreements in a private way, so as not to expose and possibly anger politicians. While this is efficient in producing policy result 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 with government as possible, maximizing an inside strategy for advocacy as apparent from Chamber II. If chambers choose to keep a certain distance to the govern-

²⁵⁶ Brinkerhoff & Goldsmith 2002, p. 5

ment, this is less motivated by “civil self-restraint”²⁵⁷ but rather a strategic decision in anticipation of possible changes in administration when an overly partisan appearance could backlash.

5.4.6 Conclusion of the cross-case analysis

The varying degrees of internal democracy in the chambers 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 towards more internal democracy.

In the chambers’ external politics, strong incentives towards non-confrontational inside strategies within the established, elite-dominated informal system of interest intermediation become apparent. With a severe lack of collective bargaining power, chambers have to rely on government goodwill to be included in the policy process. In addition to this logic of influence, businesspeople are particularly vulnerable to government arbitrariness which may be the result of public opposition. Exploiting their social affiliation or at least closeness to local elites, chambers therefore choose to work as closely with government as possible within the environment of petty-minded Philippine family and party politics.

In terms of SCHMITTER’s partial regimes, the chambers fare well in institutionalizing the *concertation regime* but in turn are unable to be effective in shaping the *pressure regime*. Due to low membership numbers and lacking class governance, the chambers role in the *representation regime* remains derivative of their success in the concertation regime, as pointed out above. In effect, democratic functions of civil society that necessitate confrontation with government are largely sacrificed to be able to successfully lobby for the interests of the chambers’ constituencies.

Assessing the three examined chambers in LAUTH’s indicator matrix for his ideal types of civil society only gives a rough impression as the matrix is designed for the structural level of civil society rather than single civil society organizations. However, it becomes apparent that the local chambers in the Visayas and Northern Mindanao most closely resemble the ideal type of constructive civil society (see Figure 5). Nonetheless, as pointed out above, their contribution to democratic consolidation is rather ambivalent. Rather than inhibiting democratization through an overly obstructive opposition to government as in LAUTH’s *ambivalent civil society*, it is the chambers’ constructive support for the established hybrid system of formal democratic procedures interweaved with personalistic and patronage-based informal institutions that has an ambivalent effect to democratic consolidation here.

²⁵⁷ Lauth 1999, p. 113

indicators	strategic CS	construc- tive CS	ambiva- lent CS	reflexive CS	Chamber I	Chamber II	Chamber III
no conflictive struc- ture of civil society	yes	yes	no	unclear	yes	yes	no
organizations span social cleavages	yes	yes	no	yes	no	no	no
no pronounced hierarchies	no	unclear	no	yes	(yes)	no	unclear
importance of civic virtues	no	unclear	no	yes	unclear	unclear	unclear
low relevance of particular interests	yes	yes	no	yes	yes	yes	yes
internal democratic structure important	no	unclear	no	yes	yes	no	unclear
social representa- tiveness apparent	yes	unclear	no	yes	no	(no)	no
delivers government services	no	no	unclear	yes	yes	yes	no
recruits political personnel	no	yes	no	yes	yes	yes	yes
involved in shaping the political order	no	yes	no	yes	yes	yes	no
holds government accountable	yes	yes	unclear	yes	unclear	unclear	yes

Figure 5: Indicators for LAUTH's ideal types of civil society and the three chamber case studies

6. Conclusion

The original puzzle of this thesis is the Philippines' stagnating democratic consolidation despite a vibrant civil society, which fundamentally contradicts the established axiom of democracy-facilitating civil society. As pointed out in the context section, the long co-evolution of democratic governance and the dominance of political and economic elites in the Philippines has produced a relatively stable hybrid system of lively formal democratic institutions and personalistic, patronage- and family-based informal political institutions. Therefore, democratic consolidation in the Philippines is less about configuring formal institutions and more about democratizing the informal system of interest intermediation. Following Philippine civil society's prominent role in ousting autocratic President Marcos, hopes for civil society to alter these patterns were high. However, more than twenty years after the resurrection of democracy in the Philippines, these expectations have been largely disappointed. Thus, the focus of my thesis was to explore possible explanations for Philippine civil society's failure in fostering democratic consolidation and, as a result, possibly refine existing concepts of the nexus between civil society and democratic consolidation.

Working out the theoretical background of civil society's role in democratic consolidation, I first revisited different notions of civil society. Here, I argued that a minimal definition of civil society as the intermediary associational sphere is best suited to inquiries about the role of civil society in developing democracies as it encompasses the actually existing intermediary actors rather than a normatively defined sample. Considering different notions of democratic consolidation, I showed that beyond the mere stability of a minimal electoral stability, the focus for 'halfway house' democracies like the Philippines should be on *organizing democracy* in the sense of democratizing not only the formal but especially informal political processes. In this regard, the crucial role of civil society for democratic consolidation was highlighted by its centrality in MERKEL's steps of representative consolidation and consolidation of civic culture as well as in three out of five partial regimes of democracy suggested by SCHMITTER.

Civil society organizations' internal and external politics were identified as the relevant characteristics in creating a civic culture and democratizing informal systems of interest intermediation. While democratic internal decision-making processes can serve Tocquevillian schools of democracy, civil society organizations' external policies can fulfill democratic functions as Montesquieuan intermediaries between government and society, Lockean watch dogs and Habermasian participants in a public sphere of political discourse. Following LAUTH's notion of a possible 'dark side' of civil society, civil society organizations can also fail these functions and have ambivalent or even detrimental effects on democratization.

Turning back to the case of the Philippines, I presented three case studies of phenomenally varied chambers of commerce in the Visayas and Northern Mindanao based on interviews with different stakeholders

and documents. The focus of the examination was on their internal and external politics, their function towards democratization and the strategic rationales governing their political behavior. Despite apparent differences, the subsequent cross-case analysis highlighted common features among the cases:

Degrees of internal democracy, and therefore also the Tocquevillian function as schools of democracy, varied greatly and seemed mostly dependent of internal paths of development.

However, in external politics a clear pattern emerged. Chambers clearly prefer a non-confrontational stance towards government as their acknowledgement as voice of business is not legitimized by social representativeness but depends on acceptance by the government. Another factor is the fear of government retributions, especially relevant for businesspeople due to their dependency on government permits and the like. In the case study of Chamber III, which has a very confrontational relation with its local government, it became apparent that despite formally institutionalized forums of participation, 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 as closely with government as possible. This behavior is only limited by the danger of seeming overly partisan towards a specific party or individual, which may alienate the possible future administration. As this 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 is 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, 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 puzzle of the Philippines' strong civil society's failure to facilitate democratic consolidation, 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 well working 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.

As a theoretical implication of my results, the encompassingness of LAUTH's ideal types of democratic consolidation can be questioned. Ambivalent effects on democratization are not only the result of an overly confrontational civil society, as in his ideal type of *ambivalent civil society*. Rather, the case of the Philippines suggests that an overly collaborative can also lose its democratizing edge. Whether this constitutes a second type of ambivalent civil society or merely a possible 'dark side' of a *constructive civil society* has to be the subject of further inquiry.

In conclusion, the case of Philippine local chambers of commerce clearly 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 become part of 'undemocratic' informal systems of interest intermediation rather than breaking them up.

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Annex

I. Guiding questions

The guiding questions are based on the theoretical background and formulated research questions and complemented with categorical frameworks from interest group research²⁵⁸ as well as literature on clientelism.²⁵⁹ These questions were not directly posed to interviewees but merely served as a guide for the interviewer.

- What are the internal decision-making processes of Visayan CCIs?
 - What are the formal internal procedures?
 - How are decisions made in the chamber? In committees or by individuals?
 - How inclusive are decision-making processes?
Are there feedback mechanisms with the general membership?
 - Is the chamber representative of the business community?
Is the board of trustees representative of the chamber membership?
 - How does the chamber handle issues divisive of the membership?
- What advocacy strategies do CCIs in the Visayas employ?
 - conflictive vs. cooperative strategies
 - personal vs. institutional strategies
 - direct vs. indirect advocacy strategies
 - arguing vs. bargaining strategies
 - formal vs. informal processes
- Why do CCIs in the Visayas choose specific political strategies?
 - Which strategies are considered more effective and why?
 - Are there explicit or implicit guidelines? What are the considerations behind these?
 - Which resources are necessary for different strategies?
 - How does the chamber see itself as a political actor?

Questions trying to more directly elicit the interviewees concepts of democracy were dropped as they elicited strong socially desirable answers.

²⁵⁸ Frameworks and typologies of advocacy strategies developed in Beyers 2008, Anne Skorkjær Binderkrantz & Krøyer 2012, Anne Binderkrantz 2008, and Anne Binderkrantz 2005 provide orientation but have to be applied carefully as they are solely based on Western European experiences.

²⁵⁹ Patterns and characteristics of clientelist politics are laid out e.g. in Brinkerhoff & Goldsmith 2002, Landé 1983, Roniger 1995, Hicken 2011, and Roniger 2004.

II. List of interviews

This list of interviewees is anonymized. Transcripts and recordings are available upon request.

Informal conversations, especially with representatives of AFOS foundation, are not listed.

Additional sources like statistics, minutes of board meetings, position papers and newspaper clippings are available upon request.

Expert interviews in Metro Manila

- Representative of Local Government Development Foundation, 22 August 2012
- Representative of Friedrich-Ebert-Stiftung Manila, 23 August 2012
- Representative of Institute of Popular Democracy, 24 August 2012
- Representative of Research, Education and Institution Development Foundation, 23 August 2012

Expert interviews in Metro Cebu

- Senior official of the Philippine Chamber of Commerce and Industry, 16 September 2012
- Senior official of Cebu City Chamber of Commerce and Industry, 27 September 2012

Case study: Chamber I

- Interview with president, 1 October 2012
- Interview with executive director, 2 October 2012
- Interview with board member, 3 October 2012
- Interview with non-member local businessperson, 3 October 2012
- Interview with past president, 5 October 2012
- Interview with city mayor, 5 October 2012

Case study: Chamber II

- Interview with president, 17 October 2012
- Interview with past president, 17 October 2012
- Interview with chamber staff, 17 October 2012
- Interview with board member, 17 October 2012
- Interview with regular member, 17 October 2012

Case study: Chamber III

- Group interview with city councilors and vice mayor, 23 October 2012
- Interview with president, 23 October 2012

- Interview with local senior civil servant, 23 October 2012
- Interview with regular member I, 24 October 2012
- Interview with board member I, 24 October 2012
- Interview with regular member II, 24 October 2012
- Interview with regular member III, 24 October 2012
- Interview with board member II, 25 October 2012
- Interview with past president, 25 October 2012

Eidesstattliche Erklärung

Ich erkläre hiermit an Eides Statt, dass ich die vorliegende Arbeit selbständig und ohne Benutzung anderer als der angegebenen Hilfsmittel angefertigt habe. Die aus fremden Quellen direkt oder indirekt übernommenen Gedanken sind als solche kenntlich gemacht.

Die Arbeit wurde bisher in gleicher oder ähnlicher Form keiner anderen Prüfungskommission vorgelegt und auch nicht veröffentlicht.

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