

Building Public Integrity through Performance Measurement:

Thai Public Sector's Initiatives

I. Introduction

The problem of corruption has been happening for a long time in many countries in the world and the root causes are largely deep in the culture, itself. The problem of corruption is that it affects economic growth by increasing costs, lowering productivity, discouraging investment, reducing confidence in public institutions, limiting the development of small and medium-sized enterprises, weakening systems of public financial management, and undermining investments in health and education. Corruption also increases poverty because of slowing economic growth, too.

Research in Thailand ranks corruption in the public sector as the third most serious national problem, following the poor economy and cost-of-living, and closely followed by drugs. Corruption is a significant problem in Thailand, both within the private and public sectors, but it is mainly found in the intersection between business and government where demands for facilitation payments are widespread. The public view politicians as more corrupt than bureaucrats. They believe corruption is getting worse, especially among politicians. Focusing on public institutions, the police are rated as the least honest, followed by the Ministry of Interior, and Customs Department. Bribery is particularly concentrated in a few governmental sectors in charge of large financial transactions: the Land Department, Tax and Customs Department, the Transport Department, and the Police Department. However, we have made great efforts to clean up our own problem for long time.

II. How the Thai Public Sector is Fighting Against Corruption

It should be recognized that Thailand has made efforts to clean up our own nest by introducing a number of laws dealing with corruption and trying to move on to good governance and ethical standards in the public sector at the same time.

After economic crisis in 1997, Thailand provided legal actions and initiated many changes in Thailand related to corruption. However the laws per se will not solve the problem of corruption and that rigorous implementation of such laws is what counts.

a) Changing Legal Acts in Thailand

Thailand's current constitution was promulgated in 2007. Actually, the **Constitution of 1997** was also an important part of the anti-corruption legislation because it stressed greater

transparency and accountability in public administration. The present **Constitution of 2007** was also drafted after the same principles and entails provisions about the access to public information. With major improvements on creation of the access to public information, which is normally provided to citizens and the right is enjoyed without other restrictions than those related to national security and public safety. Moreover, in Chapter IV: Duties of the Thai People, section 74, paragraph 1 states that a government official, official or employee of a government agency, State agency, State enterprise or local government organization and other State official shall have a duty to act in compliance with the law in order to protect public interests, and provide convenience and services to the public according to the good public governance principle. And in Chapter V: Directive Principles of Fundamental State Policies, Part 3: National Administrative Policy, Section 77: The state shall implement the national administrative policy as follows:

(4) The State shall concentrate on the development of quality, ethics, and morals of state officials together with the improvement of their working pattern and methods to ensure effectiveness of the administration in state affairs and encourage state agencies to apply the principle of good governance.

(5) The State shall organize the working system of state agencies to ensure expeditious, effective, transparent, and accountable public services.

Not only the constitution of 2007 includes many new ways to fight corruption, but also the first Government Plan 2005 -2008 until the present Plan of 2009-2011 showing strong intentions of fighting corruption in public sector. There are two important pillars including integrity and transparency.

b) Government Policies Supporting Fighting Corruption

- **Prime Minister General Surayud Chulanont Period**

(September 2006 – November 2008)

Former Prime Minister General Surayud Chulanont, gained a reputation for being professional, incorruptible, modern, modest and apolitical during a military career spanning forty years. Government Policy stated to the National Assembly on November 3, 2006, submitted to combat corruption in Thailand in every sector. In particular, it would aim for the public sector to be more accountable and transparent. Independent checks and balances must be protected, and public participation must go beyond existing levels.

On December 8, 2006, PM Surayud announced the sustainable **National Agenda on Ethics promotion and Anti-Corruption**, which main objectives are:

1. Reducing corruption opportunity in the public sector. Stimulating transparency, honesty and disclosing misconducting in government administration.

2. Creating a new mindset. Eliminating double standards in services with driving efficiency and effectiveness, achieving people's satisfaction.

This National Agenda is intended to balance a **Compliance-based approach**, stimulating public organizations using sensitive information appropriately, avoiding conflicts of interest and rejecting bribery and corruption, and an **Integrity-based approach**, going from having an intuitive sense of honesty and truthfulness to the motivations for one's actions, through 7 strategies as follows:

Strategy 1: Building a sustainable leadership with High Ethical Organization,

Strategy 2: Renewal Paradigm Shift, Culture, and Values,

Strategy 3: Stimulating Morals, ethics, and good governance,

Strategy 4: Managing human resource systems supporting ethics promotion,

Strategy 5: Mastering management system supporting ethics promotion and good governance,

Strategy 6: Monitoring and evaluating ethics promotion,

Strategy 7: Driving ethical infrastructure.

- **Prime Minister Abhisit Vejjajiva Period**

(January 2009 – present)

Under the Government period of Prime Minister Abhisit Vejjajiva, Thailand has recently pledged publicly to combat corruption. As a matter of fact, the key driver of the government is coming from mismanagement and abuse of power; the government policy is intend to enhance the level of efficiency in the public delivery systems of the civil service; and improve good governance and ethics. In particular, combating corruption within the procurement and contracting sector, such as to improve transparency in the bidding processes and rewarding of contracts is one agenda that should be done ahead of time.

During Mr. Abhisit's period, we all know that public corruption resulted in added waste and the procurement and delivery of goods and services ill-matched for the country's needs at the expense of taxpayers. One problem is the considerable discretion wielded by customs officers in

determining the taxes or procedures required for a given case. In some cases, traders have been penalized despite the fact that they followed the recommendations made by customs officials themselves. Therefore, the PM requested that the Ministry of Finance set the process of scrapping a long-standing practice of paying special bonuses to staff for fines levied against the private sector, as the system actually encouraged distortion and contributed to corruption.

The e-Customs system has also been expanded to improve transparency and reduce the discretion of customs officials in processing cases. Standard operations, such as container inspections, will also be benchmarked with the goal of completing work within 30 minutes, rather than one or two days.

On June 2, 2010, the PM announced the **National Integrity Plan for Combating Corruption**. This Plan has the goal of not only promoting Thai people with a culture of high integrity and honesty, but also reforming the system for corruption-free delivery. By setting the target measurement of achieving Transparency International's ranking of countries with a score of 5 out of 10 by the year 2011. This plan has 3 priority targets:

1. Mastering moral inspiration to combat with anti- corruption,
2. Strengthening collaboration models of every sector to adhere to morals and honesty,
3. Empowering all employees with efficiency and effectiveness.

III. Lessons Learned with Best Practices

In Thai Public Sector, we initiate a lot of mechanisms supporting Public Integrity. We stimulated new public management and good governance to support fighting against corruption, not only Reducing Corruption through Integrity, but also Building Public Integrity through Performance measurement.

Reducing Corruption through Integrity

a) National Integrity Plan

The Parliament Subcommittee on Corruption Inspection and Good Governance Promotion anticipates the stimulation of good governance in the public sector. From the lessons of Malaysia, the Malaysian government has the same problem as Thailand with fighting corruption. Therefore, they initiated the "Malaysian Integrity Plan", which aims to create an ethical Malaysian society, and also launched the Malaysian Integrity Institute (MII) to monitor the implementation of the plan. Among its chief aspirations, is the reduction of corruption and abuses of power.

To implement this comprehensive plan, the Subcommittee has conducted numerous workshops on ethics and integrity in the public sector. These are in addition to round-table discussions including interviews with professional committees and people in the private sector. The Subcommittee has also organized National conferences like the Ethics and Integrity Forum in July – September 2010, in one of the conferences, the Prime Minister Abhisit Vejjajiva was a chairman. As a result, Subcommittee has provided lots of suggestion of ways to improve the public sector, as well as promoting transparency and integrity in the country

b) Politicians and Bureaucrats Ethics Promotion Plan

The Political Development Council, is an autonomous council under Thailand's constitution 2007 (B.E. 2550), stipulates in section 78 (7) that the state shall provide a political development plan. Besides, Article 84(4) also stipulates that the state shall promote the political strength of the people and provides the laws concerning the establishment of civil political development fund. Therefore, from the mission assigning from the constitution, the Political Development Council is driving people through designing workshops, people from different sectors also drafted action plans on how to promote ethics through politicians.

Now, the action plans is still ongoing, and should be completed by the end of 2010.

c) High Ethical Organization

The Office of the Public Sector Development Commission (OPDC) is a public organization, which is a newly established organization since the promulgation of State Administration Act on October 3, 2004. It was established to promote, enhance and push forward the continuous and concrete development of the public sector.

To promote public organizations to operate with good governance, they should be both high performance and have high ethics in their organizations. The High Performance Organization (HPO) is meaning of working with efficiency and effectiveness, achieving goals, having high standards of government officers, etc. The High Ethical Organization (HEO) adheres to a code of conduct, corruption free which stimulates people in the organization to be ready to serve public services with high honesty, morals, integrity and be eager to identify the wrong and respond to ourselves, people, and society.

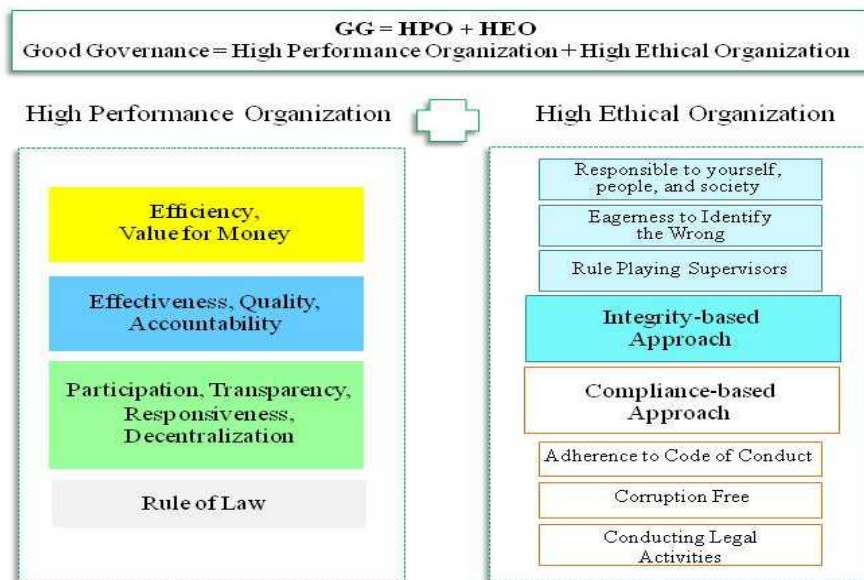


Diagram 1: Combination of HPO and HEO in Thai Public Sector

Characteristics of a High Ethical Organization is:

1. Model organization – people in the organization should know what they should do and what they should not.
2. Understanding the consequences of the actions – having a do and don't action agreement. This can represent the rules and regulations in the society; however, everything should depend on the agreement of people in the organization. For example, everyone in the organization agrees on working with no cheating, no stealing, honesty and frankness.
3. Being fair – providing services with equality. Do not discriminate customers from different parts of society.

OPDC promotes the new way of driving High Ethical Organization by:

1. Promoting people in organizations with an Integrity Based Approach. This approach can be done by creating an ethical infrastructure and by setting rules and regulations preventing corruption, fraud, bribery, etc. On the other hand, enlightening people's adherence to codes of conduct and accountability to ourselves, people and society.
2. Measuring punishment by a Compliance Based Approach. This approach can be done by promoting public organizations' codes of conduct and compliance program seriously, eager to identify the wrong

Presently, lots of public organizations initiate key performance indicators to measure this approaches tangibly.

d) Good Governance Rating (GG Rating)

OPDC ranks the public sector by good governance rating. From the 10 elements under Good Governance: effectiveness, efficiency, responsiveness, accountability, transparency, participation, de-centralization, rule of law, equity, and consensus oriented.

One element related to support combating corruption through good governance is transparency. Transparency means that all government officers should work honestly and straightforwardly. Including working with information disclosure, as a result of making people trust the government.

Presently, 2010 is the first year of rating good governance in the public sector. It will be announced by the beginning of October 2010.

e) Organization Governance (OG)

OPDC developed one mechanism called Organization Governance (OG), aiming to strengthen transparency in government with both internal and external perspectives. Key elements of the good Organization Governance principles include: honesty, trust and integrity, openness, performance orientation, responsibility and accountability, mutual respect, and commitment to the organization. The most importance practices are how directors and management develop a model of governance that aligns to the values of the corporate participants and then evaluate this model periodically for its effectiveness. Especially, senior executives should conduct themselves honestly and ethically.

There are 4 dimensions of Organization Governance (OG):

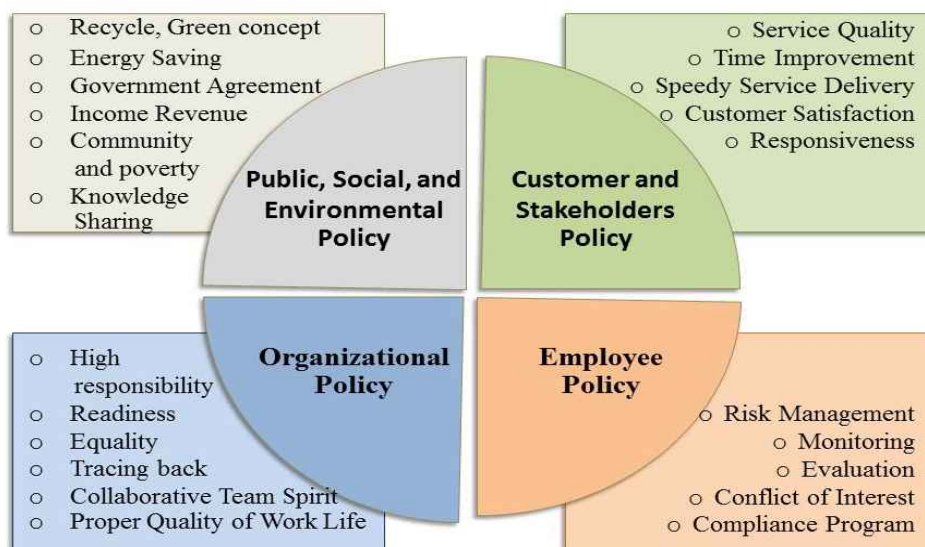


Diagram 2: Four dimensions of Organization Governance (OG)

1) **Public, Social, and Environmental Policy** – this is an external perspective, driving the organization through creating positive deliverable results. Not only supporting the government policy, but also supporting our society and environment too,

2) **Customer and Stakeholders policy** – this is an external perspective, driving the organization through improving service delivery with high integrity.

3) **Organizational Policy** – this is an internal perspective, driving the organization through improving rules and regulations supporting the government,

4) **Employee Policy** - this is an internal perspective, driving the organization through balancing power by creating people positive actions.

f) Integrity Pact (IP)

Thailand's Prime Minister Abhisit Vejjajiva attended the 40th World Economic Forum in Davos, Switzerland from January 29-31, 2010. At that time he addressed the ways to solve corruption in countries with new economies at the “Davos 2010 Anti-Corruption Private Dinner”. He discussed how Thailand is progressing in battling corruption by emphasizing the roles of private and civil society sectors with participation in the public sector. Moreover, he was sharing Thailand’s experiences in creating alliances with every sector, too.

After coming back, the Prime Minister led OPDC with other public organizations and the private sector to study new ways of contracting the process. The Integrity Pact (IP) is a Collective Action Program intended to accomplish two primary objectives:

1. Enabling private sector to avoid from bribing by providing assurances that
 - a. their competitors will also avoid from bribing, and
 - b. government procurement, privatization or licensing agencies will undertake to prevent corruption, including extortion, by their officials and to follow transparent procedures;
2. Enabling governments to reduce the high cost and the distorting impact of corruption on public procurement, privatization or licensing.

As a matter of fact, we believe that e-Procurement initiatives in the public sector are assisting the development of e-Procurement across the information economy. Therefore, it is understood that e-Procurement refers to the use of Internet-based (integrated) information and communication technologies to carry out individual or all stages of the procurement process including search, sourcing, negotiation, ordering, receipt, and post-purchase review¹. There are various forms of e-Procurement that concentrate on one or many stages of the procurement process such as e-Tendering, e-Marketplace, e-Auction, and e-Catalogue. e-Procurement can be viewed more broadly

¹ Croom, S. & Brandon-Jones, A. (2004). “E-Procurement: Key issues in e-Procurement implementation and operation in the public sector”, 13th International Purchasing & Supply Education & Research Association (IPSERA) Conference, April 4-7, Catania, Italy.

as an end-to-end solution that integrates and streamlines many procurement processes throughout the organization.

In Thailand's case, Public procurement is an important function of the Thai government². It has to satisfy requirements for goods, works, systems, and services in a timely manner. Furthermore, it has to meet the basic principles of good governance: transparency, accountability, and another important principle of governance is to achieve value for money in procurement. Presently the Thai government is using only the e-Auction; however, we are going to adapt further step implementing of the end-to-end solution, e-Procurement in the public contracting process.

Integrity Pact (IP) is one mechanism initiated to maximum transparency at every step leading to the contract and throughout its implementation, the basis for the successful design, setup and implementation of an IP. Such transparency, in turn, calls for extensive and easy public access to all the relevant information including design, justification of contracting, pre-selection and selection of consultants, bidding documents, pre-selection of contractors, bidding procedures, bid evaluation, contracting, contract implementation and supervision.

The Public Sector together with The Private Sector including The Office of the National Anti-Corruption Commission (NACC) are working together strongly supporting anti-corruption. It is planned that at the 14th International Anti-Corruption Conference (IACC), Prime Minister Abhisit Vejjajiva, representative of public sector, chairman of Chamber of Commerce, representative of Private sector, together with autonomous agency, chairman of NCCC will make a declaration on signing the Integrity Pact for improved transparency and anti-corruption in any processes of procurement.

g) Inspiring A Clean Thailand

The Office of the Civil Service Commission and the Non-Government Organization, Foundation for a Clean and Transparent Thailand: FaCT are fighting corruption and mastering honesty and transparency in Thailand. They are conducting many activities for promoting morals with high ethical standards in the public sector, for example, training programs on Vipassana Meditation, etc.

h) Anti-Corruption Networking Champion

Two parties are working together towards a transparent and accountable global governance agenda. The Office of the National Anti-Corruption Commission (NACC) an independent supervisory body provided for under the Constitution of 2007, together with The Office of the Public

² Thai, K.V. (2001). "Public Procurement Re-examined." *Journal of Public Procurement*, 1 (1): 9-50.

Sector Anti-Corruption Commission coordination (PACC) campaign on anti-corruption measures and good governance platforms by promoting people and organizations registered as being an “Anti-Corruption Networking Champion”. This mission has a compelling sense of urgency to address challenges head on. Many of the right promises have been made – the task at hand is to ensure that commitments are honored.

Anyone who challenges to be an anti-Corruption Networking Champion will be shown in an exhibition that Thailand is to host on 10-13 November, 2010, the 14th International Anti-Corruption Conference (IACC) ³.

Building Public Integrity through Performance Measurement

Every Public Organizations, including government agencies and provincials, are required to make Performance Agreements, at the beginning of the assessment period which sets out the organization's goals, objectives and targets for each year. Every organization has to prepare reports on the progress of operations according to benchmark indicators for the period of 6 months, 9 months, and 12 months, in the form of Self Assessment Report (SAR) cards, so that executives and operators of the organization can use the reports to evaluate the progress of the organization compared with targets set therein, and use as management tools to monitor and assess organizational performance which will be of use to analyze efficiency , effectiveness and continuous improvement.

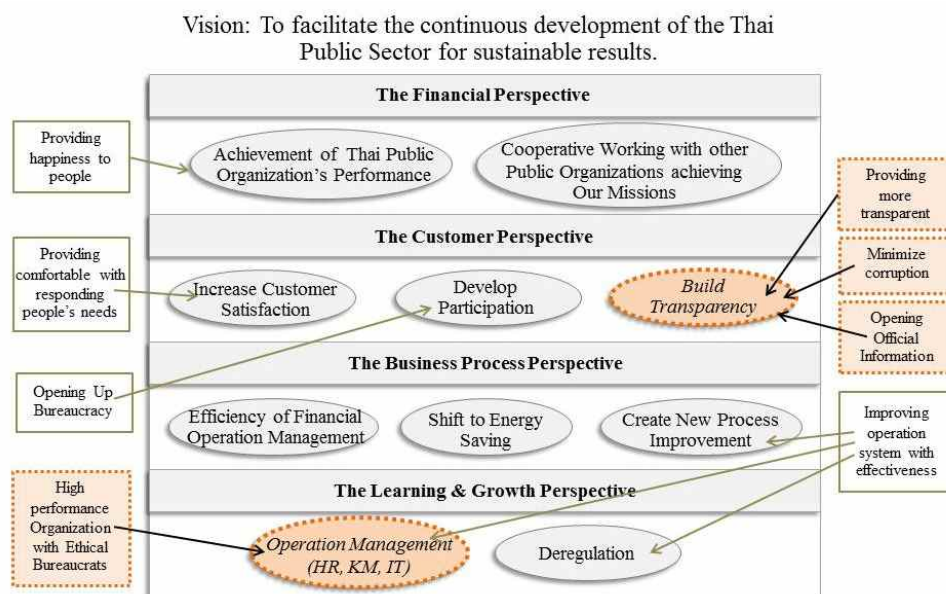


Diagram 2: Four Perspective of Balanced Scorecard building High Integrity

³ The IACC is the world premier forum that brings together heads of state, civil society, the private sector and more to tackle the increasingly sophisticated challenges posed by corruption. The IACC takes place every two years in a different region of the world, and attracts up to 1500 participants from over 135 countries. The conference serves as the premier global forum for the networking and cross-fertilization that are indispensable for effective advocacy and action, on a global and national level.

1) **Financial Perspectives:** The organizations show that reached objectives and targets are consistent with the allocated budget, in order to create happiness in people and service receivers, such as achievements in public services etc.

2) **Customer Perspectives:** The organization showed competency in operations, such as reduction in expenses, and reduction in service time etc.

3) **Internal Process Perspectives:** The organization paid attention to service receivers by rendering quality service to satisfy them.

4) **Learning and Growth Perspectives:** The organization showed competency in organizational change readiness such as development of database, knowledge management in the organization, etc.

There are two objectives that public organizations have to support building transparency and integrity in perspective II: customer, and operation management in perspective IV: learning & growth.

- Criteria on building transparency Indicator

Measuring public sector transparency requires that decisions and actions are taken openly and sufficient information is available so that other organizations and the general public can assess whether the relevant procedures are followed, consistent with the given mandate.

Key performance indicators on transparency are used to evaluate the level of success of prevention and suppression of corruption measures. In detail, public organizations have a responsibility to manage complaint issues (such as fraud actions or omission of duty, using public power improperly, disclosing public documents, etc.) which provide customer satisfaction with those complaints, too.

- Criteria on operation management Indicator (เกณฑ์การพัฒนาคุณภาพบริหารจัดการ)

While applying for the Malcolm Baldrige National Quality Award (MBNQA), the Thai public sector initiated the Public Sector Management Quality Awards (PMQA) so as to demonstrate quality and performance excellence in public organizations.

Measuring public sector effectiveness in organizations requires public organizations to perform well in public management by using PMQA, a mechanism evaluating the criteria of seven performance excellence measures:

1. **Leadership:** How executives lead the organization, and how the organization leads within the community,
2. **Strategic planning:** How public organizations establish and plan to implement strategic directions,

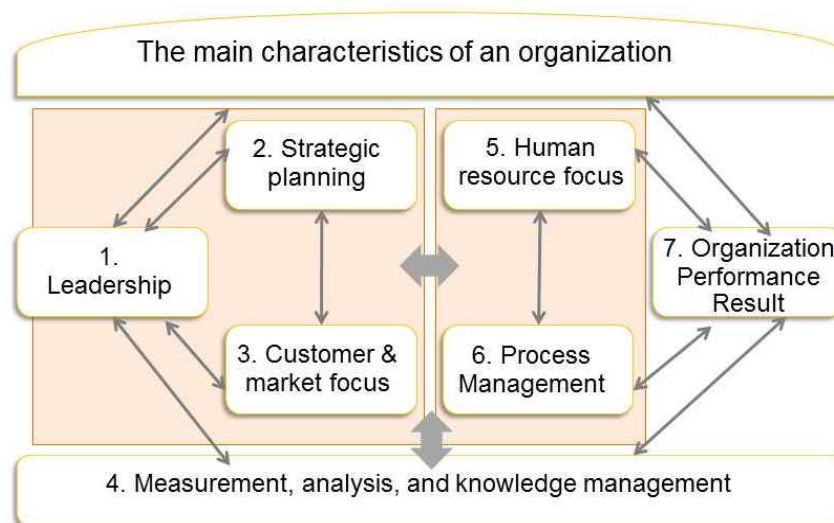


Diagram 3: 7 criteria of performance excellence under PMQA

3. **Customer and market focus:** How public organizations build and maintain strong, lasting relationships with customers,

4. **Measurement, analysis, and knowledge management:** How public organizations use data to support key processes and manage performance,

5. **Human resource focus:** How public organizations empower and involve its workforce,

6. **Process management:** How public organizations design, manage and improve key processes,

7. **Business/organizational performance results:** How public organizations perform in terms of customer satisfaction, finances, human resources, supplier and partner performance, operations, governance and social responsibility.

IV. Corruption Myths in the Thai Public Sector

Although the constitution of 2007 includes many new ways to fight corruption, the past years show that the most important thing, the political will, is missing among Thai leaders. That is why some of the improvements included in the constitution are still not implemented in the legislation. There are an impressive number of laws against corruption in Thailand but many of them are flawed or are ineffective. Therefore we are able to address corruption myths in the Thai Public Sector as follows:

1) **International Conventions**⁴: Thailand must show our sincerity in fighting graft by rushing through ratification of the United Nations Convention Against Corruption. Both private and public sectors agree that ratification is one of the key measures against corruption. It will allow

⁴ Achara Pongvutitham.(August 2010) "Thailand urged to ratify UN Convention Against Corruption." *Thailand Business News, The Nation*.,

Thailand to gain social recognition and quickly respond to its proposals. Therefore, the government should set a time frame for ratification since it has been a member for years, and shouldn't defend the delay by saying it needs to amend laws, which will take time, to facilitate the signing.

The OECD Convention on Combating Bribery puts citizens of countries that have ratified it, in the same position concerning bribery of domestic or foreign officials. This means that even though something would be legal in Thailand, it does not have to be legal for foreigners. This does not work the other way round, which means that a Thai citizen cannot be prosecuted for crimes done abroad, unless this can be achieved through local laws (where the corruption takes place), because Thailand does not have any laws that penalize corruption committed abroad.

Even though corruption needs political will, people power will be the true catalyst for change, with or without help from the top.

2) **Culture behind corruption.** Everybody is involved in corruption, not only public officers, but also politicians. Politicians can be corrupt as long as they work hard and for society. Corruption involves taking advantage of other people and betraying trust. It means taking advantage of one's powers to the detriment of all. When politicians engage in corruption they are stealing trust in the government belonging to the Thai people.

Corruption is an action, which can be controlled. One can make the decision not to be corrupt. All people want to live in societies in which they have equal chances and be judged fairly, not on how much they can afford to bribe public officials.

3) **Inequality of Society.** There are many reasons for corruption in the public sector such as the low salaries of public servants, big financial gaps between social classes, lacking transparency of governance, unstable political situations, lack of freedom of speech, and heavy bureaucracy.

If these all reasons still happen, it will make our society more unequal. The causes of corrupt practices weaken our life in society, create unfair monopolies and reward cheats. A fair and efficient economy must be fair, clean and equal.

4) **Ineffective check and balance mechanism.** In the enduring battle of civil society against corruption there is still a long way to go. We all believe that without it quick results and meaningful changes, curbing corruption will remain an uphill struggle.

One more essential mission that should be done is Political commitment, making corruption an important priority agenda. However, irrespective of the difficulties that we face and the obstacles that may lie ahead, we should not be discouraged. People who are in yearning for a more transparent and clean society should contribute and help each other for our country, as well

V. Conclusion

In conclusion, Thailand has the legal framework to effectively counter corruption. The provisions regarding the access to information entailed in the new constitution represent a positive development as well. However, Thailand generally lags behind regarding implementation of and compliance with its own legislation. The asset declaration requirements for anybody working in government and politics have so far failed to hinder conflicts of interest between politicians and officials on the one hand and business on the other. These are some of the challenges the new government will have to meet.

The lesson to be learned is that you have to do things as quickly as possible, and sometimes that means all that is required is political will. The current Prime Minister has already made his intentions clear to reduce corruption in Thailand. All Thai people are right behind him and can be counted on for support. All that needs to be done is to eliminate all of the corrupt elements in our society in the country by stepping up prosecutions. Then, by implanting integrity in each individual, we can achieve our goal of a corruption free Thailand, and finally, it can be solve all of the root causes that happened before.