

# National Strategy on Anti-Corruption and Integrity Promotion

## 1 Review of Corruption Situation and Impact in the Developing Countries and Thailand

### 1.1 Corruption Situation in Developing Countries and Thailand

Corruption is an important obstacle in political, economic and social development among developing countries. Corruption affects the foundation of national development leading to distortions in policy decision-makings, budgeting process, and operating of development policies. As a result, the poor, who are considered to be the marginal people in the development and public policies, are extraordinarily discriminated against in public service provision. Corruption being very detrimental to the nation is an important obstacle in sustainable development and poverty reduction as warned by the World Bank, “Corruption is ‘the greatest obstacle to reducing poverty’”<sup>1</sup> Poverty has a feedback effect on increasingly difficult corruption remedies. In this section, corruption situation in many developing countries will be compared with that in Thailand as follows.

#### 1.1.1 Corruption Situation in Developing Countries

In the majority of developing countries, especially countries having persistent internal conflicts, there has been the destruction of government infrastructure attributable to rampant corruption in many developing countries, evaluated by the

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<sup>1</sup> World Bank 2008 cited in Transparency International. Transparency International. 2008. Poverty and corruption [Electronic version].

TI Working Paper, (2008, March 25): 2.

Corruption Perception Index (CPI) in 2009.<sup>2</sup> It pointed out that countries with the high level of corruption were as follows. Somalia scored a mere 1.1; Afganistan, 1.3; Burma, 1.4; Sudan and Iraq, 1.5.

If we ranked the CPI scores, Africa and the Middle East including Sub-Saharan Africa were the regions with the lowest scores. The challenging problems of these countries have become more chronic than other regions; moreover, these countries are endowed with valuable natural resources, particularly, oil, but these benefits fall into the hand of the elites and some multinational corporations that seek economic rent.<sup>3</sup> These important challenging problems of these countries have the origin from specific characteristics in administration/governance of the countries in the region attributable primarily to a dictatorial form of government that limits public participation and lacks transparency and check and balance leading to internal instability and widely expansive conflicts.

In Asia, the corruption situation is considered to have a tendency to improve. In evaluation of the Corruption Perceptions Indices, many countries in the Asian region such as Bangladesh, Tonga, China, and Indonesia obtained higher scores, while some countries such as Malaysia scored lower, since there appeared to lack clear political will against corruption.<sup>4</sup> Nevertheless, Malaysia still had much higher CPI than many countries in the Asian region that had high levels of corruption such as Maldives, Nepal and Afghanistan that lacked political process and institutions to have a clear mandate in fighting corruption in the country.

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<sup>2</sup> Transparency International. 2009. Corruption threatens global economic recovery, greatly challenges countries in conflict. **Transparency International press releases**. (2009, November 17), Retrieved May 28, 2010, from [http://www.transparency.org/news\\_room/latest\\_news/press\\_releases/2009/2009\\_11\\_17\\_cpi2009\\_en](http://www.transparency.org/news_room/latest_news/press_releases/2009/2009_11_17_cpi2009_en).

<sup>3</sup> Transparency International. 1999. Africa and the Middle East. **Transparency International**. Retrieved May 6, 2010, from [http://www.transparency.org/regional\\_pages/africa\\_middle\\_east](http://www.transparency.org/regional_pages/africa_middle_east).

<sup>4</sup> Transparency International. 2009. Corruption perceptions index 2009 regional highlights: Asia-pacific. [Electronic version]. **Corruption Perceptions Index 2009**.

### 1.1.2 Corruption Situation in Thailand

Corruption is the chronic problem in the Thai Society for a long time. According to the survey by the Transparency International on the Corruption Perceptions Index,<sup>5</sup> Thailand ranked at number 84 in 2009 and scored 3.4, the same as India and Panama.<sup>6</sup> In 2008, Thailand ranked higher at number 80 with the CPI of 3.5<sup>7</sup> When compared with other ASEAN countries, although Thailand performed much better than many countries such as Indonesia, Vietnam, The Philippines and Laos whose scores were in the range of 2.0-2.8, Thailand's CPI was still much less than Singapore whose score was 9.2 and Malaysia whose score was 4.5 as shown<sup>8</sup> in Figure 1.

#### Figure 1: Corruption Perceptions Indices (CPI) in Thailand and Selected Countries in ASEAN

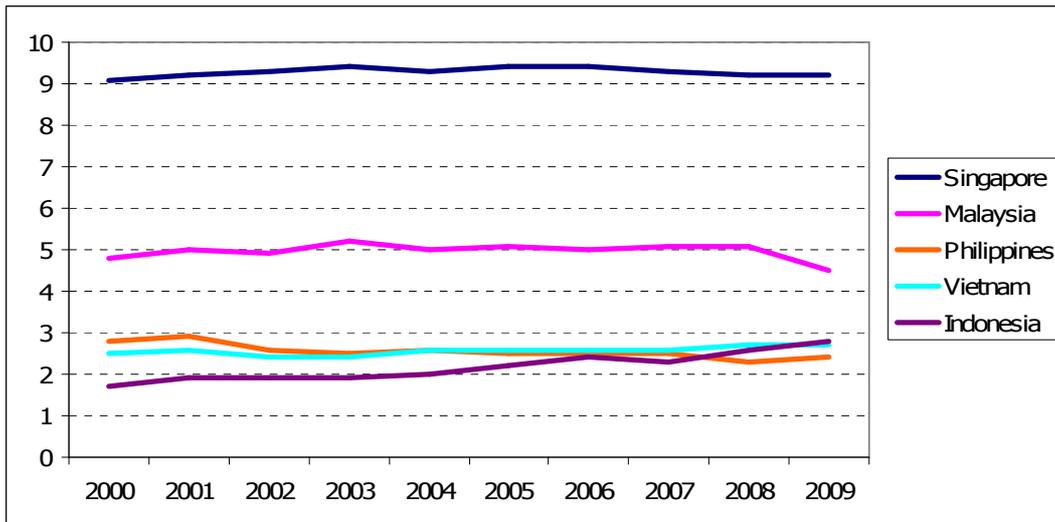
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<sup>5</sup> Nevertheless, the use of the Corruption Perceptions Index or CPI in analysis requires the understanding that CPI measures perception of the general public on the overall situation of corruption prevention and suppression. It is the index that does not measure persons directly involved in this area or participants directly involved in corruption prevention and suppression. The use of this index in this analysis is to show overall corruption situation in Thailand when compared with other countries in the region and in the world. It should be noted that these indices have limitations and are used to only see overall corruption.

<sup>6</sup> Ibid. **Corruption Perceptions Index 2009.**

<sup>7</sup> Transparency International. 2008. **Corruption Perceptions Index 2008.** Retrieved July 13, 2010, from [http://www.transparency.org/news\\_room/in\\_focus/2008/cpi2008/cpi\\_2008\\_table](http://www.transparency.org/news_room/in_focus/2008/cpi2008/cpi_2008_table).

<sup>8</sup> Ibid. **Corruption Perceptions Index 2009.**



The study by Pasuk Pongpajit<sup>9</sup> in 1997 has pointed out four reasons for corruption in Thailand as follows.

1) Businessmen try to avoid tax by cooperating with public officials in creating fraudulent documents.

2) Public officials lack experience to the point that could not control corruption practices by businessmen.

3) Many public agencies participate in the culture of corruption in exchange for better service provision.

4) Changes in law and regulations often cause confusions among public officials at the operational level.

In addition, Pasuk together with the Office of The Civil Service Commission in 2001 has studied and concluded that the levels of honesty and faithfulness of the Members of Parliament were as low as the Royal Thai Police. Moreover, more than 79 percent of businessmen perceive that bribery is the norm for the success in business. Conversely, corruption practices are less in public agencies related to provision of services and infrastructure facilities.<sup>10</sup> Projects that required large budget or mega-projects are another important case study of corruption in Thailand. A number of studies find that bribery would not be successful if there is no help or cooperation from

<sup>9</sup> Phongpaichit, Pasuk, et. al. 1997. **Corruption in the Thai Bureaucratic System (Executive Summary)**. Bangkok: Office of the National Anti-Corruption Commission. (in Thai)

<sup>10</sup> Phongpaichit, Pasuk, et. al. 2001. **Corruption in Thailand**. Bangkok: Office of the Civil Service Commission. (in Thai)

public officials at the onset. In mega-projects, corruption would start initially in the feasible study stage via the process of giving bribes to related public officials leading to unnecessarily high project cost, delayed delivery of the project, money leakage in budget expenditures and failure in projects. This level of corruption arises from personal relationship network among politicians, businessmen, and public servants that cooperate in corruption practices. The corruption patterns are diverse; for examples, politicians and public servants invest in some unknown companies and afterwards allow these companies to win project bids.<sup>11</sup>

The corruption in Thailand after 2001 revealed that the pattern has changed over time. Politicians nowadays use new methods to seek personal interest while holding political positions. For instance, there has been appointment of individuals close to politicians so as to hold important positions in the public agencies and independent entities for the long-term gain. There have been revisions in some law and regulations to increase power of the individuals in the same political group who could later seek interests for them; in particular, individuals close to politicians are appointed to become committee or board members in public enterprises.<sup>12</sup>

For the corruption situation in the local administration, there are the corruption problems related to operations of the government projects. The corruption at this level is operated in a large network of public officials both elected and appointed to oversee projects from the national level down to the local operational level, indicating that close relationship network among politicians, public servants and businessmen has expanded from the national politicians to the local elected officials; as a result, corruption become more sophisticated and creates personal and public conflicts of interests and policy

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<sup>11</sup> Phongpaichit, Pasuk, et. al. 2002. **Business, Government and Corruption**. Bangkok: Office of the National Anti-Corruption Commission. (in Thai)

<sup>12</sup> Piriya-rangsana, Sunghsith, Nualnoi Treerat, and Noppanun Wannathepsakul, 2004. **Corruption: Bureaucrat, Politician and Businessman**. Bangkok: National Economic and Social Advisory Council. (in Thai)

corruption.<sup>13</sup> A clear epitome was the policy corruption of the Thai Rak Thai Party during 2001-2006 before the coup d'état happened.

The coup d'état in 2006 led to an important military role once again in Thailand politics contributable to the passage of the 2007 Constitution of the Kingdom of Thailand whose goal was to solve the problem of too strong executive government. The design was to change the election system so that there is likely to have a coalition government. In this current system, the decision making on cabinet portfolio and important public policies must go through negotiations between political parties in coalition; in particular, negotiations have gone through the important institutional structure - the approval from cabinet meeting. In addition, among the factions in the Democrat Party and other political parties in coalition, there is a network of well-known figures, influential leaders or prominent persons who act as brokers among factions within the political parties. This pattern of government has a significant impact on decision making of the cabinet and administration.<sup>14</sup> As a result, corruptions through compromising multipolaristic interests of power bases in the government have become the crucial problem once again in Thailand

From aforementioned corruption situation in Thailand, it demonstrates that Thailand has major challenges in finding ways to solve corruption problems. It is necessary to find new ways that are more efficient and more effective in order to be able to handle more complex and diverse patterns and methods of corruption in the modern world.

## 1.2 Development from Corruption to Policy Corruption and the Impact in the Developing Countries

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<sup>13</sup> Poocharoen, Ora-orn and Tangsupvattana, Ake. 2006. National Integrity Systems Transparency International Country Study Thailand 2006

[Electronic version]. **National Integrity Systems** Country Study 2006: 13.

<sup>14</sup> Laver, Michael and Shelpfle, Kenneth A. 1994. **Cabinet ministers and parliamentary government**, New York: Cambridge University Press: 5-10.

The Ad hoc Committee on Investigation and Study of Corruption by the Senate has studied corruption and divided corruption into five types as follows.<sup>15</sup>

- 1) Corruption in government position and duty
- 2) Corruption in government concession
- 3) Corruption in government procurement
- 4) Corruption by weakening state audit system
- 5) Policy corruption

Corruption practices in Thailand have become chronic and increasingly complex, and the amount of money involved has increased enormously. Corruption pattern has changed from taking off certain percentage from concession projects or procurement budget between military and the business sector or between politicians and the business sector<sup>16</sup> to engaging in policy corruption, which will be explained later.

### 1.2.1 Tendency to Policy-Based Corruption

The new pattern of corruption, called policy corruption, refers to corruption related directly to conflicts of interest. In principle, the conflict of interest in the public sector arises when public personnel has private-capacity interest leading to inappropriateness of rendered services attributable to duties and responsibilities<sup>17</sup> under his jurisdiction such as policy enactment, use of constitutional mechanism, and legislation<sup>18</sup> that benefit themselves or cronies. In evaluation of legislation process, such behavior is unlawful; in evaluation of the ethical aspect, such behavior is an unethical act.

Conflicts of interest arise from influential politicians who have power to make decisions and involve grand corruption by cooperation among politicians, high-level public servants and

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<sup>15</sup> Vicha Mahakun. 2007. Ibid. Office of the National Anti-Corruption Commission. 2008 (in Thai): 50

<sup>16</sup> Piriyarangsan, Sungsidh. 2006. **Absolute Corruption**. Bangkok: Thailand Printing Federation. (in Thai): 3

<sup>17</sup> OECD. 2005. **Managing Conflict of Interest in the Public Sector: A Toolkit**.

Retrieved July, 8, 2010, from [www.oecd.org/dataoecd/31/15/36587312.pdf](http://www.oecd.org/dataoecd/31/15/36587312.pdf).

<sup>18</sup> Khra-narong Janthig. 2008. Ibid. Tangsupvattana, Ake and Ora-Orn Poocharoen. 2010. **Application of International Anti-Corruption Measures in Thailand** [Electronic Version]. Office of National Anti-Corruption Commission. (in Thai): 5-39.

businessmen, in some cases, including multinational corporations<sup>19</sup> For example, the policy corruption under Prime Minister Police Lieutenant Colonel Thaksin Shinawatra involved the purchase of land in Ratchada and the sale of stocks to companies owned by relatives having majority shares and to Temasek Holdings from Singapore. This was made possible by using legislation mechanism in his favor, and claimed that the act was not illegal.

Policy-based corruption is considered to be corruption that is different from existing corruption since corruption under the rule of law cannot be directly punished. Therefore, this kind of corruption tends to increase ambiguous fraudulent act. If such an act is vivid, it is still not unlawful since such wrong act is approved by policies or the rule of law. As mentioned above, corruption nowadays is complex, deceptive, and widespread; this characteristic, according to Sangsit Phiriyarangsarn, is “absolute corruption” referring to full-cycle corruption that covers bribes in all channels such as in the economy, business, public administration and politics.<sup>20</sup>

### 1.2.2 Effects of Corruption on National Development

Corruption is an act that is very detrimental to national development in the economic, social, cultural and political aspects.

*Economic Aspect* Corruption arising from the economic aspect involves taxation, customs, purchase contracts and procurement, privatization of public enterprises, legislation, judicial judgment, and vote buying.<sup>21</sup> It also includes bribes that create incentives and reduce the cost of doing business. Business interests include the transfer of monopolistic concession to the private investors, interference of rules and legal norms, and the influence of vote-buying politicians. This minority interest leads to economic inequalities because government budget falls on some group of people, and

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<sup>19</sup> Phiriyarangsarn, Sungsidh. 2006. **Absolute Corruption** (in Thai): 88.

<sup>20</sup> Phiriyarangsarn, Sungsidh. 2006. **Absolute Corruption** (in Thai): 4.

<sup>21</sup> Prudhisarn Jumbala and Tangsupvattana, Ake. (Forthcoming). **Civil Society and Participatory Democratic Governance in Thailand.**

corruption reduces resources for national development. In addition, corruption also occurs at the transnational level since globalization opens the door for foreign nationals to commit bribes or even for Thai nationals to do the same in foreign countries.

*Social and Cultural Aspects* Fred W. Riggs has explained that the Thai culture from the beginning had the characteristic of bureaucratic or feudal system with excessive power<sup>22</sup> contributed to a culture of patronage. Political groups and public servants have connections or relationship network between patrons and clients leading to cronyism, faultfinding, and conspiracy between business and politics.<sup>23</sup> The major impact of corruption on culture is that if corruption becomes a culture in the Thai society, the creation of public will will be a daunting task as at the end. People in the society will tend to accept existing corruption. For example, bribery becomes a sign of gratefulness, or using government power to help cronies becomes a symbol of gratitude.<sup>24</sup>

*Political Aspect* Corruption has a significant impact on national politics as well as on economy and culture. The corruption from the past to present has impacted greatly on politics; that is, although there was the revolution to replace with a democratic system, in substance, the government initially was still a bureaucratic polity<sup>25</sup> where power was in the hand of high-level government officials, especially military. Afterwards, the political and electoral systems in accordance with parliamentary mechanism (firm parliamentary politics) have been developed. Politicians in the local or provincial influential network began to have a role; at the same time, businessmen

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<sup>22</sup> Rigg, Fred W. 1966. **Thailand: Modernization of a Bureaucratic Polity**. Honolulu: East-West Center Press: 242 - 310.

<sup>23</sup> Tangsupvattana, Ake. 2005. Driving the Juggernaut: From Economic Crisis to Global Governance in Pacific Asia. In Simon S.C.Tay (Edit).

**Pacific Asia 2022 :Sketching futures of a region**. 144-177. Tokyo : Japan Center for International Exchange: 154-158.

<sup>24</sup> Office of the National Anti-Corruption Commission. 2008. **Five Year National Strategic Plan of the Office of National Anti-Corruption Commission, 2008-2012 (B.E. 2551-2555)**. Bangkok: Office of the National Anti-Corruption Commission. (in Thai): 11

<sup>25</sup> Bureaucratic polity is a type of authoritarianism by military

at the national level saw opportunity and increased their role by using own monetary resources in election to support themselves or individuals in the network leading to money politics. For instance, during the administration under the Thai Rak Thai Party, there was an amalgam of influential businessmen at the local and national levels that affected democracy significantly; that is, citizens were obstructed from economic and political deserved benefits. This obstacle blocked unavoidably opportunities in national development.

## **Summary**

The corruption situation in Thailand is still severe, and its characteristic is consistent with the corruption situation in many developing countries. In general, if compared among countries in this region, Thailand is at the level better than neighboring countries. Pertaining to tendency to increase corruption in the country, corruption is more complex and severe, and the corruption patterns have changed from overt bribery to sophisticated policy corruption. It becomes the problem that the country must encounter and find ways to solve. In the next section, overall corruption environment in Thailand will be analyzed in terms of strengths, weaknesses, threats and opportunities. Additionally, while environment catering to gainful corruption will be presented, the challenging issues of related agencies in corruption prevention and suppression will be analyzed in Section 3, and methods for problem solving will be given in Section 4.

## **2 Analysis of Corruption Environment in Thailand**

In the previous section, overall corruption situation has been analyzed. In this section, overview of strengths, weaknesses, threats and opportunities will be analyzed before the challenging issues in corruption prevention and suppression in each sector and related agencies will be investigated in depth.

## 2.1 Success and Failure in Corruption prevention and Suppression in Thailand

The complexity and deception of corruption coupled with Thai culture contributes to aforementioned corruption and are important success and failure factors in fighting against corruption in the Thai Society. Government agencies have continued to solve this problem by making society realize the peril of corruption and by being able to punish powerful corrupt figures as in the case of medicine corruption in the Department of Health.

Nevertheless, corruption is a major problem. Since the methods are more sophisticated and widely spread, the corruption problem is increasingly difficult to solve. Moreover, corruption is deeply rooted in the Thai culture where society perceives bribery as a normal behavior. The public cooperation in corruption suppression reveals that citizens have a high cost of corruption contributed to the demand for corruption investigation only in the projects directly affecting the public. However, if the projects are large, the demand for corruption investigation usually does not occur; corruption exists in large-scale projects and lacks examination by the civil society.<sup>26</sup> Therefore, the tackling of corruption problem can be done at some level but overall corruption prevention and suppression are a failure in Thailand. This can be seen in the ranking of the Corruption Perceptions Index. As shown in Section 1, Thailand' CPI was lower in 2009, and this demonstrated that Thailand has not been very successful in tackling the problem of corruption. What follows is the analysis of strengths, weaknesses, opportunities and threats in corruption prevention and suppression in order to propose measures to combat corruption.

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<sup>26</sup> Piriyarangsan, Sungsidh, Nualnoi Treerat, and Noppanun Wannathepsakul, 2004. *Corruption: Bureaucrat, Politician and Businessman* (in Thai): 108-109.

## **2.2 Analysis of Economic, Political, Social and Cultural Weaknesses and Strengths in Corruption prevention and Suppression in Thailand**

In order to understand corruption situation and be able to propose methods of corruption prevention and suppression in Thailand, this section will analyze strengths, weaknesses, opportunities and threats of corruption in Thailand.

### **2.2.1 Strengths in Economic, Social and Political Aspects in Corruption prevention and Suppression in Thailand**

1. The highest law in governance in the country or the 1997 (B.E. 2540) Constitution up to 2007 (B.E. 2550) Constitution has given importance to corruption suppression by assigning independent organizations to regulate state power used by fraudulent politicians and public servants, to have a clear duty to corruption prevention and suppression, and to have their own budget. This latter point is an important matter since independence from politicians and public servants who tend to corrupt implies that Thailand has the structure to combat corruption separate from political and bureaucratic influence. The establishment of various independent organizations facilitates institutional checks and balance, the situation better than that before 1997 Constitution.
2. Thailand has clear national strategic plans to tackle corruption by assigning the Office of National Anti-Corruption Commission (NACC) to be a leading independent organization to combat corruption in cooperation with other stakeholders such as the political sector, the government sector, the media, the civil society and the private sector. At any rate, NACC has the systematic and integrated road map to combat corruption.
3. The prosecution of politicians at the national level (the case of catching a big fish) is the special case

demonstrating that if there is corruption, no matter how powerful, politicians can be prosecuted. This phenomenon is a very important matter affecting the public perception that “good deeds beget good results, while bad deeds beget bad results” leading to anti-corruption by the public.

4. The agencies related to corruption suppression realize the importance of grouping together to form an anti-corruption network. Not only independent organizations and other related government agencies but also other stakeholders such as the civil society, the media and the private sector in the network must combine efforts to suppress corruption.
5. There is a symptomatic symbol for government policies to involve all stakeholders and to focus on the principles of morality, ethics and good governance. This shows that the government realizes the importance of corruption problems. These are as follows.
  - The government set the national agenda to encourage the public and the private sectors to practice the principles of morality and ethics. In addition, the 2007 Constitution specifies that politicians and government agencies have to evaluate objectively ethical conducts for self-regulation.
  - The government establishes clean government centers to fight against corruption and misconducts and to give rewards to whistleblowers who report corruption.
  - The Tenth National Economic and Social Development Plan puts emphasis on the development of morality, ethics, and good governance both in the public and the private sector.

- The government has the policy to strengthen knowledge and to use various mechanisms to protect and suppress corruption as specified in the National Agenda.
6. The government has signed the United Nation Convention against Corruption (UNCAC) in September 9, 2007, which expresses the initial intention to fight against corruption according to the international standard, although it has not been certified.
  7. The educational institutions encourage and support the direct research on corruption or may be encouraged to do research via the support by independent organizations with a goal to have knowledge transfer so as to create public awareness on anti-corruption.
  8. Buddhism is the national religion in Thailand. The majority of people are Buddhists. Buddhism involves the teaching of honesty, morality, ethnicity, and goodness - the strength that can be applied in our changing society.
  9. Stakeholders, especially the civil society, are energetic, conscious, and interested in existing corruption problems but lack empowerment process and appropriate system to fight against corruption; for example, the private sector does not want to pay bribe but is unable to refuse.

### **2.2.2 Weaknesses in Economic, Social and Political Aspects in Corruption prevention and Suppression in Thailand**

1. At present, Thailand encounters the serious problems in morality and ethics. From the opinion survey of young people, 83 percent agreed that too much honesty was not a good thing since they could be taken advantage of. About 51 percent agreed that it was okay to corrupt if there were some societal benefits. This is the social crisis;<sup>27</sup> this

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<sup>27</sup> Office of the National Anti-Corruption Commission. 2008. **Five Year National Strategic Plan of the Office of National Anti-Corruption Commission, 2008-2012 (B.E. 2551-2555)** (in Thai): 41

shows that values and cultures in the society have an impact on public will on corruption acceptance. The thinking and the approach on corruption are incorrect in the Thai society. As stated by Witthayakorn Chiangkul, “The approach that some Thai think is that ‘even if the government is corrupt but if it is good in economic management, it is acceptable;’ this approach is wrong. Corruption cannot lead to national development, but corruption suppression is the necessary condition for national development.”<sup>28</sup> A failure of educational system is highly correlated with corruption since this involves implanted spiritual fundamentals obtained from education. If there is a good spiritual fundamental, everything will come out good.<sup>29</sup>

2. From the first weakness leading to another important weakness in fighting against corruption, there is lack of public will among the government officials and politicians since Thai politicians go into politics for more personal and crony interests than public interest.
3. The corruption remedies in Thailand are piecemeal since they do not integrate various anti-corruption institutions. Integrated corruption suppression is important because fraudulent persons do not corrupt in line with the structure of the regulatory agency. The existing corruption is widely spread and sophisticated. Therefore, in the current structure, corruption suppression must employ strong anti-corruption network<sup>30</sup> since corruption in Thailand involves a network of politicians, government officials and businessmen from the central government to the local

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<sup>28</sup> Chiangkul, Witthayakorn. 2006. **Effective Corruption Suppression Methods: A Comparison between Thailand and Other Countries**. Bangkok: Sai Than. (in Thai): 6

<sup>29</sup> Tangsupvattana, Ake and Ora-Orn Poocharoen. 2010. **Application of International Anti-Corruption Measures in Thailand** [Electronic Version]. Office of National Anti-Corruption Commission. (in Thai): 5-38

<sup>30</sup> Poocharoen, Ora-orn and Tangsupvattana, Ake. 2006. National Integrity Systems Transparency International Country Study Thailand 2006 [Electronic version]. **National Integrity Systems** Country Study 2006: 9.

governments and in some cases to some businessmen outside the country.<sup>31</sup>

4. There are the lack of continual public and civic participations and the lack of support in resources and activities in the civil society. These issues are important because the public and civic participations in fighting against corruption lead to a strong culture of public will and anti-corruption acceptance.
5. The problems of laws, rules and regulations are the red tape in administration. In addition, laws are not comprehensive and not able to enforce and contain too many loopholes, which provide opportunities for government officials to create discretion, leading to corruption at the end. Moreover, the problem of fairness in legislation also has an effect. An example is laws related to policy corruption where politicians in power pass law in their favor. In addition, enforcement is also a problem.
6. There is the lack in institutional checks and balances since the government has political power and resources. In comparison, this leads to ineffectiveness on the work of related independent organizations in regulating political corruption. On the contrary, the administration of the public sector and independent organizations is not independent enough since there are interventions by political groups and interest groups. Moreover, independent organizations that audit the use of state power have in practice no enforcement power because they encounter problems of budget management, manpower, and insufficient instruments. Furthermore, some organizations lack skills, knowledge and appropriate technology.

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<sup>31</sup> Ibid., 13.

7. Inequity in economic structure leads to inequalities in income distribution in Thailand. While the majority of the population are poor and have sufficient income only on a daily basis, they are primarily concerned with short-term interest, especially the financial aspect. The economic problem is not the only problem of the public, but there is also the problem in the bureaucratic system where government officials earn insufficient income. As a result, some may resort to corruption to supplement their income. However, this does not imply that government officials with high income will not corrupt.

### **2.3.3 Opportunities in Corruption prevention and Suppression in Thailand**

1. There are stimuli and promotions in corruption prevention and suppression at the international level including an international organization such as the United Nations Convention Against Corruption (UNCAC) and the civil society organization such as the Transparency International that provides the Corruption Perceptions Index (CPI) rankings so that there is a corruption awareness in the public. In addition, these organizations also provide technical assistance in finding acceptable anti-corruption measures.
2. The expansion in economic globalization may lead to political transparency on par with international standards, clear laws on doing business, and the trend in rejecting corruption. Moreover, in the era of border trade, governments in developing countries have measures to prosecute businessmen that conspire in corruption in the country that they invest. This pattern of administration/governance is attributable to transnational corruption.

3. International organizations, the international civil society, and international organizations related to resisting corruption including integration among governments in various countries see the importance of the working of a transnational network or international networking organizations. The cooperation will create synergy in combating corruption. In addition, the technological development among various networking organizations enables the facilitation of informational exchange leading to lower cost. At the same time, the public can access and exchange information expeditiously so they know better about corruption.
4. The anti-corruption trend at the international level has an impact on the national level. Citizens become aware of rights, liberty, and public interest and give support in combating corruption. In the Thai society, there is a silent majority ready to stand up to fight against injustice in the society.<sup>32</sup>

#### **2.2.4 Threats in Corruption prevention and Suppression in Thailand**

1. Capitalism results in business politics and widely spread corruption among multinational corporations. Although there are corruption laws to prosecute fraudulent multinational corporations, corruption is still rampant. However, at present there is no law to prosecute Thai citizens involved in fraudulent conducting in other countries.
2. While various developing countries provide suggestions on the development of good governance and anti-corruption methods, a few developing countries turn to be

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<sup>32</sup> Office of the National Anti-Corruption Commission. 2008. **Five Year National Strategic Plan of the Office of National Anti-Corruption Commission, 2008-2012 (B.E. 2551-2555)** (in Thai):95

a bad example in having bad governance. The existing corruption characteristic is called a situation where “the mouth criticizes while the eye winks.”

3. The anti-corruption network is in the process of evolving and may have problems in working hand in hand in the objective manner. Therefore, time is still needed in developing this network.
4. The citizens’ awareness in fighting against corruption in line with global trend is an issue and an existing trend in the country; nevertheless, this pattern may not really be a continual process.

### **Summary**

From the aforementioned SWOT analysis, although the Thai society has much strengths and opportunities that can be used to combat corruption, Thailand still has weaknesses and threats that obstruct corruption prevention and suppression. Corruption is deeply rooted in the social structure and is related to the complexity of politics, economy and culture, leading to a gainful investment in corruption. When comparing to possible benefits against risks, there is a strong incentive to continue corruption. Moreover, the corrupters become much stronger and cooperate more with others in a form of network.

## **3 Challenging Issues for Mechanism in Corruption prevention and Suppression in Thailand**

The study in this section focuses on the analysis of challenging issues of stakeholders and their institutional structures in corruption prevention and suppression under the framework of the national strategic plan on corruption prevention and suppression. In this section, the first part will show the essentials of the National Anti-Corruption Strategy, and the second part will analyze the challenging issues in corruption prevention and suppression of various agencies and

their related stakeholders under the context of overall corruption and the National Anti-Corruption Strategy.

### 3.1 The National Anti-Corruption Strategy

Stakeholders under the leadership of the Office of National Anti-Corruption Commission (NACC) have drawn up the National Anti-Corruption Strategy to be the integrated operational framework for all involving stakeholders. There are four main strategies as follows.

Strategy 1 Inculcation of morality and discipline

Strategy 2 Mobilization of national collective strength

Strategy 3 Strengthening and enhancing the anti-corruption component in both public and private sector organizations

Strategy 4 Enhancing anti-corruption awareness and knowledge among personnel from all sectors

To oversee the national strategies, NAAC has appointed three commissions: National Strategy Commission on Corruption prevention and Suppression in the Civil society and the Media, National Strategy Commission on Corruption prevention and Suppression in the Private Sector, and Commission on Management, Coordination and Evaluation of National Strategy on Corruption Prevention and Suppression. These commissions are the host or the main responsible agency in moving national strategies forward, establishing ad hoc committees, giving recommendations related to policies and administration, coordinating with the public sector, the private sector and the civil society, implementing in accordance with national strategies on corruption and corruption and suppression, and evaluating performance.<sup>33</sup>

In addition, the national strategic plan assigns the role of each stakeholder in moving the national strategy on corruption

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<sup>33</sup> Office of the National Anti-Corruption Commission in Cooperation with All Stakeholders. 2008. **Summary: National Strategy on Corruption prevention and Suppression.** Bangkok: Office of the National Anti-Corruption Commission. (in Thai): 5.

and suppression forward; the party for development has the following role.

The public sector and the political sector have two main roles. First, operational regulations and laws need to be adjusted and improved in the public and the political sector in order to reduce corruption opportunities among public officials. Second, opportunities should be given to citizens to participate in auditing the operations of the public sector and the political sector. Nevertheless, these latter two sectors should also play a role in creating anti-corruption awareness among citizens throughout the country through education and democracy promotion.

The media has the crucial role in understanding its rights and duties in the democratic system. It should have a sense of shared ownership and anti-corruption awareness so as to take part in vigilance and cooperation with other stakeholders in auditing public administration. This creates checks and balance among stakeholders in the society.

The private sector and private development organizations also have two major roles: the role in running transparent business in accordance with good governance and the role of auditing the work of the public sector with other stakeholders in order to protect and suppress corruption.

Thus, from the aforementioned analysis of weaknesses in corruption prevention and suppression in Section 2, after linking and prioritizing weaknesses consistent with the national strategy on corruption prevention and suppression, we can see the following. 1) There are weaknesses in values, honesty and public will. The lack of public will is consistent with national strategy 1 on creating awareness, values, morals, and discipline in all stakeholders. 2) There are weaknesses in integration of institutions and stakeholders to cooperate in corruption prevention and suppression and the lack in continual public participation; this is consistent with the national strategy 2 on being together we can protect and suppress corruption. 3) There are weaknesses in institutional checks and balances and problems in laws and regulations which are consistent with national strategy 3 on strengthening anti-corruption agencies.

4) There are weaknesses in economic aspect especially on income of citizens especially that of public officials which is related to national strategy 4 on building professional personnel for corruption prevention and suppression. These consistencies do not imply that the analysis on corruption prevention and suppression will be separate, but the scope of the analysis will also show a link between the analysis in this section and the suggestions on corruption prevention and suppression. In reality, weaknesses and all methods for corruption prevention and suppression are closely connected. After challenging issues among various agencies are presented in this section, next will be methods to protect and suppress corruption in Thailand.

### **3.2 Challenging Issues for Involving Agencies in Corruption prevention and Suppression in Thailand**

Corruption prevention and Suppression in Thailand involves agencies in various sectors such as the public sector, independent organizations related to corruption prevention and suppression, the civic society, and the private sector, and international organizations working as an interconnected network so that anti-corruption operation is as most efficient as possible. The stakeholders within the country have been given their rights and duties in the 2007 Constitution that indicates clearly their roles in corruption prevention and suppression.

#### **3.2.1 The Public Sector**

The challenging issues in the national strategic plan relating to the public sector are important issues such as the problem of political intervention in institutions and organizations e.g. the legislative branch, the senate, public servants and independent organizations. Therefore, various agencies cannot operate at their full potential; for example, the intervention in the work of legislative branch during Thaksin's administration resulted from the executive branch coming from the party with the majority in the Parliament (majority government). Thus, the

legislative branch was unable to check and balance.<sup>34</sup> There are problems of institutional structure in administration, the use of anti-corruption laws, prosecution to implement laws as efficient and effective as possible. The reasons are that influential politicians have power to make decisions more than government officials. Politicians have power to revise work specification and related laws on corruption prevention and suppression. Therefore, in practice, although other stakeholders participate in auditing operations of the public sector, they have to consider the problems of laws, rules and regulations such as the case of incorrect asset declaration of politicians to NAAC. In addition, there is the problem of influential persons; in the case of decentralization, they are running to be local politicians; thus, corruption in the local areas becomes more complex and interconnected and leads to be a network at the local level and at the national level.<sup>35</sup> As a result, the stakeholders' participation is more dangerous, and the audit of the public sector is more difficult. The next problem is the ethics and morality of persons holding political positions, politicians and government officials. In practice, there is a tradition in asking for bribes in government projects.

### 3.2.2 Independent Organizations in Constitution

According to the 2007 Constitution, independent organizations are shown to have the role in auditing the use of state power. The auditing process by the Election Commission (EC) starts when politicians enter politics. The process of using state power and the ethics of persons holding political positions and government officials are overseen and audited by the National Anti-Corruption Commission (NACC) and the State Audit Commission (SAC). However, although independent organizations are at work, they are still unable to reduce much

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<sup>34</sup> Poocharoen, Ora-orn and Tangsupvattana, Ake. 2006. National Integrity Systems Transparency International Country Study Thailand 2006 [Electronic version]. **National Integrity Systems** Country Study 2006: 17.

<sup>35</sup> Nethipo, Viengrat. 2010. Lecturer, Department of Government, Faculty of Political Science, Chulalongkorn University. **Interview**. August 6, 2010. (in Thai)

corruption by politicians and public officials. The Corruption Perceptions Index (CPI) by the Transparency International (TI) has shown that corruption in Thailand has not reduced since there are many aforementioned factors as explained in Section 2.

The challenging issue in the national strategic plan on independent organizations is the problem of bureaucratic organizational structure that lacks integrated operations. Independent organizations are known to have excessive responsibilities, but not enough authority. Therefore, officials in each organization do not work up to their potentials. For example, the major duty of NAAC is to investigate and to write opinions for judges but it has no power to prosecute. In each year, there are many petitions. Up until 2008, NAAC received 8,237 petitions and completed only 2,226 cases. There is also the legal structure problem in selecting a high level position in independent organizations; politicians can involve in legislation, a channel that the political group can intervene in the working of independent organizations. For example, the process of searching for an auditor general has a legal problem that has not been certified by the Parliament. This type of problem has occurred in the process of selecting a NAAC commission during the Thai Rak Thai Administration. Thus, independent organizations are unable to work efficiently; moreover, the role of independent organizations in auditing the operation of the public sector so as to combat corruption may not be working up to the potential; there are problems of internal operation in independent organizations and of external political power.

### **3.2.3 The Civic Society and the Media**

The civil society and the media are the sectors that play an important role in social mechanism in investigating the operation of the public sector in corruption prevention and suppression. The challenging issue is the role of the civil society and the media in practice although there are many hurdles, especially the role of watchdog and audit in the public and the private sector. The problem of investigative role of the media is due to intervention of the political group and the capital

group who are either owners or persons who can give benefits to the media, the real media bosses. An epitome is the takeover of a media company during the Thai Rak Thai administration; thus, media lacks independence in operation. The process in corruption investigation to find facts so as to create the media culture in resisting corruption in accordance with the strategic plan will not be able to perform to its full potential. In most cases, the civil society has the problem of operational rules and laws such as witness protection from persons who corrupt and lose benefit and overly high cost of complaints - lost working time, difficulties in writing petition, self revelation, and court appearance as witness.<sup>36</sup> For this reason, the role of the civil society and the media as an investigative mechanism is unable to perform to its potentials; thus, the role of check and balance of the public sector may not actually occur.

### 3.2.4 The Private Sector

In cooperation with other stakeholders, the private sector is an important mechanism that drives corruption prevention and suppression. The challenging issues in the national strategic plan related to the private sector, in practice, are limitations in running businesses such as unfair competition, especially businesses related to the public sector since rules and regulations has not been fixed or much developed. Moreover, there are problems of legal provisions and procedures and of intervention from political factions that have personal relationship with businesses in the form of corruption network, especially the business group in which relatives are politicians as well as other pressure groups. As a result, the private sector that practices good governance must presently use patience in running business. Such phenomenon creates the sense of injustice and mistrust. In auditing the operation of the public sector, the private sector encounters no different problem from the civil society and the media of operational rules and laws that give businesses confidence that they will

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<sup>36</sup> Piriya-rangsana, Sungsidh, Nualnoi Treerat, and Noppanun Wannathepsakul, 2004. **Corruption: Bureaucrat, Politician and Businessman** (in Thai): 91

not be impacted by corrupters who lose benefit, particularly the political group and the business group.

### **3.2.5 Cooperation and International Network Building among Involving Anti-Corruption Agencies**

Thailand has signed cooperation agreements and become a member of many international organizations whose role is to protect and suppress corruption such as the United Nations Convention against Corruption (UNCAC) which specifies operational framework and pattern related to anti-corruption for international and domestic agencies. However, the international organizations and international anti-corruption agencies have a lesser role than domestic institutions or organizations in fighting against corruption since the operational principle of international organizations is not to intervene or to have legal power but to give assistance and support in corruption prevention and suppression such as financial support or knowledge support and exchange experience to improve crucial technical skills in international corruption prevention and suppression. Therefore, the important anti-corruption role is an internal affair of each country in using related knowledge to adapt appropriately to the social environment of each country. Nevertheless, the anti-corruption especially under the national strategic roadmap involves an attempt to build international network or at the least to cooperate in information exchange or to choose effective measures of international organizations or domestic anti-corruption agencies; these are important opportunities in corruption prevention and suppression.

### **Summary**

Democracy in Thailand has developed for a long time; in particular, the 1997 Constitution that establishes the important basics in checking and balancing state power by the people sector or civil society, the essentials in building the true democracy in practice. At the same time, it establishes independent organizations with the sole purpose to encourage participation by the civil society and to check and balance the

state power by independent organizations that are expected to reduce corruption in the country. Although the 1997 Constitution has been annulled, the 2007 Constitution still contains this major principle which serves as the important strength in corruption prevention and suppression, explained in Section 2. Thus, at present the national strategic plan in corruption prevention and suppression has been designed to give directions and methods for agencies and stakeholders to fight against corruption. Nevertheless, in practice the national strategic roadmap to protect and suppress corruption needs integrated thinking and continual and systematic cooperation among stakeholders in line with the directional framework in national corruption prevention and suppression. Thus, NAAC must be the backbone in facilitation, regulation, and cooperation among the public sector, the private sector and the civil society<sup>37</sup> as well as independent organizations and international organizations.

## 4 Concepts and Projects in Corruption prevention and Suppression in Thailand

This section details the concepts, methods and projects in corruption prevention and suppression in Thailand. There are 6 methods: the method of propelling integrated national strategic plan on anti-corruption, the method of changing values and cultures to eliminate corruption, the method of sustainable development under the principle of the sufficiency economy, the method of building anti-corruption network at the international level and at the domestic level, the method of political and bureaucratic reform to eradicate corruption, and the method of regulation to make corruption not worthwhile. These anti-corruption methods must have comprehensive and integrated characteristics; social measures promote values and morality, educate and create awareness, and build public participation. Legal measures include legislation and strict law enforcement;

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<sup>37</sup> Commission on National Corruption prevention and Suppression in Cooperation with All Stakeholders. 2008. **Summary: National Strategy on Corruption prevention and Suppression** (in Thai): 9

economic measures have a role to intervene appropriately in the economic system and attempt not to create monopoly. Political measures must promote democratic process, decentralization and public participation.<sup>38</sup>

The anti-corruption guideline comprising six methods has been presented. In addition to the link with the national strategic plan, the guideline is consistent with the objectives of the 14<sup>th</sup> International Anti-Corruption Conference under the title, “Restoring Trust: Global Action for Transparency”.<sup>39</sup> The details of six anti-corruption methods are as follows.

#### **4.1 Road Map for National Strategy of Integrated Corruption prevention and Suppression**

As mentioned before, Thailand at present has specified the national strategic plan on corruption prevention and suppression, proposed by the Office of the National Anti-Corruption Commission, as the framework for all involving agencies to be used as an anti-corruption guideline. The Office of the National Anti-Corruption Commission is the principal responsible agency.

In Section 3, it can be seen that in order to propel the national strategic plan, the National Anti-Corruption Commission has reached the conclusion to appoint three

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<sup>38</sup> Treerat, Nualnoi. 2006. **Corruption Audit by the Civil society**. Paper prepared for the 8<sup>th</sup> annual KPI Congress on November 3-5, 2006. Bangkok: King Prajadhipok’s Institute (in Thai): 1

<sup>39</sup> The 14<sup>th</sup> International Anti-Corruption Conference (14<sup>th</sup> IACC) under the title, “Restoring Trust: Global Action for Transparency” has had the following objectives:

1. to build a strategy to overcome the effect of corruption on human security and on regulation of climate, natural resources and energy in the business world.
2. to propose a strategy to win over obstacles that affect various stakeholders.
3. to find ways to correct the problem in practice in finding anti-corruption instruments from the world level to the local level.
4. to give examples and facilitate in efficient cooperation building.
5. to integrate stakeholders and strategies as a new innovation in fighting against corruption.
6. to plan and evaluate new trends and future scenarios so as to combat against corruption.
7. to increase discussion quality at the world level by presenting experiences from the host country and countries in the region.

commissions. The objective of the two commissions is to cooperate among stakeholders including the public sector, the civil society, the media and the private sector in order to participate in an integrated corruption prevention and suppression. The other commission has the responsibility to supervise and coordinate in driving the national strategic plan between the other two commissions so as to focus seriously in the same direction in anti-corruption. In this regard, the Administration and Coordination Commission to Propel the National Anti-Corruption Strategy has hired a team of researchers from Chulalongkorn University as an advisor in survey and research in accordance with the national strategic plan and in cooperation with other commissions with the main objective to coordinate and cooperate with all commissions to propose an objective plan and to propel the specified national strategic plan.

In addition, the Office of Public Sector Anti-Corruption Commission (PACC) is an agency, under the control of the Council of Ministers, responsible for directly overseeing corruption prevention and suppression in the public sector. The assignment of operational framework under the national strategic plan is the integration of operations in various levels of agencies, especially in NACC and network building with other agencies in the public sector, in particular, the Office of the Civil Service Commission (OCSC), the Office of the Public Sector Development Commission (OPDC), government agencies, and independent organizations, operating under the umbrella of the national strategic plan; nevertheless, each agency can create its own strategies in the form called “parallel strategies.”

In this regard, to bring about mutual understanding in propelling the national strategic plan, the National Anti-Corruption Commission has established a mobile team for this purpose. In addition, in cooperation among agencies, the National Anti-Corruption Commission has sent representatives to explain the national strategic plan on corruption prevention and suppression in 20 ministries, the gesture to put importance on the operation in propelling the integrated national strategic plan.

In addition, last October, NAAC has organized a seminar to review the national strategic plan and invited all stakeholders to evaluate successes and problems of the operation of the national strategic plan in order to improve and develop the national strategic plan until the deadline of the plan announcement in the next two years (2012).

#### **4.2 Methods to Change Values and Cultures to Eradicate Corruption**

Methods and projects to change values and culture to eradicate corruption are a guideline putting emphasis on individuals in all levels of governmental agencies, the private sector, the civil society and people at large so as to change attitude toward corruption, to create society values to resisting corruption. The creation of these values needs various measures in changing values and cultures to eradicate corruption; the methods and projects are as follows.

Education and training are the methods to build societal values of no corruption at all levels of government officials, youth, and people at large. For government officials, the finished and in-progress programs are a training program for government officials to change values that currently accept corruption in the Thai society. The new government officials are the major force in creating culture not accepting and not cooperating in corruption in the public agencies (good water drives out bad water). The main responsible agency is the Office of the Civil Service Commission (OCSC), the agency directly involved in selecting and training government officials.<sup>40</sup> The administration of NACC in project operation and activities is to strengthen awareness, morality, and ethics of individuals at all levels of public agencies. NACC, agencies, and stakeholders have ongoing projects such as training/seminar to build awareness of all stakeholders and to have the code of conduct for government officials and NAAC employees. Trophies and certificates are awarded to government officials in

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<sup>40</sup> Tangsupvattana, Ake and Ora-Orn Poocharoen. 2010. **Application of International Anti-Corruption Measures in Thailand** [Electronic Version] (in Thai): 6-23.

selected ministries and manuals and training programs in basic ethics and moralities are produced by NAAC.<sup>41</sup>

For youth, the projects are started and coordinated by NAAC. The finished projects and activities with NAAC included Speech Competition Activity, Student Slogan Competition, and NAAC Youth Relationship Camp, the latter expanded to other anti-corruption projects such as the NAAC Youth Relationship Camp Class 3.<sup>42</sup> The campaign of values creation for people at large includes the production, distribution and communication through NAAC pamphlets and radio broadcast, “NACC Meets the People”, in the National Assembly Radio and Television Broadcasting Station covering 15 provinces.<sup>43</sup> Nevertheless, as the coverage is not in all areas, NAAC may have requested more cooperation from the private media in instilling values in such programs as drama, movie, music and advertisement. NAAC could promote these activities by giving awards to various media that produce creative anti-corruption programs. In addition, the broadcast of news and documentary about corruption and bribery in the society is encouraged so as to create the anti-corruption values in the society.

The installation of the code of conduct is another method to regulate the operation of the public sector in order to create clear ethical operational standards for all types of public agencies and all positions of public servants, to reduce corruption opportunities, and to give the public confidence in the administration of the public sector. Thus, the code of conduct in all public agencies has been specified in the 2007 Constitution. The NACC and ombudsmen are given authorities and duties to supervise, and the OPDC has implemented the code of conduct in all public agencies, although the operation still lacks clear code of conduct in many agencies. Clear definitions, examples, details and penalties are needed so that the controversy over which is right or wrong is at the minimum. The publicity of the code of conduct to the public may not be

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<sup>41</sup> National Anti-Corruption Commission. 2009. **Annual Audit and Operation Report B.E 2551** (in Thai): 65

<sup>42</sup> Ibid. 54.

<sup>43</sup> Ibid. 53.

good enough. Especially, public agencies ought to listen to suggestions and to be trained so as to be able to have their own codes of conduct. In addition, the operational coordination among agencies to rid redundancy is also needed. At the moment, NAAC has the main duty to advise and exemplify by having the code of conduct of NAAC so that other public agencies can learn from NAAC and create their codes of conduct under the supervision of ombudsmen.<sup>44</sup>

### 4.3 Sustainable Development Methods Following Sufficiency Economy Philosophy

Methods and projects in sustainable development following the philosophy of sufficiency economy, the royal thought of His Majesty The King and the philosophy that the King has used in more than 3,000 projects,<sup>45</sup> since 1950 (B.E. 2493) totaling more than six decades. This philosophy puts emphasis on the development of the quality of life of his subjects in remote areas in order to have sufficient living, the backbone of sufficiency economy.<sup>46</sup> After the philosophy of sufficiency economy has become known especially after the economic crisis in 1997, this concept has been a method in reviving the national economy.<sup>47</sup>

In summary, the development under the sufficiency economy philosophy bases on the middle path, prudence, sufficiency, reasonability and good immunity, and uses knowledge, morality, honesty, diligence, and sharing in order to have balance, secure and sustainable life, economy, society and environment.<sup>48</sup> The sufficiency economy concept does not emphasize competition but sufficiency on own resources by not

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<sup>44</sup> Tangsupvattana, Ake and Ora-Orn Poocharoen. 2010. **Application of International Anti-Corruption Measures in Thailand** [Electronic Version] (in Thai): 6-2-6-28

<sup>45</sup> Mookpadit, Manoon. 2547. **An Analytical Study of H.M. The King's Sufficiency Economy and Buddhism**. Thesis for Doctor of Philosophy in Buddhist Studies. Mahachulalongkornrajavidyalaya University. (in Thai)

<sup>46</sup> Yodprudtikarn, Pipat. 2007. **What is sufficiency economy?** Bangkok: Thaipat Institute. (in Thai): 19

<sup>47</sup> Viriyapan, Thongtippha, 2007, **Sufficiency Economy: Gross National Sufficiency**. Bangkok: G.P. Cyberprint. (in Thai): 11

<sup>48</sup> Buasai, Leelaporn. Editor. 2007. **Sufficiency Economy: Learning, Coordination and Extension**. Bangkok: The Thai Research Fund. (in Thai): 9

incurring additional debt. In the case of borrowing for entrepreneurship, the endeavor must base on sufficient information and knowledge to perform a reasonable loan for worthwhile investment.<sup>49</sup> The results of promoting sufficiency economy philosophy in practice are that various agencies have projects using sufficiency economy philosophy as a way of life of the people. The principal agency is the Office of the Royal Development Projects Board (RDPB) that researches on the philosophy in sufficiency economy and has projects following sufficiency economy philosophy such as the cooperation of RDPB and the Center of Sufficiency Economy, Ministry of Education, to establish nationwide sufficiency institution for youth in order to learn the philosophy of sufficiency economy.<sup>50</sup> This method is consistent with the national strategic plan especially with Strategy 1 on implanting awareness, values, morality, ethics, and discipline among stakeholders.

#### 4.4 Network Building Methods for Domestic and International Corruption prevention and Suppression

The anti-corruption network building at the domestic and international levels is the continual method evolving from the national strategic roadmap, and the analysis in Section 3 indicates that the national strategic plan puts emphasis on network building in corruption prevention and suppression. The commission appointment reflects the intention in cooperation among stakeholders or involving parties in solving the corruption problem by having NAAC as the core leader.

In the administration following the method of network building in domestic anti-corruption, the NAAC has finished many projects in network building throughout the country such as the creation of anti-corruption network involving 11,186 persons classified into the civil servant group/public employees, persons holding political positions, the public enterprise group, the private sector, the civil society and the citizen group. In

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<sup>49</sup> Royal Speech on His Majesty The King's Birthday on December 4, 1997. (in Thai)

<sup>50</sup> Office of the Royal Development Projects Board. 2010. **Research Project on Sufficiency Economy**. Accessed on August 4, 2010. <http://www.sufficiencyeconomy.org/>. (in Thai)

addition, the network has been built in NACC such as the project on provincial corruption prevention and suppression to investigate corruption more efficiently and aggressively<sup>51</sup> and to build anti-corruption network in NAAC; presently in the operational stage.

In the administration following the network building in international anti-corruption, Thailand has coordinated with international organizations in network building so as to protect and suppress corruption by NAAC as an agency responsible for anti-corruption such as organizing cooperation between NAAC and Anti-Corruption and Civil Rights Commission (ACRC) from Korea. ACRC Successful operational methods and integrity assessment methods can be applied appropriately to public organizations in Thailand by NAAC. The integrity assessment model has been used to assess public agencies in 2002 and improved continually following suggestions by ACRC; thus, 377 public agencies have been assessed.<sup>52</sup> In addition, NAAC has cooperated with Interpol Group of Experts on Corruption (IGEC), in which Thailand is a member that pushes for the International Anti-Corruption Academy with the specific goal to be a center for training and excellent learning in resisting corruption.<sup>53</sup>

#### **4.5 Methods for Political and Bureaucratic Reform to Eradicate Corruption**

As mentioned in the previous sector, a challenging problem in anti-corruption in developing countries is transparency in administration (bad governance) and lack of public participation leading to existing and pervasive corruption. Thus, in order to reduce corruption problem in the country, there are methods needed to directly solve the corruption problem as focused in the national strategic plan that proposes

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<sup>51</sup> National Anti-Corruption Commission. 2009. **Annual Audit and Operation Report B.E 2551.** (in Thai): 52, 123

<sup>52</sup> Bureau of Policy and Strategy, Office of National Anti-Corruption Commission. 2010. **Operational Results of Integrity Assessment Project on Public Agencies.** (in Thai): 1-2

<sup>53</sup> National Anti-Corruption Commission. 2009. **Annual Audit and Operation Report B.E 2551.** (in Thai): 99

measures/methods to remedy in Strategy 3 on strengthening agencies in fighting against corruption. The details mentioned in Section 3 emphasize the need for political methods and bureaucratic reform to eradicate corruption in the country.

As mentioned before, politicians and civil servants or government officials are persons able to use power and judgment, incurring increasing corruption risk since exclusive power and authority to make judgment are things that encourage corruption practices.<sup>54</sup> If there is a person with exclusive power and more opportunities to use judgment than responsibilities, this will open more opportunity to corrupt.<sup>55</sup> Thus, the methods in political and bureaucratic reforms to eradicate corruption must have measures to audit the use of power by government officials using various mechanisms such as the self-auditing mechanism in the public sector, and auditing mechanism by the civil society. The auditing mechanisms can be elaborated as follows.

The protection of conflicts of interest is a method to reduce the opportunity to corrupt, especially policy corruption, and to create public awareness and understanding related to the problem of conflicts of interest. The measure can succeed only when there is a transparent working system as well as revelation requirement of assets and income by government officials. The clear legislation on forbiddance for government officials and politicians is needed for various scenarios that may lead to corruption where NAAC is the responsible agency in giving advice and the research department of NAAC disseminates knowledge related to conflicts of interest. Each public agency must predict the situation that leads to conflicts of

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<sup>54</sup> Office of the Civil Service Commission. 2006. **Campaign and Dissemination of Values Love Honesty to Make Manual for Bureaucrats and Government Officials**. Bangkok: Ethics Promotion and Information Center, Office of the Civil Service Commission. (in Thai): 65

<sup>55</sup> Menakanist, Tweekiat. 2004. **Measures to Corruption prevention and Suppression Related to Criminal Organization and Influential Persons in Thailand**. Paper prepared for the Second National Symposium on Justice Administration on "Protection and Suppression Measures on Criminal Organizations and Influential People", September 6-7 2004 at Impact Exhibition and Convention Center, Muang Thong Thani, Pakkred, Nonthaburi. (in Thai): 3-13

interest and have regulations that may include the code of conduct.<sup>56</sup>

Presently, Thailand has legislative provisions related to aforementioned methods; the important one is the 2007 Constitution that specifies forbiddance in holding shares in a partnership or company by persons holding political office such as share holding in businesses related to newspapers, radio, television or communication, and partners or shareholders in partnerships or companies that receive concession or parties to a government contract. In addition, in the Anti-Corruption Act of 1999 under the Constitution does not forbid government officials. According to the announcement of NACC involving personal conflicts of interest and public interest; spouse and government officials out of position within two years are also prohibited. At present, NACC specifies two government positions: prime minister and ministers, and is in the studying process and gathering information so as to include another 80 government positions.<sup>57</sup>

A method in the political and bureaucratic reform is to focus on the control of public administration. At present, audit lacks clear and standardized process; most importantly, the high level government officials do not sufficiently cooperate in auditing.<sup>58</sup> The remedy must emphasize in coordinating the audit like a network and revise laws that give appropriate authority to auditors. Moreover, in the case of external control via the Parliament, courts, and independent organizations, there are problems of intervention by the government and political factions. The remedial measures must focus on the role of organizations in the civil society and the media, although there are three obstacles in public participation: public

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<sup>56</sup> Tangsupvattana, Ake and Ora-Orn Poocharoen. 2010. **Application of International Anti-Corruption Measures in Thailand** [Electronic Version]. (in Thai): 6-28.

<sup>57</sup> National Anti-Corruption Commission. 2009. **Annual Audit and Operation Report B.E 2551** (in Thai): 118-119.

<sup>58</sup> Sirisumphand, Thosaporn, et. al. 2003. **Development of System and Mechanism in Administrative Audit**. Bangkok: Chulalongkorn University Printing House: 288-289.

information access, awareness creation, and the cost of participation in auditing.<sup>59</sup>

The measure to have transparent government ought to focus on the media access of public information. The public sector should change attitude toward media, have strategic plan on using media, and provide public information so that the media have true access in order to develop its role in investigation and tracking public information, to be the mouthpiece of the public sector and citizens and to allow citizens to have access to public information. This measure can be successful when government documents must be a good quality, and easily disclosing document. In the case of confidential documents, duration in disclosing documents should be specified, and process in access of public information should not be complicated. While the media must have professional code of conduct and should not be intervened by political groups and government officials, the NACC administration should cooperate in planning with administrative agencies such as OPDC, OCSC, and organizations related to the media and in establishing public relations to coordinate with the media. This measure is an important mechanism in creating transparency and auditing the working of government agencies.<sup>60</sup> In this matter, the measure to create a network is the major part, as discussed above.

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<sup>59</sup> Treerat, Nualnoi. 2006. **Corruption Audit by the Civil society**. Paper prepared for the 8<sup>th</sup> annual KPI Congress on November 3-5, 2006. Bangkok: King Prajadhipok's Institute. (in Thai): 2.

<sup>60</sup> Tangsupvattana, Ake and Ora-Orn Poocharoen. 2010. **Application of International Anti-Corruption Measures in Thailand** [Electronic Version] (in Thai): 6-25

#### 4.6 Regulation Methods to Make Corruption Not Worthwhile

The regulation to make corruption not worthwhile includes two methods: legal method and social method.

The legal method is to regulate involving parties in implementation and revision of laws. The implementation of laws involves legal proceedings on corruption to show the public that laws are effective and no one is above the law. Moreover, there should be publicity of corruption prosecution, especially a big court cases involving politicians or high level government officials in order to deeply touch the society by “killing chicken to show monkey” and sending signals that NACC is serious; thus, anti-corruption values could be created.

In revision of laws, there should be a revision in penal provisions covering givers, receivers, and persons who show corruption intent both in the public and the private sector such as lifetime political disenfranchisement of guilty politicians involving in corruption or salary reduction and demotion of public officials as well as asset recovery from corruption and increased penalties for corrupters. For example, corrupt officials are named in a blacklist and disqualified to receive government concession or benefit sharing. Moreover, there should be the drive to enact laws or provisions involving whistleblower protection separate from the Witness Protection Act and the push to pass the new draft for Act amendment on Corruption Prevention and Suppression of the Constitution Organic Law so as to give importance in treating whistleblowers different from witnesses. In addition, technology should be used to assist in concealing whistleblowers' information. In this matter, NAAC ought to be the principal agency in cooperating with the police, the OCSC, the Witness Protection Office, and other related agencies in building mechanism to keep truly secrets of whistleblowers.<sup>61</sup>

The social methods<sup>62</sup> involve various patterns or social sanctions such as avoidance to make friends and disrespect

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<sup>61</sup> Ibid. 6-25 - 6-27.

<sup>62</sup> Kaothien, Utis. 2010. **Paper prepared for the Second Executive Seminar for Organizational Development.** June 11-13, 2010. Siam Bayview Hotel, Pattaya. (in Thai)

toward corrupters. The social collectivity involves being ears and eyes in investigation and cooperation in combating corruption by various stakeholders in the society; social recognition should be given to honest and trustworthy persons who has done good deeds - exemplary ones that citizens should follow and practice. These are consistent with Strategy 1 and 2 of the national strategic plans so as to increase more risks than benefits for corruption. These social methods can only occur when the people in the society change values and cultures and become aware of the corruption problem that leads to behaviors of not accepting, not associating, and resisting corrupters - the social sanction that makes society aware of corruption.<sup>63</sup> The measure to survey overall corruption may be used to make the public aware of corruption like the annual corruption survey of the Transparency International (TI). The NACC research department should cooperate with education institutions or private development organizations such as the Transparency Thailand in surveying and revealing results to the media. Nevertheless, the survey must be a creative one whose goal is not to find faults but to develop cooperation based on information that leads to adaptation<sup>64</sup> such as the development of increased cooperation with ACRC in having Integrity Assessment as mentioned above.

## Summary

All proposed methods in the last section are those for corruption prevention and suppression in Thailand; some are complete, and some are in progress and will continue to be in operation. These demonstrate that stakeholders in anti-corruption, especially NACC, the principal agency, realize and put much emphasis on solving corruption problems. All operational methods, consistent or different, here emphasize coordination and cooperation among stakeholders in the society, inseparably apply in practice, and focus on short-run effects and long-run effects. In particular, for Thailand today,

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<sup>63</sup> Ibid.

<sup>64</sup> Tangsupvattana, Ake and Ora-Orn Poocharoen. Ibid.: 6-22.

when the national strategic plan on corruption prevention and suppression has been specified, systematic anti-corruption using network under the national strategic roadmap is an important tool expected to be an effective corruption prevention and suppression. Moreover, these methods are consistent with the main objectives in the 14<sup>th</sup> International Anti-Corruption Conference under the title, “Restoring Trust: Global Action for Transparency.” As mentioned, methods and experiences in corruption prevention and suppression in Thailand in this report will be an informational exchange on anti-corruption with other countries in this region and in the world in the 14<sup>th</sup> International Anti-Corruption Conference.

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