



David Lyman

More prudent practice

David Lyman, Chairman & Chief Values Officer, Tilleke & Gibbins, on corruption

No country is immune to corruption. Corruption and other illicit activities thrive in Thailand today as they have throughout this nation's long history. According to Transparency International's latest survey, the level of corruption in Thailand is no worse than it is in many countries. Is it liked? No. Accepted? Yes, but as a repugnant fact of life. Why? Because most people can do little about curbing it so they learn to live with it. Is the government promoting anti-corruption? Lip service, yes. Concrete steps? Very slow, so the jury is still out. Are Thais less moral or ethical than other nationalities? No. With perhaps a few exceptions in the political arena and within the circles of the powerful, they know that corruption is reprehensible.

Thailand does not lack for anti-corruption laws. Are they enforced? Infrequently and often short of any degree of enthusiasm. Selectively, yes, but principally for lower levels with the occasional high-profile case. Why? Money politics, coalition politics, lack of political will, an age-old patronage system, personal connections, nepotism, the intervention of influential people, parliamentary and judicial leniency, an uninformed electorate, a lack of funding to pay government officials competitive wages and a lack of funding to pay for the operations of some government agencies. Police stations have to be self-funded (at least in part), as do fire houses, hospitals, clinics, schools, garbage dumps, civil service units, and many departments and agencies.

A government official wants to get promoted, so he/she may have to pay his/her superiors to get a place in line. Where does he/she get the money to feed the system and still support themselves and their families? Unless they moonlight or have family money, they have to get it from those they serve. Sad but true. Each instance may be petty – such as facilitating payments – but in the aggregate on a nationwide scale, calling it petty is a gross understatement.

Then we have the private-to-public grand corruption – the massive kickbacks from suppliers and contractors in state-funded infrastructure and procurement

projects. Monies find their way back to senior civil and military officials, and political figures and their advisors. It has been reported in the Thai press that over the past 10 years, the quantum of the average bribe has grown from 3% to 10-30% of a project's cost.

For perspective, are all officials corrupt? Absolutely not. Is the whole system of government in Thailand corrupt? No. It tends to be more prevalent in pockets (forgive the expression) of construction, infrastructure and public works, concessions, real estate, procurement, licensing and permits, utilities and illicit activities.

The good news is that the current government leadership is attempting to conduct state business in an ethical, honest and honourable manner. It has initiated a range of schemes and programmes to subvert corruption, sometimes against the interests of politicians and ensconced senior civil servants who, of course, are pushing back in order to protect their long-held turf.

Public disclosure of the personal wealth of ministers, MPs, senators and others political positions is now required by law. Transparency in government procurement is beginning to be seen more often in practice. While there are a couple of related but narrowly focused laws on contracts with state agencies, there is not yet a comprehensive statute law on the subject – most government procurement is subject principally to the regulations of the Prime Minister's Office.

The Anti-Money-Laundering Act and strict banking regulation and oversight are also having an effect on the flow of illegal monies as paper trails are left.

A growing number of both common and high profile corruption cases are being prosecuted. A former prime minister, now in self-imposed exile, has been convicted of abuse-of-power corruption and had \$1.4bn confiscated by the courts. His fortune was frozen pending claims on it by other government agencies.

There is hope the accelerating anti-corruption movement in Thailand is taking root, rather than just being symbolic, and will become accepted, prudent government and corporate engagement and practice.