

# Is it corruption?

## An Institutional Logic approach to corruption study in Thailand

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## **Declaration**

I confirm that this is my own work and the use of sources and materials have been properly and fully acknowledged.

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October 2023

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## **Abstract**

Corruption is a universal problem, and one that is extremely difficult to eradicate. In Thailand, corruption is rife, and despite various policy attempts by Thai government, there remains no solution for alleviating this issue. The aim of this thesis is to understand the meaning of corruption in Thai context and to recommend an appropriate plan that is suitable within that context.

20 unstructured interviews were conducted on Thai business owners who shared their lived experience of corruption, with an institutional logic perspective applied as the method of analysis. The findings show that there are two prevalent justifications of corruption. First, corruption get things done. Second, corruption is an act of caring. This study shows that corruption holds different meanings in different contexts, and that to solve corruption, a specific anti-corruption campaign, suitable to the aforementioned contexts, is required.

This approach helps examine the underlying principles and mechanisms through which corruption becomes normalised. In addition, it also challenges the perception that corruption is practised solely to maximise self-interest by showing that corruption, especially bribery, is not exclusively done out of pure self-interest, but also out of empathy, gratitude, and responsibility for one's well-being.

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## **Introduction.**

The complex issue of corruption has contrasting views in academic discourse. On one hand, scholars describe corruption as a deadly cancer to society; a harmful practise that leads to a social problems such as poor economic development, unfair allocation of resources, poor quality of infrastructure, and a direct obstruction to effective governance (Klitgaard, 1988; Lambsdorff, 2003). Conversely, others argue that corruption increases the efficiency of administrative systems which ultimately influences positive economic growth. Under certain circumstances, corruption can promote economic efficiency by solving unfavourable situations from existing laws, regulations, and political inflexibility (Leff, 1964; Bayley, 1966; Huntington 1968). Lui (1985), Meon and Weill (2010), and Huang (2016) suggest that corruption ‘greases the wheels’ of the economy. Some have questioned the extent to which corruption is destructive, stating that it can benefit firms’ competitiveness, help develop political ties and circumvent complex regulatory process (Zheng et al., 2015; Nguyen et al., 2016). Nevertheless, mainstream research on corruption still maintains that corruption is universally harmful.

Due to the nature of the mainstream research on corruption, many rationalists argue that corruption is an act to maximise one’s own interests and advocate for the implementation of a ‘one size fit all’ policy to address the problem. Nevertheless, the ‘one size fit all’ policy approach is proven to be ineffective as the spread of corruption continues to grow. The same goes for Thailand, a country that has been plagued with widespread level of corruption. No matter how the Thai government has tried to address the issues, it has always ended in failure. Therefore, the purpose of this study is to examine corruption in Thailand, and to make recommendations for how the Thai government can appropriately address the situation.

While much of the existing literatures present the meaning of corruption through the rationalistic approach, this research aims to fill the gaps by examining the meaning of corruption in specific contexts. Therefore, the scope and boundaries of this research lie within the perspective and experience of 20 Thai business owners who have experienced corruption when dealing with government officials through unstructured interviews. The participants have conducted business in various major sectors in Thailand, for example, manufacturing, agriculture, and export-import. By using institutional logic to uncover their perceptions towards corruption, this research aims to define what corruption truly means for these business owners, and consequently to recommend the appropriate response to counter corruption practices based on the findings.

Academically, this study can contribute to new knowledge in the field of neo-institutional theory by offering insights into the underlying cultural, social, and normative factors that shape corrupt practices within institutions. Neo-institutional theory focuses on understanding how institutions, as social structures, influence behaviour and shape organizational practices. Corruption is a complex social phenomenon influenced by various factors, including cultural norms, social expectations, and institutional structures. By examining the institutional logics at play in corrupt practices, a deeper understanding of the mechanisms that sustain corruption within specific contexts can be achieved. One contribution of studying institutional logics in corruption is the identification of dominant and competing institutional logics that shape behaviours and decision-making related to corruption. Institutions often embody multiple logics that guide actors' actions and shape their interpretations of what is acceptable and expected. By analysing the interplay of different institutional logics, the tensions, conflicts, and power dynamics that perpetuate corrupt practices or drive attempts to combat corruption can be established. Furthermore, studying institutional logics in corruption can shed light on the role of organisational and institutional



forces in shaping individual and collective behaviour. It can help identify the mechanisms through which institutions influence the attitudes, values, and beliefs of actors involved in corrupt practices. This understanding can inform strategies and initiatives aimed at promoting ethical behaviour, accountability, and transparency.

Moreover, exploring institutional logics in corruption can contribute to the development of context-specific anti-corruption measures. By recognising the underlying logics that sustain corruption within particular institutional settings, policymakers and practitioners can design interventions that address the root causes and motivations behind corrupt practices. This approach acknowledges that successful anti-corruption strategies require an understanding of the cultural and institutional dynamics at play. Incorporating the study of institutional logics into the analysis of corruption provides a valuable lens through which to understand the underlying institutional and cultural forces that shape corrupt practices. It can generate new knowledge about the complexities of corruption, inform strategies for combating corruption, and contribute to the broader field of neo-institutional theory by deepening our understanding of the relationship between institutions and corrupt behaviours.

The motivation behind this research is the perception of corruption as a hinderance to Thailand's long-term development. The question is if rational individuals also believe this, and why corruption ubiquitously exists in Thailand. Understanding the factors that contribute to the persistence of corruption requires gathering insights from those who directly engage with the system. Therefore, I set the scope of this research to include participants who are entrepreneurs primarily from the private sector. Unlike government officials who may face conflicts of interest in disclosing information about their own institutions, entrepreneurs from the private sector can provide valuable perspectives and experiences regarding corruption without such constraints. Their insights can help uncover the underlying dynamics,

motivations, and challenges related to corruption in Thailand, ultimately informing efforts to address and mitigate its detrimental impact on the country's long-term development.

In summary, the value of this research is to present a new angle and perspective on corruption, providing a better understanding of what corruption is and how can we effectively design an anti-corruption campaign that directly and correctly address the issue. Thus, the research aim and objective of this study is to understand the local meaning of corruption in Thai context and to explore how it is institutionalised.

## **Thailand as a Country**

## **An Overview of Thailand.**

Thailand, a country in Southeast Asia, has received its name as the 'Land of the Free', with 'Thai' derived from the word 'Tai' which means freedom. Additionally, Thailand has long been known as the 'Land of Smiles'. Thailand has received its nickname due to the friendly and easy-going nature of its people. Thailand is a country that is full of cultural richness. It may be because Thailand has never been colonised that Thailand is able to maintain its unique culture and traditional values. Thai history and culture also revolve around three institutions: nation, religion, and the monarchy.

Thailand has an estimated population of 69.6 million. Bangkok is the capital and largest city, with approximately 10.35 million people. Other major cities include Samut Prakan (1.29 million), Chiang Mai (1.15 million), Songkla (954,000), Nonthaburi (950,000) and Pathum Thani (901,000). Thailand has an even divide between its urban and rural populations, with a 1.43 per cent annual rate of urbanisation. The highest population density is found in and around Bangkok, but there are also significant population clusters in the north, northeast and south of the country. There is a diverse range of ethnic groups within Thailand. The largest group being ethnic Thais, who make up approximately three-quarters of the population. The next largest are Thai Chinese, at around 14 per cent; with Thai Malays comprising around 3 per cent. The remainder of the population falls into small minority groups, including hill tribes, Khmers and Mons. The Thai Malay population is concentrated in the southern border provinces with Malaysia, while the Thai Khmer population is concentrated along the Cambodian border area. The official language is Thai, which over 90 per cent of the population use daily. There are significant regional variations between Thai dialects, however, with some dialects mutually unintelligible.

## **History of Thailand.**

To achieve a comprehensive and nuanced comprehension of the concept of corruption within the Thai context, it is essential to delve deeper into the underlying factors that have significantly shaped Thai perspective on this issue. These factors are pivotal in shaping the understanding of corruption within Thai society and shed light on its intricate dynamics. Three key elements that prominently feature in the Thai perception of corruption warrant closer examination: the embrace of a patronage system within the governmental framework, the tolerance for monetary fraudulence, and the intricate shifts in power dynamics that contribute to the proliferation of corrupt practices.

Firstly, the acceptance and prevalence of a patronage system within the governmental structure of Thailand has had a profound impact on the perception of corruption. The patronage system involves the exchange of favours, resources, or privileges in return for loyalty and support. Historically deeply rooted, this system has fostered a culture where personal connections and relationships hold significant sway over bureaucratic processes and decision-making. Consequently, the intertwining of personal relationships with official duties can blur the lines between legitimate actions and corrupt practices, thus influencing the way corruption is perceived and justified within the Thai context.

Secondly, the tolerance for monetary fraudulence underscores another critical facet of the Thai perception of corruption. Instances of financial deception and embezzlement have, to some extent, been normalized within certain spheres of Thai society. This normalization can be attributed, in part, to cultural and historical factors, as well as the intricate interplay of power dynamics. The willingness to overlook or justify such fraudulent activities can stem from a combination of factors, including socioeconomic disparities, limited avenues for social mobility, and a sense of resignation among certain segments of the population. As a result, the

acceptance of monetary fraudulence has contributed to a distinctive outlook on corrupt practices within the Thai context.

Lastly, the shifting power dynamics that underlie corrupt practices provide a crucial lens through which to analyse the Thai perception of corruption. Power structures within Thai society have evolved over time, and corruption has been both a cause and consequence of these changes. As power dynamics fluctuate, opportunities for corrupt practices can emerge, creating a cyclical relationship between corrupt behaviour and shifts in authority. Understanding these complex power dynamics is imperative for comprehending how corruption is perceived and rationalized within Thai society.

A comprehensive understanding of corruption from the Thai perspective necessitates a thorough examination of the foundational factors that have shaped the Thai perception of this phenomenon. The embrace of a patronage system, the tolerance for monetary fraudulence, and the intricate shifts in power dynamics collectively contribute to a distinctive outlook on corruption within Thai society. By considering the historical context, readers can gain deeper insights into the complexities of corruption as it is understood and contextualized in Thailand.

### **Early Years.**

Not much is known of the Thais during their early period. Most historians believe that Thais began migrating from southern China during the first millennium. At first, they formed several city-states in the northern part of present-day Thailand, in places like Chiang Saen, Chiang Rai and Chiang Mai, but these communities were never strong enough to exert much influence outside the immediate region. Gradually the Thais migrated further south to the broad and fertile Central Plains and expanded their dominance over nearly the entire Indochina Peninsula. (Pittayaporn, 2014)

### **Sukhothai Period (1238-1438).**

The first Thai kingdom to assert dominance over what is now Thailand was established in present-day Sukhothai province in the early 13<sup>th</sup> century, marking the start of the Sukhothai period. The Sukhothai Kingdom was founded by two Thai governors, Khun Bang Klang Hao (Sri Inthrahit) and Khun Pha Muang, who rebelled against the Angkorian Khmers and gave independence to the Thai principalities in the region.

After the death of Khun Pha Muang around 1279, King Ramkhamhaeng, the third son of Sri Inthrahit, ascended to the throne. Widely credited for inventing the Thai script and for fostering trade and stronger relationship with contemporary Yuan China, Sukhothai entered a golden age under Ramkhamhaeng.

The reign of King Ramkhamhaeng marks the establishment and acceptance of the Thai patronage system, where tit-for-tat rewards for fealty became the hallmark of the Kingdom's "Phor Phok Krong Luk (Father rules Children)," or "paternalism" regal administration (Chaloemtiarana, 2007). An administrative system where the dominant authority figure acted as a patriarch or matriarch and treated employees and partners as though they were members of their large and extended family, paternalism expected trust, loyalty, and obedience from their members in return for the familial treatment they receive. During the Sukhothai era, the king represented the "father" while the citizens represented the "children". The king provided food and necessities to his subjects, who in turn remained loyal and obedient to the king.

Although the Sukhothai Kingdom's independence would be lost to another kingdom less than a century after the reign of King Ramkhamhaeng, the administrative developments during his rule were instilled in Thai culture; every favour must be reciprocated, even acts of government.

### **Ayutthaya Period (1351-1767).**

The second Thai kingdom that rose to dominance was the Ayutthaya Kingdom. Founded by King U-Thong in 1350, Ayutthaya became very powerful in the 14<sup>th</sup> and 15<sup>th</sup> centuries, taking over various cities such as U-Thong, Lopburi, and Sukhothai itself.

As the Kingdom expanded, the paternalistic administrative system was replaced with an administrative system resembling feudalism, Sakdina (Field Prestige) (Baker and Phongpaichit, 2017). The creation of the Sakdina system led to the formal institutionalisation of the patronage system, with society becoming very hierarchical. There were three classes of people, with the king at the top, bureaucrats and nobles in the middle, and commoners and slaves at the bottom of social scale. The key figure in this change in administration was King Borommatrailokkanat, who in addition to establishing the Sakdina system, implemented the “Chatusadom” administrative system. The system vested power in a bureaucracy within four ministries: Viang (the interior), Wang (the palace), Klang (the treasury) and Na (agriculture), with the King himself at the centre of power. (Muksong, 2022)

By the early 16<sup>th</sup> century, Europeans began to enter the Kingdom of Ayutthaya which resulted in a flourishing in trade, with the Portuguese also establishing their first embassy in 1511. Spain was the next European nation to arrive in Ayutthaya in the late 1500s, and by the turn of the century, the kingdom saw the arrival of the Dutch, the British and the French. This influx of Western trade and influence peaked under the reign of King Narai (1656-1688), under whom Western influence was not limited to trade, but the governance of the Kingdom itself. The Greek adventurer Constantine Phaulkon played an important political role, and was made Lord Treasurer, and later Lord Chancellor, during the latter part of Narai’s reign. Allegedly a favourite of the King, Phaulkon’s appointment, initially as Lord Treasurer, is a prime example of cronyism in the Ayutthaya court. The appointment was also a direct result of the Kingdom’s reliance on monetary gains made from trade, particularly with the French. Despite increased



cooperation with foreign nations, and several embassies being exchanged between the Kingdoms of Ayutthaya and France, Narai was overthrown in a palace coup by one of his ministers, Phetracha.

Baker and Pongpaichit (2017) state that infighting within Phetracha's dynasty, the Ban Phlu Luang Dynasty, would have greatly weakened Ayutthaya's power in the region, leading to the Kingdom being conquered by the Burmese Konbuang Dynasty less than a century after its foundation.

Borommatrailokkanat's Chatusadom and Sakdina's systems allowed kings to rule in an almost absolutist manner and cement their status as the central power broker within the bureaucratic structure of Thailand, while King Narai's reign marks how monetary fraud and cronyism became the norm of Thai court administration. Both foreshadowed the important role trade, and the bureaucracy would both play in modern Thai society.

### **Thonburi Period (1767-1782).**

After the fall of Ayutthaya, Phraya Taksin, a Thai general of Chinese heritage, assembled an army of Thai patriots to liberate the country. He successfully expelled the Burmese troops and built a new capital along the Chao Phraya River, named Thonburi (present-day part of Bangkok), establishing it as the third Thai kingdom. The Thonburi period is the shortest period in the history of the Thai kingdoms. King Taksin reigned peacefully for over 15 years and extended diplomatic relationships with many countries, including his ancestral home, China. Preferential treatment was given to Chinese merchants. This, combined with Taksin taking vast sums in the form of loans from China, alienated the Thai nobility. The Kingdom of Thonburi ceased to exist in 1782 with discontented nobles, led by Phraya Chakri, overthrowing the King, declaring him insane in the process. Despite these allegations, King

Taksin's achievements in recovering the Thai nation's independence ensured that modern Thai historians to remember him fondly, with many referring to him as "the Great".

### **Early Rattanakosin Period (1782-1932).**

After the coup in 1782, Phraya Chakri became the first king of the Chakri Dynasty which marked the beginning of the Kingdom of Rattanakosin, the fourth Thai kingdom, and the Rattanakosin period. Phraya Chakri, or Rama I, ruled from 1782 to 1809. His first action as King was to relocate the royal capital across the river from Thonburi to Bangkok and build the Grand Palace, which served as the royal residence of the Chakri Kings.

By the reign of Rama I's grandson, Chetsadabodin, or Rama III (1824-1851), relations with western nations and trade with China's Qing Dynasty were reopened. Rama III was known to have greatly benefitted from this renewed trade according to the Thai Treasury Department (2018), and his personal coffers were filled with currency from around the world. The King filled red purses with these coins and placed them at adjacent to his bed chamber; this personal fund aptly became known as "red purse money" and the "bedside treasury." Although the King's gains through trade may be viewed as an abuse of power, given that he used his official capacity to make personal gains, the amassed wealth would ultimately benefit the Kingdom.

In the subsequent reigns of his brother King Mongkut, Rama IV, (1851-1868) known in the West as the titular character of "The King and I", and Mongkut's son Chulalongkorn, Rama V, (1868-1910) the "red purse money" was stored away with little interest placed on it. The Franco-Siamese War, however, drew the wrath of France, who emerged victorious after the short conflict. The French demanded 3 million Francs in reparations, an amount which the Treasury could not collect taxes in time. King Chulalongkorn decided that the precious metals and coins in Rama III's "bedside treasury" could be used to subsidise the payment to France,

and the Rattanakosin Kingdom's independence was seen to have been saved by the thriftiness of its third king.

Realising that his Kingdom could not be saved only by paying off Western powers with his ancestors' wealth, Rama V implemented public welfare and administrative reforms. The King organised public health districts and replaced the Kingdom's Chatusadom system with an area-based system, with the Kingdom divided into regions, provinces and sub provinces. This system of division is still in use in Thailand today. The armed forces of the Kingdom were also reformed, with a professional Western-style military replacing the feudal levies of the past. However, with these reforms, Chulalongkorn had effectively transferred power from the absolutist Chatusadom system with the King at the centre, to one in which power was shared with an established bureaucracy of civilians and army officers, the latter of whom would shape the course of Thai history during the 20<sup>th</sup> century and beyond.

### **From Absolute Monarchy to a Flawed Constitutional Monarchy (1932-1957).**

By the reign of Prajadhipok (Rama VII), the second of Chulalongkorn's sons to rule, Thai society has been widely exposed to Western ideologies (Mead, 2004). A rising class of intellectuals consisting of academics and military officers who were trained in European academies were aspiring to replicate Western modernisation. With the firepower of the armed forces on their side, the intellectuals, now styling themselves as Khana Ratsadon (The Citizen's Party), seized power from Rama VII in a bloodless coup in the early hours of 24 June 1932, ending more the seven centuries of monarchical rule over Thailand. Stowe (1991) noted that the King, a graduate of Eton College, had previously attempted to draft a constitution, but was advised that his Kingdom and its people were not ready for democratic rule in the style of Britain, with the all-important factor of popular readiness for such a system being tepid at best, even amongst the Khana Ratsadon themselves. A constitution was, however, finally bestowed

onto the Kingdom on 10 December 1932. Many conservative scholars would argue that the assessment of the King's advisors may be correct, as within months, the academia and military elements of the Khana Ratsadon would come into conflict with each other resulting in the unelected governments and military dictatorships of Phraya Phahonphonphayuhasena and Field Marshal Plaek Phibunsongkhram, widely known in the West as Phibun. The Siamese Revolution of 1932 did not create a modern, democratic state that was envisioned by its organisers. The power of the state, along with it the power to corrupt, was simply shifted from royal absolutism to military absolutism.

Phibun's rule over Thailand would be marked by his approach to nationalism which bordered on fascism. He enforced dress codes, speech codes and ethics codes on Thai citizens, and discouraged traditional practices, denouncing them as being backwards. The Chinese community in Thailand were particularly harshly treated, with the Chinese languages, worships and even names being outlawed by Phibun's regime. The Field Marshal's first regime lasted from 1938 to 1944, when his gamble of siding with Imperial Japan during the Second World War failed. Despite the Axis defeat, Phibun would return to power in 1948, as his heavy-handed rule was preferable than an unstable regime susceptible to leftist ideologies that were gaining momentum in Southeast Asia. Thailand's situation at this point was dangerous, particularly with a young king who was recently installed after the mysterious death of his brother. Phibun thought his position was secure, and sought to mould Thailand into a more democratic system by accepting left-wing ideologies into the Thai political system. This proved to be his undoing, and Phibun was overthrown by his lieutenant for the same reason he was reinstated in the first place. The power dynamic of Thai politics was again shifted. The legacy of the Khana Ratsadon no longer existed, being replaced by a system whose loyalty laid elsewhere.

### **The Military-Palace Complex (1957-present).**

The lieutenant in question was Field Marshal Sarit Thanarat. He was not trusted by Phibun (Jeamteerasakul, 2010), and his appointment was solely a result of the influence he held over the army as its commander-in-chief. Unlike Phibun or his predecessors, Sarit had no connections to the 1932 Revolution, and was not concerned about ideals such as democracy or modernity. After his rise to the premiership, Sarit reversed Phibun's position on left-wing acceptance and launched a crackdown on left-wing elements within Thailand. Most importantly, Sarit abandoned the army hierarchy held in place since 1932 and appointed only those closest to him for commanding positions. This marked the return of the patronage system in Thai society, where Sarit would appoint his own people into positions of power, essentially positions of corrupt wealth, in return for their loyalty and confidence, as evident in the appointment of his deputies and eventual successors: Field Marshal Thanom Kittikachorn and Field Marshal Praphas Charusathien. The political and power structure under the Khana Ratsadon dictatorships were fully dismantled and was replaced with Sarit's own structure. He was able to do this due to one reason: Sarit legitimised his actions as a return of power to the monarchy, which had been removed by the Khana Ratsadon. According to Chaloeontiarana (2007) Sarit portrayed himself, and the King, Bhumibol Adulyadej (Rama IX), who had been reigning since 1946, as the central figures in a new era of Sukhothai paternalism. With royalty being seen as semi-divine by a vast majority of the Thai population, Sarit nominally re-established the King's absolutist rule with himself ruling in the King's name, and directly crediting the King for various actions undertaken by his government. The power dynamic in Thai politics was hybridised by Sarit. It was a mixture of Sukhothai paternalism with the King as a father figure over his subjects, and of the Ayutthaya Chatusadom system, with Sarit controlling the awarding of a political version of Sakdina field prestige.

Sarit's overhaul of Thai governance resulted in cronyism becoming commonplace within Thailand's government. Officials would appoint family and friends into positions in hope of receiving returning favours. Sarit himself would embezzle fortunes from the national coffers, which was later revealed after legal altercations between his various wives and mistresses after his death in 1963. Corruption and fraud not only became normalised under his rule but was even encouraged under the paternalism system he re-established, a trend which would continue under his handpicked successor, Field Marshal Thanom Kittikachorn.

By the early 1970's, Thanom's grip on power had been enhanced by the establishment of his own inner circle, which consisted of his deputy Field Marshal Praphas Charusathien, and his son Colonel Narong Kittikachorn, who was also Praphas' son-in-law. Collectively, the three became known as the "Three Tyrants." His control over the public was becoming unstable, however, with an increasing number of Thais receiving higher education and becoming politically engaged. This emerging class was becoming a ticking time bomb for Thanom, and finally exploded in October 1973. On 6 October, students gathered in university campuses around the country, demanding the government's resignation. In response, Thanom ordered a violent crackdown on the students, who in turn, marched on the palace to seek the King's counsel on 13 October 1973. By the morning of the next day the government ordered troops to fire at the crowd, resulting in 77 deaths, but by nightfall the King has answered the students' call, demanding Thanom's government to resign in a televised address. 1973 marked the year Sarit's hybrid regime shifted; there was no change in how power was still shared between the military commanders and the monarch, but the balance of power has shifted towards the King. King Bhumibol was no longer a neutral father figure in the paternalism system, but rather an active mediator between all factions in the Thai patronage system.

From 1973 to 1997, Thailand's political landscape lurch back and forth between military dictatorships and flawed electoral democracy. There were periods of electoral

freedom, namely 1975-76, but for most of this period, the governance of Thailand revolved around consensus building between rival political factions: the military, the bureaucracy, and big businesses, with the King playing a balancing act between the different groups. Prime Ministers were often royally appointed by the King as opposed to being elected, to establish common ground between each group, such as during Anand Panyarachun's tenure following Suchinda Kraprayoon's attempt to win the premiership and the resulting Bloody May Massacre. Furthermore, military commanders were the true leaders of the country on some occasions, such as the military rules of Admiral Sangad Chaloryu and General Sunthorn Kongsompong. Although the monarchy has limited formal power, it was highly influential over Thai politics, the military, and the legal system.

In 1997, the Asian Financial Crisis drained the Thai economy, prompting the International Monetary Fund to seek political reforms in Thailand before any possible bailouts. With these reforms, political power was transferred from bureaucracy-driven paternalism system to a business-driven political class. The reforms, and the dire state of the Thai economy contributed to the 2001 landslide election of populist Prime Minister Thaksin Shinawatra. Thaksin implemented welfare policies and gained a large, loyal voter base, and was re-elected in 2005 by a larger margin. Although popular with Thailand's working-class for his social programmes, opponents criticised his perceived authoritarian style, the increase in human rights abuses and corruption, and – according to some detractors – his disrespect for the monarchy. This criticism resulted in mass protests against his premiership, which cumulated in the military removing Thaksin from power in a bloodless coup in September 2006. Since the coup in 2006, contemporary Thai politics has been characterised by divisions between supporters ('red-shirts') and opponents ('yellow-shirts') of Thaksin Shinawatra. The coup was portrayed as a return to the "proper way" of governance i.e., the pre-1997 consensus building process as opposed to the electoral process initiated in the 1997 Constitution. Despite this and

a newly written constitution, Thaksin's party won the next general election in December 2007 (Thaksin himself went into exile after the 2006 coup and remains abroad), with some blaming the royally appointed Prime Minister Surayud Chulanont for his lukewarm attempt in thwarting a pro-Thaksin victory. Political polarisation between Thaksin supporters and opponents led to protracted protests, deadly clashes, and political paralysis in the years follow.

By December 2008, the anti-Thaksin judiciary succeeded in dissolving the ruling party for violating the 2007 Constitution, which was drafted to replace the more liberal 1997 Constitution. Thereupon, senior officers in the armed forces, together with representatives from the King's Privy Council, helped cobble together an anti-Thaksin coalition to govern. The new Democrat Party-led government acquiesced to and was closely backed by the military leadership. The army violently suppressed pro-Thaksin ("Red Shirts") demonstrations against the Democrat Party-led government in 2009 and 2010. However, a new pro-Thaksin political party, Puea Thai, led by Thaksin's sister Yingluck, still managed to win a landslide victory in the 2011 election. Yet, her attempt to change the constitution and pass an amnesty bill for Thaksin energised new anti-Thaksin urban protests in 2013. The judiciary forced Yingluck from office in early May 2014. By May 22, the military ousted the caretaker government in yet another coup, after elections were boycotted by opposition parties.

The coup established the National Council for Peace and Order (NCPO) headed by General Prayut Chan-ocha. The NCPO drafted the 2017 Constitution with the same purpose as the drafting of the 2007 Constitution, to re-establish "proper way" of governance, and to prevent populist parties, be it Thaksin or others, from being elected. The NCPO remained in power for five years before being formally dissolved on 17 July 2019. However, in the nominal return to civilian rule following the 2019 election, the ex-junta had transformed into a political party, Palang Pracharat, allowing Prayut and other ex-NCPO figures to remain in power, deepening the polarisation in Thai politics and society. The 2014 coup had succeeded in what



the 2006 coup failed to accomplish; Thailand's patronage system is now back under the paternalist system, and not in the hands of elected politicians.

### **Thai Economy Background.**

Thailand has experienced rapid economic and social development in recent decades. The World Bank has classified Thailand as an upper-middle income economy since 2011, recognising its achievements in increasing Gross National Income per capita, significantly reducing poverty (from 67 per cent in 1986 to 7.8 per cent in 2017, as measured by the upper-middle income class poverty line of USD5.50 per day), and withstanding the 2008 Global Financial Crisis.

Thailand has the second largest economy in Southeast Asia, behind only Indonesia. The major economic sectors are tourism and services, manufacturing, and agriculture. In 2018, Thailand has welcomed 38.2 million tourists into the country which contributed about approximately 20 per cent of the total GDP. The country's main industries are electronics, steel, and automotive, with Thailand being a regional assembly hub for many international car brands. Electrical components and appliances, computers, cement production, furniture and plastic products are also important sectors. The textile sector has declined in importance but remains significant. Although agriculture's contribution to GDP is declining (8.7 per cent in 2018), it continues to employ around one-third of the labour force. Despite Thailand's considerable economic achievements, there are several points of vulnerability. Ongoing bilateral trade disputes between the United States and China have affected overall trade levels, including those flowing through regional supply chains. The political uncertainty from ongoing military influence in recent elections continues to dampen business confidence. Despite rapid progress in economic and social development, the problem of income inequality has intensified. According to the Swiss Bank Credit Suisse, in 2018, Thailand became the most

unequal country in the world, with the richest 1% of Thais owning 66.9% of the country's wealth. Thailand has deep-rooted structural problems around human capital and competition, and many observers have called for reform to the education system to address the workforce skills deficit. The economy's dependence on tourism means that any dip in tourist numbers represents economic vulnerability. Border closures and lockdowns associated with the COVID-19 Pandemic have decimated Thailand's tourism sector. Thailand's economy is acutely vulnerable to the effects of COVID-19, given its reliance on external markets and tourism (the latter accounting for over 20 per cent of Thailand's GDP in normal times). COVID-related restrictions and reduced global demand have negatively impacted the country's main economic growth drivers, and the IMF has forecast that Thailand's economy may contract by 6.7 per cent in 2020, the worst of any of its ASEAN peers. Special stimulus measures in response to the COVID-19 Pandemic, which were introduced in April 2020, provided financial support to individuals and businesses, along with additional support for temporary and contract workers and the self-employed, went some way to combatting the economic effects of the Pandemic.

The history of Thailand's economic development as an export-oriented economy, being a major manufacturing base for industrial goods centred around several conglomerate clans, and the ensuing inequality, may raise the question of how Thailand reached its current state of development despite the rampant corruption that echoes throughout its economic history. An assessment of the Thai cultural views, family values and social hierarchy, and how a system of paternalism takes root in Thai society may present an alternative view. Perhaps, that the success story of Thai economic development was because of corruption – not despite it.

## **An Overview of Thai Culture.**

Thai culture evolves largely around Buddhism and respect for seniority, be it age, status, or wealth, and this shapes cultural norms. The influence of Buddhism on everyday life and the development of cultural traits and normative expectations inherited from several generations should also not be dismissed. The influence of Buddhism also contributed greatly for how Thais view the world (Hughes et al.,2008). The influence of Buddhism on cultural life in Thailand is reflected through showing respect to monks, regardless of whether they are young or old. Nonetheless, seniority has different forms, and is observable through the practice of younger people respecting elders, the poor looking up to the rich, or ordinary citizens looking up to politicians and high-ranking public personnel.

Some Thais put much emphasis on traditional culture, and this influences beliefs in their own traditional values. For example, Thais are reluctant to change their way of living because of traditional values; younger people are taught to follow the example of older people. The typical Thai family functions as a hierarchy with the parents at the top. To Thais, hierarchy is an important aspect of social life, with Thai traditional culture is passed on from generation to generation. From childhood, Thais are taught appropriate behaviours when dealing with hierarchies. The Thai concept of “thi sung thi thum” (high level and low level) is considered important in Thailand for the way Thais interact (Komin, 1990). For example, children are educated to respect their parents and to appreciate and thank them for the time and money spent in support of their education.

In addition, there are clear distinctions between people based on characteristics such as age, gender, and level of education. These are important in the Thai social system as hierarchical markers and divisions (Komin, 1991; 1995). This symbolism of social respect is illustrated through the greeting gesture, where one places the hands together as if praying,

known as 'wai'. The younger Thais will always have to 'wai' the older Thais as a way of showing respect.

### **The Role of Family in Thailand.**

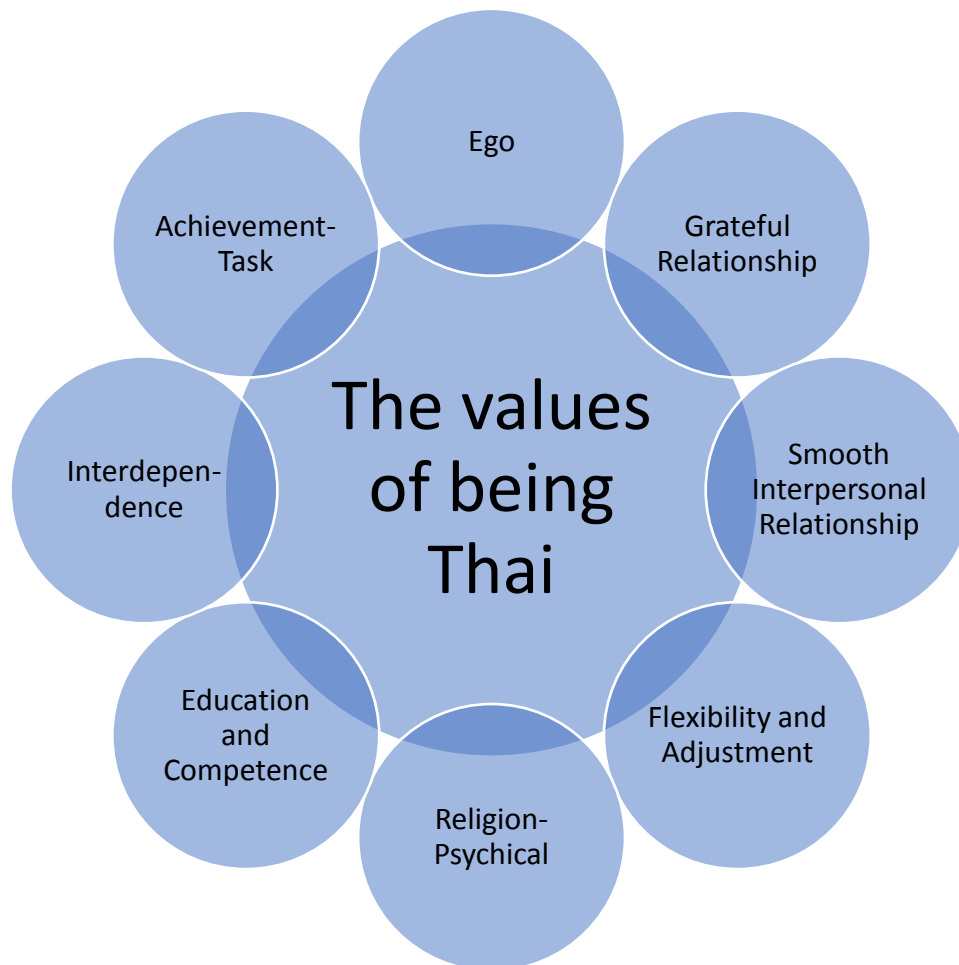
Thais place great emphasis on family values, and this is a recognisable feature of life in Thailand. Large Thai families typically live closely together, in some cases, under the same roof with extended family that may include their parents and grandparents, as well as aunts and uncles. In addition, it is common for Thais to live in the home of their parents until they are married, and some newlyweds may continue to live with their families until they have children of their own. Traditionally, elder family members hold positions of honour and respect within the family, therefore, Thais learned to show respect to seniors at the very young age. It is also an obligation for family members to help each other in every aspect of life, such as providing finances and food, everyday chores, and raising children. For Thais, the bond within the family is more important than a job. In many situations, Thais will prioritise helping their parents, even if it will negatively impact their jobs. This value also applies to extended family members as well as close friends.

### **Thai Social Hierarchy.**

Hierarchy is crucial to social life in Thai society. Thais are taught appropriate behaviour to deal with hierarchies, of which the recognition of 'thi sung thi tum' (high level and low level) is considered the most important (Komin, 1990). In recognition of these hierarchies, Thais place great emphasis on manners, language and respectful attitudes towards family members. These symbolic practices are influenced by Buddhist beliefs and teachings about Karma and the recognition of how actions affect the afterlife through 'boon' (merit) and 'barb' (sins). Thais generally believe that an individual's position in the hierarchy

is determined by the sum of his/her karma from the past. Consequently, families can also influence the behaviours of individuals to a large extent (Sungsri, 1992). Thais usually follow this traditional cultural pattern (social hierarchy) in all spheres of life. Moreover, traditionally, most Thais are not inclined to change their life, or or create new knowledge, with the social hierarchy having deep cultural control over them. For example, in business, young Thais may choose to obey and follow older Thais' way of thinking.

## The Values of Being Thai.



In Thai culture, being Thai is associated with a set of cultural values and beliefs that are deeply ingrained in Thai society. These values shape the behaviour, attitudes, and interactions of the Thai people and contribute to their unique identity and sense of community. While individuals may express these values differently, some common values associated with being Thai often include respect and politeness. Thai culture places a strong emphasis on respect and politeness. Thais show respect to elders, parents, teachers, and those in positions of authority. Politeness is demonstrated with respectful language and gestures, such as the wai. Thais generally value harmony and prefer to avoid direct confrontation or conflict. They strive to maintain peaceful relationships and resolve disputes through compromise and negotiation. Additionally, Thais are known for their warm hospitality and generosity towards guests. They

often go out of their way to make visitors feel welcome and comfortable. In terms of family, Thai society is collectivist, emphasizing strong family ties and a sense of community. Family is considered the cornerstone of Thai life, and individuals often prioritize the needs and well-being of their family members over their own. In terms of religion, Buddhism is the predominant religion in Thailand, and its teachings heavily influence Thai values and way of life. Buddhism promotes concepts such as compassion, humility, and the pursuit of inner peace. Collectively, Thais have deep respect and loyalty towards their monarchy. The Thai royal family is highly revered, and any criticism of the monarchy is considered by many to be a grave offense.

The most well-known research on Thai values was conducted by Dr. Suntaree Komin (1990). Even though her research was published over three decades ago, the values are still applicable in the present. Considering her research, the characterisation of Thai culture did not imply that every Thai person has all characteristic dimensions arranged in the same order of importance. Instead, it is to show the common characteristic and values of being Thai. The nine Thai values are listed as follows: Ego Orientation, Grateful Relationship Orientation, Smooth Interpersonal Relationship Orientation, Flexibility and Adjustment Orientation, Religion-Psychical Orientation, Education and Competence Orientation, Interdependence Orientation, and Achievement-Task Orientation

### **Ego Orientation.**

Thais are first and foremost ego oriented, characterised by being one true self (pen tua khong tua eng), and have very high self-esteem. Thais have a deep sense of independence, pride, and dignity. Thais cannot tolerate any violation of their ego as they can be easily provoked to strong emotional reactions if they, or a family member, is insulted. In other words, it comes down to the question of 'face' and 'dignity'. This value influences Thais to become

non-confrontational and willing to compromise to fend off unnecessary clashes. This intricate mechanism is delicately and keenly observed by all parties involved in an interaction. This ego orientation is the underlying value for various beliefs and practices such as face-saving, criticism-avoidance, and ‘kreng jai’ attitude. The ‘kreng-jai’ attitude resemblances a feeling of being considerate to others and trying not to hurt one’s feeling. For Thais, face-saving is a very sensitive, and is something that should not be taken for granted. They intuitively observe this interpersonal social rule. With each person acutely aware of the appropriate means to handle interactions, how far one can go, and so on.

### **Grateful Relationship Orientation.**

In general, the presentations of most Thai interactions are honest and sincere, and Thais engage in sincere and deeply reciprocal relationships. This value is known as ‘bunkhun’ which resemblances the feeling of indebtedness. There is no direct translation for the concept of ‘bunkhun’ but it can be described as an act of kindness with sincerity, but is expected to be reciprocated nonetheless. In relation to ‘bunkhun’, Thais are taught to be ‘katanyu’ (thankful). The value known as ‘katanyu’ is a feeling and belief that a person should be grateful to people who help them. In other words, ‘katanyu’ is a reciprocal response to ‘bunkhun’.

The value of being grateful created two important beliefs in Thai culture: ‘roo bunkhun’, which means to remember, acknowledge, or constantly keep in mind received acts of kindness, and ‘tob thaen bunkhun’, which means to reciprocate the kindness whenever the opportunity arises. These two beliefs are an exchange of relation that are not bound by time or space. Although the person who provides help may be do so out of altruism, the other person must still be grateful toward the person’s kindness. Hence, ‘bunkhun’ must be reciprocated, often on a continuous basis, and in a variety of ways, as ‘bunkhun’ cannot be measured quantitatively. Therefore, ‘bunkhun’, ‘roo bunkhun’, and ‘tob thaen bunkhun’ constitutes the



root of any deep, meaningful relationship. These values are embedded in everything. For example, a bond between a relative who sponsors one's education, a teacher who provides one with knowledge, or a friend who helps one in a time of need. There are no degrees of 'bunkhun' that can be measured in term of material, instead it depends largely on the perception of the obligated person, the degree of need, the amount of help, and the degree of concern of the person who offers help. This mutual reciprocity is important in Thai society. Thais are raised to value this process of gratitude as a basis for a strong and continuous relationships.

### **Smooth Interpersonal Relationship Orientation.**

Unlike Western cultures that emphasise values such as self-actualisation, ambition, and achievement orientation, Thais place emphasis on being kind, pleasant, and avoiding conflict. This orientation is characterised by the preference for being non-assertive, humble, relaxed, and friendly. This value of being caring and considerate is universal for all Thais, regardless of family background, sex, education levels, occupations, social status, political orientation, or religion. This value has been internalised and can be observed as a part of everyday life.

This is obviously a Thai cultural-laden value, and an important means to save face and preserve feelings (*raksa nam jai*). This value shares the closest meaning with the concept of 'kreng jai'. While 'kreng jai' defines how Thais should think of other Thais, 'raksa nam jai' or caring and considerate, places greater emphasis on social interaction. In other words, 'raksa nam jai' defines how Thais should act toward one another.

This value can be illustrated in the following example: no matter the situation, Thais should be careful not to make one lose face or hurt one's feeling. For example, rejecting someone's kindness or good intention, even though it may contradict one's own feelings, will likely cause the offering party to lose face. Therefore, in many cases, Thais try to compromise

their way out of uncomfortable situations. Additionally, the practice of showing ‘nam jai’ (kindness) is a virtue in Thai society, as the practice itself expects nothing in return.

### **Flexibility and Adjustment Orientation.**

Thais, regardless of their background, are taught to be flexible and situation oriented. In general, there is no problem so serious to be considered irredeemable. When Thais are confronted with situations that deviate from the rules, the first reaction would be ‘ja aow arai kan kanard nun’ (why so serious), ‘mai chai rueng kho khaad baad tai’ (it is not a life and death situation), or ‘tuk yang kae khai dai’ (everything can be adjusted). The popular phrase in Thai calls ‘kling wai korn, pho sorn wai’ (do whatever it takes to survive) depicts the flexibility of Thais, but also reflects the laxness in principle. The value of flexibility over principle can be observed in situation such as vote-buying, last minute decisions, or corruption. Thai politics is a good example to illustrate this value. Political parties that appear to be in the opposition choose to join the coalition government in exchange for ministerial positions. In some cases, utilising familial connections to help relatives acquire desirable jobs and better business opportunities demonstrate how Thais choose flexibility over the principles that they should uphold.

### **Religion-Psychical Orientation.**

Theravada Buddhism is the religion of 95% of the total population. Buddhism has both directly and indirectly exerted influence on the lives of Thai people. Thais, especially older generations, are constantly engaged in merit-making. Merit-making is an important aspect to Buddhist practice as it can determined the quality of one’s next-life. The more merit you do, the better quality of your next life will be and vice versa. In Thailand, merit-making can be performed all year around and in many places. For example, at home for house-warming

ceremony, at an office for opening a new business, and in a community to share merit and charity. Thais believe in the concept of karma and that merit-making is a way to negate negative karma. The concept of karma can be differentiated into ‘bun wassana’ (good karma) and ‘karm’ (bad karma). The former, ‘bun wassana’, can be described as a predestined goodness from the previous life, which many Thais often attribute to someone else’s success, wealth, status, family, and achievement, but at the same time can be used as an acceptance of one own’s failures and the lack of basic necessities. While the latter, ‘karm’, can be described as a response to negative events and misfortunes. Many Thais often associate ‘karm’ to mishaps that happened to them which reflect the acceptance of being unable to alter or change anything. For instance, the Thai phrase, ‘karm taam sanong’ (bad karma has caught up with you) refers to situation when misfortune happened due to a past wrongdoing. This concept has been used by Thais to rationalise their own wrongdoings, which sees the sense of right and wrong become blurred. Thai phrase likes ‘karm jing jing thii thook jab’ (it is my bad luck that I get caught) perfectly illustrate this point. In addition, the manifestations of supernatural belief are also prevalent in everyday life, through belief in spirits, destiny, and fortune-telling.

### **Education and Competence Orientation.**

Many Thais perceive the value of education as a means of scaling the social ladder to achieve higher prestige and higher salary, rather than an end-value in and of itself. This functional value of being educated is very clear, and indicates that Thais place greater importance on status, rather than content or substances. As social hierarchy is important in Thailand, the value of status symbols, such as having an elite education, can reflect one’s status and prestige. The possession of such symbols identify the owner with the respected class of society. Nonetheless, there are also Thais who are serious workers and value competence and substance. In addition, Thais are also very materialistic as they are particular about their

personal appearance, spending considerable sums on designer labels of all kinds. This appearance conscious value is an everyday reality. People buy things they do not need, solely to show that they possess them.

### **Interdependence Orientation.**

Thais value the concept of coexistence and interdependence. Much can be observed in rural communities that predominantly farm rice. Thai farmers cooperate with one another in maintaining the irrigation systems that water the fields. They often help one another throughout the cycle of rice-growing, from planting to harvesting. This interdependency shows how Thais are community-oriented and mutually helpful.

### **Achievement-Task Orientation.**

This orientation is characterised by the achievement motivation need, emphasising internal drive towards achievement through hard work. Thais value the importance of maintaining good relationships over being devoted to work. This can be observed in Thai public officials. For example, a Thai phrase calls ‘chao chaam yen chaam’ (one task in the morning, one task in the evening) reflects the work performance of public officials, where they are content with doing the bare minimum amount of work, and instead pay lip service accept bribes, and seek good relations with their superiors. A good relation wins all, not tasks. This is because it is seen in the cultural context where social relation is of utmost importance. Thais view prestige and social recognition as goals for success in life, with work and relations as necessary means. With social recognition as an important underlying motive for success, achievement in Thai society is more social in nature. Also, it is very rare that work alone would lead one to the Thai sense of achievement. Instead, it has always been the strength of relationships, with or without work, that guarantees this Thai sense of achievement. For Thais,

task achievement value is usually inhibited by social relationship values. While submissiveness and good relations, with or without work, has always paid-off, performing tasks that do not relate to relationships to superiors do not lead to success in life. In the Thai cultural context, achievement in the Western sense indeed would not fit.

### **The “Thai” Economy.**

With Thai cultural basis and Thai values established, it can be seen how leeway was given to corruption between public officials and those with wealth and power. The growth engines of the Thai economy, particularly those from wealthy clans that operate manufacturing bases for foreign investors and near-monopolistic conglomerates, were seen as the high level or “thi sung” in the Thai hierarchy, and that their wealth was predestined for them through the “bun wassana” their families had accumulated. This contrasts with the agricultural sector of the economy, accounting for roughly a third of the Thai workforce but producing less than ten percent of the nation’s economy. Any action undertaken by wealthy people and corporations, corrupt practices, such as bribery to local officials being included, is seen as justified. Such bribery is seen as “namjai” from the conglomerates in exchange for the public officials to “tob thaen bunkhun” and grant them preferential treatment. When applied on a nationwide scale, this concept contributed to Thailand’s rise as a manufacturing powerhouse. Multinational corporations who seek easy entry into the Thai market, be it to produce or to sell, simply needed to find Thai partners with connections to Thailand’s paternalistic structure. If the right partner can be found, the corporations may be able to take advantage of the preferential treatment they receive, and the Thai partner’s wealth will substantially increase as well, another example Thai interdependence orientation in practice.

The success story of Thai economic development may be because of corruption – not despite it.

## **Buddhism and Corruption**

Religion, as an institutionalised form of spiritual practice, can significantly influence ethical judgement, decision-making, and behaviour (Hunt and Vitell, 2006). According to Johansen and Gopalakrishna (2006), Buddhism is a moral, ethical, value-based educational system that allow practitioners to discover true nature of things and escape from suffering and attain happiness – not only for oneself but for all sentient beings. The practice of Buddhism offers a practical worldview, a way of living to advance individuals’ understanding and development (Johansen and Gopalakrishna, 2006). Therefore, Buddhism can provide insights into how individuals shape their behaviours. In relation to a study on Buddhism and corruption, a finding from Vu (2019) shows that bribery is a means to an end and whether it is right or wrong is a matter of relative judgment on contextual factors. Through Buddhism, the study also finds dilemma associated with bribery such as the short-term and long-term consequence, community well-being, personal sacrifices, ethical relativism, personal struggles, guilt, and karma consequences (Vu, 2019). The finding here is interesting and would be a good area for future research.

## **Literature Review.**

### ***Literature Reviews on Corruption.***

This chapter will argue that while the mainstream rationalist literature has developed valuable insights about the nature of corrupt behaviour, it still has assumed the meaning and context, which results in one-size-fits-all anti-corruption policies that are no longer helpful in addressing global concerns. My analysis of these debates suggests the need for research to look at how corruption is interpreted by actors engaging in social relations and situated in specific contexts. In this regard, I have drawn from anthropological studies (Torsello and Venard, 2016) which employ a contextualised understanding of corruption that avoids formal definitions and moral evaluations, instead focusing on process, meaning and identity. I also adopted an institutional logic perspective as a framework to study the nature of corruption, as institutions and logic exist across contexts and are shaped by their local conditions and respective cultures.

This chapter will first provide a contextual understanding of the topic being studied by presenting the anti-corruption in Thailand, which is the scope of my research. Following this, I will discuss the current mainstream approach for studying corruption, namely the rationalist approach and its limitations. There are emerging debates, particularly in relation to individuals' interpretations of corruption and their reasoning. These debates point to the need for adopting a different lens when studying corruption that can be described as 'anthropological' (Haller and Shore 2005, Torsello and Venard, 2016). An anthropological approach puts forward an alternative perspective for studying corruption and shows that corruption is inseparable from social, political, and cultural realms. Moving beyond anthropological approach, I focus on institutional logic as a framework for this study. Combining all these insights, I then formulate my research questions.

## **Thailand's Anti-corruption Crisis**

Thailand has benefited from socioeconomic development and improved well-being in the past 25 years. The country's Human Development Index (HDI) increased by 34.7% from 0.577 to 0.777 between 1990 and 2019. In the same period, the country experienced fluctuations in economic growth during extended periods of social and political turmoil. In Thailand, military state control of politics, interspersed with short periods of democracy, has characterised much of the country's recent history. The current military government, the National Council for Peace and Order (NCPO) has sustained economic stability since it took power in 2014.

The government has declared anti-corruption efforts an urgent issue and part of the national agenda. Prime Minister General Prayut Chan-o-cha has on several occasions emphasised the need to include anti-corruption efforts in the reform process of every sector, whether in politics, the economy, energy, public health, the environment, mass media, social affairs or other issues. Thailand's anti-corruption laws offer an extensive legislative framework for anti-corruption. Offences of this nature are captured primarily in the Organic Act, the Penal Code, the Offences Relating to the Submission of Bids to State Agencies Act and the Organic Act on Counter Corruption, B.E. 2542 (1999). The Organic Act on Counter Corruption criminalises corrupt practices of public officials, except for the acceptance of benefits "on an ethical basis" in accordance with the NACC Supplemental Rules. Moreover, the Organic Act on Counter Corruption, B.E. 2542 (1999), and its amendment (No. 3), B.E. 2558 (2015), Section 123/5, stipulate the liability of legal persons involved in the bribery of public officials, foreign public officials, and officials of international organisations. Under Thai law, a person involved in bribery holds 'corporate liability'. This stipulation complies with the United Nations Convention Against Corruption (UNCAC) and the OECD Convention on Combating Bribery of Foreign Public Officials in International Business Transactions. The Thai Penal



Code criminalises active and passive bribery of public officials by persons operating in the public or private sector. The Act on Offences Relating to the Submission of Bids to State Agencies defines corrupt practices in relation to public procurement, such as bid collusion. The Anti-Money Laundering Act (AMLA) prohibits money laundering and is implemented by the Anti-Money Laundering Office. Finally, Thailand is a State Party to the United Nations Convention Against Corruption (UNCAC), but not the OECD Anti-Bribery Convention. As much as anti-corruption efforts are a duty of all government institutions, various government actors play a leading role in preventing, investigating, and punishing corruption while enhancing integrity. As in most countries, Thailand has various public institutions directly or indirectly involved in either corruption prevention or detection, or both.

In terms of policy instruments, the National Anti-Corruption Strategy is the main government guiding document in the area of anti-corruption and integrity. In a meeting on 11 October 2016, the Government Cabinet approved the draft National Anti-Corruption Strategy, Phase 3, proposed by the Office of the National Anti-Corruption Commission. The vision of the National Anti-Corruption Strategy is ‘Zero Tolerance and Clean Thailand’, which aims to achieve ‘a society founded on discipline, integrity and ethics, with all sectors participating in the prevention and suppression of corruption’.

The Third Phase of the National Anti-Corruption Strategy was implemented between 2017 to 2021 and comprised both corruption prevention and law enforcement. The six aims of the National Anti-Corruption Strategy, Phase 3, were as follows:

1. To create a society that does not tolerate corruption.
2. To promote political willingness to fight corruption.
3. To deter corruption in public policy.
4. To develop a proactive anti-corruption system.
5. To reform corruption suppression mechanisms and processes.

6. To improve Thailand's Corruption Perception Index score.

In promoting the National Anti-Corruption Strategy, the Thai government also urges all agencies and institutions to undertake action against corruption, underscoring the whole-of-government approach to promote integrity and fight corruption. All government agencies and institutions are expected to adopt guidelines and measures in accordance with this strategy and to translate them into practice. Moreover, government bodies are instructed to include these actions and measures in their four-year State Administration Plans, as well as in their annual action plans. They were also instructed to start the implementation of the National Anti-Corruption Strategy, Phase 3, from the 2017 fiscal year onwards. Moreover, in addition to the National Anti-Corruption Strategy, good governance, and anti-corruption feature high on the political agenda in Thailand and are widely recognised as priorities. Good governance and anti-corruption feature in many plans and strategies developed and/or supported by the Thai government, such as the 20 Years Country Strategy 2017-2036, the 12th National Economic and Social Development Plan 2017-2020, and the 2030 Sustainable Development agenda.

However, despite various government efforts, corruption in Thailand is still an ongoing phenomenon that is deeply rooted in multiple public organisations (Thanong Khanthong, 2009; Taptim, 2009; Yolles and Sawagvudcharee, 2010). Perception of corruption in Thailand remains high. While Thailand is perceived to be less corrupt than some of its neighbours, and is on an equal footing with the Philippines, overall its score is below the average of ASEAN countries. With regards to the components of the World Bank's World Governance Indicators, Thailand is below the average of ASEAN and OECD countries. Previous research by the Thai Chamber of Commerce in 2010 revealed that the extent of corruption in Thailand is around 10,000 million USD (Tangsupvattana, 2011). In 2020, Thailand ranked at 104<sup>th</sup> out of 180 countries surveyed with a score of 36 out of 100. The 2020 CPI report also highlighted the impact of corruption on government response to covid-19, comparing countries' performance

in the index to their investment in healthcare and the extent to which democratic norms and institutions were weakened during the pandemic.

According to Transparency International's Corruption Perception Index (CPI), Thailand has scored poorly in its fight against corruption (Thompson, 2018). Thailand scored 37 out of 100 in 2012; 35 out of 100 in 2013; 38 out of 100 in 2014; 38 out of 100 in 2015; 35 out of 100 in 2016; and 37 out of 100 in 2017 (Transparency International, 2017; Thompson, 2018). In 2018 alone, an approximate estimate of damage caused by corruption was between 50 billion baht to 100 billion baht<sup>1</sup>. In the World Economic Forum's Global Competitiveness Report 2016-2017, corruption is cited as the third biggest obstacle to doing business in Thailand, exceeded only by 'government instability' and 'inefficient government bureaucracy'. Some of these factors are interrelated; indeed, when government bureaucracies are not fit for purpose, there are more opportunities for officials to engage in corrupt behaviour, such as extracting bribes. Government instability and the fourth most important problem listed, 'policy instability', may also mean that entrepreneurs looking to do business in Thailand may have to interact with an uncertain bureaucratic environment that is more susceptible to corruption. In the World Bank's Enterprise Surveys, Thailand displays lower scores in areas related to gift-giving aimed at securing contracts or obtaining permits but performs better in comparison to the rest of the region. Tangsupvattana (2011) points out that about 79% of Thai businessmen perceive bribery to be the norm for success in business. A report of the Global Corruption Barometer 2017 in the Asia Pacific region reveals that only 14% of people surveyed in Thailand believed that corruption had increased over the last year, showing the lowest percentage in the region. There was also a positive response to government efforts, with 72% of respondents saying that the government is doing well in fighting corruption. Nevertheless, some serious problems persist at the institutional level: 78% of respondents consider Thai police to be the

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<sup>1</sup> <http://www.nationmultimedia.com/detail/national/30354747>

most corrupt profession, followed by legislatures, government officials and local government respectively. For instance, rather than providing efficient security, the police is notorious for being corrupt, as well as for extorting money out of foreign tourists.<sup>2</sup> Furthermore, a similar report suggests that around 46-60% of Thai public service users in 2017 paid bribes to the Thai police (Pring, 2017) and 41% reported having to pay a bribe, give a gift, or do a favour for somebody when accessing public services, (Transparency International, 2017). This evidence points to the seriousness of the issue and highlights the fact that corruption is an integral part of Thai society.

In summary, corruption has occupied a central position in development discourse, locally and globally. It has become widely accepted that many of the challenges or problems in developing countries, such as poverty and inequality, are an indirect result of corruption, poor governance, or weak institutions. It can be seen that governments need to focus on issues such as corruption while improving the overall quality of their institutions. In working to solve these issues, many of the anti-corruption initiatives draw on a rationalist approach to corruption, which I will discuss in the following section.

## **Approaches to Corruption Studies.**

To explain the approach to my research, which aims to understand corruption in the scope of business-owners and entrepreneurs who experienced and engaged in corruption when dealing with Thai government officials, it is crucial to understand the two main approaches that

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<sup>2</sup> Further information can be found on <http://time.com/3674200/thailand-tourism-police-corruption-shakedown-extortion/> "Tourists are reporting a dramatic surge in harassment by Thai police"; <http://www.chicagotribune.com/news/nationworld/ct-bangkok-bombing-probe-20150825-story.html> "Probe of Bangkok bombing recalls bad reputation of police"; <https://www.theguardian.com/world/2016/jan/12/sister-of-murdered-tourist-says-corrupt-police-make-thailand-a-dangerous-trap> "Corrupt police make Thailand a 'dangerous trap', says sister of murdered British tourist"; <http://www.telegraph.co.uk/news/worldnews/asia/11834477/Bomb-making-materials-found-in-second-Bangkok-apartment.html> "Thai police chief gives shrine bombing reward to officers even though investigation still unsolved"

have been used in the field. These approaches are the rationalists' approach and the anthropological approach.

Current academic literature on understanding the causes of corruption have grown exponentially in recent years. Some studies theorise about the causes of corruption, while others try to empirically establish the causes of corruption (De Graaf, 2007). Corruption can be studied from different approaches; the mainstream approach to corruption study remains the rationalist approach, with the anthropological approach remaining peripheral.

### *1. Rationalist Approach to Corruption Study (mainstream approach).*

One dominant approach to studying corruption might be termed 'rationalist'. This includes theory and research that takes a micro perspective, viewing corruption as a type of unethical behaviour at individual and organisational levels, as well as research that takes a macro perspective, looking at corruption and its effects on variables such as a country's political processes, economic performance, and other measures of development. Both perspectives tend to assume that corruption is inherently harmful or dysfunctional to society. They also base their studies on the assumption that corrupt individuals are rational actors seeking to maximise their gains.

The rationalist approach has been significantly influenced by the rational choice theory that has been widely recognised as the mainstream theory to corruption study and has been used in many well-known academic literatures. The centrality of the rational choice theory rests upon an assumption that individuals are rational actors seeking to maximise their gain (Pertiwi, 2018). In other words, these individuals are portrayed as rational people who weigh up costs and benefits and decide to become corrupt when they perceive that the expected benefits outweigh expected costs (Rose-Ackerman, 1978; Klitgaard, 1988). Many scholars have adopted rational choice theory as the main theory to understand corruption because it places its emphasis on the

corrupt individual who makes decisions based only on how the associated pros and cons will affect him or her personally.

This point of view is further expressed by Rose-Ackerman (1977: 38) that ‘the level of corruption is a function of the honesty and integrity of both public officials and private individuals’. Hence, by keeping the level of honesty and integrity constant, the size and numbers of bribes are calculated by the overall benefits, officials’ power, the risk of getting caught, and the bargaining power between the briber and the person being bribed. Therefore, the more power that the officials have, or the more benefits that can be gained from corruption, the greater the chance of individuals, both public and private, acting corruptly. As mentioned earlier, the main assumption of rational choice theory on corruption is that these individuals are rational actors who operate based on cost and benefit analysis. Thus, scholars argue that the most promising policy implication is to increase competitiveness in the market, as the increased cost of bribery will reduce firm’s incentive to bribe (Ades and Di Tella, 1999) as well as to increase wages for government officials so that bribe payers would have to increase their offerings if they are to compete with legitimate earnings (Van Rijckeghem and Weder, 2001). Nonetheless, one study found that as the number of competitors increase, the amounts of bribes paid tend to increase exponentially as well (Diaby and Sylwester, 2014). This implies that competitiveness may indulge more corruption in particular instances. In addition, limiting administrative control, encouraging whistleblowing, and imposing criminal sanctions can also help to reduce the chance of corrupt behaviour (Monteduro et al., 2016).

As an offspring of rational choice theory, the institutional choice theory is all about making decisions and choices. Collier (2002) developed a theoretical model which pursues an understanding of corruption by combining rational choice theory with game theory and an institutional perspective. The model assumes that individuals’ behaviours are characterised by rationality. Nonetheless, Collier (2002) added that such rationality is bounded by three factors:

the internalised world of the agent, the externalised world surrounding the agent, and the material resource factors which influence the expected benefit of corrupt behaviours.

Overall, despite their contributions, the above works have been widely criticised. For instance, the rational economic view of corruption has been deemed ‘too narrow and too narrowly technical’ (Hindess, 2012). Moreover, these studies assume that corruption is universally harmful or dysfunctional (Harrison, 2006). They also assume that corrupt individuals are rational actors. Therefore, to control corruption, conditions must be created in which the costs of engaging in corruption exceed the benefits. As a result, these views tend to ignore the complexities of norms and cognitions (Misangyi et al. 2008).

Based on the studies discussed under the rationalist approach to corruption study, we can see that there is no panacea to cure or lessen corruption, but these studies often recommend one-size-fits-all policies. Therefore, this research aims to fill this gap by narrowing down the scope of the corruption study to study private entrepreneurs who experienced corrupt government officials in Thailand to explore their perspectives toward corrupt behaviour.

*Rationalist approach to corruption study – the sense-making of corruption: understanding the bad apples, bad barrels, and bad ladders concept.*

Management and organisation literature also discusses corruption or unethical behaviour both at individual and organisation levels. Corruption has been studied as a particular form of unethical behaviour that harms the organisation and the society as a whole (Cleveland et al., 2009). Many of these studies build upon the assumption that corruption occurs due to some kind of moral deficiency located within self-interested individuals (Bracking, 2007). Researchers interested in unpacking ‘corrupt behaviour’ employ a variety of methods, including experiments, interviews of different kinds, and narrative analysis. In so doing, various explanations have emphasised on the idea that corruption arises because of ‘bad apples’ (corrupt

individuals) or because of ‘bad barrels’ (certain types of organisations encourage corruption). Extending the ‘bad barrels’ argument, scholars have highlighted the importance of understanding the ‘bad larder’ or the context of the organisation and its influence on corruption (Gonin et al., 2012). I will begin by summarising the findings from this body of literature under the metaphors of ‘bad apples’, ‘bad barrels’ and ‘bad larders’.

The ‘bad apples’ argument stresses that unethical behaviours in organisations are due to the personal characteristics of differing individuals (Brass et al., 1998). This suggests that the root cause of corruption can be found within defects in an individual’s moral character and predisposition (Graaf, 2007). In other words, some people are just born ‘bad’ or raised to be ‘bad’ and they are unable to stop themselves doing bad things (Fleming and Zyglidopoulos, 2009). For example, individuals are more likely to engage in corrupt behaviour when they are ambitious (Jackall, 1988) or have a stronger external locus of control – the tendency to assign responsibility for a situation to something beyond the control of the individual (Reiss and Mitra, 1998). Others maintain that individuals who have a relativistic view of morality as opposed to idealistic morality (Elias, 2002) or individuals with a low level of empathy are more prone to corruption than other individuals (Detert et al., 2008). Some studies also show that better ethical decision-making is made by females in comparison to males, by older people compared to younger people (O’Fallon and Butterfield, 2005), as well as individuals who show more commitment to a religion than those who do not (Singhapakdi et al., 2000). Women appear to be less tolerant of corruption than men, especially in Western culture (Alatas et al., 2009). Others observe that people from certain countries and cultures, such as India, are more tolerant of corruption than others, such as Singapore and Indonesia. (Cameron et al., 2009). One finding suggests that individuals who strongly identify with their own organisation are more likely to act corruptly with the good intention of benefitting their own organisations (Ashforth et al., 2008; Vadera and Pratt, 2013). Moreover, some state that ‘actors resort to misconduct when



they are unable to achieve their goals through legitimate means' (Greve et al., 2010). On one hand, the focus has been on the characteristics of the organisational environment, theorising that there is a higher likelihood to commit corrupt acts in organisations that face a critical or particularly complex external environment. On the other hand, attention has been paid to organisational performance, theorising that there is a higher likelihood to commit corrupt acts in organisations that have experienced poor performance in the recent past.

While the 'bad apples' argument draws attention to the role of individual attributes, the 'bad barrels' argument highlights features of the organisation that contribute to corruption. These arguments both complement and contradict one another. For example, the bad barrels argument questions the ability of individuals to escape from corruption, as well as the role of cognition and ethical reasoning of the agent. It acknowledges that even 'good apples' might turn to corruption and develop 'mental strategies' (producing an account which helps one to feel better) to cope with the possible dissonance felt after committing a questionable act (Fleming and Zyglidopoulos, 2009). Instead of viewing corruptors as individuals having perfect agency, the proponents of the 'bad barrels' argument suggest that corruption occurs due to factors within the organisation, including the organisation's ethical climate, culture, and leadership, all of which I will explain in the following paragraphs.

An organisation's ethical climate is the collective organisational normative structure (Victor and Cullen, 1988) which influences ethical decision making. An egoistic climate within an organisation is shown to be positively correlated with corruption (Gorsira et al., 2018), while a positive ethical climate can generate positive behaviour through collective empathy and efficacy (Arnaud and Schminke, 2012). According to Arnaud and Schminke (2012), collective empathy refers to when an individual cares about those who are likely be affected by their action, while collective efficacy refers to the belief that the behaviour will have the desirable effect.

An organisation's ethical culture can also reduce unethical behaviour (Schaubroeck et al., 2012). Organisational culture consists of the collective values, beliefs, and principles of organisational members, and is a product of such factors including history, strategy, type of employees, management style and national culture. Culture is presented through the organisation's vision, including its values, norms, systems, symbols, language, assumptions, beliefs, and habits (Schein, 2010). According to cultural theories, organisations are populated with people who share the same ideas about the appropriate ways to think and act; thus, organisational misconduct, such as corrupt behaviour, arises when an organisation's culture becomes perverted and deems wrongdoing to be appropriate (Palmer, 2012). For instance, employees who are exposed to an organisation with a culture of corruption are more tolerant of corrupt practices and will be influenced significantly by the organisation's norms and values to engage in corruption as a normal business (Anand et al., 2005; Palmer and Maher, 2006; Ashforth et al., 2008).

An organisation's leadership is another area of much importance to corruption. Through practicing ethical leadership, a set of traits that will promote the development of a shared understanding of both components of ethical culture and unethical behaviour, such as corruption, can be reduced. These findings, according to Mayer et al. (2009), show that when an organisation's leader practices ethical behaviour or is perceived to be ethically positive, there is less employee misbehaviour. One of the ways to promote shared understanding is to tell powerful stories about ethics that others can replicate, or through delivering formal speeches to communicate organisation's expectations (Schaubroeck et al., 2012). On the contrary, when an organisation's leader chooses to ignore or not to punish an act of corruption or unethical behaviour, employee behaviour is negatively affected (Bonner et al., 2014; Moore et al., 2018) as this can encourage the perception among employees that corruption is acceptable within the organisation.

The extension of the ‘barrel’ allegory is the ‘bad larder’ (Gonin et al., 2012), which refers to factors outside the organisation, such as the industry culture or climate, network relationships, the role of government and societal norms or values. This argument stresses that corruption often occurs due to certain inter-firm practices such as gift-giving (Verhezen, 2009) or networking activities between business and government that can potentially turn into corruption (La Porta et al., 1999). These findings assume that organisational corruption involves multiple individuals linked by social ties (Choi, 2007). Densely well-connected subgroups – referred to as cliques (Doreian, 1971) – can develop and sustain distinct subgroup cultures and norms which support corruption (Brass et al., 1998). Furthermore, cliques operate under advanced mechanisms in which a dense network of relationships between individuals and organisations can facilitate illegal activities, utilising expertise and professional knowledge to mask illegal deals and decisions (Jancsics and Javor, 2012). Similarly, internally well-connected and globally isolated networks are more likely to incur corruption. Chang (2018) shows that the *guanxi* network contributes to collective corruption in China. *Guanxi* can be defined as an informal channel substituting or complementing the formal institutions and legal system. It consists of different connections based on mutual responsibilities and informal relationships among individuals (Wang, 2014). From this point of view, corruption is a collective action orchestrated by networked individuals. Focusing more on relationships, scholars argue that relationships lead to corruption when there is a felt obligation to reciprocate others’ treatment (Palmer, 2008). Moreover, language becomes an important facilitator in helping individuals understand interactions in reciprocal relations, naming a gift as a ‘bribe’ signals higher expectation for reciprocity (Lambsdorff and Frank, 2010). Other scholars have studied the role of government and found that more intrusive regulations (Treisman, 2007) and more ties to government agents increase the likelihood of firms opting to bribe, because these ties assist managers in undermining rules regarding questionable practices (Collins et al., 2009). Looking

at the influence of social norms on corruption, two norms are particularly relevant: reciprocity and a high achievement orientation. The former makes firms' managers more tolerant to exchanging favours, which may have ethical implications (McCarthy et al., 2012), while the latter makes an organisation become more prone to bribery (Martin et al., 2007).

To summarise, "Bad apples, bad barrels, and bad ladders" are three different ways of understanding the root cause of negative behaviour within a group or organization. "Bad apples" refers to the idea that a few individuals within a group are responsible for negative behaviour, and if those individuals are removed, the group will function properly. "Bad barrels" suggests that negative behaviour is a result of the culture and environment within the group, rather than the actions of individual members. This means that even if a few individuals are removed, the negative behaviour will persist because the underlying culture remains unchanged. "Bad ladders" refers to the idea that negative behaviour is a result of external factors, such as a lack of resources or support, rather than the actions of individuals or the group as a whole. This means that even if the individuals and culture are positive, negative behaviour may still occur due to external factors that are beyond their control.

Integrating 'bad apples, bad barrels, and bad ladders', some scholars argue that corruption or unethical behaviour is a result of an individual's deliberation, which in turn is an outcome of their responses to situational factors (Trevino, 1986). This can explain why moral cognition does not always lead to moral action, as certain situations may influence an individual's final decision. Drawing from Kohlberg (1969) and others, Trevino proposed the 'person-situation' model in which an individual's evaluation of right or wrong is moderated by personal moderators consisting of ego strength, field dependence, and locus of control, while the situational moderators arise from cultural and job-related context.

Ego strength refers to how strongly a person follows their convictions and rejects impulses, field dependence refers to the degree of reliance on external referents to guide

decision-making, and locus of control refers to the general belief of individuals about whether they have control over life events or whether things happen beyond their control (Trevino, 1986). Situational moderators include whether the organisation has a clear position about right and wrong and which behaviour will be rewarded and which will be punished. In addition, other external pressures such as the pressure to make decisions concerning competitive positions under time constraints also influence behaviour.

Similarly, Jones (1991) argues for an issue-contingent model which regards unethical behaviour as issue-dependent. Like Trevino, Jones' model contends that decision making is partly determined by social learning within the organisation (Loe, 2000). An individual's engagement in ethical or unethical behaviour is partly influenced by the intensity of the issue (for example, an issue that is morally more intense will lead to more ethical decisions). Hunt and Vitell's (1986) theory of marketing ethics offers a similar perspective by including not only individual variables, but also the environment consisting of organisational, industry, and cultural norms. They argue that norms determined by social consensus, or demonstrated by leaders, influence individuals' ethical judgment.

*Rationalist approach to corruption study – Normalising corruption.*

The idea that decent people can engage in corruption if they are in a difficult situation or environment can be explained by the concept of rationalisation – the 'mental strategy' that individuals develop to cope with any dissonance they might experience in engaging in corruption, which in turn assists in making corruption seem normal. (Ashforth and Anand, 2003).

This rationalist literature portrays corrupt individuals as having a psychological mechanism that allows them to rationalise any negative feelings that result from engaging in corrupt acts. It involves the effort to construct a narrative which justifies an act that would

otherwise be questionable (Fleming and Zyglidopoulos, 2009). Authors assert that individuals rationalise not in isolation, but in relation to their social settings. Scholars have identified several rationalisation strategies (Ashforth and Anand, 2003), which include softening the immorality of their actions using euphemisms. Empirical research supports the idea that euphemisms are used to make corruption more acceptable (Znoj, 2007).

Ethical distance (Zyglidopoulos and Fleming, 2008) refers to the distance between one's act and its consequences and has been used to explain systemic corruption. Researchers note two types of distance: temporal and structural. In each type, an accompanying rationalisation may be activated. In temporal distance, individuals perceive that corrupt acts have no immediate effect because no penalty has ever beset the individual or the organisation using in it, therefore engaging in corruption is acceptable. The rationalisation that may be triggered in this case is, for example, the denial of injury, such as "it does not hurt anybody". In structural distance, individuals are insulated from the sense of moral obligation of corruption because they see their role in it as a small part of a larger system. Within the organisation, the individuals perceive that moral obligation is distributed amongst the individuals involved, which means the more people involved, the easier it is to escape any moral burden. In collective systemic corruption, individuals perceive their practice as no different to others', thus reducing the dissonance that may surface. In this case, the rationalisation that is being triggered is, for example, "everybody's doing it".

#### *Technique of Neutralization – How Individuals justify bad actions.*

Sykes and Matza (1957) explained why mostly young people could break laws and yet still be able to accept societal laws and regulations. This was explained by the ability of individuals to justify their actions using neutralization techniques. These techniques allow individuals and groups to neutralize the commitment to expected behaviour and laws.

Sutherland (1983) suggested that we learn law-breaking behaviour via a process of communication and observation; these processes include the techniques, motives, drives, rationalisations, and attitudes towards set criminal actions. The specific techniques are: denial of responsibility; denial of injury; denial of the victim; condemnation of those that condemn; appeal to a higher loyalty.

Denial of responsibility is a technique used when the deviant act was caused by an outside force. This technique goes beyond looking at the criminal act as an accident. The individual feels that they are drawn into the situation, ultimately becoming helpless. These juveniles feel that their abusive families, bad neighbourhoods, and delinquent peers predispose them to criminal acts. A common state used "It was not my fault". The denial of injury occurs when the criminal act causes no harm to the victim. Criminal acts are deemed deviant in terms of whether or not someone got hurt. Using this technique, the delinquent views stealing as merely borrowing and views gang fighting as a private argument between consenting and willing participants. The use of this technique is reaffirmed in the minds of these juveniles when society does not look at certain acts, such as skipping school or performing practical jokes, as criminal, but merely accepts them as harmless acts. "I assumed that a criminal action meant hurting someone, we did not hurt anyone". The denial of victim is used when the crime is viewed as a punishment or revenge towards a deserving person. This technique may be used by those who attack homosexuals or minority groups, for example, "They deserve it". The condemnation of the condemners places a negative image on those who are opposed to the criminal behaviour. The juvenile ends up displacing his or her deviant behaviour on those they are victimizing and viewing the condemners as hypocrites. For example, police are said to be corrupt and therefore in no position to condemn morally those that commit crime. Lastly, the appeal to higher loyalty technique is used when the person feels they must break the laws of the overall community to benefit their small group and family. This technique often comes into

play when a juvenile gets into trouble because of trying to help or protecting a friend or family member. In addition to these five techniques, Brooks (2016) introduced two more techniques: passing the blame and misrepresenting the consequences. The disbursement of blame where an organization is caught committing an illegal act but claiming that the organization was aware of the offence and actively encouraged such behaviour or failed to stop it. The disbursement of blame builds upon other 'denials' above and appears in some court cases where financial traders are presented as 'rogues' acting without the permission of their superiors (Brooks, 2016). This disbursement of blame leads onto the technique of misrepresenting the consequences, which is where offenders tend to minimise psychologically the injurious consequences—such as a breach in health and safety where a person is killed or environmental crime such as pollution and the dumping of illegal and toxic waste—and simply focus only on the rewards. For all these techniques, an individual, organization, and nation can use them to normalise and justify their actions. For example, an individual might deny responsibility, and an organization appeal to a higher loyalty. These techniques can be combined to build a list of justification, particularly if caught, to diminish the impact and seriousness of the offence committed. Examples of these techniques are also often found in cases of corruption, but the key here is that such techniques allow us to accept and conform to the laws of a country willingly most of the time but still leave room for a temporary rejection of laws and an acceptance of acts of corruption and crime (Brooks, 2016). An example here is that of insurance fraud. Research has illustrated that putting in a false or exaggerated claim is seen as acceptable to many people, regardless of social background (Button and Brooks 2014). A note should be made here that such techniques can be employed even if no laws are broken but the act is one that is considered morally inappropriate, depending on one's view, such as tax avoidance by a multi-national organization.



Despite its popularity in white-collar crime research, there is a little evidence for the casual and temporal link between neutralization and offending (Fritzsche, 2005; Piquero et al., 2005; Wenzel, 2005). The theory has been criticised on its theoretical grounds as it builds upon the assumption that all individuals have stable and prosocial ideas about what is permissible behaviour. The theory also does not allow for the existence of personal differences between offenders, for change in moral ideas over time and for psychological processes other than neutralization techniques to be involved in decision-making (Onna, 2020). Psychology and business ethics scholars propose that morality plays a more dynamic and multifaceted role, highlights the importance of personal norms, moral self-image, and the experienced legitimacy of rules and regulations, when understanding why persons engage in financial-economic misconduct (Wenzel, 2005; Tyler, 2009).

#### *Rationalist approach to corruption study - structural and cultural causes of corruption*

Rationalist scholars adopting a more macro perspective often use a variety of quantitative methods to study corruption by focusing on structural and cultural causes. Structural causes have been emphasized by political economists such as Robert Klitgaard (1987) and Susan Rose-Ackerman (1978). According to Klitgaard's (1987) well-known corruption model, the level of corruption depends on three casual factors, namely monopoly, discretion, and accountability. In general, the argument is that the structure of opportunities facing public officials can affect the incentives for corrupt practices. The structure of opportunities consists of several broad factors, including government size and level of decentralization, institutional quality, competition, public sector salaries and recruitment, press freedom and the judiciary system, democracy, and the political system (Treisman, 2007).

Structural studies on the causes of corruption have affected policymakers, especially with reference to the role played by international organisations. For example, in 2001, the

United Nations proposed an anti-corruption strategy based on six pillars, summarised in democratic reform; a strong civil society with access to information and a mandate to oversee the state; the presence of rule of law; increased checks and balances by enhancing the presence and balance between institutional accountability and independence coupled with an increased public confidence in anti-corruption agencies; new strategic national and international partnerships to develop joint strategies for implementation of international and national anti-corruption policies and measures. In this scenario, anti-corruption policies need to be addressed in terms of strengthening controls to decrease the level of discretion among agents, enhancing and renovating the law in order to limit the monopoly of agents, and rethinking the role of society in order to increase the level of accountability in the system through action that takes into account the three pillars of Klitgaard's (1988) analysis.

Cultural causes of corruption have typically been stressed by sociologists and social psychologists (Sandholtz and Taagepera, 2005; Connelly and Ones, 2008) who claim that corruption has social and cultural roots. Thus, the emergence and acceptance of social norms are key points to explain the casual factors of corrupt behaviour. The concept of the social norm is described as "shared understandings about actions that are obligatory, permitted, or forbidden within a society" (Ostrom, 2014). Hence, social norms are shared by other individuals and sustained by their approval and disapproval. One of the most well-known studies on corruption and social norm is that of Fisman and Miguel (2007), who conducted a study on parking violations of diplomats from different countries who were stationed in New York City. The result of the study suggested that diplomats from high-corruption countries appear to have higher number of parking violations than diplomats from low-corruption countries (Fisman and Miguel, 2007). Another relevant study combined experimental and cross-country studies of 195 participants from 43 different countries by dividing these participants into three groups which are "private citizen", "public servants", and "other member

of society” to determine the levels of corruption and social norms (Barr and Serra, 2010). The findings had three implications. First, there was a positive relationship between the level of corruption that prevails in a participants’ home country and the tendency to engage in bribery. Second, although participants may carry with them their home country’s norms, the tendency to conform to these norms declined overtime in the host country. Third, levels of inclination to act corruptly among the participants declined when the amount of harm to others increased. From a different insight, the study of Dong et al. (2009) emphasised the importance of social context in understanding corruption. By regarding non-corruption as a prevailing norm, Dong et al. (2009) argues that when corruption violates norms, it will generate a feeling of guilt. Thus, guilt will deter corrupt behaviour and may encourage compliance. The result of the study also suggests that in the society with many corrupt norm-violating individuals, the less likely it is that these individuals will feel a sense of guilt. This implies that corruption is highly influenced by the perceived activities of others. On a different note, there are some studies that show mixed results on the relationship between macro level factors and corruption. As a challenge to the study of Fisman and Miguel (2007), the study of Kapoor and Shamika (2009) examined the parking behaviour of diplomats to the government effectiveness index of their respective countries. The finding suggests that by controlling the quality of public officials, the corruption index coefficient is reversed and statistically insignificant. Hence, the author argues that social norms related to corruption are not sufficient to explain the violations of diplomats. Banuri and Eckel (2012) explored the relationship between culture and corruption through a review of past experiments and theoretical studies. The study argues that the corruption norm is a specific form of norm and dictates the extent to which individuals will engage or believe that others will engage in corruption regardless of institutions. Hence, their reviews of past experiments concluded that the results are mixed due to differences in design or in response to punishment across societies. Cameron et al. (2005) examined the cultural differences in

attitudes towards corruption through experimental studies from 2000 student participants from two low-corruption countries (Australia and Singapore) and two high-corruption countries (India and Indonesia). Intriguingly, the finding shows that there was no clear and robust relationship between the level of corruption in the four countries and participants' behaviour. For example, participants in India show higher tolerance of corruption in comparison to participants in Australia, while participants in Indonesia behave similarly to those in Australia, and that participants in Singapore have higher tendency to engage in corruption than participants in Australia. Nevertheless, the significant of this study is to point out the fact that attitudes play a crucial role in determining the persistence of corruption (Cameron et al., 2005). This implies that a high degree of exposure to everyday-corruption situations may promote higher level of tolerance towards corruption. Therefore, external factors such as political, economic, legal, and socio-cultural forces can heavily influence the behaviour of individuals and organisations.

Reciprocity is one of the social values that has been strongly linked with practice of petty corruption (Stahl et al., 2017). Grodeland et al. (1998) studied on the effect of cultural traits on practice of petty corruption in Europe described language used to identify bribing in public services, such as: 'a favour for a favour', 'if you do not 'thank' you should expect no further assistance', and 'a service in return for a service'. These choices of words have a striking resemblance with how Tanzanians define petty corruption as 'something for something' (Baez-Camargo and Sambaiga, 2016). One associated practice is gift-giving which is common in the contexts where reciprocity is highly valued. For example, in South Korea where gift-giving is a social practice to express gratitude, condolence and attention (Chang et al. 2001). Nevertheless, the line between what can be defined as a gift and a bribe is controversial. Nevertheless, Werner (2000) suggested both gift and bribe are what local actors believe that they are. However, this line of reasoning is without its flaw. As both gifts and bribes

share the same characteristics that they both trigger reciprocity, regulate the exchange process, and enforce a quid pro quo (Graycar and Jancsics, 2017). Gifts will always trigger at minimum, a feeling of obligation to repay favours (Douglas, 2002). Benesova and Anchor (2019) conducted a study to examine in Czech Republic where gift-giving is part of its culture to identify what counts as a gift and bribe. The finding from interviewing with Czech managers show the threshold between gift and bribe are less straight-forward its nature, timing, intention, beneficiary, and value being highlighted. In term of its nature, respondents described the nature of a gift as an indication of gratitude, a token to say ‘thank you’ and to show appreciation. In term of its timing and intention, it depends entirely on ‘when’ and ‘why’. The finding shows a clear message that if gift has been given prior to a decision, it is a bribe. On the contrary, if it has been given after, it is a gift. While the intention is straightforward, all respondents say that a ‘thank you’ or to show appreciation and gratitude is a sign of a gift. In term of its beneficiary, there is a different between private and public sector based mainly upon the value of the gift. In private sector, gifts can be of any values while in the public sector, it should be of little and small value. Hence, a transaction that looks like deviant and socially harmful behaviour perceived by outside observers might be seen as a gift practice with crucial and symbolic functions by the local population (Smith, 2007).

Social links and informal social networks are also associated with corruption. Social networks include primary organisations such as family, clan, village, tribe or race – which are bound by affectionate ties (Anders, 2002) but may also be open to include acquaintances of varied nature and degree (Stahl et al., 2017). Some examples of such social networks are the ‘FAR’ (family, alumni, region) in South Korea (Chang et al., 2001), social networks of extended family in India (Jauregui, 2014), and social networks of family and close friends in Eastern Europe and Asia. This trust-based informal exchange system that are often labelled as corrupt by observers and authorities function as a survival kit to deal with the lack of formal institutional

structures, shortage, insufficient formal rights, harsh uncertain environment, or rigid authoritarian system (Graycar and Jancsics, 2017). These types of trust-based informal exchange system exist in many countries such as ‘compadrazgo’ in Latin America, ‘blat’ in Russia, and ‘guanxi’ in China. These examples of informal exchange system can be used to acquire basic necessities, allocate resources, increase trust, and reduce uncertainty in the absence of institutional systems (ibid.) The significant point of these networks is the practices of reciprocity among its members become entrenched in good measure because of their functionality – as coping mechanisms necessary to secure basic services and meet urgent needs in contexts where state performance and quality of public services are often precarious. For instance, in urban Tanzania, voluntary associations operate based on strict rules are extremely effective in pooling resources to help members during times of need. As a consequence, such network-based associations enjoy much more trust than any other social or state institution (Baez-Camargo and Sambaiga, 2016) – pointing to the problem of lacking legitimacy and trustworthiness of public institutions. (Stahl et al., 2017). Nevertheless, informal social networks are strongly associated with corrupt practices to the extent that their reliance on reciprocity and sense of obligation seamlessly extends to those members employed in the public sector. Such individuals are often subject to strong pressures to respond to the demands and expectations of their social networks, which often include making use of their position to extract rents for the benefit of the group. The moral weight ascribed to these group obligations is often so strong that it tends to outweigh any sense of responsibility to protect public resources (Stahl et al., 2017).

Other social norms in high corruption countries can also influence the corrupt behaviour of its citizens, while social norms in low corruption countries may not influence corruption. Thus, it implies that corruption is culturally specific. Moreover, these studies have also found that corrupt behaviour depends to a large extent on variables such as education and

social development (Fein and Weibler, 2014). Hence, according to Sandholtz and Taagepera (2005), cultural factors are the most important in explaining the level of corruption at the societal level and can be used to create its countermeasures.

Baez-Camargo et al. (2017) conducted a comparative case study approach between urban and rural region in Tanzania, Uganda, and Rwanda. The main goal of the research is to explore the similarities and differences in behavioural influences on attitudes toward petty corruption in health care sector and law enforcement. The methodology utilised mixed-methods design comprises of focus group discussion, a vignette-based survey and participant observation as well as semi-structured interviews to complement the researching finding. The choice of a qualitative research is to accurately capture the hidden and covert forms of petty corruption. The finding from these three countries shows the central role of informal social networks in the lives of citizens. Across three countries, social networks are essential because they link individuals and communities through strong bonds based on values of solidarity and reciprocity that underpin shared ideals of social justice. These bonds generate strong feelings of obligation toward the welfare of one's group, which influence petty corruption such as favouritism, bribing, and embezzlement. In the case of Rwanda, the research shows that some of the most important determinants of behaviours are related to individual obligations associated with kinship ties as Rwandan are expected to look after family members otherwise, they may be subjected to shame and blame. This moral obligation towards family also create tension between work and family responsibilities. Additionally, the finding observed that social relationship can create a private space for informal gift under the guise of friendship. From the perspective of both service users and service providers, social networks can be used instrumentally to solve problems and challenge at hand as a result, people often resort to establish informal connection between one another. This social norm of reciprocity is deeply value in Rwandan society such as solidarity and duty to the common good. The finding

identified practices involve petty corruption in Rwandan health sector: bribe during registration process, favouritism in the service, and gift-giving. The focus group discussants reported situations where council officials ask for a small facilitation payment in cases where applicants' documentation is incomplete or when the issuance of health insurance card has been delayed. Favouritism has been frequently sighted in health care sector and is perceived to be persisted due to the influence of family traditions and value prevailing in Rwandan society. The preferential treatment has also been given to family and friends of service providers but at the same time the health workers also prioritise the same preferential treatment to old person, pregnant woman, and person with disability. The practice of gift-giving from service users to service providers are also common as the practice is part of local culture and customs. The finding shows that the gift-giving practices become problematic in the context of public service because it creates a personal bond between the givers and the receivers at the expense of non-gift givers even though the principle aligned with practices of sociality.

Ipadeola (2016) conducted a qualitative study on the patterns, experiences, and manifestations of corruption in Nigeria. The research specifically seeks to understand experiences and motivations of Nigerians with respect to corruption. The data was collected 30 in-depth interview and 6 focus group discussions using semi-structure interviews as a basis for open ended question. The majority of participants identified greed as the primarily motivation for corruption while few argued that it could be other issues such as poverty, economic hardship, status, peer pressure, and pressure from the family. Participants experienced corruption in the form of preferential treatment and services especially when services are supposed to be on a first come first serve basis. They also experienced bribery to gain admission or pass exams in school as well as in bribing police and government officials to get jobs, contracts, and to fasten the long bureaucratic process.



Nguyen et al., (2018) conducted a qualitative study on corruption practices in drug prescribing in Vietnam. The study used a combined method of purposive and snowball sampling to recruit participants. The total 43 in-depth interviews have been conducted based on loosely structured interview. The finding shows that corrupt practice in drug prescribing in Vietnam is the result of poor governance which included: the degree of discretion, lack of transparency, lack of accountability in administrative procedure, and low probability of detection play crucial roles. The finding shows that the in provincial hospitals where pharmaceutical department heads had the autonomous power in making decision significantly influence prescribing of certain medications. In addition, the problem of survival also plays an important role. The finding shows that after the reformation of Vietnamese health sector, domestic pharmaceutical companies have to resort to sale-based compensation policy or paying key opinion leaders, who play decisive role in procurement in order to keep up with the competition. For, medicine prescribers, inadequate salaries to satisfy essential needs are the reason that they engage in corrupt practices. The finding further shows that corruption in Vietnam is inevitable and embedded in the society. The Vietnamese shows that expressing gratitude to those supporting them also reportedly contribute to the normalisation of corruption.

Jancsics (2013), using grounded theory approach, examined the role of clients in petty corruption by analysing actual corrupt exchange between ordinary citizens and low-level public and private employee in post-communist Hungary. The finding shows that many clients have been extorted by the agent due to the fact that the latter has bureaucratic power. The point here is that clients inevitably pay because they cannot avoid negative consequences. In some cases, both engage in corruption because both can obtain benefits. The finding also suggests that Hungarian entrepreneurs frequently participated in petty corruption to keep their businesses running. The finding also shows that bond-based corruption is quite common. The

finding shows that the main motivation for public officials to become corrupt is to achieve status and impressing others, but in some cases, love and friendship are also among the motives.

Another group of studies at societal level focuses on psychological antecedents of corruption and personality measured at an aggregate level. In their study of 54 countries, Connelly and Ones (2008) examined the effects of national personality, and Hofstede (2004) studied the effects cultural dimensions on perceived national corruption. For instance, cultural dimensions, such as power distance and masculinity, are also associated with corruption (Getz and Volkema, 2001). Furthermore, they found that beyond other cultural, economic, and demographic predictors of corruption, national personality and national culture have substantial relationships with nations' corruption. Hence, the research on the cultural causes of corruption has led to a discourse on corruption control in which codes of conduct and their enforcement play an important role. In general, attention is paid to ethics in these models rather than rules, threats, surveillance or coercion (De Graaf, 2007). Nonetheless, even though much attention has been paid to improving ethics by implementing a code of ethic, its existence alone still does not guarantee ethical behaviour (Kaptein and Schwartz, 2008; Velthouse and Kandogan, 2007).

#### *Rationalist approach to corruption study – Economic and political impacts of corruption.*

Rationalists commonly argue that corruption hurts economic growth. Adopting the World Bank's definition of corruption as the 'abuse of public office power for private gain', they adopt the public and private dichotomy that underpins much of the mainstream (Western) corruption research. These scholars assume that there is a similar division between what is considered as public and private goods across cultures, while other studies have shown that this is historically determined and locally specific (Rothstein and Torsello, 2014). They further maintain that corruption is detrimental to investment, productivity (Lambsdorff, 2003) and,

therefore, a country's economic growth rate (Mauro, 1995). It has been argued that its effects are weaker in the less developed nations, possibly because the scale and type of corruption found there is considered 'more predictable' (corrupt governments behave as expected by those seeking favours). Hence there is less negative impact on investment because investors are confident the bribes paid will lead to expected outcomes (Campos et al., 1999). Others contend that corruption leads to the unfair allocation of resources and a poor quality of infrastructure (Klitgaard, 1988). At the same time, it hinders a firm's growth, which the authors speculated was because paying bribes increases costs but does not always guarantee an increase in profits (Fisman and Svensson, 2007). Other research has found that corruption is inversely linked to the degree of democracy. Countries that are fully democratised have lower levels of corruption than those only partially democratised, because of the lack of competition between political actors (Montinola and Jackman, 2002). These authors contend that in fully democratised countries, officials or politicians have lower incentives to engage in bribe-taking because they can be easily replaced by their constituents through democratic processes. Countries considered more democratic have lighter regulation for entry by start-up firms and thus lower levels of corruption (Djankov et al., 2002) due to the assumption that democratic governments face more barriers in introducing additional regulations vis-à-vis the different interests of the public, business communities and other stakeholders. Finally, looking at the quality of democratic institutions, which is the extent to which there is competition and openness in the electoral system, Bhattacharyya and Hodler (2010) maintain that corruption is higher in cases where quality is below a certain threshold, and vice versa, because institutions act as a barrier to government's corrupt activities.

Some researchers stress that corruption can be seen as either 'dysfunctional' or 'functional', depending on the institutional settings, i.e., the corresponding political and economic systems, as well as the cultural and legal environments (Girling, 1997). Political systems such as

federalism can increase corruption by weakening voters' ability to hold their elected representatives accountable. A related body of literature discusses 'state capture' – how businesses capture the state by making private payments to influence laws, rules, decrees, or regulations. 'State capture' or corruption is beneficial for the captor firms' performance but detrimental for the rest of the economy (Hellman et al., 2003). For instance, a weak business culture can lead to non-transparent practices and a corrupt connection between business and politicians (Vaiman et al., 2011). Similarly, a market within a country that is characterised by concentrated ownership of few individuals or families can encourage corrupt behaviour between businessmen and government (Fogel, 2006). Recent work supports this view by questioning the extent to which corruption harms as opposed to benefits a firm's competitive position. Instead of viewing corruption as inherently destructive, corporate political strategy literature suggests that corruption benefits corporations by way of developing political ties and exploiting regulatory processes (Galang, 2012). For example, some studies have looked at how former politicians or cabinet members are recruited as board members, suggesting that firms are increasingly aware of the benefits of having political ties to influence policy and regulations (Hillman 2005, Lester et al., 2008).

### **The Theory Behind the Rationalist Approach and its Limitations.**

Rational choice theory remains the most well-known and dominant approach for rationalists to explain corruption and other phenomena. In many academic literatures and policy reforms, many scholars and policymakers have adopted rational choice theory as the main theory to understand corruption because it places its emphasis on the corrupt individual who makes decisions based only on how the relative pros and cons will affect them personally. As the result, much of anti-corruption policy focuses have been either on increasing the cost of corruption or to reduce the benefits that individuals will acquire from corrupt behaviour. However, this countermeasure, based upon the assumption of rational choice theory, is a 'one

size fits all' approach that ignores the complexity of the context and characteristics, such as country's level of economic development, political history, institutional legacies, ethnic make-up, and socio-cultural traditions (Ledeneva et al., 2017). Thus, a short introduction to rational choice theory and its limitation as a suitable approach to study a phenomenon will be discussed below.

The idea that human beings are rational originated from the era of rationalism in the 18<sup>th</sup> century. Rational choice theory, also known as the public choice theory, theory of choice, and theory of rational action, can be dated back to the political philosophy of Hobbes and Locke, as well as Adam Smith's classic political economy. The claim that individuals always behave rationally is more than just a presumption. In many academic literatures, this claim is considered as an axiom of rationality. It holds that people know very well what is in their best interests and will have to behave rationally to optimize their personal well-beings. Many advocates point out that rational choice theory is psychological, individualistic and reductionist. It is psychological because it explains the action of individuals based on their mental states. It is individualistic because it applies to the behaviour of individual actors. Since social groups and institutions are constructed as an entity consisting of individuals (Mathis and Steffen, 2015). The behaviour of social process is analysed by starting from the individuals' mental states and their actions. Thus, it can be concluded that rational choice theory is reductionist. The concept of rational choice is still one of the popular analytical tools available. One of the reasons for its superiority is that its economic model creates the impression that academia is closer in putting social sciences at the same analytical level as the natural ones. The predictive power of economic models, based on rational choice, would open the door for scholars and practitioners to imitate some of the most valuable skills of researchers in natural sciences.

Rational choice theorists are satisfied with the fact that explaining a phenomenon means making it the result of a set of statements that should be easily accepted by all (Boudon, 2003). In other words, any social phenomenon can be interpreted as the outcome of rational individual actions. As Hollis (1977: 130) has stated in his book the 'Models of Men' that "rational action is its own explanation". To Coleman (1986: 1), "Rational actions of individuals have a unique attractiveness as the basis for social theory. If an institution or a social process can be accounted for in terms of the rational actions of individuals, only then can we say that it has been explained. The very concept of rational action is a conception of action that is understandable, action that we need not ask more questions about". Similarly, Becker (1996: 4), states "the extension of the utility-maximising approach to include endogenous preferences is remarkably useful in unifying a wide class of behaviour, including habitual, social, and political behaviour. I do not believe that any alternative approach – be it founded on 'cultural', 'biological', or 'psychological' forces – comes close to providing comparable insights and explanatory power". From all these statements, as soon as any social phenomenon can be explained as the outcome of rational individual actions, the explanation in itself invites no further questions (Boudon, 2003).

Rational choice theory is broadly formulated in universalistic terms, abstracted to a large extent from historical and socio-cultural context. A fundamental assumption is that each actor pursues his or her own personal values and self-interest in the same context with others, who also pursue their own self-interests and their personal values. The theory emphasises the volitional nature of human action and the capability of actors to make decision and to act primarily on the rational calculation of benefit and cost (Burns and Roszkowska, 2016). Individuals are assumed to be informed about their action situations and to choose the best action or means to achieve their ends. Even though rational choice theories have multiple variants, they all share the same characteristics, which can be summarised as follows:

First, all individuals in a decision-making situation are assumed to be able to identify or specify all available actions and alternatives. Second, all individuals are assumed to be fully aware of all the consequences, possible outcomes and payoffs from the chosen action and its alternatives. Third, all individuals already have a set of preferences in mind, which means that there is a constructed consequential ordering of preferences that provide the level of happiness ranging from maximum to minimum. Fourth, all individuals will choose the best choice of action and compare it with the alternatives to determine which will provide the maximum benefit. Furthermore, the choice that individuals pick is always predetermined with the consequential outcome. In summary, according to Burns and Roszkowska (2016), rational action is motivated by self-interest of individuals who are oriented to the consequences as they perceive them. These individuals can distinguish consequences of alternative actions but only concern themselves with their own outcome. Therefore, they will choose only the one action that maximises themselves the most. Thus, an action of individuals will only be explained if they have been analysed by rational choice theory.

Although there are valid examples of how rational choice theory can help to unlock the causation of a particular social phenomenon, it also appears unable to explain causations of other familiar phenomena. Critics of rational choice theory argue that it oversimplifies human behaviour by assuming that individuals always act rationally and in their own self-interest and ignore the influence of social and cultural factors on decision-making. They also note that the theory fails to explain why some individuals may engage in behaviours that are not beneficial to themselves, such as acts of self-harm or altruistic behaviour. One could question the reliability of this approach: if all individuals have calculated their net benefit and realise that corruption can maximise their own utility, then do some individual choose not to be corrupt? Since corruption is a concealed act and the risk of getting caught and convicted is low, then it would seem irrational to resist corruption. Rather than assuming that those who resisted

corruption made bad calculation, it is more likely that rational choice theory can only explain the behaviour to a certain extent, as it is insensitive to the larger social context (Graaf, 2007). As Lambsdorff (2012) has stated, there are heads of states who aim to serve their people, public servants who work in according to the rules, businesspeople who choose not to profit from bribery, and citizens who risk their lives when fighting corruption. These examples suggest that rational choice theory is often at odds with what can be observed when discussing corruption. Moreover, as mentioned above, rationalists argue that corruption is a harmful phenomenon which leads to social problems, such as poor economic development (Lambsdorff, 2003), unfair allocation of resources and poor quality of infrastructure (Klitgaard, 1988). However, a recent study by Huang (2016) which investigated 13 countries in the Asia-Pacific from 1997-2003 challenged conventional wisdom that corruption is bad for the economic growth. Huang (2016), although the finding was ambiguous, concluded that corruption does has a positive impact on stimulating economic growth in South Korea, but at the same time had the opposite effect in China. This finding suggests that there is no linear relationship between the two variables. Furthermore, most rationalists argue that corruption obstructs the effectiveness of a good governance, yet Meon and Weill (2010) and Huang (2016) argue otherwise that corruption does 'grease the wheel' and is beneficial in countries that have weak governance. Recent works from Zheng et al. (2015) and Nguyen et al. (2016) question the extent to which corruption is destructive, as it can benefit firms' competitiveness and be used to develop political ties and exploit regulatory process.

From these three examples, we can see that rational choice theory may not be the best choice to explain some social phenomena that can be observed within societies. Boudon (2003) and Burns and Roszkowska (2016) identified four main weaknesses of rational choice theory as follows:



The first weakness of rational choice theory is that it ignores the fact that individuals base their choices and decision-making on non-commonplace beliefs, as all behaviours involve some sort of beliefs. For example, to maximise your chance of survival when crossing the road, a person will look both ways to make sure that they will be safe, even when there are no vehicles around. Thus, a person's behaviour before crossing the road is dictated by a belief that if they do not look both ways, they put themselves in danger (Boudon, 2003). These types of beliefs, however, are not taken into the account under the assumption of rational choice theory, and thus this weakness is one of the main reasons for its failure. According to Boudon (2003), individuals hold onto their beliefs because these beliefs are the consequence of the theory that they have endorsed. These endorsements are rational choices that have been influenced by cognitive rationality. Nonetheless, with the mainstream rational choice theory, they have removed cognitive rationality and reduced the process of decision making to instrumental rationality, that will choose only the most efficient means for specific ends. For instance, to maximise your money-making utility, you will act in a corrupt manner as to gain the most benefit.

The second weakness of rational choice theory is that it believes individuals are following consequential prescriptive beliefs, when in reality, individuals are following non-consequential ones (Boudon, 2003). Since rational choice theory accounts for both the attitudes and behaviour upon prescriptive belief, it becomes insufficient to explain normative beliefs that are inconsequential. For example, even though individuals are not personally affected by any misbehaviours such as corruption or plagiarism, they still disapprove of such actions. Similarly, voters vote even though their vote will have no effect on the election result, but because it is their duties to vote, it is the ideology that they have believe in, or do they vote for no reason? Moreover, we criticise others even though their problems do not cause harm or any inconvenience to us.

The third weakness of rational choice theory is that it fails to accept the fact that not all individuals are operating based on self-interest. The assumption that individuals will always maximise their personal utility cannot explain some of the more important aspects of human behaviour (Hodgson, 2012). Even if politicians have the power to influence public policy to directly or indirectly help themselves to gather more political power, why do some politicians do not choose to follow that path? Similarly, on sensitive issues such as whether the state should legalise abortion or death penalty, how can the state justify whether the choice that they have made are in the best interest of their citizens? For example, some groups of men support legalisation of abortion even though they have no interests in them physically. Similarly, even though death penalty has no direct effects to law-abiding citizens, it does not mean that these citizens cannot have the right to support the death penalty or not. Hence, if all individuals follow their own self-interests, how can individuals do so in situation they have no personal involvement in? Therefore, by exclusively focusing on the rational pursuit of self-interest as a basis for all human action, it excludes other theoretical approaches that, in certain situations, may provide better or more enlightened explanations of human behaviours.

The fourth weakness of rational choice theory strongly emphasises on the shortcomings of an amoral agent. In rational choice theory, norms and ethical considerations are not part of the conception of the human actor. The individual has subjectively based self-interest and concern only with the consequences. Questions of ethics or moral sentiments are not of conceptual interest. In any case, such sentiments would simply be understood as ‘incorporated’ into actors’ preferences, and not part of a multi-value, socially shared complex. In general, matters of morality and ethical behaviour must be raised and analysed outside the theory. Yet, human beings are moral beings, or aspire to be so. Moral sentiments enter actors’ judgment and action processes. Actors’ relationships engender notions of fairness and justice (e.g., principles of distributive justice). Their roles function as sources of moral obligation: to obey

or to resist; to cooperate; to help or to expect help (for example, members of a voluntary organisation or church group are expected to help specific categories of people, such as the poor and homeless, but not communists or rival religious communities). In general, actors are to a greater or lesser extent motivated by moral and ethical aspects of their relationships with others. Utilitarian or instrumental aspects are not unimportant. Indeed, they themselves are often normatively indicated, as in market, technical, or other instrumental settings. Moreover, such considerations find their place in all cultural frames. But these aspects of human action must be seen as a part of a complex, multidimensional rationality of human judgment and action, not the only or the main basis for formulating, as in rational choice theory, a universal model of universal-dimensional human agency.

These four weaknesses lead to the conclusion that rational choice theory has given us very little explanation on phenomena that are beyond cost-benefit analysis. From examples like voting, abortion, or corruption, individuals choose to act in congruence with strong reasons or what they believe to be correct, thus explaining why their behaviours are meaningful to them.

In summary, for these reasons, rational choice theory, despite its many valuable contributions to social science, is simply unable to take into account or analyse, at least in any systematic way, the social and moral bases of preference structures, action alternatives, decision principles and human action as well as interaction patterns. At the same time, it fails to conceptualise and explain how and why human agents shape and reshape their social conditions as part of the historical development of social institutions and societies. Unfortunately, these and related matters are not considered in the rational choice program in the conventional choice perspective. These debates on limitation of rational choice theory suggests that corruption should be study from a different angle. Therefore, scholars have called for a more nuanced way of understanding the environment as part of the process of issue construction (Sonenshein, 2007). Issue construction, further referred to as interpretation, is the

process by which individuals create meaning inter-subjectively by using stories or narratives as social events unfold (Boland and Tenkasi, 1995). Because individuals construct an issue based on their expectation (what they expect to see) and motivations (what they want to see), Sonenshein (2007: 1026) suggested that researchers “study the interpretive processes that construct ethical issues out of social stimuli in the environment”. This debate suggests that behaviour such as corruption has multiple meanings, as it is socially constructed. Consequently, corruption needs to be studied in a way that can recognise and explore its social and varied construction. Adopting rational choice theory in studying corruption might oversimplify human decision-making by assuming that people always act rationally and in their own self-interest, while ignoring the complexity of social relationships, the role of emotions and affect, and the importance of values and morality. By recognizing these limitations, we can develop a more nuanced and comprehensive understanding of human behaviour, particularly their decision to involve in corruption or act corruptly. In this regard, I have drawn from anthropological approach which emphasises its social, multifarious, and contextualised meanings, an approach I will now explain in more detail.

### **Anthropological Approach to Corruption Study (a non-mainstream approach).**

As an alternative to the dominant rationalist approach to study corruption is a growing and diverse body of research which looks at corruption from a different angle. This approach is known as an anthropological approach.

The anthropological approach to corruption study involves analysing the cultural and social factors that contribute to corrupt practices and behaviours within a given society or group. One key advantage of the anthropological approach to studying corruption is its focus on understanding the specific cultural and social contexts that shape people's attitudes and behaviours. Anthropologists use qualitative research methods such as participant observation,

interviews, and ethnographic fieldwork to gather rich and detailed data about the social and cultural practices that influence corruption. This approach allows researchers to uncover the complex and subtle ways in which corruption is embedded within a particular society or group. Another advantage of the anthropological approach is its recognition of the diversity of values and beliefs across different societies and cultures. This perspective highlights the need to avoid imposing external values or judgments on the behaviours and practices of other societies, and instead seeks to understand them within their own cultural context. Moreover, this approach can help to reveal the underlying reasons for corrupt practices, such as the role of gift-giving or informal networks in certain societies, and to identify potential avenues for addressing corruption that are tailored to the specific cultural and social context. Additionally, the anthropological approach to corruption study emphasizes the importance of considering the perspectives and experiences of those who are affected by corruption, including marginalized groups and individuals. By centring the experiences and perspectives of those impacted by corruption, researchers can better understand the social, economic, and political consequences of corrupt practices and work towards more effective and sustainable solutions.

Although it is not yet a clear-cut body of literature, the approach offers a different way of understanding corruption, and in doing so, can add value to current understanding of corruption study. First, it offers an opportunity to explore the role of taken-for-granted norms in corrupt behaviour. Second, it calls for a deeper understanding of how social context influence individuals in relation to practices commonly labelled as corrupt. Lastly, it treats corruption as a socially constructed phenomenon. More specifically, adapting and extending the work of Torsello and Venard (2016), the anthropological approach is different from the rationalist approach in the following ways: it does not subscribe to a particular definition of corruption and gives room to multiple interpretations, it avoids moral evaluation and recognises multiple views of ethics and morality; it focuses on the contextual aspect of corruption – particularly

how corruption is ‘constituted’ at a specific time and place. It also draws attention to the superficial conception of ‘culture’ and ‘structure’ often found in rationalist literature and highlights more of the role of meanings and identities embedded in social practices many labelled as corruption (Misangyi et al., 2008).

### **Characteristics and Contributions of Anthropological Research.**

An anthropological approach to corruption differs from and adds value to the rationalist literature in the following ways. First, as mentioned above, these studies reject universal and formal definitions of corruption on the grounds that they fail to capture the complexities of the public/private categories prescribed in those definitions. Furthermore, they subscribe to the idea that the law is plural, not an objective entity, free from interpretations of the powerful (Pardo, 2004). Consequently, these researchers are more interested in understanding social reality – how local communities define corruption – following the ‘emic’ approach in social research (Headland et al., 1990). This has led anthropological scholars to argue that corruption is not inherently dysfunctional as most rationalists believed. People may generally associate the word corruption with negative notions like ‘decay’ or ‘impurity’ (Hindess, 2012), but the label itself may be understood as something entirely different. In addition, they also question whether certain definitions are adequate to reflect situated experience. Walton (2013) for example, points out that Western interpretations of corruption obscure the experience of the poor and marginalised people of Papua New Guinea, as they see corruption as functional because it helps them to secure their share of state resources.

Second, anthropological studies largely avoid moral evaluation and prefer multiple views of ethics and morality. Drawing on a social constructionist approach, they shy away from discussing corruption from an ethical or moral stance because they are concerned about the judgmental approach, which many rationalists adopt when studying the socio-cultural

complexities of corruption, associating corruption with ‘underdevelopment’, ‘poverty’ and ‘counterproductive behaviour’. They argue that a judgmental evaluation of corruption limits the ability to understand certain practices and their local meanings, which need to be analysed in context. Understanding the complexity of ethics and associated behaviours requires paying attention to how it is grounded in people’s situated experience (Carmalt, 2011). This is consistent with Shadnam (2014), who notes that a homologous approach – one that treats morality and organisation as socially co-constitutive – is important in studying ethics and morality. Avoiding moral evaluation resonates with the idea that scholars need to study the ethics and morality of corruption using a relational, grounded and situated approach, because it allows researchers to capture the contingent nature and complexities of the social context involved in topics related to moral and ethics, including corruption (Clammer, 2012). Instead of applying a fixed, universal approach to ethics, the anthropological approach appreciates that ethics needs to be understood from the point of view of actors situated in a specific time and place. Adopting such a view allowed Ledeneva (2001) to unpack the complexity of *blat*, the use of personal connections in Russia which is often framed in a negative way because it bypasses formal procedures (Onoshchenko and Williams, 2014). She concluded that *Blat*, commonly labelled as corruption in Russia, is in fact just a different mode of exchange which does not carry any sense of moral decay (Ledeneva, 2001).

Third, anthropological studies of corruption pay great attention to the social and contextual aspect of corruption, particularly how corruption is ‘constituted’ at a specific time and place, instead of taking a static view, looking to establish whether corruption happens, they focus on describing what qualifies as corruption in a given situation and why (Brief et.al 2001, Torsello and Venard, 2016). Unlike rationalist scholars who tend to reduce or collapse a series of unfolding events into what can be described as corruption into statistical summaries, instead they explore those very details. For example, in exploring corruption contextually, they focus

on the specific cultural processes and the complexities of people's experience of corruption, including how language and the choice of words play a role in giving contour to those experiences (Gupta, 1995). Anthropological studies also attend to the interpretive and linguistic aspects of corruption, as it views corruption as a "meaningful, culturally constructed, discursively mediated, symbolically saturated, and ritually regulated" (Brubaker and Laitin 1998: 441) social phenomenon. This means that researchers adopting an anthropological approach will not look at corruption as an objectively identifiable phenomenon, nor will they view corruption as merely a set of social practices. Instead, they will also attend to the textual aspects of those practices, following the language and meanings that social actors attribute to it (Torsello, 2010). The anthropological approach also resembles many of the features of the homologous view of corruption (Shadnam, 2014) as they view corruption as a phenomenon inseparable from the social dimensions of human behaviour which continues to be defined and re-defined through every day communicative practices. Corruption cannot and should not be separated from patterns of thought and action, which sustain it by way of social regulations and sanctions. An anthropological approach is akin to the homologous perspective in that it is interested in investigating not the 'effects' of corruption but the 'constitution' of corruption in a specific time and place (Shadnam, 2014). In exploring corruption contextually, Orjuela (2014) describes how corruption enables people to maintain a sense of ethnic stability and perseverance in Nigeria, Kenya and Sri Lanka. She underscores the complexities of corruption beyond cost-benefit calculations, illuminating individual motivations and struggles to fulfil ethnic identity-related expectations. People engage in, or 'turn a blind eye to', practices frequently labelled as corrupt because they want to be seen as trustworthy members of their ethnic or cultural groups amidst unequal access to employment and state resources. This shows that practices of corruption are not merely about individuals seeking profits but are bound up with conflicts between ethnic groups and grievances surrounding social inequalities. In paying



attention to the language and meanings that people use to describe corruption, she captures the complexity of corruption as a political project through which people strive to be seen as loyal to their community and to maintain the integrity of their group.

Lastly, the anthropological approach draws attention to the role of meanings and identities embedded in social practices that many label as corruption (Misangyi et al., 2008). Because of the different assumptions explained previously, anthropological studies on corruption focus on understanding the inter-subjective experience of individuals, how their ways of being and acting are influenced by their social and cultural contexts, which leads to an exploration of meanings of various practices and role identities of people involved in those practices (Torsello and Venard, 2016). Such a view has enabled scholars to demonstrate how role identities are shaped by people's experience of corruption. For instance, Breit (2011) shows that in the case of an alcohol monopoly scandal in Norway, corruption not only allowed people to attack controversial business practices, but also critique the state's dominant role in the alcohol market and articulate ideas about Norway's national moral identity. These studies show how the alternative understandings of corruption are achieved by foregrounding cultural context in corruption research. These alternative understandings are important, not only in rethinking existing anti-corruption efforts, but in reflecting more broadly the delicate and overarching social and political issues from which corruption cannot be separated.

### **Moving beyond an anthropological approach to corruption study**

Similar to anthropological research on corruption, there is a great deal of literature that calls for a contextual understanding of corruption. Shadnam and Lawrence (2011), focus on ethical discourse and organisation decision-making, highlighting the fact that ethical discourse and decision-making are significantly influenced by a broader set of mechanisms that connect communities, organisations, and individuals. Hence, individual and organisation factors that

result in a specific set of actions must not be regarded as standing in isolation, but rather as interdependent. Like authors of the anthropological approach, these authors urge for a more constructivist perspective that includes a social and cultural context for a better individual understanding of the behaviour of members in an organisation (Shadnam and Lawrence, 2011). Similarly, Rabl (2011) concurs that it is important to understand corruption as an interdependence of different factors that result from a complex interplay of motivations, volitions, emotions, and cognitions in an individual's decision-making process in a specific social context. Moreover, there is a need for research that focuses specifically on corrupt actors in order to determine psychological components regarding their behaviours (Rabl, 2011). Maravic (2009) also supported the point that conventional economic analysis is insufficient as a tool to analyse corruption as it ignores cultural dynamics and norms as factors that influence corruption. He added that an organisation's environment is an equally important factor that should not be discarded when analysing corruption. His research showed that even after administrative reform, the level of perceived corruption under new management was still as high as its predecessor, as new opportunities for corruption had been created (Maravic, 2009). This argument pointed to the fact that even if there is a structural change in government to counter corruption, if the organisation's internal culture remains the same, its conduct remains unchanged. Another similar example was the common aphorism in pre-1989 Soviet-dominated-societies, which stated that those who do not steal from the state steal from their families instead. Therefore, even with structural change during the post-Soviet years, it was still rational for individuals to steal from the state, since the concept of an individual stealing to support their family was considered legitimate (Misanyi et al., 2008). Therefore, if we are to believe that individuals are corrupt in order to maximise their self-interest or because they lack moral sense, then what are we to think about their moral obligations and values in relation to their families? Luo (2005) argued that previous research studies, such as research on

business ethics, offered different insights to combat corruption but fell short in establishing a relationship between an organisation's environment, behaviour, outcomes, and infrastructure. Greenberg (2002), on the other hand, who conducted a study on customer service representatives and employee theft, concluded that theft within an organisation was the result of employees being underpaid by their employer and having the opportunity to steal additional money undetected. According to Greenberg (2002), theft was effectively eliminated only when representatives had a strong sense of the importance of moral development and an ethics program was in place. Thus, theft in organisations was the result of individual and situational factors. Among these studies, Ashforth, Gioia, Robinson, and Trevino (2008) specifically call for a broader and systematic view on corruption. In their article "Introduction to the Special Topic Forum: Re-Viewing organisational corruption", Ashforth et al. (2008) they proposed that organisational corruption should be perceived and understood as a systematic and synergistic phenomenon that focuses on interrelations between multiple perspectives and bodies of literature that can be brought to bear on the phenomenon. According to these authors, a systematic perspective on corruption must consider both formal and informal factors, in other words, it should consider processes, behaviours, ethical standards, and cognitive moral development. Ashforth et al. (2008:673) concluded that "we need a considerably more holistic or dynamic understanding regarding the interplay of environment, organisational, and individual forces". Perhaps what we need to better understand corruption is a view that does not differentiate between different levels of analysis. Therefore, rather than having a unidirectional view, corruption must be understood as a dynamic process by analysing different factors that involve detailed description of the context (Nakahara, 2015; Torsello and Venard, 2016). One of the first authors in management literature to conduct an analysis of corporate misconduct as a process was Dennis Gioia (1992) on his study of the Ford Pinto scandal. In his research, Gioia (1992), provided an in-depth analysis of decision-making processes and

concluded that his own schematised knowledge to recall issues did not include ethical dimensions. Brief et al. (2001) analysed three processes that result in collective corruption: sanctioning, compliance, and institutionalisation, and explained how an ethically questionable practice became woven into organisational culture. Their research suggested that corruption was due to the influence of an authority that legitimised wrongdoing and displayed an ignorance of the ethical implications of one's actions and the cumulative effect of wrongful actions (Brief et al., 2001). Misangyi et al. (2008) also developed a theoretical model on corruption that examines the interplay between institutional logics, resources, and institutional entrepreneurs, and claimed that corruption in Bosnian and Herzegovinian police force and other public institutions revolved centrally around ethnicity. Their research emphasised that the understanding of corruption "needed to be constructed as a part of larger institutional logic within individuals, organisations, and even researchers embedded" (Misangyi et al., 2008:764).

To summarise, these relevant literatures perceive that corruption is a complex phenomenon which involves multiple interrelations of structural, institutional, organisational aspects with personal, motivational, and behavioural aspects of corruption as well as its social and cultural context. Therefore, many authors (Brief et al., 2001; Ashforth and Anand, 2003; Luo, 2005; Ashforth et al., 2008; Fleming and Zyglidopoulos, 2008; Misangyi et al., 2008; Maravic, 2009; Green et al., 2010; Greve et al., 2010; Rabl, 2011; Shadnam and Lawrence, 2011; Zyglidopoulos et al., 2017) call for an integrative and systematic view of corruption that explores the interdependency between individuals, organisations, and society. Yet, despite these acknowledgements for a broader and systematic perspective on corruption, various researchers still focus on corruption at different levels of analysis in isolation (Galang, 2012; Fein and Weibler, 2014; Torsello and Venard, 2016; Zyglidopoulos et al., 2017). Therefore, referring to the anthropological approach and what Misangyi et al. (2008) suggested, an institutional logic may help us to dive deeper into the nature of corruption.

## **An Institutional Logics Approach to Corruption Study (conceptual framework)**

As corruption is the consequence of an individual's actions and at the same time a problem that involves many complexities in a specific social and cultural context, institutional logics can offer a way to understand the complexity of the social world which focus on aspects of multiplicity, heterogeneity, and the coexistence of different logics at play. These logics describe how individuals think and influence both the means and the ends of their behaviours (Friedland and Alford, 1991). The institutional logic approach to corruption study is a framework that emphasizes the role of institutions and their logics in shaping corrupt practices and behaviours. This approach is based on the idea that institutions, or the rules, norms, and practices that govern social behaviour and play a key role in shaping individuals' attitudes and actions related to corruption.

Institutional logics are the underlying frameworks of beliefs, values, and assumptions that guide behaviour and decision-making within institutions. These logics can vary widely between different organizations, industries, and societies, and can shape individuals' perceptions of what is considered acceptable behaviour. To better understand the institutional logic concept, I will begin with the definition of institutions in academic literature.

### *What are Institutions?*

Institutions can be conceptualised as a shared definition or meaning (Tolbert and Zucker, 1996: 180) and a set of assumed behavioural norms justified by their relationship to formal and informal structures (Berger and Luckmann, 1967). Institutions are embedded in individual actors (Gonin et al., 2012) and influence the way organisations and individual actors within organisations perceive the world, their role, the salience of issues and the persuasiveness of solutions (Thorton, 2002).

In this study, institutions refer to established organizations, structures, or systems that play a significant role in shaping and governing various aspects of society. These can be formal or informal entities that provide a framework for organizing and regulating human behaviour, interactions, and activities. Institutions are essential for maintaining social order, promoting cooperation, and ensuring stability within communities and societies. They can be found at various levels, from local to global and cover a wide range of fields and functions.

The study of institutions has a long history in organisational research, beginning with Selznick's (1948, 1949, 1957) empirical analyses of organisations and institutional environment, and Parson's (1956) study on how institutions use universalistic rules, contracts, and authority to integrate organisations in society (Thornton and Ocasio, 2013). In the 1970s, scholars such as Meyer and Rowan (1977) and Zucker (1977) advanced institutional theory by highlighting the role of culture and cognition into institutional analysis. Meyer and Rowan (1977) emphasised the rationalisation of the taken-for-granted rules which lead to isomorphism in the formal structures of organisations. In other words, individuals' decision-making duplicates behaviours and values adopted by other similar individuals (Aldrich and Fiol, 1994). This process, once institutionalised, becomes a new standard to be followed and adopted by other individuals within the same organisation (Zucker, 1987; Barley and Tolbert, 1997) which is constantly reinforced through the development of socially accepted justification (Berger and Luckmann, 1967). By the 1990s, groups of scholars such as Friedland and Alford (1991), Haveman and Rao (1997), Thornton and Ocasio (1999), and Scott et al. (2000) had contributed to the creation of a new approach to institutional analysis, called 'institutional logics', to define content and give meaning to institutions. This new approach has also considered how culture and cognitive structure shape organisational structures. Unlike the old institutional analysis that focus on isomorphism, institutional logics focus on the effect of differentiated institutional

logics on individuals and organisations in a larger variety of contexts (Thornton and Ocasio, 2013).

### *Development of institutional logics*

Institutional logics was first introduced by Alford and Friedland (1985) to describe the contradictory practices and beliefs in the institutions of Western societies (Thornton and Ocasio, 2013). The main purpose of institutional logics is to examine the interrelationships between individuals, organisations and society, as individual actions can only be explained in a societal context, and that context can only be understood through individual consciousness and behaviour (Friedland and Alford, 1991). They defined institutional logics as a set of material practices and symbolic constructions which constitutes its organising principles, and which is available for individuals and organisations to elaborate upon (ibid). In other words, social actors engage in ritual behaviour and thereby concretise or alter symbols of a given institution through material practice that are connected to their individual lives and needs (Johansen and Waldorff, 2017). For Friedland and Alford (1991), the core institutions of society consist of the capitalist market, the bureaucratic state, families, democracy, and religion. These institutional orders have a central logic that directs social actors with motives and a sense of self (identity). In other words, institutional logic is the principle that guides institutional orders (Friedland and Alford, 1991). For instance, the institutional order of the capitalist market is guided by a deeply ingrained logic that promotes “commodification of human activity”, and the institutional order of democracy is guided by a logic of “participation and the extension of popular control over human activity” (ibid: 248). These institutional logics are therefore “symbolically grounded, organisationally structured, politically defended, and technically and materially constrained, and hence have specific historical limits” (ibid: 248-49). For instance, families attempt to convert all social relations into reciprocal and

unconditional obligations oriented aimed at the perpetuation of family members. In such cases, they are seldom challenged when market-based inequalities, universal bureaucratic rules, or religious differences become the basis of affiliation, obligation, or loyalty (ibid.).

Other than Friedland and Alford, Jackall (1988) also developed his own conception of institutional logics. Jackall (1988: 112), from his ethnographic analysis of ethical conflicts in corporations, defined institutional logics as “the complicated, experientially constructed, and thereby contingent set of rules, premiums and sanctions that men and women in particular contexts create and recreate in such a way that their behaviour and accompanying perspective are to some extent regularised and predictable”. Like Friedland and Alford, Jackall perceives institutional logics as embodied in practices, sustained and reproduced by cultural assumptions and political struggles, but his main focus on institutional logics is on the normative dimensions of institutions and contradictions within organisations, rather than Friedland and Alford’s symbolic resources and contradictions between institutional orders (Thornton and Ocasio, 2013).

Building upon the work of Jackall (1988) and Friedland and Alford (1991), Thornton and Ocasio (1999: 804) defined institutional logics as “the socially constructed, historical pattern of material practices, assumptions, values, beliefs, and rules by which individuals produce and reproduce their material subsistence, organise time and space, and provide meaning to their social reality”. This new approach has integrated the structural, normative, and symbolic components of institutional logics as they are viewed as complementary dimensions of institutions, whereas Friedland and Alford’s approach is structural and symbolic, while Jackall’s approach is structural and normative (Thornton and Ocasio, 1999). In other words, this new definition established a connection between individual behaviour, cognition, socially constructed institutional practices and rule structures (Thornton and Ocasio, 2013). The institutional orders have also been amended by Thornton and colleagues several times and



has now comprise seven orders: the market, corporation, profession, state, family, religion, and community (Thornton et al., 2012).

The institutional logics approach incorporates a broader set of meta-theory to understand how institutions, through their underlying logics of action produce heterogeneity, stability, or change in individuals and organisations. Thornton and Ocasio (2013) have listed five principles that underlie the institutional logics approach: embedded agency, society as an inter-institutional system, the material and cultural foundations of institutions, institutions at multiple levels, and historical contingency. These five principles are not always integrated into the use of an institutional logics perspective due to differences in researchers' goals. These five principles will be discussed in turn.

The core and main assumption of institutional logics is that the interests, identities, values, and assumptions of individuals and organisations are embedded within prevailing logics. Decisions and outcomes are the result of the interplay between individual agency and institutional structure (Jackall, 1988; Friedland and Alford, 1991; Thornton and Ocasio, 1999). Individuals and organisations may seek different interests, however these different interests are enabled and constrained by institutional logics. Over time, this assumption has come to be known as embedded agency (Seo and Creed, 2002; Greenwood and Suddaby, 2006). Embedded agency presupposes the partial autonomy of individuals, organisations, and institutions in any explanation of social structure or action (Friedland and Alford, 1991). Society consists of three levels – individuals, competing and negotiating; organisations in conflict and coordination; and institutions in contradiction and interdependency (Thornton and Ocasio, 2013). These three levels must be analysed together to fully understand society. As Berger and Luckmann (1967) have argued, while individual and organisational action are embedded within institutions, institutions are also socially constructed and constituted by the actions of individuals and organisations. This suggests that cross-level analysis is crucial. However, most researchers,

regardless of whether it is theoretical or empirical, tend to ignore this emphasis and choose to focus on one level of analysis or another (Thornton and Ocasio, 2013). The institutional logics approach thus distinguishes itself from other perspectives on institutions, such as rational choice theory, which focuses only on individualistic interests (North, 1990; Ingram and Klay, 2000), the macro structural perspective that overemphasises the primacy of structure over action (Meyer et al., 1997; Schneiberg and Clemens, 2006), and Parsonian perspectives which argue for institutions to be separated from economic or technical sectors. When researchers try to understand corruption, they tend to study it at a specific level of analysis which puts corruption into a static state. This static approach limits our understanding of corruption since it is not static, but a dynamic social reality that is linked to its social environments that can be altered over time (Torsello and Venard, 2016). Institutional logics, therefore, can offer an alternative approach to understanding corruption, as it focuses on the bi-directional relationship between individuals, organisations, and society.

According to Thornton et al. (2015), institutional logics' key distinction is in its nondeterministic view of society as an integration of different institutional orders in an inter-institutional system. Each institutional order, as has been mentioned previously, contains their own set of symbolic meanings and material practices that constitute a belief system and organising principles (Thornton, 2014). Observing society as an inter-institutional system allows heterogeneity and agency to be theorised and understood from contradictions between logics of different institutional orders (Thornton and Ocasio, 2013). For example, the United States' health care sector is shaped by the institutional logics of the market, democratic state, and profession (Scott et al., 2000). As institutional logics provide an opportunity to understand actions because of a complementary or a contradiction of different logics, they can help researchers to understand which logics lead to corrupt behaviour. For example, we may theorise that police officers follow the logic of their profession, such as integrity and

professionalism, to reject corrupt actions, but may also be contradicted by the logic of family to take certain actions that are deemed to be corrupt behaviour to ensure loyalty to family and relatives.

Another key assumption of institutional logics is that each institutional order has both material and cultural characteristics (Friedland and Alford, 1991). Institutional logics recognise that institutions develop and change as a result of the interplay between material and cultural forces. For example, markets which are not a part of the cultural sphere are directly influenced by culture and social structures, including networks of social relationships and structures of power, status, and domination (Granovetter, 1985). Individuals and organisational behaviours can no longer be explained by market mechanisms alone as institutions, factors such as families, professions, and religions cannot be traded off as simple economic alternatives (Friedland and Alford, 1991). The underlying argument is that regardless of whether an action is rational or irrational, what is important is how material and cultural factors influence humans and organisational behaviour (Thornton, 2002). Institutional logics emphasise how institutions provide social actors with a set of social norms (Jackall, 1988) where behaviour is driven not by a logic of consequences, but by a logic of appropriateness (March and Olsen, 2013). Logic of appropriateness is a perspective on human action (Olsen, 2007). Actors seek to fulfil their obligations which are encapsulated in a role, an identity, a membership in a group, and in the ethos, practices, and expectations of its institutions (March and Olsen, 2013). To act appropriately is to proceed according to the institutionalised practices of collective actions based on mutual understandings of what constitutes as true, reasonable, natural, right, and good (Olsen, 2007; March and Olsen, 2013). Under the logic of appropriateness, when a human decides to act in a particular manner, they will ask three elementary questions: What kind of situation is this? What kind of a person am I? What does a person like me do in a situation like this? (March and Olsen, 1989). Moreover, in many societies, there is no clear distinction

between individuals' private and public roles (Graaf, 2007). In the private sector, gift-giving activities are highly valued, and it is natural to provide jobs and contracts to friends and relatives, and there is no reason not to carry such practices over into public sphere (Rose-Ackerman, 1999). Thereby following the logic of appropriateness, actions in the public sphere such as gift-giving and nepotism, which many deem as types of corruption, may in fact be seen as practices that are reasonable actions to follow by individuals in their public roles. As Trevino et al. (2006) noted, corrupt individuals tend not to view themselves as corrupt. Therefore, corruption is, to a large extent, a matter of perspective (Fein and Weibler, 2014) that depends on what actions are appropriate in a particular context.

The institutional logics approach offers the opportunity to develop theory and research across multiple levels of analysis (Thornton and Ocasio, 2013). Institutional logics assume that institutions operate at multiple levels of analysis and that actors are embedded in higher order levels – individual, organisation, industry, and societal (Thornton et al., 2012). This assumption conforms to Friedland and Alford's (1991) observation that institutions are in conflict but that they continuously provide constraints and opportunities for change by actors. By following this assumption, researchers that combine multiple levels of analysis are more likely to get a holistic and more accurate picture of the problem under study (Thornton et al., 2012).

Historical contingency is another key assumption in institutional logics. Historical contingency, as part of institutional logics, is consistent with institutional theory which focuses on how the larger environment influences individual and organisational behaviour (Thornton and Ocasio, 2013). The importance of historical contingency in institutional logics is that the rise or influence of institutional orders is not an evolutionary or a linear progression driven by science or modern rationalisation (Thornton and Ocasio, 2013). Yet, this does not mean that old institutional orders are completely replaced by new ones. For instance, Thornton et al.

(2005) shows the recurrence of institutional logics in case studies on accounting and architecture.

*Justifying the selection of institutional logics as the guiding theory*

Due to its ability to provide researchers with opportunities to develop theory and research across multiple level of analysis, institutional logics have been adopted and studied by many scholars. Suddaby and Greenwood (2005) examined vocabulary to see the contradictory institutional logics in accounting and law. They have examined different understanding of professionalism based on a trustee model and an expertise model which shows how the conflict between these two profession logics defined different sources of legitimacy that empowered a struggle to develop new organisational form in accounting and laws. Rao, Monin, and Durand (2003) examined two logics in French culinary profession which are classical and nouvelle. They have examined the how the role of the chef, organisation of the menu, rules of cooking, and culinary critics have created an identity competition which result in a shift in identities among classical and nouvelle chefs. Dunn and Jones (2010) examined the prevalence of science and care logics discourse over 95 years and showed how the growth of public health and medical schools, contest among physicians over medical education, and their relationship with public attention to managed care were associated with increased emphasis on the care logic relative to science logic. Scott et al., (2000) also examined healthcare in the United States and Canada and showed the transformation of the organisational field of health care from professional logics to a co-existence of three different logics: market logics, democratic state logics, and professional logics. Reay and Hinings (2009) case study of medical professionalism and business-like health care in Alberta show a struggle among actors holding different logics resulted in power being distributed between physicians (professions) and government (state) – creating a counterbalance effect of co-existence. Jones and Livne-

Tarandach's (2008) study of rhetorical strategies show how architects have different vocabularies that represent business, profession, and state logics which enable them to better market themselves by appealing to multiple and diverse interests of their clients. Townley's (1997) case analysis of implementing performance appraisal practices in universities showed how the professional logic allowed academics to defend against corporate practices, showing how institutional logics can be used as a resource and a boundary mechanism. Lounsbury (2002) study on finance industry showed how a shift from professions logic to a market logic created a change in status driven by business practice reputation to normative conformity to mathematical economics. The study showed how profession finance associations led the transformation to a market logic in the field of finance and how finance professionals gained status and position by their reliance on financial theories as the market logic gained prominence in the field. Glynn and Lounsbury (2005) examined a shift in the focus of attention pre- and post-strike by newspaper critics of the Atlantic Symphony Orchestra from aesthetic logic to market logic. The study shows that the pre-strike reviewers focused their attention on virtuosity and musical implication which is associated with aesthetic while post-strike reviewers focused their attention to ticket sales, production of recordings, and audience reactions which is consistent with a market logic. Lounsbury (2007) showed how geography, Boston and New York, provides a comparative method of analysis in analysing the effect of competing professional and market logics in the mutual fund industry. The finding shows how Boston's professional logic with its main goal of wealth preservation competed with New York's market logic that focused on maximising growth and market performance. Greenwood et al., (2010) examined corporate downsizing in the Spanish manufacturing sector between 1994 and 2000, found significantly less tendency to respond to market pressures to decrease their labour forces in regions of the country where the State and Family logics dominated. Haveman and Rao (1997) study on coevolution of institutions and organisation in the California Thrift industry

examined how changes in institutional logics at the societal level affected the formation of organisational forms at the industry level. Through their analysis of archival records, their research showed how plans which embodied bureaucratic logics and rational decision making were more likely to thrive than those that embodied a community logic and cooperation among actors. Bhappu's (2000) anthropological analysis of the ancient Japanese family system showed that the institutional order of the family became the institutional logic of Japanese corporate networks. Thornton and Ocasio (1999) research in higher education publishing showed an integration of the industry level into institutional logics, as producers in an industry have established common identity through social comparisons, status competition, and network positions (Thornton and Ocasio, 1999). Thornton's (2001; 2002) further research on institutional logics show that there was a shift in editorial logic to a market logic in higher education publishing and concludes that the shift in logics is shaped by profession and market logics. Marquis and Lounsbury (2007) showed how competing institutional logics can facilitate resistance to institutional change as in the case of the contest between logics of global corporate banks and local community banks.

In relation to the study of corruption and anti-corruption, institutional logics have been adopted and theorised by Luo (2005) and Misangyi et al. (2008). Luo (2005) argued that many disciplines have examined corruption but have not addressed the organisational context, behaviours and processes that support corruption. Although Luo (2005) did not directly use the terms institutional logics or institutional entrepreneurship, his study examined corruption in a private commercial organisational context, taking structural, cultural, and behaviour aspects into account (Pillay and Kluvers, 2014). Misangyi et al. (2008) presented a solution to corruption involving the interplay between institutional logics, institutional entrepreneurship, and resources. They suggest that corruption will persist as long as the identities and schemas that guide practice are not addressed, and that the only way of addressing this issue is to

formulate a new institutional logic through institutional entrepreneurship (Misangyi et al., 2008).

Institutional logics have also been adopted as a method of analysis to measure the effects of content, meaning, and change in institutions. Previous researchers have used event history (Tuma and Hannan, 1984), ethnographic analysis (Jackall, 1988) archival records (Haveman and Rao, 1997), interviews (Thornton and Ocasio, 1999), and content analysis of professional journals (Scott et al., 2000). Event history has been used when historical contingency is a focus of the analysis (Thornton, 2004). The use of content analysis helps to identify the key terms that are important to actors of the professions and corporate institutional orders (Scott et al., 2000). Meanwhile, the use of rhetorical analysis of vocabularies is employed to expose the contradictory institutional logics that exist in historically different professions (Suddaby and Greenwood, 2005).

In summary, institutional logics provide researchers with flexibility to analyse a phenomenon at any level of analysis. From the literature, institutional logics has been successfully applied at the societal level (Friedland and Alford, 1991; Havemen and Rao, 1997; Bhappu, 2000; Scott et al., 2000) and at industry level (Thornton and Ocasio, 1999; Thornton 2001; 2002). Nevertheless, Thornton and Ocasio (2013) still suggest that there is a need to better understand how macro-level states can influence an individuals' orientations to their actions, preferences, and beliefs, and how, in turn, an individual's actions constitute macro level outcomes. In other words, more work needs to be done on how the micro-foundation of institutional logics as the causal relationship in institutional logics is not macro-to-micro or micro-to-macro but macro-to-micro-to-macro (Thornton et al., 2014). The micro-foundation study is necessary because individuals are embedded in institutions and these institutions are sustained, altered, and extinguished as they are enacted by individuals in social situations (Gonin et al., 2012). Individuals store societally prominent institutional logics in their mind as



schemas, and when these schemas are primed, individuals are more likely to align their motives with these logics and behave in a way that is consistent with these motives (Thornton et al., 2015). A richer understanding of how individuals locate themselves in social relations and their interpretation of their context (development of micro-level explanation) will give a more in-depth account of macro-level events and relationships (Powell and Colyvas, 2013).

Despite only few have discussed institutional logics and corruption, Lounsbury and Wang (2020) reaffirm that institutional logics can engage with challenges of global society. Therefore, a study on corruption that uses institutional logics as a conceptual framework can contribute knowledge to the study of corruption by providing an approach that combines all different levels of analysis into one whole conceptual frame that focuses its attention on individuals and surrounding contexts. Institutional logics can generate new theoretical ideas and develop our understanding of corruption because it focuses on how individuals make sense of their actions through the influence of logics, and how these individuals' practices become institutionalised and develop to become new standards of practices that are followed in the organisation and in society. As Meyer and Rawan (1977: 343) explained "norm of rationality are not simply general values. They exist in much more specific and powerful ways in the rules, understandings, and meanings attached to institutionalised social structure". In other words, organisational forms embody specific institutions – particularly regulations, norms, and ideas that result in actions of individuals and groups. The legitimacy of these organisational structures hinges on their alignment with the widely accepted norms, values, and belief systems of a society (Havemen and Rao, 1997).

A practical contribution of this research is to inform policy makers and organisation leaders that existing anti-corruption policies that focus on shaping individuals' morality, administrative reform, or structural reform may not work if the core institutional logics still prevail. An academic contribution of this paper is to support the adaptation of institutional

logics to corruption study. It will also use institutional logics to explore in the setting outside the northern/western lens. Although there are some influential articles on institutional logics that have engaged with setting outside the global North (Battilana and Dorado, 2010; Smith and Besharov, 2019), most of the literatures on institutional logics has been northern/western centric (Gumusay et al., 2020). Connecting to this concern, we risk depicting, privileging and universalising a northern-centric institutional scaffold (ibid) even when they are engaged with non-northern contexts, they are often misconceived with ‘northern lens’ and pejoratively labelled as being devoid of institutions (Mair et al., 2012; Bothello et al., 2019). As a result, the field outside northern/western centric intellectually omits potential sources for contextual richness, as institutional logics perspective conceptually allows us to be more nuanced and emphasise that logics exists across contexts and are shaped by their local conditions and respective cultures.

By adopting institutional logic approach to corruption study, researchers could understand how these logics contribute to the persistence of corruption in different contexts, and by analysing the institutional logics that underpin corrupt practices, researchers can identify the cultural and social factors that contribute to the prevalence of corruption.

For example, in some societies, gift-giving is a common practice that is seen as a way to build relationships and foster goodwill. However, in other contexts, gift-giving can be a form of corruption when it is used to influence a decision-maker’s behaviour or actions. By examining the institutional logics that underpin gift-giving practices in different contexts, researchers can better understand the factors that contribute to the persistence of corrupt practices and develop strategies to address them.

The institutional logic approach to corruption study can also help to identify potential opportunities for change. By understanding the underlying cultural and social factors that contribute to corruption, researchers can identify potential leverage points for interventions

that can shift institutional logics in a more ethical direction. For example, by promoting transparency and accountability in decision-making processes, it may be possible to shift the institutional logic towards a more values-driven approach that prioritizes integrity and fairness.

## **Conclusion and Research Questions**

This chapter highlighted the importance of corruption in the realm of global development. It then discussed the rationalist approaches and its limitation to corruption studies. My analysis of these debates suggests the need for research to look at how corruption is interpreted by actors engaging in social relations and situated in a particular context. To do so, I first explored anthropological studies of corruption that underline the importance of contextualised understandings of corruption, which eschew formal definitions and moral evaluations, and emphasise process, meanings, and identities. Then, I moved on to discuss the concept of institutional logic which focus on the effect of differentiated institutional logics on individuals and organisations in a larger variety of contexts, to define content and give meaning to institutions, but to also consider the role of culture and cognition in a particular context.

Consequently, in applying insights from anthropological studies with institutional logics as the conceptual framework, my study focuses on the interpretation of corruption by social actors situated in context and the different meanings, identities, and the detailed processes through which corruption is experienced by individuals in a network of social relationships in a particular culture. This is the basis for my first research question: **What is the meaning of corruption in the perspective of Thai private entrepreneurs?** With regards to the institutions, my study also explores logics that influence individuals to corruption by asking the second research question: **Which logics that corruption in the context of Thai entrepreneurs institutionalise from?** The next chapter will discuss the methodology and methods adopted to answer these questions.

## **Methodology**

This chapter will discuss the methodology that have been used in this study to answer the research questions outline in the previous chapter. I will begin by justifying my decision to follow an inductive approach. Then, I will discuss why I chose Thailand as my research setting. Subsequently, I will discuss why I chose unstructured interview as a method to explore meanings of corruption. I will also detail my ethical considerations and approval processes, as an interview about corruption may lead to interviewees jeopardizing themselves. Lastly, I will explain how the data has been gathered and analysed, before detailing my findings.

### **An interpretative approach to corruption study**

Since the primary objective of this thesis is to understand the meaning of corruption, I have decided to follow an interpretative approach to corruption study. Before I justify why I have chosen inductive approach for this research, I will begin with my ontology and epistemology.

Research philosophy is a system of beliefs and assumptions that researchers must possess to explore the development of knowledge. Developing new knowledge can come in a form of research to understand the underlying relationship of a specific problem or a specific situation. As research progresses, researchers will consciously or unconsciously make many assumptions; ontology and epistemology assumption per se (Burrell and Morgan, 1979). Crotty (1998) suggests that, inevitably, these assumptions on the nature of reality and of knowledge will shape your understanding of research questions, choice of methodology, and interpretations. These set of assumptions will formulate a credible research philosophy that will assist in identifying procedures and relevant frameworks for research development (Remenyi et al., 1998). Therefore, it is in the best interest of researchers to always be aware of

the selected philosophical commitments, as it will have a significant impact upon researchers' interpretation (Johnson and Clark, 2006).

Ontology is a branch of philosophy that concerns with the nature of social reality (Blaikie, 2007). In other words, ontology can be defined as "the study of being" (Crotty, 1998). The goal of ontology is to explain what exists and how these existences interact with one another. The debate over the nature of reality has been divided mainly into two main branches: objectivism and subjectivism. While there is still an on-going debate over the issue, an objective or subjective ontological assumption can significantly influence researchers' perspective.

On the one hand, objectivism is an ontological stance that relies heavily on natural sciences. From objectivist's point of view, the concept of social phenomena is considered as an external entity which exists beyond researchers' reach. Therefore, when discussing corruption with an objectivism's point of view, if the reality about corruption is pre-existing, then everybody should engage in corruption when their benefit is greater than their cost, but why is it that some are corrupt while others are not?

On the other hand, subjectivism challenges the notion that social reality is predetermined and externally beyond researchers' influence. Subjectivism suggests that social phenomena is a social product formed within an individual's perception and from an interaction with other social actors (Berger and Luckmann, 1966; Bryman and Bell, 2015; Saunders et al., 2016). Social interaction is a continuous process and that social phenomena is always in a constant state of revision (Saunders et al., 2016). Similarly, rather than seeing culture as a predetermined reality, Becker (1982) argues that culture is the collection of construction and reconstruction processes, and that individuals should adapt their understanding about culture to find its new meaning in new situation. The works of Strauss et al.'s (1973) and of Becker's (1982) emphasize the role of individual perception and social interaction in constructing social

reality, and have also acknowledged that there is a pre-existing objective reality that influences an individual's subjectivity. As Berger and Luckmann (1966) has suggests, "Society is a human product. Society is an objective reality. Man is a social product." It is therefore imperative to keep in mind of the dialectic relationship between objective reality and subjective reality that shapes an individual's view of the world. Therefore, I have chosen to follow the subjectivism point of view to study corruption because it does not view corruption as a single reality, but multiple ones in a constant state of construction and reconstruction.

As I have come into understanding my own ontological assumption, it is equally important to justify my way of understanding the reality. This justification process is known as epistemology. Epistemology is the process whereby researchers consider which information can be regarded as knowledge and which method to use to acquire the knowledge (Burrell and Morgan, 1979; Bryman and Bell, 2015). Epistemology falls within two dimensions; positivism and interpretivism. The former is based in facts and works with only observable social reality to formulate law-like generalisations to explain a phenomenon, similar to research in the area of natural science (Remenyi et al., 1998; Blaikie, 2007; Gill and Johnson, 2010; Saunders et al., 2016). The latter aims to create new and in-depth understandings and interpretations of the social worlds by exploring different perspectives that individuals perceive and experience regarding a specific problem or a specific situation. Interpretivism argues that fundamentally, humans as social actors and social worlds are different from physical phenomena, and that the study of social actors in social worlds cannot be done in the same way physical phenomena has been studied in natural science. (Hughes and Sharrock, 1997; Bryman and Bell, 2015; Saunders et al., 2016). As individuals engage with each other through spoken words, as well as various form of physical interaction (Yanow and Schwartz-Shea, 2006), they create different meanings which interpretive researchers are interested in analysing and describing. Hence, inferring, describing, and understanding these meanings are the objectives of interpretive research

(Gephart, 2004). As a result, I have chosen to follow interpretivism as my epistemology, because the goal of this thesis is to understand the meaning of corruption, therefore it is imperative to uncover what corruption means to individuals.

With ontology and epistemology defined, the next step is to address which approach is suitable for the research undertaken. In general, research follows two types of logical reasoning: deductive and inductive. Many researchers suggest that those who adopt a deductive approach focus on theory-testing, while those who practice inductive approach focus on theory-building (Blaikie, 2007; Bryman and Bell, 2015; Saunders et al., 2016). In addition, an inductive approach seeks to explore a particularised phenomenon to explain generalised phenomena, while its counterpart begins with examining generalised phenomenon to accurately explain a particularised phenomenon. In this sense, as agreed upon existing literatures, a deductive approach has an objective nature, while an inductive approach has a subjective nature (Crowther and Lancaster, 2012; Saunders et al., 2016). With my ontology and epistemology being subjective in nature, I have decided to choose inductive approach for this research. The reason I have chosen inductive is not only because it is subjective, but because it seeks to explore a social phenomenon in a particularised context. As corruption is located in particular time and context and may change depending on said time and context, treating corruption as a generalised phenomenon with universal would not enhance understanding. Instead, by choosing corruption in a particularised context, it allows researchers to immerse themselves 'in context', facilitating a deeper understanding of how the specific meaning comes about (Guba and Lincoln, 2005). Hence, an inductive approach allows this research to examine the subject under in one specific context, which leads me to discuss below on my research setting.

## **Research Setting.**

This section will discuss the research setting – Thailand. Selecting Thailand as a setting for a research project on corruption is justified for four reasons: the need to study the meaning of corruption in a specific context; Thailand's reputation as a country where corruption is rife; Thailand's status as a developing country where the meaning of corruption could be different from developed countries, and the opportunity to incorporate my knowledge of Thai culture and access to networks and research participants in Thailand.

First, as discussed in the previous chapter, it is vital to study what we mean by corruption in context. Recent studies on corruption point out that corruption, or a questionable practice, can sometimes be viewed as appropriate, hence implying that there are different meanings that can be ascribed as a corrupt practice. It is also equally important to explore and uncover how actors construct their reasoning. Corruption is not always viewed as an unequivocal wrong or an immoral act. Instead, different actors and individuals may perceive certain practices as appropriate within their social, cultural, or organizational contexts. This subjectivity implies that what one person considers as corrupt might be considered acceptable or even necessary by another. Understanding the subjective nature of corruption is crucial in comprehending why corruption persists in certain societies or sectors. Building on the subjectivity aspect, there are diverse meanings and interpretations of corruption. These meanings can vary based on cultural norms, legal frameworks, historical traditions, and social expectations. Consequently, what is deemed corrupt in one setting might not be perceived similarly in another. Researchers need to delve into these varying perceptions to grasp the complex nature of corruption and its contextual manifestations. Individuals involved in corruption often create justifications, rationalizations, or moral disengagement mechanisms to reconcile their actions with their personal beliefs or the prevailing institutional norms. Understanding these reasoning processes sheds light on the psychological and social



mechanisms that facilitate corruption. To comprehensively address the issue of corruption, researchers should go beyond simply identifying corrupt practices and focus on exploring the entire process by which corruption occurs and persists. This involves investigating the initial incentives or triggers that lead to corruption, the decision-making process of actors, the mechanisms that sustain corrupt networks or practices, and the barriers to combatting corruption effectively. This suggests a scope for researchers to explore the process by which corruption occurs and endures.

Second, Thailand's persistent struggle with corruption has been a subject of concern, despite extensive efforts to combat the issue over the years. While the country may fare comparatively better than some of its neighbouring nations, its overall corruption score remains below the average of ASEAN countries. Disturbingly, bribery is often perceived as a customary business practice in Thailand, with many entrepreneurs believing it to be a necessary means for success (Tangsupvattana, 2011). Given this disconcerting reality, studying the phenomenon of corruption within the context of Thailand becomes highly pertinent, offering valuable insights into why the nation's anti-corruption campaign has yielded limited results. A comprehensive analysis of the drivers, cultural factors, and institutional mechanisms underlying corruption in Thailand is essential to devise more effective and targeted strategies to curb this pervasive issue and foster a more transparent and accountable society.

Third, Thailand is a rich context in which to study corruption because there appear to be differences between local and outsider understanding of different practices frequently labelled as corruption. Some practices which are considered common or morally acceptable are labelled 'corrupt' by many in Western and developed countries. In the Thai context, what is often referred to as 'tea money' (kah-nam-cha) and 'a token of my appreciation' (sin-nam-jai) are simply labelled as bribes or corrupt money in various anti-corruption frameworks that

are in line with definitions offered by the World Bank and Transparency International, the two institutions that have been influential in shaping anti-corruption globally and locally.

Lastly, a more practical reason for selecting Thailand as the basis of my research is the fact that I am an insider to the context under study. I am an insider because Thailand is my home country and is therefore particularly accessible as a research site in terms of data gathering. Moreover, my understanding of the local culture makes it possible for me to undertake a richer analysis of meanings of corruption through interviewing participants.

For all these reasons, I have decided to conduct my research in Thailand and in the next section, I will discuss my data collection and analysis method.

### **Data Collection – an Unstructured Interview.**

In this section, I will demonstrate why an unstructured interview is a suitable method to answer my research questions, and at the same time, lend themselves to my chosen epistemological stance of interpretivism.

Interviewing is one of the most used methods in qualitative research as it opens up multiple realities (Stake, 1995) and can be used to generate data about the meanings of corruption. Interviews allow interpretive researchers to understand actors' situated understandings (Minichiello et al., 2008). According to Kvale (1996: 105), "interviews are particularly suited for studying people's understanding of the meanings in their lived world, describing their experiences and self-understanding, and clarifying and elaborating their own perspective on their lived world". At the same time, interpretivism maintains that meanings are intersubjectively constructed, and that the understanding of these meanings comes from an interaction between the researcher and the research participants. Hence, these meanings are co-produced from both the researcher and the research participants' interpretation, and the conversation between them.

Interviews can be initiated in three categories: structured, semi-structured, and unstructured. A structured interview is a type of interview in which the interviewer asks a particular set of predetermined questions that are planned and created in advance. Structured interviews are beneficial because they are easier to compare but lose all the essence of capturing meanings since the answers will come in a similar manner. Moreover, as the thesis talks about corruption, a structured interview will sound more like an interrogation than an interview. The semi-structured interview is a type of interview in which the interviewer asks few predetermined questions and follows up with a free-flowing conversation. Semi-structured interviews are beneficial as it is easy to compare responses, but also allows the interviewer to capture the essence of meanings. However, when questions are arising as a response from interviewee's answer, it may sometimes derail off the topic at hand. The third and last type of interview is the unstructured interview. Patton (2002) described unstructured interviews as a natural extension of participant observation because they often occur during the observation fieldwork. Unstructured interviews provide the greatest opportunity to capture essence of meanings and its details due to its free-flowing conversational style. Although unstructured interview provides a great degree of flexibility, there are three main challenges that need to be addressed. First, unstructured interviews require a significant amount of time to collect the information (Patton, 2002) because each interview tends to be highly individualised and the length of the interview will be longer when compared to structured and semi-structured interviews (Arksey and Knight, 1999). Second, unstructured interviews have lesser degree of control over the direction and pace of the conversation. For example, when new topic has emerged, it is difficult for the interviewer to decide whether to follow the new topic and lose the current continuity, or to stay on the same topic and disregard the new topic which may provide useful new information (Patton, 2002). Third, since unstructured interview has no clear

set of interview questions, the responses can vary dramatically across different interviews. Hence, many answers will take great effort and time to analyse in order to find a pattern.

In this thesis, I chose an unstructured interview because it provides the most relaxing and comfortable experiences for interviewees. Since, the aim is to capture the meaning of corruption from interviewees and because corruption is a very sensitive issue, the feeling of comfort and friendly atmosphere is vital. A structured or a semi-structured interview would have been too direct, resulting in interviewees' not lowering their guards sufficiently when answering questions. This would jeopardise the interview because interviewees would have an insecure feeling that they are being interrogated. Hence, it would be counterintuitive. Therefore, with this main reason in mind, an unstructured interview yields the most results when the aim is to converse about corruption as a topic. To address unstructured interview's challenges above, I have prepared an interview guide which lists questions that I have to become familiarised with. Some may view that by listing questions beforehand, it may not be considered as an unstructured interview. But an unstructured interview is not random nor non-directive (Zhang and Wildemuth, 2009) as it requires prior knowledge and preparation (Patton, 2002) and researchers must always keep in mind of the purpose of study and issues that they would like to discuss (Fife, 2005). As I have always kept in mind that the conversation is about perception and experiences on corruption, I am able to keep interviewees on the desired topics. The key advantage of an unstructured interview is that it allows for a more natural and conversational interaction between the interviewer and the interviewee. This can lead to more in-depth and detailed responses from the interviewee, as well as unexpected insights that may not have been uncovered through a more structured approach. However, the lack of structure can also make it more challenging to compare responses across multiple interviews or to ensure that all relevant topics are covered.

Since the aim of this research is to understand the reason behind the decision of Thai business owners to engage in corruption when dealing with government authorities, I began to shape the unstructured interviews by planning to begin with the general questions about their businesses, allowing the interviewees to become more at ease during the interview. Then, I will ask the interviewees to describe situations where they had engaged with or encountered corrupt behaviour, then ask them to elaborate their responses to such circumstances. Once the interviewees are comfortable enough to talk about corruption, I will let the interviews flow with any corruption-related topics that arise during the interviews. Before moving on to data gathering and analysis, I will discuss my ethical considerations and processes, as exploring corruption is a sensitive topic.

### **Ethical Considerations.**

Studying corruption is an important and sensitive research area that requires careful ethical considerations to ensure that the research is conducted responsibly and does not cause harm to individuals or communities involved. This research takes the following points into account when conducting the interviews First, I must obtain informed consent from participants before involving them in any study related to corruption. Participants are fully informed about the purpose of the research, potential risks and benefits, their rights as participants, and the confidentiality measures in place. Second, given the sensitive nature of corruption, I ensure the confidentiality and anonymity of participants. This is crucial to protect their identities and prevent any potential harm or retaliation that may arise from their involvement in the research. I am mindful of the potential harm that the study might cause to individuals or communities, hence, try to minimize any negative consequences that may result from the research and prioritize the well-being of participants. Third, corruption is a complex and controversial issue, therefore, I maintain impartiality and objectivity throughout the study. Avoiding bias and

ensuring the credibility of the research findings is essential for maintaining the integrity of the research. I am also fully aware of and respect the cultural sensitivities related to corruption in the study context. Cultural norms and beliefs may shape how corruption is perceived, and understanding these nuances is critical for interpreting research results accurately. By adhering to these ethical considerations, I believe that I can conduct studies on corruption in a responsible and respectful manner, contributing valuable insights to combat corruption effectively and promoting transparency.

Galang (2012) conducted a study of top management journals that investigated corruption and related subjects and found that two thirds of the articles were based on quantitative research. Wolcott (2005) conducted qualitative research on corruption and revealed that when corruption has been raised as a topic of discussion, many interviewees are more reluctant to answer relevant questions. However, the opposite tendency was also true, as there were some participants who were eager to discuss corruption (Wolcott, 2005). The difficulty of studying corruption is its hidden nature as well as its repercussion on the ethical and legal issues which are even more problematic.

A legal issue that may occur when the researcher interviews their participants; the researcher could become witness to a crime and has the obligation to report to the police. However, at the same time, the researcher must also consider the need to respect and protect their participants. Thus, it is possible that the researcher will be faced with a paradoxical injunction of the necessity to report criminal activities and the necessity to respect and protect their subjects (Torsello and Vernard, 2016). Ethical decisions in research arise when we try to decide between one course of action and another, not in terms of expediency or efficiency but by reference to standards of what is morally right or wrong (Barnes, 1980). Since this research involves interviews to further explore the issue of corruption, it is perhaps inevitable that some questions in the interview may bring to light the confession of crimes that have been

committed. This new knowledge would create a dilemma for the researcher as to whether they should uphold their legal obligation or withhold the information to maintain the confidentiality of participants that are willing to share their own insights. It becomes apparent, therefore, that this situation is a mixture of technical and ethical concern. However, there are steps that I have taken to prevent or minimise such risks.

First, the technical concerns can be minimised by understanding the legal practices within the country where the interviews are being conducted. It should first be noted that a common misunderstanding regarding criminal offence is that when you have evidence regarding a crime, you have an obligation to report it (Machin and Shardlow, 2017). In Thailand, according to Tilleke & Gibbins law firm<sup>3</sup>, there is “no obligation to report a crime to the government and a person will not be liable for failing to report the crime” (Ramirez and Kudidthalert, 2011). In other words, even if the researcher is a witness or holds information regarding a criminal offence, from a legal perspective the researcher has no obligation to disclose it. In a similar case, Helen E Machin conducted a study of 15 Chinese immigrants with irregular immigrant status in the UK (Machin and Shardlow, 2018). In her second submission to the University Research Ethical Committee, the researcher has clarified her legal obligation as a researcher by reference to legislation in the UK (ibid). As her support statement, Machin cited the British Society of Criminology Statement of Ethics (2015) that “in general in the UK, people who witness crimes or hear about them before or afterwards are not legally obliged to report them to the police. Researchers are under no additional legal obligations” (ibid.).

With the legal issue clarified, the next problem is the ethical dilemma of whether the researcher should report or not report the crime. In a study by Antonopoulos (2008) on the contraband cigarette market, the researcher faced no ethical dilemma about whether to report

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<sup>3</sup> Tilleke & Gibbins is a regional law firm in Southeast Asia, with offices in Bangkok, Hanoi, Ho Chi Minh City, Jakarta, Vientiane, Phnom Penh, and Yangon. The firm has been ranked as a leading practice in Southeast Asia in various legal directories, such as *Asia-Pacific Legal 500*, *IFLR 1000*. The firm’s expertise includes anti-corruption, banking and finance, M&A, employment, government relations, hotels & hospitality and so forth.

the crime or not since the contraband market involves smuggling without violence and it is tolerated by law enforcement and the public in Greece. According to his study, the threshold of the researcher was whether an illegal act is violent or non-violent in nature. In another study, Lambrechts (2014) explored the impact of organised criminal groups on social control by the government in Cape Town. In this study, the researcher conducted a focus group that involved members of the community and rehabilitated organised crime members (Lambrecht, 2014). Lambrecht (2014) was also faced with the ethical issue of whether or not to report his findings to the relevant authorities, and his justification to report criminal activity was decided by his personal consideration of whether the incident involved child abuse. For this thesis, the main goal is to gain meaning of corruption and an obvious question that would be asked is whether the participants have a direct or indirect experience on practices that have been labelled as corruption. For myself personally and in my role as a researcher, I believe that my threshold for reporting corruption activity is whether such actions have caused or may be foreseen to cause severe bodily harm to other individuals. An example of such a situation is if a person was intoxicated while driving and was able to pay a bribe to avoid arrest, but afterwards there was an accident that caused bodily harm to a victim. In such a case, the situation could have been prevented if police officer had made a choice to arrest the intoxicated driver. For a real-world example, if you were witness to a murder or assault you would not hesitate to report a crime. However, if you are witness to a fight between two intoxicated people, you may choose not to report the crime since as it is a fairly common occurrence. Thus, as the participants in this thesis are Thai business owners, it is unlikely that their actions will cause any physical harms, but potentially financial harm. Therefore, by coming to a clear understanding with myself on when to report a criminal case helped me to stay open-minded regarding this ethical dilemma.



The protection of participants is equally important. The researcher believes that prior to any interview session, it is the right of the participants to know the purpose of the study, what the interview will be used for, the right for participants to withdraw their findings for the use in the study, and to emphasise that by law, the researcher has no obligation to report criminal activity, but will report any incidents that caused physical harms to others. In terms of confidentiality, the fact that participants must include their names in the written consent form make them feel uneasy, therefore the alternative of using the initials of their full name is offered as a possibility. For example, instead of writing their full name, the initials such as 'J.P' would act as a better protection for confidentiality, since there are variety of names with J.P (e.g., John Pall, Julie Palmer etc.). An alternative approach is to permit participants to utilize other common Thai names, as it is plausible that certain participants are among the few entrepreneurs in a particular industry. Revealing details about corrupt situations encountered in relation to their businesses may result in participants being apprehensive about the disclosure of their identities. For instance, there may be numerous individuals in Thailand with names such as John Pall or J.P, but only a few may be engaged in the technology start-up sector, thus exposing John's identity. Consequently, employing alternative common names instead of initials could improve the confidentiality of participants. In addition, before the start of the interview, the researcher must always ask for participants their verbal consent to conduct an interview. The issue with having verbal consent is a safety net for when participants refuse to sign their name in the consent form. As the ethical considerations have been discussed, I will now explain how my data was gathered and analysed.

## **Data Gathering.**

The interview took place in Bangkok, Thailand from September 2019 to January 2020. I have interviewed a total of 20 Thai business owners with approximately 30 hours' worth of

raw data, there are other interviewees who choose to withdraw from the participation due to their own some feeling of, and it is a must and ethical obligation for researcher to accept their withdrawals. One limitation that I have faced with is the fact that the numbers of interviewees appear to be low or at the minimum requirement, but due to their circumstances of being business owners, their time is valuable and not many business owners in general are willing to discuss openly their experiences with corruption. I have conducted interviews with five different types of business owners. The first group were business owners who are government contractors that provide goods and services for government agencies. The second group were business owners licensed to sell, distribute, import, and export alcoholic beverages. The third group were business owners who own real estate and commercial spaces. The fourth group were business owners who business transport goods across Thailand. The fifth group was business owners who own wholesale/manufacturing businesses such as importing goods into and exporting goods outside the country. Table 1 below provides a breakdown of interviewees based on their type of businesses. I will discuss the sampling strategy and criteria in the following paragraphs.

Table 1: Type of businesses and number of interviewees participated in the study.

Type of businesses	Number of interviewees
Government contractors	6
Alcohol beverage industry	3
Real estate and commercial space	6
Transportation	2
Wholesale/Manufacturing/Import and Export	3
Total	20

As previously mentioned, participants may be reluctant to discuss corruption, while some are very open about it. The main reason that people are reluctant to discuss corruption is whether they view the researcher as being trustworthy enough (Jancsics, 2013, 2014). Therefore, to solve this issue, Jancsics (2013) decided to use a snowball sampling technique to recruit new participants who are willing to discuss corruption.

Snowball sampling is a type of non-probability sampling method used in research studies. It involves identifying a few initial participants who meet the criteria for the study and then asking them to refer other potential participants who may also meet the criteria. The process continues recursively, with each new participant referring others until the sample size is sufficient. This approach is often used when the population of interest is difficult to identify or access, such as a hidden or hard-to-reach population, and in this context, Thai business owners who have engaged or experienced corruption. Snowball sampling has advantages and disadvantages. One advantage is that it can be an effective way to reach a rare or hidden population, as participants may be more willing to participate when referred by someone they know and trust. However, it can also lead to a biased sample, as many refer others who are similar to themselves, resulting in a sample that is not representative of the population as a whole. Researchers should be aware of the potential biases and limitations of snowball sampling and use appropriate methods to minimize these issues.

In the same manner, after careful consideration, I have also used snowball sampling to recruit my participants. As the issues being investigated are sensitive in nature, my sampling strategy is to connect with my friends and networks to act as intermediaries to recruit first few participants to ensure my trustworthiness and openness. Later, I asked the participants to further refer potential participants for the interview. As the interviews are geared towards unearthing the perceptions of corruption among business owners who have either direct or indirect experiences of it, it is necessary to specify the criteria for selecting the sample

population. Thus, the sample population for this study will consist of Thai business owners who have formally and officially registered their businesses with the government authorities. Individuals who operate illegal businesses or engage primarily in informal sector activities will not be included in the study. The rationale for this decision is grounded in the research's interest to investigate perceptions of corrupt behaviour and the meaning of corruption among legitimate business owners, rather than among those involved in illegal activities. Furthermore, excluding illegal business owners will mitigate any potential bias towards corruption, as illegal businesses are inevitably associated with various forms of corrupt practices in their daily operations.

The unstructured interview was done accordingly to what the University Ethics committee has approved, which I discussed earlier. Before the start of each interview, I provided interviewees with the information sheet (see Appendix 2) and a consent form (see Appendix 1). At the beginning of each interview, I clarified to the participant about the purpose of this interview, what will the data be used for, and their rights to withdraw their data at any time before, during, or after the interview. The unstructured interview was guided by the approved interview guideline (see Appendix 3). I made sure to ask for their verbal consent before beginning each interview. I started off with self-introduction as a student researcher who is collecting data for the PhD, and I asked interviewees to introduce themselves in return. We discussed interests, jobs, family to get more acquainted and to ensure that the mood for the interview is friendly and comfortable. After becoming more familiarised with one another, I initiated discussions on corruption. I started off by asking about how the interviewees feel about the current corruption situation in Thailand, a broad question to encourage them to express their general opinions towards it. Then I narrowed the conversation down to the relationship between corruption and Thai businesses and to their own direct and indirect experiences. Sometimes, I also referred to my interview guide to ensure that all the topics are being covered. In some interviews, I found it somewhat astonishing that interviewees

immediately shared their own stories, as well as what they have heard from others in relation to corruption. I did not interrupt them but instead allowed the conversation to flow on a natural path before reverting to the topics that have been left uncovered. As I became more familiarised with interviews, I chose not to confine myself to use the exact wording and structures on the interview guideline but applied them accordingly to the context of the conversations. During the interview, I also observed and made a note of their non-verbal expressions, as well as their tone and stress when discussing certain topics. All the interviews were digitally recorded and are transferred to storage for safe keeping. After each interview, I made notes to capture my thoughts and on point of views that I found intriguing.

## **Data Analysis.**

All the interviews were conducted in the Thai language. There are two reasons that I chose to conduct interview in a local language instead of English. The first was the ability to capture the use of words, metaphors, and euphemisms that are only specific in Thai context when discussing corruption. If I had decided to use English language, some context and meaning would have been lost. For example, in one of the interviews, an interviewee talked about ‘sin-nam-jai’ (a gift of good will). In this instance, the local meaning and intention was entirely different than its English meaning in a context that involves doing businesses or dealing with public officials. The second reason was by using the local language, it provided a comfortable atmosphere which was suitable for conversing uncomfortable topic such as corruption and bribery. I have transcribed all the data manually in Thai language because software such as NVivo does not support Thai transcription, and then translated quotations and excerpts into the English language.

To recap my research question, the purpose of this study was to explore meanings of corruption in Thai context and which logics institutionalise corrupt behaviour, I decided to use

institutional logics as my conceptual framework as well as my method of analysis. According to Thornton et al. (2012: 51), institutional logics are “socially constructed, historical patterns of cultural symbols and material practices, assumptions, values and beliefs by which individuals produce and reproduce their material subsistence, organise time and space, and providing meaning to their daily life”. Logics are contextual and revealed through language, practices, and manifested in symbols and materials, which are naturally suited for qualitative researcher who seek to capture a phenomenon (Reay and Jones, 2016). According to Reay and Jones (2016) there are three techniques that are currently used to analyse institutional logics which differ in term of ontology and epistemology. These three techniques are (1) pattern deducing, (2) pattern matching, and (3) pattern inducing. Researchers who use pattern deducing to capture institutional logics focus on large volumes of qualitative data primarily consisting of texts which are converted into countable codes to identify the occurrence, co-occurrence, and non-occurrence of particular logics. In other words, pattern deducing is the process of inferring a general rule or pattern from a set of observations. It involves using existing data to uncover underlying patterns or relationships that can be used to make predictions or gain insights. Next, researchers who use pattern matching focus mainly on identifying and comparing actual data to ‘ideal types. This technique requires researchers to identify and explain patterns of behaviour that are associated with the ideal types and evaluate how the actual data match against it (Reay and Jones, 2016). The third technique is known as a pattern inducing technique. This technique has been used by researchers to capture logics which are analysed from a bottom up, inductive approach. Researchers who use this technique gather empirical textual data range from interview to personal experience and group them in a way to show behaviour or beliefs that are guided by a particular logic. These texts are then used as part of stories to convince readers that these stories are developed appropriately to show sets of behaviours or practices that influence of guiding logic(s) into their findings.

However, it is also worth noting the difference between the pattern-inducing technique and thematic analysis process, which are the methods used in qualitative research to identify patterns and themes within data. The pattern-inducing technique is a method used to identify patterns within data without any preconceived notions or assumptions about what those patterns might be. This technique involves systematically examining the data to identify any repeated or recurring patterns, and then using these patterns to generate hypotheses or theories. The pattern-inducing technique is often used in exploratory research when little is known about the phenomenon being studied. On the other hand, thematic analysis is a method used to identify and analyse patterns of meaning within qualitative data. Thematic analysis involves identifying themes or patterns that are relevant to the research question or objective, and then interpreting the meaning of those themes. This method requires the researcher to have some preconceived ideas or assumptions about what those themes might be and how they might relate to the research question. Another key difference between these two methods is that the pattern-inducing technique is more open-ended, while thematic analysis tends to be more structured. With the pattern-inducing technique, the researcher is free to explore the data in any direction and to generate hypotheses or theories that may not have been anticipated. In contrast, thematic analysis follows a more systematic process of identifying, categorizing, and interpreting themes, and is guided by a set of pre-established procedures. Overall, the pattern-inducing technique and thematic analysis process both have their strengths and weaknesses and are useful in different contexts. Researchers may choose one method over the other depending on the research question, the nature of the data, and their own personal preferences and expertise. In this thesis, I use thematic analysis to analyse my data.

To explain further on data analysis, I refer to Thornton et al. (2012) to develop the codes to be analysed in this research. Thornton et al. (2012) proposed four ideal types of institutional

logics, which are overarching patterns of beliefs, practices, and values that shape the behaviour of individuals and organizations within a particular social context:

1. Market logic: This institutional logic emphasizes the importance of economic efficiency, competition, and profit maximization. Market logic is commonly associated with capitalist societies and is characterized by a focus on individualism, self-interest, and the rational pursuit of economic gain.
2. State logic: This institutional logic emphasizes the importance of public welfare, social justice, and government intervention. State logic is commonly associated with socialist or social democratic societies and is characterized by a focus on collective responsibility, social welfare, and the rational pursuit of public goods.
3. Family logic: This institutional logic emphasizes the importance of social relationships, tradition, and personal obligation. Family logic is commonly associated with traditional societies and is characterized by a focus on kinship ties, loyalty, and the maintenance of social order.
4. Religious logic: This institutional logic emphasizes the importance of spirituality, morality, and faith. Religious logic is commonly associated with religious societies and is characterized by a focus on moral principles, divine guidance, and the pursuit of spiritual goals.

These institutional logics represent different ways of understanding and organizing social life, and they can coexist and intersect in complex ways within a given society. Thornton et al. argue that understanding these logics is important for understanding the dynamics of institutional change and the emergence of new forms of organization and governance. In addition to proposing four ideal types of institutional logics, Thornton et al. (2012) also introduced the concept of an "interinstitutional system ideal types" which refers to the ways in



which different institutional logics can interact and shape each other within a larger social system.

According to Thornton et al. (2012), an interinstitutional system can be understood as a set of institutions, organizations, and actors that are connected through various social, political, and economic relationships. In an interinstitutional system, different institutional logics can coexist and interact with one another, leading to the emergence of hybrid or mixed forms of institutional logics. Institutional logics, also known as logics or institutional orders, refer to the underlying belief systems, values, and norms that guide the behaviour, decision-making, and practices of individuals and organizations within a particular social context. These logics represent the dominant ways of thinking, organizing, and acting within specific institutional fields, and they shape how individuals and groups perceive their roles and responsibilities. Institutional logics emerge from broader societal, cultural, and historical contexts, and represent the prevailing rationalities and ideologies within a given field. They often become deeply ingrained and taken for granted, influencing not only the actions of individuals, but also the structures and routines of organizations. A key aspect of institutional logics is that they may coexist and sometimes conflict within a society or organizational setting. These competing logics may lead to tensions, ambiguities, and challenges in decision-making and organizational practices. Understanding the different logics at play is essential for comprehending the complexities of social and organizational life.

The interinstitutional system in Table 2 is made up of seven institutional orders of family, community, religion, state, market, profession, and corporation.

Here are some examples of institutional logics:

1. **Market Logic:** This logic emphasizes efficiency, competition, and individualism. Organizations operating under this logic prioritize financial performance, maximizing profits, and market-based competition.

2. Corporation Logic: This logic emphasizes authority, control, and centralized decision-making. Organizations following this logic have clear hierarchies and well-defined lines of authority.
3. Family Logic: This logic centres on care, loyalty, and personal relationships. In organizations influenced by this logic, employees may feel a strong sense of belonging and commitment.
4. Professional Logic: This logic emphasizes expertise, knowledge, and standards of practice. Professions like medicine and law often follow this logic, with a focus on professional autonomy and ethical guidelines.
5. Community Logic: This logic emphasizes collaboration, shared values, and collective well-being. Community-based organizations and non-profits often operate under this logic.
6. State Logic: This logic emphasizes compliance with regulations, public interest, and government authority. Organizations in heavily regulated industries may be influenced by the state logic.
7. Religious Logic: This logic centres on spiritual beliefs, moral principles, and sacred practices. Religious institutions and organizations may follow this logic in their decision-making.

The interplay of these different logics can lead to organizational hybridity, where an organization combines elements from multiple logics, sometimes resulting in tensions and contradictions. Scholars and practitioners interested in institutional logics study how these logics shape organizational behaviour, decision-making processes, and adaptation strategies. Understanding institutional logics is crucial for leaders and policymakers to navigate complex

institutional environments and develop strategies that align with the prevailing belief systems and norms in each context.

For example, a social welfare program that is funded by the state (representing state logic) but delivered by a private organization that operates according to market logic (such as a private healthcare provider) would represent a hybrid form of institutional logic that combines elements of both state and market logic. By analysing how institutional logics combine and interact with each other, researchers can gain insights into the complex social, political, and economic forces that shape the behaviour of individuals and organizations within a particular social context (Thornton et al., 2012). Based on this idea, I aimed to look for story that is coherent with institutional logic and analysed the structure of meaning of word choices that presented during the interviews.

Table 2: an interinstitutional system

Y-Axis:	X-Axis: Institutional Orders						
Categories	Family 1	Community 2	Religion 3	State 4	Market 5	Profession 6	Corporation 7
<b>Root Metaphor 1</b>	Family as firm	Common boundary	Temple as bank	State as redistribution mechanism	Transaction	Profession as relational network	Corporation as hierarchy
<b>Sources of Legitimacy 2</b>	Unconditional loyalty	Unity of will Belief in trust & reciprocity	Importance of faith & sacredness in economy & society	Democratic participation	Share price	Personal expertise	Market position of firm
<b>Sources of Authority 3</b>	Patriarchal domination	Commitment to community values & ideology	Priesthood charisma	Bureaucratic domination	Shareholder activism	Professional association	Board of directors Top management
<b>Sources of Identity 4</b>	Family reputation	Emotional connection Ego-satisfaction & reputation	Association with deities	Social & economic class	Faceless	Association with quality of craft Personal reputation	Bureaucratic roles
<b>Basis of Norms 5</b>	Membership in household	Group membership	Membership in congregation	Citizenship in nation	Self-interest	Membership in guild & association	Employment in firm
<b>Basis of Attention 6</b>	Status in household	Personal investment in group	Relation to supernatural	Status of interest group	Status in market	Status in profession	Status in hierarchy
<b>Basis of Strategy 7</b>	Increase family honor	Increase status & honor of members & practices	Increase religious symbolism of natural events	Increase community good	Increase efficiency profit	Increase personal reputation	Increase size & diversification of firm
<b>Informal Control Mechanisms 8</b>	Family politics	Visibility of actions	Worship of calling	Backroom politics	Industry analysts	Celebrity professionals	Organization culture
<b>Economic System 9</b>	Family capitalism	Cooperative capitalism	Occidental capitalism	Welfare capitalism	Market capitalism	Personal capitalism	Managerial capitalism

To explain the process of my data analysis and how I developed the codes and grouping, the data had been read through for four rounds in total. I first started off the first read to familiarise myself with the data set by reading and re-reading, as well as going over the recorded audio to see at which point the interviewees pitch, stress, or emphasis their tones

changes. I also identified the part of the interviews related to corruption in the first read. Next, in the second read, I revised the data again to identify any statements or words related to institutional logics. In the third read, I revisited the data again to analyse the statements or words from the second read to confirm or disconfirm their relations to institutional logic. Finally, in the fourth read, the data is revised again to develop the pattern and illustration to show the meaning of corruption among Thai entrepreneurs using institutional logics.

During the data analysis, I first started off the first read to familiarise myself with the data set by reading and re-reading, as well as going over the recorded audio to see at which point the interviewees pitch, stress, or emphasis their tones changes. The first round of coding resulted in large numbers of codes such as ‘tradition’, ‘survival’, ‘opportunity’, ‘time’. These preliminary codes were categorised into four groups: the first group related to interviewees’ stories around why corruption happens, the second group related to interviewees’ view on the corruption situation in Thailand, the third group related to interviewees’ view on what constitutes as corruption, the fourth group related to interviewees’ recommendation on how to stop corruption.

From working with these preliminary codes, I further grouped these preliminary codes into three categories: the first category was why corruption happens, the second was what is and what is not corruption, and the third was how to solve corruption. The categorisation had given a more robust coding, as I had to revisit interview’s transcript for further examination. For example, in relation to ‘what is and what is not corruption’, I found codes that revolved around ‘moral’, ‘family’, ‘belief’ and ‘culture’. In addition, as all transcripts are transcribed in Thai language, I noted the terms and metaphors used by interviewees in describing corruption.

From the analysis, I found three themes that interviewees discussed in relation to corruption. The first theme suggested how corruption can get things done, the second theme suggested how corruption preserve livelihood, and the third theme suggested how corruption

creates social relation. However, I chose to revisit the transcriptions again, as there is no clear distinction between each theme. In the second round of coding, I found new codes that revolve around 'care', 'gift', 'gratitude', 'relationship'. As a result, I decided to keep two existing themes and one new theme: how corruption get things done, how corruption is an act of caring, and how corruption can be stopped.

## **Findings.**

Corruption is not always about self-interest or selfishness, there could as well be many other reasons that people engage in corruption. As mentioned in the passage, we can see reasons such as creating expectation, hospitality, help, and support contradict self-interest and selfishness. My finding shows that corruption still revolves around self-interest. However, another aspect of corruption in Thailand identified it as an act of caring.

'Care' is a word that is very broad in term of its meaning, yet, it can be roughly defined as to have a feeling like concern, responsibility or love for someone or something. For example, the love for your family, the responsibility towards your employee, as well as the concern for another person's well-being. In this finding section, the concept of corruption in Thailand revolves around the broad meaning of care, as we will see once we have navigated through different lived experience of participants and corruption. Conforming to care, the empathetic view to corruption can also be applied in 'Care'. An empathetic view of corruption seeks to understand the underlying factors and motivations that drive individuals to engage in corrupt practices, rather than solely condemning and punishing them. This perspective acknowledges that corruption is a complex social phenomenon influenced by a variety of economic, cultural, political, and institutional factors. Instead of viewing corrupt individuals as inherently evil or morally bankrupt, an empathetic view considers the broader context in which corruption occurs. It recognizes that societal norms, cultural practices, and economic inequalities can play

a significant role in shaping behaviour. This perspective also considers the pressures and constraints individuals may face, such as poverty, lack of opportunities, or a prevailing culture of corruption within their surroundings. Empathy towards corruption does not condone or justify corrupt acts, but rather seeks to identify the root causes and address them effectively. By understanding the drivers of corruption, policymakers and anti-corruption advocates can develop more targeted and sustainable solutions.

### **Four stories on corruption**

In this finding section, I first chose to present four stories of corruption in detail, since these four stories directly address real corruption experiences and perceptions of Thai business owners related to engagement with government officials. Moreover, each story represents experience of business owners from different sectors, which may include involvement with different processes and government agencies. On top of that, the rationale for the four stories are most directly linked to the concept of institutional logic such as market, family, and community which will be discussed next. Table 3 presents a summary of each story.

The interview findings with Thai business owners show that bribery is the most common form of corruption that happen in Thai business environment. Bribery can be defined as a situation that involves offering or receiving money in exchange for services or favours. Throughout various stories that will be discussed, we may be able to understand the bigger picture of the situation and reasons that Thai business owners choose to resort to bribery. This section will therefore relay crucial background of a group of Thai business owners and their experience with corruption, particularly in the form of bribery to show that most Thai entrepreneurs are familiar with the concept, hence, believing that bribery, for many reasons, is inseparable and unavoidable when the situation involves dealing with government officials.

Table 3: summary of the four stories

Stories	Summaries
Mr. P – Real estate developer	Mr. P experienced corruption in the form of bribery with public officials in getting construction permits. He found the overall process to be problematic because any small errors result in new application. He was guided by another applicant to provide public officials with ‘vitamin-M’ (bribe). Once he did as he was told, the permit was issued in less than a week.
Mr. Phillip – Real estate developer	Mr.J had a problem with land usage and went to see the decision maker at the land office for the recommendation. After a satisfying result, he gave the decision maker money as a gratitude for the insight. He viewed his action as a mutual dependency between himself and the decision maker.
Mr. I – Import and export venture	Mr.I often had problem with his products being denied to entry. He perceives bribery and a connection with senior public officials

	<p>as a convenience pass to solve the problem.</p> <p>From his experience, this scenario of ‘I help you, you help me’ happen quite often and considered it to be normal.</p>
Mr. K – Agricultural manufacturer	<p>Mr.K experienced corruption when dealing with public officials from municipality office. Despite some dissatisfaction, he admitted that paying extra money cannot be avoided because it would jeopardize his business. He perceived that it was a cultural practice within the municipality office to pay.</p>

The first story was from Mr.P, a real estate developer, who experienced first-hand with practices that were labelled as corruption. He had now accumulated about 7-8 years’ worth of experience in real estate industry. He started out his career when he was around 23 years old. Despite slow economic growth in Thailand, his business was stable since it focused mainly on collecting rents from his tenants rather than taking out financial loans to fund to further his businesses. His tenants range from apartment residents, fitness operators, office space and monthly parking space holders. He is satisfied with his businesses because it is fun and challenging but resented having to negotiate with public officials.

The interview findings showed that there was a misconception between the estimated amount of time and the actual amount of time needed to obtain a construction permit. According to Thailand’s Building Control Act B.E.2522 (1979) section 21, the process of acquiring a construction permit takes approximately 1.5 to 4.5 months. Once the permit has been approved,



the applicant must notify relevant authorities, such as construction supervisors. This process thus takes another 2 months to complete. Therefore, the total estimated amount of time that real estate developer must allocate for the pre-construction process is between 3.5 to 6.5 months. The process of acquiring a construction permit in Thailand consists of 14 procedures and interaction with three government agencies.

The simplified table 4 below presents the number of procedures and time to completion for each procedure in dealing with construction permit.

Table 4: Dealing with construction permit in Thailand

<b>No.</b>	<b>Procedures</b>	<b>Time to completion</b>
<b>1</b>	<b>Obtain a soil test for foundation</b>	<b>14 days</b>
<b>2</b>	<b>Request a building permit from the Bangkok Metropolitan Authority</b>	<b>1 day</b>
<b>3</b>	<b>Receive pre-approval inspection from the Bangkok Metropolitan Authority</b>	<b>1 day</b>
<b>4</b>	<b>Obtain a building permit from the Bangkok Metropolitan Authority</b>	<b>30 days</b>
<b>5</b>	<b>Notify the Bangkok Metropolitan Authority of the commencement of construction works</b>	<b>1 day</b>
<b>6</b>	<b>Receive unscheduled inspection of foundation work from the Bangkok Metropolitan Authority</b>	<b>1 day</b>
<b>7</b>	<b>Receive unscheduled inspection of structural work from the Bangkok Metropolitan Authority</b>	<b>1 day</b>

<b>8</b>	<b>Request water connection from the Metropolitan Waterworks Authority</b>	<b>1 day</b>
<b>9</b>	<b>Receive on-site inspection for water connection from the Metropolitan Waterworks Authority</b>	<b>1 day</b>
<b>10</b>	<b>Request and obtain sewage connection from the Wastewater Management Authority</b>	<b>30 days</b>
<b>11</b>	<b>Obtain water connection from the Metropolitan Waterworks Authority</b>	<b>11 days</b>
<b>12</b>	<b>Request occupancy permit from the Bangkok Metropolitan Authority</b>	<b>1 day</b>
<b>13</b>	<b>Receive final inspection from the Bangkok Metropolitan Authority</b>	<b>1 day</b>
<b>14</b>	<b>Obtain occupancy permit from the Bangkok Metropolitan Authority</b>	<b>30 days</b>

The issue that arose from the interview findings, as already mentioned, was that there was a misconception between the estimated amount of time and the actual amount of time needed to obtain a construction permit. As Mr.P, a local real estate developer in Bangkok, explained:

*The first time I visited the Bangkok Metropolitan Land Office, the desk officer handed me a piece of paper that contained information such as which official forms were needed to apply for construction permit and how many days will it take to get the approval for each procedure. Since I was a newcomer and had absolutely no idea of what to do, I followed the whole procedure step by step as guided. I then came to a realisation that to follow the procedure step by step, it would take a significant amount of time and in case there was a need for revision or*

*resubmission, the whole procedure that had been done so far would be invalidated and must started again as a new application. The first few submissions were the most problematic and painful ones because small errors such as typos or incorrect use of word choice led to a failed application, and I had to restart the whole procedure again. As a result, my first experience in getting an approved construction permit took me about 1.5 to 2 years because I had to redo the whole procedure every time when there were errors, no matter how small.*

The problem here was that obtaining a construction permit in Thailand requires certain numbers of procedures which is very time-consuming and inconvenient. Hence, in order to speed up the process and to recover the time-loss, speed money is the solution. The institutional logic of the market is presented here as speed money is considers as an act of transaction for service.

*To a certain extent, I had a chance to meet with a more experienced person who was also submitting application for construction permit. He guided me on how to act and negotiate with public officials, and the most important lesson that he taught me was that the thing that public officials always needed from applicants like us, 'vitamin-M'. This 'vitamin M' was money that must be given as a form of return payment for consulting fee to amend the construction plan or a helping fee to expedite the approval procedure. This 'vitamin M' proved to be a very effective tool because for my recent construction permit, it took only 5 to 7 days to acquire.*

Mr.P's narrative showed that speed money acted as a stimulus that can help to smoothen the process when dealing with public officials. This speed money is a common exchange that Thai people are prepared for when they know that they must engage with public officials, not only in the context of starting or registering business, but also in day-to-day matters such as

registering a house number or selling land. In the case for Mr.P, making payments would lessen the time needed to obtain a construction permit, which was the solution that he was looking for. Additionally, it is intriguing to see that Thai business owners metaphorically perceived speed money as ‘vitamin M’. A vitamin represents substances that provide health benefit and yet in Thailand, corruption has somewhat been reimagined as a substance that benefits the Thai business environment.

The second story of Mr.J, a real estate developer based in Bangkok’s China town, detailed his experience in negotiating with public officials on land usage. He had the opportunity to study abroad during his high school and university years, which led him to have a Western-centric way of thinking. After his university years, he returned to Thailand to continue his family businesses as a second-generation owner. Mr.J, despite having Western-centric way of thinking, explained that Thai culture and values play a significant role in establishing a mutual dependent relationship which is a requirement in doing business. The institutional logic of community has been presented here as it shows the emotional connection of emphasising each other feeling.

*Thai culture shaped the way that Thai people do businesses. At its simplest form, business is understanding and satisfying each other’s needs and wants. The unique characteristic of Thailand is that Thais are mutually dependent on each other. Thais do not follow a strict set of rules and laws, we are often docile and prefer to compromise rather than to use legal enforcement. For example, when dealing with business problems in Thailand, Thais often tried to find the softest way to solve the problem without the need for direct confrontation. We emphasised on the feeling of each other, so we tried to be as soft as possible to not jeopardise the relationship. It was like a Thai proverb, ‘bua mai hai chum, nam mai hai khun’ (neither let*

*a lotus get bruised nor let the water get turbid) So before we do anything, we had to take their feelings into account. Like we always had to 'kreang jai' (being very considerate).*

His belief in the value of being mutually dependent shows how he interacts with public officials. As Mr.J explained:

*There was this recent example on land dispute, I wanted to use this space for commercial purpose but there were no clear indications, so I went to see the land office particularly the decision maker and in return I gave the person some money for the recommendation. It ended well, and I don't feel like I did anything wrong though, it was just a cost of doing business.*

Mr. Phillip's story shows that the act that would be considered as corruption in other contexts is a common practice for getting things done when doing business in Thailand. It shows his positive perception towards extra money required for dealing with government officials, but also regarding his action as merely asking for recommendation and reciprocate it by showing gratitude. ,Although showing some acknowledgement that bribery should not be the most effective way to do business, he has accepted that bribery is inevitable for smooth business operation in Thailand as he pointed out that he would prefer to seek a common ground with public officials instead of direct confrontation as seen in this part *"But we also understood other people by putting ourselves into their shoes, it became much more comfortable to settle things through compromise rather than going to courts. In my opinion, for Thai people, direct confrontation can be considered as a taboo, it could even be disrespectful in some cases"*.

The third story shared an experience of Mr. I, who is now a freelance consultant but who also has a business venture on import and export. Prior to his venture on import and export, Mr.I

worked on various jobs in Japan, Myanmar, and India respectively. The story provided an experience that he had with his products being denied to entry and the solution towards the problem is to negotiate with customs officials that sometime involves under the table money or gifts. Mr.I has explained:

*From my experience, these sort of scenario like 'I help you and you help me' happened quite often to me. If I remembered correctly, there were about 5 big events and some other small events that I couldn't remember. To be honest and frank, when there was a problem with products being denied to entry, the easiest and most straightforward solution was through negotiation. Sometimes it happened at Thai border, and I also had to negotiate and ask them whether there was anything that I can do to make the problem go away. Sometimes they asked for money as a helping fee or sometimes they took our testing products as a fee. Because I deal in electronic goods, they often took mobile phones for official purposes which I was happy to accommodate. I also admit that sometimes it was my fault that products inside the box and products that had been listed to declare were not 100% accurate.*

Mr. I describes the practice of negotiation with public officials to solve business problems, including the payment of "under the table money" or bribes to facilitate the process. This behaviour reflects the institutional logic of corruption and informal practices that are deeply rooted in Thai business culture and society. The use of bribes and informal negotiations with public officials is seen as a necessary means to achieve business goals, and the interviewee describes this practice as a "normal" part of doing business in Thailand. The use of the term "poo-yai" to refer to public officials who hold power and influence reflects the cultural norms of respect for authority figures and the power dynamics at play in these transactions.

*If we have problem or are stuck at something, we go to meet public officials who are in charge. They resemble 'poo-yai' (elders and seniors) who we show respect to since they can solve problems for us. This type of negotiation was normal because it was there in the system for a long time and been a way of doing business here for a long time as well, so if you wanted fast and convenient solution, you paid for it. This practice was deeply rooted in Thailand, it happened everywhere in our daily world or business world. It's like you bought convenience.*

The fourth story of Mr.K, a third generation business owner in the agricultural manufacturer industry for 8 years, shared his experience on corruption. In many cases, Mr.K has to deal with various problems with municipality office. He provided two bribery cases in dealing with municipality office. The first showed his dealing with the person in charge on trash collection where the person had directly asked Mr.K for extra payment.

*Due to the nature of my business, I have had a lot of chances to meet face-to-face with public officials. This is one example of corruption that happened to me. In Thailand, the restriction on recycling or to keep workplace environment clean are being highly enforced. A few months ago, there was a problem with my factory because we produced too much waste due to an increase in sales. As a result, I went to the municipality office to explain and solve this issue. In general, my company paid the municipality office 6,000 baht monthly as a trash collecting fee. But because there was an increase in sales, I had to pay extra charges. Even though I was happy to pay for the extra charges, I tried to negotiate with the municipality office for a discount. I had a direct negotiation with the person in charge, he told me to pay 6,000 baht as before, but the condition was that I also had to pay him another 6,000 baht. I was upset, but because he had some influences within the municipality office, I did not want to make any problems that could jeopardise my business. If I chose not to pay, the problem will be on my*

*company to find a new method of waste disposal. So, I had to pay him even though this kind of payment was against our company policy.*

The first story of Mr.K showed the abuse of power from the municipality office and the inability of Mr.K to refuse as it would jeopardise his business. The next story, similar to Mr.P, showed how the municipality office set the condition that he had to accept and his reasons for accepting.

*When I had to build a new factory, just for getting the plan approved, I had to pay at least 200,000 baht in cash, no deposit or bank transfer. In some other area, I had to pay around 150,000 baht. These were the condition that they offered, I had not offered any yet. But for other municipality offices we had met with, the amount of money paid was reduced as a form of courtesy or how friendly we were to them. Still, I would be happy to pay 200,000 baht because it was worthwhile. The money was a good exchange for being able to finish up the permit and construction, make my work smoother, easier and more convenient, as well as being able to launch new product lines within 1 or 2 years. But instead, if I chose not to pay, then how many revisions do I need to make to get the permit, a month, or a year? I decided that I am happy to pay.*

The fourth story of Mr. K shed light on the necessity of giving bribery to official workers. He perceives corruption as something that cannot be avoided simply by going through the normal process, even though he had done everything correctly and completely comply with the regulations of the municipality. Additionally, he perceives bribery as a necessary fee to shorten the process. In comparison to Mr. P's story in which bribery might not be necessary if he had declared all his goods with the custom officers.



Overall, these four stories illustrate how institutional logic such as the market and community can shape the behaviours and practices of individuals and organizations in each institutional environment.

### **Institutional Logic of the State and Market: Corruption Gets Things Done.**

The previous section provides stories of Thai business owners who have come into direct contact with bribery. Although, they work in different industries, what they have in common is that they have faced with problem when dealing with public officials and thus the common solution that they all have agreed upon are to pay bribe to get rid of the problems.

Henceforth, derived from these stories, the first meaning of corruption in Thai context is that corruption, in particular bribery, get things done. In other words, corruption ‘greases an ineffective bureaucratic process’. Nonetheless, this meaning of corruption is nothing new. Previous findings such as Meon and Weill (2010) and Huang (2016) concurs with the idea that corruption is an effective tool to grease the wheel and is beneficial for countries that have weak governance and ineffective public services. At first glance, the stories show that Thai business owners bribe to save time as time is considered as one of a cost of doing businesses. However, time saving is only an answer to the problem of corruption. From the stories, the major problem of corruption is the ineffectiveness of public services which make corruption unavoidable.

According to Dimant (2014), the level of efficiency of public services determines the extent to which corruption can find fertile soil and sprout. The efficiency is determined by the quality of the regulations and permits, since ineffective and unclear regulations help to increase the level of corruption in two ways.

First, it artificially created monopoly power that enable public officials to obtain bribes based on their superior position in the system. This line of reasoning can be applied to a minor bureaucrat working in the business license issuing office. For instance, this bureaucrat has the responsibility of typing, checking, stamping the official seal, getting the appropriate signatures, and delivering the authorisation letter that grants permission to business enterprises to engage in a certain line of economic activity. Business owners are anxious to have the letter typed expeditiously and correctly, and have it properly stamped, signed, sealed, and delivered and obviously are willing to pay a price for this special service. Hence the bureaucrat who has a monopoly of typing, stamping, and processing the letter can use his official position to acquire an extra source of income from his clients. This leverage of power can be clearly observed in Thai business environment, as Mr.P, has described:

*For my first building, I felt very agitated and annoyed by the fact that public officials nit-picked every single letter rather than just looking at the important part of the documents. It did not make sense to me why they did not check the whole document first and then asked for revision later, instead they just checked it word by word. I remembered begging them to finish inspecting the whole documents, but they just kept rechecking it repeatedly and slowly. It happened this way until they received money to stop checking.*

Second, ineffective and unclear regulations cause business operations to become static, and thus encourage business owners to pay bribes to speed up the bureaucratic process. Bribes can speed up the granting of permission, licenses and permits to carry out activities that are perfectly legal. This is the so-called “grease money” to turn the wheels of bureaucracy more smoothly, speedily, and hopefully in the right direction. It is also not difficult to think of an

awful situation where rules and regulations, and the way they are applied, are so complex and burdensome that the only way left to get things done is to pay money to avoid them. On the contrary, if the regulations become clearly defined, business owners tend to not involve themselves with bribery. As Mr.J has described:

*In Thailand, the rules and regulations were not clearly defined, and there was always uncertainty on deciding whether you can or cannot do this. Therefore, a solution was to go and talk with public officials directly, so you know the limitations. But the tricky part was you must know who you needed to talk to and with gifts of goodwill [grease money] involved, it becomes much easier to talk and negotiate. But you know, if there was certainty in regulation, I think my business would be fine even without bribery. However, because there was no certainty in business and not everything is clearly defined, there was always confusion, and it was a hindrance. So, having a good relationship with the land office can help you solve the problem easily.*

The statement from Mr.S, similarly to Mr.J, supports the idea that unclear regulation leads to uncertainty in business, and uncertainty is risky, therefore it is only logical to pay in order to remove such uncertainty:

*I think one of the reasons that we give to public officials is to ensure our certainty. At least we get the sense of security out of it for our businesses. You can say, we pay for our convenience. In addition, because businesses are always risky, we pay or gift so that we can reduce the risk. It is like an alternative option, if it is available to all, I think many will choose to do the same. But if all public officials can survive on their own, I guess they would not choose to ask or to accept it.*

The statement above also shows another insight into corruption which is about survivability, this topic which will be presented in another section.

At the same time, despite the power monopoly and unclear regulation Thai business owners powerless to struggle against, in some situations, Thai business owners do offer bribery first to maximise their own interests. As Mr.I has described:

*Why I bribe, to me personally, is for my own business interests. I do not make a loss and my business can continue. From my experience, like the story I have talked about my products being confiscated at the border and I solved it by negotiating with public officials, that was corruption to me. Although I know I act corruptly, I see the benefit to myself and to my business, and that it is the fastest process to solve an issue. If I follow the rules and the official process, it takes a long time and probably will not benefit me. Therefore, if I choose to pay, I can decide right away and it solves many issues.*

In some situations, business owners initiate bribes without really understanding the benefit of it, but it is possible to assume that the payment is to maximise and protect the family business interest, Mr.P described:

*There are problems that sometime require police assistance. For example, my tenants left the building without paying their rents and I have to report to the police for this default. There is this thing call 'the red box' which is like a monthly payment in exchange for police's security. When there is troubles or problems, they [police] come immediately. I honestly do not know*

*the actual benefit of it, but this installation of 'the red box' has been inherited since the time of my mother and I just keep following it.*

Thai business owners initiate bribes to protect their own business interests. It can be argued that the bureaucrat's monopoly power and unclear regulations are the mechanism that force Thai business owners to comply with bribery. On the other hand, it is also true for Thai business owners who wish to maximise their own business interest to initiate negotiation with public officials. Nonetheless, at the end of the day, if both party's interest is aligned, then it is a win-win situation. Hence, it could be stated that corruption is a tool that brings personal and business interest of both parties to equilibrium.

The first meaning of corruption in the Thai context can be theorised as a tool to get things done. This tool [bribery] can be freely used by business owners and public officials, the only difference is the means to the end. On one hand, business owners can openly offer to public officials as a typical business transaction, while for public officials, it has to be done through mechanism such as exercising their monopoly power and to set up cumbersome. These two actions are acceptable by both parties, as one offers and another receives, as long as their interests are aligned and do not cause any collateral damage to anybody else. As Thai business owners have narrated:

*The exchange of services like the 'red box' are like cultural inheritance from the past and will obviously continue. This type of issue is very complicated to solve because it is a [customary practice]. In addition, it also involves many parties with their own interests, and that as long as the giver is willing to give while the receiver is also willing to accept, it will continue to live on. [Mr.P]*

*In my opinion, bribery that does not have significant impact on others is acceptable in Thai society, even though it is something that should not be done. It has revolved around us for a long time and is a part of our culture. But bribery that has impact on others, such as paying to get out of drug charges, is unacceptable. Let me put it this way, favours or bribery that do not violate Thai ethical standards and do not exploit others are okay. In Thailand, I think that we highly base our judgment on whether the action is right or wrong according to Thai ethical standards, values, traditions, appropriateness rather than rule of laws. [Mr.J]*

*As I have suggested it is a normal routine, everybody is doing it, we stay in a win-win situation because all it is about is interests. In my opinion, getting the job done or to maximising benefit is the value that I think is the most important. It may sound selfish, but even though we know about ethics to follow, I still think we follow our own instinct. [Mr.I]*

From these findings, we can see that bribery is acceptable in Thai society and is common when dealing with public officials, but bribery is only a singular action, and its action is only legitimate if it is in accordance with general institutions. Hence, in what institutions that corruption is used as a tool to grease the bureaucratic wheel a legitimate one? The answer to the second research question lies upon the institutional orders of state and market.

On the public official's side, the institutional logic of the state is highly obvious. From the finding, we can see that bureaucrats have the monopoly power over business owners and are able to exercise such power to its fullest. This monopoly power represents bureaucratic domination as the source of authority. It can be observed from business owners' choice of word in describing his experience with public officials such as 'painful', 'nit-picking', 'begging',

‘no choice’, comply, and etc. These choices of words represent the inability of business owner to resist bureaucratic domination. On the other hand, it also points out a striking failure of public institutions as a whole. The root metaphor of the state is ‘state as a redistribution mechanism’ which means that the government and public institutions should deliver public services for the good of its citizen. Nevertheless, in Thailand, the level of public services proves to be ineffective and inefficient, as experienced by Thai business owners. Consequentially, it creates various burdens and problems for Thai business owners who in turn have to develop a coping mechanism, in this case bribery, in order to continue their business operations. The problem here lies mainly with the ineffectiveness of public services, as pointed out in the findings, low level public officials often face a dilemma regarding low level of salary, therefore must figure out a way to find an extra source of income. Thus, with limited solutions, they decide to abuse their power to gain extra money. Therefore, it can safely be assumed and theorised that the problem with corruption in public services are mainly due to the lack of sufficient income.

On the business owner side, the institutional logic of the market is visible. From the findings, Thai business owners perceived bribery as a normal transaction when dealing with public officials. Thai business owners use bribery as a tool to protect their business interests and enhance their profits as well as to remove any uncertainty. This behaviour is also rooted in the institutional logic of the market, where business owners may perceive bribery as a means to gain a competitive advantage, secure contracts, or expedite projects, leading to increased efficiency and profitability. The use of bribery by business owners to protect their interests and increase profits aligns with economic rationality, a concept associated with the institutional logic of the market. Economic rationality suggests that individuals act in their self-interest, seeking to maximize their gains and minimize costs, even if it involves engaging in corrupt practices. Moreover, the findings are supported by business owners’ choice of words such as

‘business as usual’, ‘exchange’, ‘helping fee’, ‘consultation fee’ and so on. These words represent a barter of exchange which takes its root as a root metaphor of the institutional logic of the market. In addition, as the findings show, Thai business owners use bribery as a tool to protect their own business interests as well as to increase efficiency profit, it can be evidenced in word choices such as ‘interest’, ‘start to build right away’, ‘cost reduction’ and so forth.

The first meaning of corruption and its relevant institutional orders have been discussed in this section. In the next section, I will present the finding that revolves around the institutional logic of caring.

### **Institutional Logic of Family and Community: Second Meaning - Bribery as an Act of Caring**

The second meaning of corruption in the Thai context is that bribery is an act of caring. This finding is not presented to argue with the general perception of bribery which is to maximise own interests. Instead, it wishes to show another aspect of corruption where Thai business owners assume the role of the head of family and member within the same community when dealing with public officials. As previously mentioned, caring is a very broad word that constitutes of various actions. For instance, a mother cares for her child, a friend helps another in a time of need, and business owners bring fruit baskets to public officials. All these actions constitute an act of caring. From the stories of various Thai business owners, there are two sub-meaning of caring: to take responsibility for one’s well-being and to show gratitude as a token of appreciation.



To take responsibility for one's well-being – a feeling of empathy.

The first sub-meaning of corruption as an act of caring is to take responsibility for one's well-being. This finding is interesting because it is counter-intuitive to what corruption has been perceived. Corruption is an act that is based solely on self-interest and selfishness, public officials asking for or receiving bribe by abusing their monopoly power to set the conditions, as well as regulations that allow themselves to gain a leverage over businesses. Consequently, these businesses have no choices but to bribe public officials to bypass the set conditions and regulations. But at the same time, it is also Thai business owners who may feel responsible for the well-being of public officials who they have encountered. The feeling of empathy and taking responsibility does not stop only at public officials, but also of Thai business owners' family as well. Corruption is seen as a symptom of systemic shortcomings, societal inequalities, or individuals facing difficult circumstances. It acknowledges that people may resort to corrupt acts out of desperation, survival instincts, or the desire to secure basic necessities for themselves or their loved ones. This viewpoint seeks to understand the underlying social, economic, or political factors that create an environment conducive to corruption.

It is also necessary to distinguish the difference between empathy and self-interest, which are two different concepts that relate to how individuals make decisions and interact with others. Empathy is the ability to understand and share the feelings and perspectives of others. It involves putting oneself in another's shoes and experiencing their emotions and thoughts. Empathy can be seen as a selfless quality, as it involves prioritizing the needs and feelings of others over one's own. On the other hand, self-interest refers to the pursuit of one's own goals, desires, and benefits. It is the motivation to act in a way that maximizes personal gain or advantage, even if it comes at the expense of others. Self-interest can be seen as a selfish

quality, as it often involves prioritizing one's own needs and desires over those of others. As business owners have described:

*I also don't think that what I have done is wrong, what would have happened if my plan got delayed, what would happen to my family business, what would happen to me and my family? I think I am unable to handle the consequence, and there will be no point to continue [Mr.P]*

*I think between ethic and survival, I will choose to corruption if it helps save my business, my family, and the families of my employees. It's a moral conflict between ethics and survival, you know. Like, if I choose to follow my ethical, it results in my company going bankrupt, my workers being laid off. [Mr.I]*

Here the finding shows how business owners expressed their concern about the survival of their family and employees. The finding also shows how business owners feel for the well-being of public officials. The point here is that bribery that happens in Thailand is a result of low public salary, hence in a place where people feel unseen and uncared for by the state, a kind of care that is rooted in family responsibility and empathy can offer a much-welcomed support. This finding put corruption in a perspective that indicates virtue and considerate by taking care of others. It serves as a part of wider social obligation.:

*I admit that this mutual assistance can be defined as a practice of corruption, but I don't think that it is wrong. I don't think that it is wrong because public officials have lots of work and they do not get pay enough, therefore I think it is only fair that they get to have an extra income. [Mr.P]*

*I doubt that public officials want to engage in corruption if they have enough money, I think there is a mismatch between the amount of work and the monthly salary that public officials receive. I mean, they get paid less than the effort that they put into their work. [Mr.O]*

*In my experiences, I can say that there is nobody I know that chooses not to pay what can be considered as a bribe. One of the reasons is that because there is still a loophole in Thailand's law, and with a very low salary, public officials are likely to offer help and we are also willing to help them back because of the mutual dependency. Like a helping hand. [Mr.J]*

To put the issue of public salary into visualisation, Table 5 below shows the salary of public officials per month.

Table 5: Salary of Thai Public officials (per month:baht)

Level/Position	General	Academic	Administrative	Executive
C 1 – C 4	4,870 – 21,010	8,340 – 26,900		
C 5 – C 6	10,190 – 38,750	15,050 – 43,600		
C 7 – C 8	15,410 – 38,750	22,140 – 58,390	26,600 – 59,500	
C 9	48,220 – 69,040	31,400 – 69,040	32,850 – 70,630	51,140 – 74,320
C 10 – C 11		43,810 – 76,800		56,830 – 76,800

In Thai public services, the positions of public officials range from general, academic, administrative, executive. The first category, public officials, refers to rank-and-file public officials who work on routine administrative public services like documentation, inspection etc. The second category, academic public officials, refers to officials who work mainly in the field of academia and education. The third category, administrative public officials, refers to officials who act as an overseer to public services. While the last category, executive public

officials, refers to officials who are responsible for top level management within public institutions. All these categories are ranked by their level and position from C1 to C11. The higher the C-level, the more salary they receive. The C-level represents the years of services as well as the positions of the public officials. C1 – C4 represents operational level, which is the lowest level in public office. C5 – C6 represents experienced level, C7 – C8 represents senior level, and C9 – C11 represents executive level. From the table, it can be seen that public salary is very low in comparison to salary in private sectors, as well as public services in other countries. For context, the currency exchange in Thai baht to British pound is approximately 40 baht to 1 pound. From the table, it is noticeable that for public officials that are still in the operational level, the salary starts from 4,870 baht per month and will reach the maximum of 21,010 baht per month. To calculate into pounds, the salary per month for Thai public officials from C1 – C4 level is starting around 120 – 525 British pounds. While at C5 – C6 level, the salary per month is from 10,190 – 39,750 baht per month or around 250 – 900 pounds. At C7 – C8 level, it ranges from 15,410 – 38,750 baht per month or around 385 – 900 pounds. Lastly at C9 level, it ranges from 48,220 – 69,040 baht per month or around 1200 – 1600 pounds. These are the approximate salaries that Thai public officials receive per month. Therefore, the only way that they can achieve higher salary is to get a promotion or an advancement in their career path.

#### To show gratitude and to maintain relationship.

The first sub-meaning of corruption as an act of caring is to take responsibility for one's well-being, the second sub-meaning of corruption as an act of caring is to show gratitude as a token of appreciation. Komin (1990) depicts that Thais are grateful oriented and always uphold two important beliefs of 'bunkhun' and 'tob thaen bunkhun'. The return of gratitude can come in

any forms, including money payment or what Thai calls ‘sin nam jai’ (remuneration). As Mr.O explained:

*In my experience, if my partisans offer help and I can make a profit out of it, then I think I am obliged to return the favour to the person, it can be money but also can be something else. I think the practice of returning a favour happens all around the world, but not as transparently as in Thailand. In Thailand, we show appreciation in many ways, like going to see them on special occasions for instance. It is a part of our culture where if they are good to us, we will also be good to them. Favour, obligation to return, and gratitude are very real in Thailand.*

The finding also shows that the concept of bribery and ‘sin nam jai’ (remuneration) appears to be different in the Thai context. The distinguish feature between bribe and remuneration, according to Thai business owners, depends mainly on the willingness to give, the timing, and intention. Thai business owners view bribery as an exchange for something that the giver may not be willingly to give. The timing and intention are also important such that if the ‘gift’ has been given prior to a decision, it is a bribe whereas if it is given after, it is a token of appreciation. While remuneration is when the giver is willing to give money as a gratitude for their helps. Nevertheless, it appears that the line between bribery and remuneration is very blurred in Thailand. As Thai business owners described:

*I think the different between remuneration and bribery is about our willingness to give. For instance, when it comes to remuneration, we are willing to give, while for bribery it is like they ask us to give a certain amount even before we offer them anything. [Mr.S]*

*‘Boon kun’ (gratitude) is a very important tradition in Thailand, it is embedded in our culture, and that we have an obligation to pay back to those that we have gratitude for. ‘Sin nam jai’ (remuneration) brings people closer because I think that there is altruism involved, they help without wanting something else back. But when it comes to micro corruption, for example, for rank-and-file officers, we give them ‘sin nam jai’ (remuneration) so that they can continue with their work. Although I must say it is something that should not be given, I think it is still acceptable. Giving “sin nam jai” (remuneration) has long been passed from generation to generation, it is a part of our culture here. [Mr.J]*

*“sin nam jai” (remuneration) is like you have completed your work but you give them something so that they can quicken the process to be 100% completed. In my opinion, there is a very blurred line between bribery and remuneration. In Thailand, when people discuss bribery, they will discuss the number at that moment. But remuneration is something small and of little value, it is like we give them something without the need for them to ask for it first. It is also because of our culture that emphasises on giving. [Mr.O]*

The finding points to the fact that Thai business owners perceive ‘sin nam jai’ as an acceptable form of gratitude to give to public officials for their services and that in many instances, The finding is also consistent with previous research finding on Thai corruption that shows 60% of 4,013 households feel the need to pay without being requested (Phongpaichit et al., 2000). Another interesting thing about these findings on gift and bribe is in its nature and value. The findings show how Thai business owners emphasise on the concept of something small with little value hence it indicates the gratitude, like a token to say thank you and to show appreciation. This finding is in consistent with Benesova and Anchor’s (2019) finding on gift and bribe in Czech Republic.

In a similar manner, the finding shows how Thai business owners give gifts to public officials to establish, foster, and maintain relationship with public officials. Additionally, it is also an appropriate practice for Thai business owners to pay a regular visit to public officials. Thai business owners perceived that the practice of gift-giving and visiting them are appropriate as they are the only way to maintain a relationship with them. As Thai business owners described:

*The tradition of Thai businessmen giving gifts to public officials has long been with us, even before the time of my grandfather. My grandfather is about 80 years old, so these practices have been done for at least 60 years. I think the environment that Thai businesses operates in is one of the reasons that we must foster good relationship with public officials. In my opinion, Thai businessmen, including myself, feel like we all want to get along with public officials and have everything run smoothly. Nobody wants trouble; therefore, we seek to help one another.*  
[Mr.S]

*We will always bring something to give them, such as snacks, and fruits. These things show our hospitality to them, and it is not constituted as a bribe. It is our cultural practice which has been embedded into us since the ancient times to think and care for others. In my perspective, treating people, employees, and friends shows a sign of generosity show them that they are considered as family. Therefore, we even have more reason to take care of them. These acts of giving and taking care of one another are an acceptable norm in Thailand and a core value for people or organisation, who see the importance of strong relationships.* [Mr.B]

*In Thailand, you go meet with regulators not only to solve your problems but also to greet them, show them respect, update them about your businesses, and take care of them like taking care of your family. [Mr.J]*

*If you consider it in legal term, it may be wrong but obviously if it is beyond legality, then helping each other is a good thing. For example, if you go to have lunch or dinner with public officials who you think as big brother, and then we catch up and help one another then it is very normal. To me, I view it as sibling and family helping one another, it is a core value and core tradition in Thai culture for a long period of time. [Mr.O]*

The finding also shows a contrasting view that Thai business owners give gifts to public officials to maintain relationship at a level where public officials will be of help in the future. The point here is that it is also possible for Thai business owners to employ neutralization technique of an appeal to higher loyalty (Sykes and Matza, 1957) by emphasising on the concept of ‘care’ for family to normalise their corrupt acts.:

*But when you know public officials, the only way to maintain a good relationship with them is to send gifts. On every special occasion, I have to send them fruit baskets so that they will not forget about me if I have works to deal with them in the future. But if my works do not need them anymore then I do not send them any gifts. [Mr.P]*

*In my opinion, this practice of giving is not new. It revolves around us for a very long time, and it appears to be very normal. It is always important to let them “think of you”. Because when they think of you as a friend, they can help you a long way. To me, it does not lead to any damages to anyone, it just quickens the process and makes it much easier and convenient for*



*me. You can say that it is like greasing the wheels. It is something that must be done when dealing with public officials. [Mr.O]*

These two findings mentioned above whether to show a sign of gratitude and/or to maintain strong relationship is a consequence of the ineffectiveness of government as a service provider. Therefore, Thai business owners have to establish a personal relationship with public officials in order to support one and another. The finding is consistent with Graycar and Jancsics (2017) that show how the informal exchange function as a survival kit to deal with a lack of formal institutional structures, resources, and uncertain environment.

From these findings, we can see that ‘sin nam jai’ (remuneration) and gift-giving given to public officials are acceptable practices in Thai society although the intention of such practices may be of both empathy and self-interest. As institutional logic perspective has suggested, these practices are only legitimate if they are in accordance with general institutions. Hence, what institutions that gift-giving and a token of gratitude a legitimate one? The answer to the second research question lies upon the institutional logic of family and community.

The finding show that Thai business owners give bribe or gifts to public officials because of the need for survival, to show gratitude for their services, and to maintain relationship. The first meaning, an act of empathy, indicates how Thai business owners think of their own family well-being as well as those of public officials. The finding shows how Thai business owners realise the hardship of public officials hence it has become their obligation to share and to help. The institutional logic of family plays a central role as it can be observed through unconditional loyalty towards family as the source of legitimacy. As seen in the finding that Thai business owners perceive that their corrupt acts are justify when their actions are done for the survival

of their family. This belief reflects on the importance of obligation towards family as one of the core values in Thai culture. The finding here is also consistent with Baez-Camargo et al. (2017) comparative study in Rwanda that show the influence of family obligation on their moral obligation and action. The second meaning, to show gratitude as a token of appreciation and to maintain strong relationship. The institutional logic here is that of community. The logic here is observed through choice of word such as ‘gratitude’, ‘willingness’, ‘appreciation’, and ‘good relationship’. These words represent emotional connection as sources of identity for the community logic. While the action of showing gratitude and appreciation for public services reflects the source of legitimacy in community logic which believes in trust and reciprocity. The gift-giving also reflects a cooperative capitalism as an economic system where Thai business owners and public officials assist one and another.

### **How Corruption can be Stopped.**

The previous section discusses how corruption gets things done and how corruption is an act of caring. In this section, the finding shows the view of how Thai business owners’ solution to corruption. As described by Thai business owners:

*In my opinion, I feel that the bureaucratic system is very ineffective and not supportive at all in facilitating businesses. When I think about it, I think it is better for businesses to pay direct to the state, instead of paying a few public officials. It would be much more effective. The option to pay for premium or fast track services would help reduce the amount of time needed for approval. It would also be a legal and straightforward action. I also think that this option can help to increase the revenue for public officials as well, since there are a lots of business owners who are willing to pay. [Mr.P]*

*One of the reasons that corruption can persevere in Thailand is because we do not have strict laws about it. Bribery is a big problem, but if you ask me whether this is the time to solve it, I would say no. Instead, I would say that if the government does a good job to help the rank-and-file officers or public officials to have better salary, I think that these side-money issues will disappear. But this is still not the time, because there are bigger problems out there like systematic corruption. [Mr.J]*

*Thai law and rules are not strict, therefore Thai people are not that afraid of wrongdoings. I think bribery, or under the table payments, are normal. I think if we can do fast-track or premium service, then it can solve corruption problem. But it should be noted that government must not be involved in any corruption either. [Mr.I]*

*From what I have seen so far, even though we still give gifts to public officials, the practices have become much less visible. I think we are moving into the direction that eventually there will be no bribery, but I doubt that it will be in the near future. One method that I could think of is to make it legal. For example, you can pay premium to get fast track visa or passport, so why not we do the same for our public agencies. [Mr.S]*

These interview extracts suggest alternative methods to address corruption in Thailand. Specifically, participants suggest the implementation of a premium or fast-track system to reduce the amount of time needed for approval, increase revenue for public officials, and eliminate the need for under-the-table transactions. They also propose that the government should provide better salaries for public officials as an incentive to discourage corrupt

practices. The finding also shows that the corruption is a grass-root problem and it is related to early Thai's administrative system known as 'patronage system':

*Well corruption is like a grass-root problem, it may be a problem because of our patronage system. The system can be traced back at least a hundred years or so. Even at my own markets, there are also corruption and bribery. There was one time when the local authority often came to ask for support but I don't want to give them money so I decided to provide consumable goods and other related stuffs that at least could help improve our community. [Mr.G]*

*I can certainly say that these sorts of practices will not fade away, it will continue to persist because we have a patronage system. No matter which line of works you are in, you will end up helping one another anyway both directly and indirectly. [Ms.D]*

These suggestions align with the institutional logic theory, which posits that organizations and individuals conform to institutional norms and expectations in their decision-making and behaviour. In the context of Thailand, the prevailing institutional logic is one that tolerates corruption as a common practice. The interviewees' suggestions for a premium or fast-track system and better salaries for public officials are attempts to introduce a new institutional logic that incentivizes legal and straightforward transactions.

Furthermore, the interviewees' proposals for legalizing bribery through a premium or fast-track system demonstrate the influence of institutional logics on individuals' decision-making. In this case, the institutional logic of corruption is so deeply entrenched that some interviewees suggest making it legal as an alternative solution.

Overall, most participants highlight the need to understand the institutional logics that underlie corrupt practices and the challenges of changing them. It also demonstrates the importance of considering alternative solutions that align with existing institutional logics, while also creating incentives for legal and transparent transactions.

## **Discussion**

### **Meaning of Corruption in Thai Context.**

Unlike normalized views of corruption as negative, damaging, coercive, and unethical behaviour that harms organisations and countries (Klitgaard, 1988; Rose-Ackerman, 1999; Lambsdorff, 2003; Cleveland et al., 2009). In Thailand, there are two additional ways in which corruption may be experienced, as communicated by the Thai business owners who participated in the interviews. The first way shows that corruption can get things done. The second way shows that corruption is an act of caring which is only one aspect of it. These additional experiences of corruption can be seen as the meanings of corruption in Thai business owners' perspective. It is important to note that corruption is generally considered a negative phenomenon that involves the abuse of power, influence, or resources for personal gain or advantage (Bracking, 2007). Corruption can manifest in various forms such as bribery, embezzlement, nepotism, and fraud, and it can occur in both the public and private sectors.

The two meanings uncovered through the analyses of interviews script with Thai business owners, however, suggest a different perspective on corruption. The first meaning, "corruption can get things done," implies that corruption can expedite bureaucratic processes that are otherwise slow and inefficient. This can be viewed as a pragmatic or teleological view of corruption, which perceives corruption as a means to achieve certain ends or goals, often with a focus on the outcomes rather than ethical considerations. This perspective evaluates corruption based on its practical consequences and the benefits it may bring to individuals or

groups involved. Instead of strictly adhering to moral principles, this viewpoint emphasizes the instrumental value of corruption in achieving desired results. From a pragmatic standpoint, corruption may be seen as a tool for expediting bureaucratic processes, bypassing cumbersome regulations, or obtaining personal advantages. This perspective sees that corruption can grease the wheels of a stagnant system, enabling smoother operations, quicker decision-making, or more efficient resource allocation (Lui, 1985; Meon and Weill, 2010; Huang, 2016). It also contends that corruption can facilitate economic growth, attract investments, or secure essential services that would otherwise be difficult to obtain within existing legal frameworks (Zheng et al., 2015; Nguyen et al., 2016). This pragmatic view of corruption tends to focus on the practical benefits it can generate, such as increased economic productivity, improved infrastructure development, or greater political stability. A pragmatic view of corruption sees that corruption, when strategically deployed, can help overcome institutional inefficiencies, overcome red tape, or compensate for inadequate governance. In certain contexts, corruption might be necessary to achieve progress and development, particularly in environments where formal systems are perceived as ineffective or slow-moving.

This pragmatic or teleological view of corruption highlights the perception that corruption can be an alternative to dealing with red tape, bureaucratic hurdles, and other barriers to getting things done. However, while it may provide short-term benefits, corruption can have long-term negative consequences such as weakening institutions, eroding public trust, and perpetuating a culture of impunity.

The second meaning, "corruption is an act of caring," suggests that corruption can be seen as a form of reciprocity or gift-giving. This empathetic view of corruption sees corruption as a symptom of systemic shortcomings, societal inequalities, or individuals facing difficult circumstances. It acknowledges that people may resort to corrupt acts out of desperation, survival instincts, or the desire to secure basic necessities for themselves or their loved ones

(Bauhr and Nasiritousi, 2011; Baez-Camargo et al., 2017). This viewpoint seeks to understand the underlying social, economic, or political factors that create an environment conducive to corruption and aims to shed light on the human aspects and the complex dynamics that contribute to corruption, rather than solely focusing on its detrimental effects. This empathetic view argues that corruption often arises from deep-rooted issues such as poverty, limited access to education or healthcare, unequal distribution of resources, or systemic injustices. By empathising with those who engage in corrupt practices, it becomes possible to address the root causes of corruption more effectively and develop sustainable solutions. In this view, combating corruption requires a multi-dimensional approach that combines punitive measures with efforts to improve socio-economic conditions, strengthen governance systems, and promote transparency and accountability. It recognizes that simply condemning and punishing individuals involved in corruption without addressing the underlying issues is unlikely to bring about lasting change. An empathetic view of corruption also acknowledges that individuals operating within corrupt systems may face immense pressure, coercion, or cultural norms that perpetuate corrupt behaviour. It encourages society to extend understanding and support to those individuals, while simultaneously working towards structural reforms and creating environments that discourage corruption.

In Thai culture, gift-giving is a social norm that demonstrates care, gratitude, and reciprocity, while bribery is perceived to compensate for low salaries of government officials. In this sense, one aspect of corruption may be perceived as an act of caring, where public officials accept bribes or gifts as a form of reciprocity for their services. However, this view of corruption can be problematic because it normalizes corrupt behaviour and undermines the rule of law, transparency, and accountability.

Moreover, the interviewees' experience supports and resonates with the Transparency International's Corruption Perception Index, the World Bank's Enterprise Surveys, and

Tangsupvattana's (2011) point that most Thai business owners perceive bribery as a normal practice for success in business, as discussed in the literature review on Thailand and its anti-corruption crisis section. Thailand has a poor record in fighting corruption, according to Transparency International's Corruption Perception Index. In recent years, Thailand has consistently scored poorly, with an estimated 50-100 billion baht in damage caused by corruption in 2018 alone. Corruption is cited as the third biggest obstacle to doing business in Thailand, after government instability and inefficient bureaucracy. The issue is widespread, with 79% of Thai business owners believing bribery is the norm for success in business. Although only 14% of people surveyed believed corruption had increased in the past year, serious problems persist at the institutional level, with the police being highly corrupt and extorting money from foreign tourists. Despite many years of effort to combat corruption, the nation's record in this regard has been disappointing. Thailand's cultural and historical context plays a significant role in shaping attitudes toward corruption. The practice of giving and receiving "gratitude money" (bribery) is deeply rooted in Thai society's patronage system, where individuals in positions of power are expected to provide favours to their supporters. Such cultural norms have led to the normalization of corrupt practices, making it difficult to change the prevailing mindset and behaviour. The country's governance structure and rule of law also contribute to the poor record in fighting corruption. Instances of weak enforcement of anti-corruption measures, insufficient independence of law enforcement agencies, and a lack of transparency in government operations have allowed corruption to thrive. Furthermore, the perceived impunity of corrupt officials and lack of accountability erode public trust in state institutions. In addition, corruption often involves collusion between public officials and private businesses. The close relationships between government and corporate sectors in Thailand can lead to favouritism, bribery, and the misuse of public resources for personal gain. This intertwining of interests creates an environment conducive to corruption and makes it



difficult to break the cycle of unethical practices. Political interference in anti-corruption efforts has hindered progress in the fight against corruption. Politicians with vested interests may use their influence to protect corrupt individuals and impede investigations. This "capture" of anti-corruption institutions undermines their effectiveness and reinforces the perception that corruption goes unpunished. In another aspect, the protection of whistle-blowers is essential for exposing corrupt practices, but the lack of robust legal safeguards in Thailand discourages individuals from coming forward. Additionally, civil society's role in combating corruption has been limited, partially due to restrictive laws and concerns about retaliation. The widespread corruption in Thailand has adverse effects on its economy. Misallocation of resources, inefficient public spending, and reduced foreign investments due to perceived risks all contribute to economic stagnation. The diversion of funds intended for development and public services exacerbates income inequality and hampers social progress. In a global context, corruption often transcends national borders, necessitating international cooperation to combat transnational corruption networks. However, challenges in extradition and cooperation with other countries hinder effective cross-border anti-corruption efforts. Thailand's struggle against corruption is a complex and multifaceted issue that requires comprehensive and sustained action. Overall, the country's cultural, political, and economic factors contribute to the poor record in fighting corruption. To improve the situation, Thailand must address the root causes of corruption, strengthen governance and rule of law, foster a culture of accountability, protect whistle-blowers, and engage civil society in anti-corruption efforts. Additionally, international cooperation and commitment to uphold transparency and ethical standards are essential in curbing corruption.

This section will first discuss the second meaning of corruption, which is 'an empathetic view of corruption' and how that differs from the Western perspective. In the second part, the discussion will focus on the recommended methods to solve corruption.

## **The insight into bribery as an act of caring**

While the influential work of Rose-Ackerman (1978) and Klitgaard (1988) focuses on the theory of rational choice, where corruption is considered as an action to maximise one's own interest, the findings in this thesis show that corruption can be experienced as an act of caring. The rationalist approach in the study of corruption has been greatly influenced by the widely recognized rational choice theory, which has been extensively employed in academic literature. This theory assumes the dominance of rational actors who aim to maximize their own personal gains (Pertiwi, 2018). In other words, individuals are portrayed as rational decision-makers who carefully assess the costs and benefits involved, opting to engage in corrupt behaviour when they perceive the expected benefits to outweigh the anticipated costs (Rose-Ackerman, 1978; Klitgaard, 1988). Numerous scholars have adopted rational choice theory as a principal framework for comprehending corruption, due to its emphasis on the decision-making processes of corrupt individuals, driven primarily by the consideration of the associated advantages and disadvantages.

This implication is important because it shows that corruption has different meaning than what has been defined by the Western perspective, and therefore requires a specific remedy to solve the problem.

The first problem that needs to be addressed to solve corruption is within its definition. Corruption has been universally defined as the abuse of public power for private gain. According to this definition, corruption is purely an act of self-interest that public officials in power can exercise to maximise one own interest (Burns and Roszkowska, 2016). According to this definition, many anti-corruption policy focus the attention around promoting good governance and ethical standards. In Thailand, many anti-corruption policies revolve around such ideas, and it has proven to be effective to a certain extent. The findings show that corruption in Thailand is not solely about self-interest or selfishness, with empathy and caring playing

another aspect of it. In the Thai context, bribery is not only about getting things done, but is also used a tool to support the livelihoods of individuals. As shown in the findings, Thai public officials receive bribes because they need to find a way to support their own families' well-being. If the Thai government still view corruption as an act of self-interest and continues to apply a universal one-size-fit-all approach, their efforts in combatting corruption will have a limited impact. If the government gained a deeper understanding of what corruption really is in the Thai context, their combative efforts would surely be more productive.

Secondly, a clear distinction between what does or does not constitute corruption is required. Again, this is a problem related to the definition of corruption. From the findings, we see that Thai business owners understand the hardship of Thai public officials, and therefore are willing to give them money as a form of compensation. It shows that Thai business owners care about the well-being of Thai public officials more than the government that employs them. In the universal nature, gift giving is a common practice, where material and cultural characteristics meet to build relationship and foster good will. One of the key assumptions in the institutional logics is that institutional logics operate on the assumption that every institutional order possesses both material and cultural attributes (Friedland and Alford, 1991). The behaviour of individuals and organizations can no longer be solely explained by market mechanisms, as institutions such as families, professions, and religions cannot be reduced to mere economic choices (Ibid). Likewise, in Thai society, gift-giving is a common practice and is considered a way to establish or strengthen social relationships. Benesova and Anchor (2019) identified what is gift and bribe depend mainly on its nature and intention. In this context, business owners may see bribery as a way of showing respect and appreciation for public officials who are performing their duties. Moreover, in some cases, public officials who are being bribed may be perceived as underpaid and overworked, which can create sympathy from the bribe giver. Business owners may feel that by offering a bribe, they are compensating public officials for their low salaries or

difficult working conditions. In this sense, money given as a gift or in what others see as bribery can be seen as an empathetic act of caring, because it is an attempt to help those who are struggling financially. By empathising with those who engage in corrupt practices, it becomes possible to address the root causes of corruption more effectively and develop sustainable solutions. In this view, combating corruption requires a multi-dimensional approach that combines punitive measures with efforts to improve socio-economic conditions, strengthen governance systems, and promote transparency and accountability. It recognizes that simply condemning and punishing individuals involved in corruption without addressing the underlying issues is unlikely to bring about lasting change.

It will be unlikely to stop corruption if the Thai government impose a policy or promote anti-corruption campaigns that encourage people to stop paying or receiving bribes, as they would be forcefully demanding Thai people not to care for one another. Caring for one another is a core Thai value and by imposing regulations against it, people would likely not adhere to it. Within the context of corruption, it is commonly presumed that anti-corruption messages aim to discourage individuals from engaging in behaviour that is widely regarded as negative. However, if care is an integral component of the corrupt practice, such messaging is prone to ineffectiveness, as it seeks to dissuade individuals from participating in an activity that is deeply embedded in their cultural framework. This can be directed back to institutional logics. One of the key arguments asserts that the influence of material and cultural factors on human and organizational behaviour is more significant than the categorization of actions as rational or irrational (Thornton, 2002). In line with this, institutional logics highlight how institutions establish a framework of social norms for individuals, in which behaviour is guided not by a logic of consequences, but by a logic of appropriateness which regards human action as driven by the fulfilment of obligations associated with roles, identities, group membership, and the expectations set by institutional practices and values (March and Olsen, 2013). Acting

appropriately entails adhering to established collective practices based on shared understandings of truth, reasonableness, naturalness, righteousness, and goodness (Olsen, 2007; March and Olsen, 2013). In Thai culture, gift giving, therefore, does not necessarily involve the intention of displaying corrupting behaviours, but Thai businessmen might do so as part of the institutions, culture, and norms that they are accustomed to.

Instead of imposing such rule to label gift giving as corrupt, it may be better if the Thai government redirect their attention to larger scale issues, such as political corruption, while leaving low-level corruption, such as speed money, be. Petty corruption, like speed money or bribery, can be viewed as victimless actions intended to gain additional sources of income, while high-level corruption, like political corruption, often results in spending taxpayers' money in ways that do not benefit Thai society. As the findings suggest, if the Thai government is unable to solve high-level corruption, or continues its involvement in said practices, any attempts to eradicate low-level corruption will likely prove futile.

It becomes evident that addressing the issue of corruption in Thailand requires a nuanced approach, differentiating between low and high level corruption. Low-level corruption, like speed money or bribery for personal gain, might be better addressed by considering alternative strategies, rather than labelling it as corrupt behaviour. Redirecting attention and resources towards tackling more pervasive forms of corruption, such as political corruption, can have a more significant impact on the well-being of Thai society. In tackling grand corruption, the Thai government must focus on implementing robust anti-corruption measures and strengthening institutional frameworks to ensure transparency and accountability. This could involve establishing independent oversight bodies, enhancing the capacity of anti-corruption agencies, and promoting a culture of integrity within public institutions. However, it is important to acknowledge that addressing high-level corruption may prove challenging, particularly if those in power are involved in such practices. To effectively combat corruption, the government must

demonstrate its commitment to ethical leadership and rooting out corruption at all levels. Transparency and public engagement are vital in holding leaders accountable for their actions and ensuring that taxpayers' money is used responsibly for the collective good of society. Nevertheless, disregarding low-level corruption entirely may not be the best solution. While it may not have the same adverse consequences as high-level corruption, it can still undermine trust in public institutions and perpetuate a culture where corruption is tolerated. By implementing strategies to address low-level corruption, the Thai government can send a clear message that all forms of corruption are unacceptable and will be dealt with accordingly.

## **Solving Corruption.**

Based on the empathetic view of corruption, there are three main recommendations to solve corruption in Thailand: fixing the bureaucratic system, fixing habits, and fixing the patron-client relationship.

### **1. Fix the Bureaucratic System.**

The findings show that corruption occurs as the result of an unsupportive bureaucratic system in which business owners must operate. As business owners suggest in the findings, reform in bureaucratic processes can solve the issue.

#### **1.1 Reduce red tape in bureaucratic process**

Addressing the root causes of corruption requires a comprehensive approach that goes beyond merely punishing bribes. Simplifying or eliminating bureaucratic processes that create opportunities for bribery can be more effective in curbing corruption than solely focusing on punishing individual acts of bribery. In other words, systemic changes and improvements in governance can have a more substantial impact on reducing corruption than solely focusing on punishing individual bribe takers. Solving corruption under this scenario would not align an

empathetic view of corruption as previously discussed, since the parties involved in bribery may engage regularly to establish relationships and facilitate processes. In this case, it is more applicable for the pragmatic view of corruption, where both sides are fully aware of the lengthy and complicated processes, and both are willing to exchange money and to quicken such processes, with their focus on the outcomes rather than empathy. Red tape is one of the main factors that facilitate corrupt practices, such as bribery and speed money. Red tape can be defined as an official routine or procedure marked by excessive complexity, resulting in delays and inaction. In the Thai context, the findings suggest that business owners choose to pay speed money to reduce the complexity of the red tape and expedite the whole bureaucratic process. Therefore, to solve or reduce corrupt practice such as speed money, the Thai government should put effort into reducing bureaucratic red tape. Instead of focusing primarily on penalising acts of bribery, a more effective approach to address corruption lies in streamlining the bureaucratic processes that create opportunities for illicit activities. By targeting the underlying structural factors that enable bribery, such as complex and convoluted administrative procedures, there is a greater potential to mitigate corrupt practices. Simplifying or eliminating bureaucratic processes can contribute to reducing the incentives and opportunities for bribery. When bureaucratic procedures are lengthy, opaque, and prone to discretionary decision-making, they create an environment where individuals may feel compelled to offer bribes to expedite processes or secure favourable outcomes. In such circumstances, the act of giving bribes becomes a pragmatic solution to navigate bureaucratic hurdles, rather than a deviation from societal norms. Addressing the systemic issues within bureaucratic systems can help prevent the occurrence of bribery in the first place. By enhancing transparency, implementing clearer guidelines, and establishing mechanisms for accountability, the likelihood of corruption can be significantly diminished. Simplifying procedures can promote efficiency, reduce opportunities for discretion, and enhance the overall

integrity of administrative processes. While punitive measures play a role in deterring corruption, they often focus on reactive responses after the fact. By prioritizing structural reforms aimed at reducing corruption-prone bureaucratic practices, societies can shift towards a preventative approach. This approach recognizes that preventing corrupt practices through streamlined processes and enhanced transparency is ultimately more sustainable and impactful than solely relying on enforcement measures.

Georgia is one example that proved to be successful in curbing bureaucratic corruption (OECD et al., 2012; World Bank, 2012). In 2005, the Georgian government implemented an anti-corruption strategy that included addressing bureaucratic corruption. The approach taken was to limit the contact between citizens and state as much as possible, driven by the idea that state interference should be minimal.

The first step that the Georgian government took was to analyse government agencies, and every license, permit, and inspection required by each of these institutions. The government was convinced that the majority of licenses, permits, and inspections served no legitimate purpose other than to facilitate corruption. After extensive discussions with the responsible agencies, the Georgian government decided to reduce the number of required licenses from 909 to 137. These 137 remaining licenses regulated activities that could potentially threaten the environment, human health, or national security. Moreover, regulations such as controlling auto emissions were also eliminated if the agency responsible was considered as not having the capacity to administer or enforce them (World Bank, 2012). This anti-corruption strategy also encompassed other administrative simplification tools, including: one-stop shops, 'silent is consent' rule, regulatory outsourcing, and streamlined staffing.

The one-stop shops were purposefully established for businesses and citizens. Guidelines were also published which included information such as necessary requirements and documents for issuance of licenses and permits. Pre-determined time limits for the



completion of tasks were also imposed. Other unnecessary bureaucratic processes, particularly in corruption prone areas such as construction, were also removed. In addition, all processing fees became required to be paid through banks, rather than directly to public officials. Moreover, the government issued a single identification number for companies, without requiring applicants to apply for several registrations with different authorities (OECD et al., 2012).

To reduce the bureaucratic processing time, the government implemented the ‘silent is consent’ rule. The ‘silent is consent’ rule enforced timeframes within which departments had to issue licenses and permits, and failing to respond to a request would lead to the direct granting of permits and licenses. Regulatory sourcing exempted goods and services that had already undergone regulatory inspection in OECD countries from further inspection in Georgia. For example, food certified in any OECD country could be imported without further certification. A financial institution with a license issued by an OECD country could establish a branch in Georgia without further requirements. The streamlining of staff was the government approach to reducing unnecessary ministries and public positions. By freeing up the budget, the government was able to invest in training and improved salaries in the public sector. The results of its anti-corruption strategy to reduce red tape are demonstrated in the country’s improvement in global assessments, such as the World Bank & IFC Doing Business, and the World Economic Forum on Global Competitiveness Report. In the Doing Business Index, Georgia’s ranking improved from 112<sup>th</sup> in 2005 to 16<sup>th</sup> in 2012. (World Bank & IFC, 2012). Georgia also scored particularly well in rankings related to anti-corruption reform, such as registering property, dealing with construction permits, and starting businesses. For example, the number of days needed to obtain a construction permit was reduced from 196 to 98 days, and the number of procedures reduced from 25 to 9. In the 2011-2012 Global Competitiveness report, which assesses the burden of government regulation, Georgia scored 4,5 (where 1

means extremely burdensome and 7 not burdensome at all), ranking 7<sup>th</sup> out of 142 countries, ahead of developed countries such as New Zealand and Australia. The assessments have also shown an improvement in accountability. Interaction with public officials was reduced to a minimum, and all remaining interactions were recorded electronically. Because obtaining licenses and permits became much faster, the incentives for paying bribes was reduced (World Bank, 2012). Despite the successful on curbing red tape, a number of challenges in implementing these reforms also arose. The reforms were met with communication issues, government agencies struggling to adapt to rapid reform, issues in finding the right balance (World Bank, 2012).

## 1.2 Higher government wages induce less corruption? – Cross-country panel evidence

The findings show that business owners view the problem of low salary as a primary reason for public officials receiving bribes, which contributes to their perception of corruption as an empathetic action. Scholars propose that the most viable policy recommendation lies in raising wages for government officials. By doing so, bribe payers would be compelled to increase the value of their bribes, if they wish to compete with the legitimate earnings of these officials (Van Rijckeghem and Weder, 2001). The rationale behind this approach is to create a scenario where the benefits of engaging in corrupt practices are outweighed by the increased earnings from legitimate sources. When government officials receive higher wages and better compensation, they are less likely to succumb to the temptation of accepting bribes. By providing officials with adequate remuneration, the motive to engage in corrupt activities, such as accepting bribes, diminishes. This is based on the assumption that individuals are more likely to engage in corrupt behaviour when they face financial hardships, or when the gap between their legitimate earnings and potential illicit gains is considerable. In

effect, raising the wages of government officials aims to reduce the attractiveness of engaging in corruption. If the wages are sufficient to meet their needs and aspirations, the officials have less reason to seek additional income through corrupt means. This, in turn, reduces the opportunities for bribe payers to influence decision-making through illicit payments. Furthermore, increasing government officials' wages can also enhance their motivation to perform their duties honestly and diligently. When officials are fairly compensated for their work, they may be more inclined to act in the best interest of the public and carry out their responsibilities with integrity.

In this study, Thai business owners suggests that to solve corruption in Thailand, public officials should receive higher salary. The finding from An and Kweon (2018) suggests that increasing public officials' salary is a useful policy to solve corruption, as the effect of increasing public salary can be particularly strong for developing countries. In many developing countries, public officials' salaries are often low compared to the private sector or the cost of living. This income disparity can lead officials to seek additional income through corrupt practices to make ends meet. Raising salaries can help bridge this gap, making corruption less attractive as an alternative source of income. Offering competitive salaries can attract and retain skilled and qualified individuals in the public sector. When talented individuals see public service as a viable and rewarding career option, they are more likely to join the bureaucracy and contribute to effective governance. Higher salaries can motivate public officials to perform better and provide quality public services. The prospect of better pay based on merit can encourage officials to demonstrate their abilities and competencies, leading to improved service delivery and administrative efficiency.

Singapore and Qatar are good examples of how increasing public officials' salaries can reduce corruption. Singapore is a country that is virtually free of corruption, ranked 4<sup>th</sup> out of 180 countries on Transparency International's corruption perception index. According to Quah

(2007), Singapore's success in curbing corruption is based on five factors: Singapore's cultural climate which opposes corruption; a well-paid civil service which discourages civil servants from being corrupt; effective administrative measures; a highly literate and sophisticated society; and the CPIB's ability to investigate prominent persons. The purpose of Singapore's increase in public salary was not to fully curb corruption, but to minimise the loss of qualified individuals from the Singapore Civil Service to the private sector. Nevertheless, the findings also show that to reduce corruption level in non-OECD countries, the government must increase public officials' salary sevenfold (Quah, 2007). The available evidence suggests that the inadequate remuneration received by public officials hampers their ability to sustain a livelihood solely through their government salary. Consequently, the combination of low pay and bureaucratic inefficiencies creates a conducive environment for corruption. In the specific case of Thailand, the prevalent logics of care for others foster a culture where the act of giving gifts serves as a perceived remedy to the challenges arising from the state's inherent shortcomings. In this context, bribes assume the role of a pragmatic solution rather than constituting an inherent problem. Taking an empathetic view, it could be argued that economic constraints and poor living conditions drive corruption.

In terms of Thailand, the option to increase public salary is unlikely but not impossible. According to the Office of the Civil Service Commission, at the end of 2020 fiscal year, Thailand has a total of 2,117,018 public officials. For instance, if the government wants to increase an overall public salary by 1,000 baht, the government would have to increase the budget by over 2 billion baht per month, or 25 billion baht per year. As the finding from Quah (2007) mention, to reduce the corruption level, the government must increase public officials' salaries by seven times. This means that if the Thai government wants to curb corruption, they must increase its public salary budget by 178 billion baht per year. This substantial increase would likely put some burden on the government or taxpayers, but with its effectiveness in

combating corruption in a systematic way, the increased salaries may be offset by the lower cost of corruption. On the government side, an increase in one budget often results in decreasing another. Nonetheless, if Thailand has an effective and efficient government, the government may be able to cut unnecessary budgets and expenditures to financially support this subsidy. Another possible option is to only increase salary of public officials at the low- and middle-income level, such as rank-and-file officials who are in direct contact with business owners. This second option is a more promising solution, as bribery or speed money usually happens onsite. Thus, by increasing salaries for only low and middle level public officials, the desired outcome can be achieved without overly burdening the government or taxpayers. However, there are some cautions in increasing government officials' salaries, as discussed earlier by scholars who support this solution, such as Ades and Di Tella (1999). One of the most encouraging policy recommendations is to enhance market competitiveness, as higher bribery costs can lower a company's motivation to engage in bribery, and Van Rijckeghem and Weder (2001) noted that to create a more level playing field between bribes and legitimate income, one possible approach is to raise the salaries of government officials, prompting bribe givers to offer more substantial sums in order to remain competitive. However, Diaby and Sylwester (2014) found that when the number of competitors rises or salaries increase, there tends to be an exponential growth in the size of bribes paid. On the taxpayers' side, an increase in budget often means an increase in tax rates, as the fiscal budget is the total amount of money collected from taxpayers. However, as the findings show that corruption is a normative tradition and practice in Thai culture, it is unlikely that taxpayers will willingly support the policy of increased taxation, as it would benefit public officials rather than improving in public services.

In the Thai context, increasing government officials' salaries would not necessarily lead to lower incidents of bribery, because gift-giving is an essential part of Thai culture. If any

processes in dealing with public authorities involve the judgement of Thai government officials who directly engage with customers, Thai people have a mindset to give gifts as a means to establishing good connections or to express the empathy. By removing the laws or regulations that facilitate bribery and challenging the idea that bribes are a necessary gift, bribes may become a far reaching option for both Thai business owners and government officials to build up an unfair personal relationships, where the former would benefit from getting things done while the latter would receive extra money.

### 1.3 Increase severity of rules and laws to corruption

The findings show that due to the ambiguity of Thai rules of laws, corruption can prosper. From the findings, business owners who operate in the environment where rules and regulations are not clearly defined often result them having to establish good relationships with public officials. Thus, this setting encourages a mutual relationship where financial support is involved. This conforms with the ‘bad larder’ concept which pertains to external factors that can influence an organization, such as industry culture or climate, network relationships, the role of government, and societal norms or values (Gonin et al., 2012). This perspective emphasizes that corruption can often arise from certain inter-firm practices, such as gift-giving (Verhezen, 2009), or networking activities between businesses and governments that may potentially lead to corrupt behaviour (La Porta et al., 1999). According to these findings, corrupt activities within an organization involve multiple individuals who are connected through social ties (Choi, 2007). Dense subgroups with strong connections, also known as cliques (Doreian, 1971), can establish and maintain their own subgroup cultures and norms that promote corruption (Brass et al., 1998). Additionally, cliques employ sophisticated mechanisms that leverage a tightly knit network of relationships between individuals and organizations to enable illegal activities that are disguised as legal ones, such as using

professional expertise to conceal unlawful deals and decisions (Jancsics and Javor, 2012). From the bad ladder concept, dealing with corruption cannot therefore be attributed solely to an individual's actions, but rather the complex web of social relationships and factors that influence one's decision. This can also be discussed through the institutional logic lens. The role of institutions and their logics shape corruption practice and behaviour. The organisational context, behaviours and processes that support corruption must be addressed when implementing policies to fight corruption. As stated by Thornton et al. (2015), the central characteristic of institutional logics lies in its non-deterministic perspective of society, which views society as an amalgamation of diverse institutional orders within an inter-institutional system. Each of these institutional orders possess a distinct array of symbolic meanings and material practices, thereby forming a belief system and organisational framework (Ibid). Therefore, increasing the severity in anti-corruption laws might gradually fix the long-standing belief in the existing system, where corruption can get things done and is a way to show empathy.

Moreover, the severity of anti-corruption laws in Thailand are not severe enough to deter business owners as well as public officials. Despite the Government's anti-corruption efforts, the campaigns show a clear lack of severity in the penalties for corrupt acts.

In Thailand, there are three legislations that deal with corruption on the payer's side.

1. The Thai Penal Code, where the punishment of bribing public officials is an imprisonment of no more than seven years and/or no more than a fine of 140,000 baht.
2. The Organic Act on Counter Corruption B.E.2542 (1999), where the punishment of bribing general state officials or members of parliament is an imprisonment of no more than five years and/or no more than a fine of 100,000 baht.
3. The Act on Offenses Relating to Submission of Bids to State Agencies, where the punishment is imprisonment from one year to five years and/or a fine amounting to half

of the highest bid between the offending parties or the closing bid, whichever is the higher amount.

On the public officials' side, there are two legislations that address with corruption.

1. The Thai Penal Code B.E.2499 (1956), where the punishment of seeking, accepting, or agreeing to accept a bribe is an imprisonment from five years to twenty years, or life imprisonment and a fine between 2,000 baht to 40,000 baht, or death.
2. The Organic Act on Counter Corruption B.E.2542 (1999), where the punishment of seeking, accepting, or agreeing to accept a bribe is an imprisonment from five years to twenty years or life imprisonment and a fine between 100,000 baht to 400,000 baht, or death.

From the legislations, although the Thai Penal Code and the Organic Act on Counter Corruption enact death penalty to public officials who corrupt, the enforcement of death penalty is very rare in Thailand. The enforcement of death penalty is not sacred because there are exemptions and limitations. For instance, death penalty is limited to human rights issues such as not enforcing the death penalty on children, abstaining from death penalty on pregnant women before giving birth, suspension of the death penalty mentally diminished offenders, and the petition of forgiveness after the judgments. Hence, regardless of how many anti-corruption legislations there are, the punishment is not severe enough, as the findings show that the benefits of bribery exponentially outweigh the severity of punishment. As discussed by rationalist scholars, individuals engaging in corrupt practices often conduct a cost-benefit analysis, assessing the potential gains against the perceived risks of getting caught and the severity of punishment (Rose-Ackerman, 1978; Klitgaard, 1988). If the benefits of corruption are significantly higher than the potential consequences, individuals may be more inclined to



take the risk, especially if they believe the likelihood of being caught is low. In some cases, a culture of impunity may prevail, where corrupt individuals believe that they can evade punishment due to weak law enforcement or a lack of accountability mechanisms. This further undermines the deterrent effect of anti-corruption laws, as corrupt actors feel emboldened to act without fear of facing severe repercussions.

In addition to the severity of anti-corruption laws, what is more important is the lax in principles of Thai judicial systems. The case of Toyota Motor Thailand is one good example that shows the lax in principles of Thai judicial systems. On March 18, 2020, Toyota Head Office released a statement concerning the possible anti-bribery violations of Toyota Motor Thailand on corrupt payments to current and former Thailand Supreme Court judges, as well as to the country's top finance and justice officials (Runyeon, 2021).

The cultural dimension comes into play through the prevailing norms and practices in the broader society and within the institutions involved. The lax principles of the Thai judicial system might be influenced by a cultural acceptance or tolerance of corrupt practices. In the Thai context, corruption might be seen as a part of the culture, driven by the logic of appropriateness, where giving and receiving bribes are perceived as necessary to navigate bureaucratic processes and achieve desired outcomes. The case of Toyota Motor Thailand showcases how institutional logics can be at play within a corrupt context. The institutions involved, such as the judicial system, might have developed practices and norms that inadvertently enable corrupt behaviour. Bureaucratic processes that lack transparency and accountability can provide opportunities for bribery and corruption to flourish. Moreover, the prevailing logics of care for others within Thai culture might contribute to the culture of gift-giving, wherein bribes are rationalized as a means of building relationships and ensuring favourable outcomes. This logic of appropriateness, where corrupt behaviour becomes a solution to navigating complex institutional structures, might have influenced the decision-

making of those involved. One thing that is certain is that when a county's judicial system is corrupt, it is incredibly challenging to halt corruption. The effectiveness of anti-corruption legislation is contingent on the strength and efficacy of the judicial system. If the legal processes are marred by delays, corruption within the judiciary, or a lack of resources, the enforcement of penalties can be inconsistent or significantly delayed. This can contribute to a perception of leniency in punishing corruption.

Addressing such corruption requires a multi-pronged approach, including not only holding individuals accountable but also examining and reforming the institutional structures and cultural norms that foster corrupt practices. Transparency, accountability, and an emphasis on ethical behaviour within institutions are essential in combating corruption and upholding the principles of justice in the Thai judicial system.

## **2. Fix the Habit.**

Business owners pay because of bureaucratic process. If government cannot reform, then speed money should be legalised. Speed money refers to small bribes or facilitation payments given to public officials to expedite routine processes or services.

The findings show that apart from the empathetic view of corruption or seeing corruption as an act of caring, some Thai business owners pay extra money because of the frustration over inefficient bureaucratic processes. The inefficient bureaucratic processes in turn can be caused by public officials' ulterior motive to gain an extra source of incomes, as well as excessive red tape. Hence, one of the solutions is to reduce red tapes as well as to increase public officials' salary. However, as discussed in the previous policy recommendation, the option to increase public officials' salary will be very costly for the government to achieve.

Thus, this solution may prove to be a possible alternative. From the previous study conducted by Thai Chamber of Commerce, the extent of corruption in 2010 alone amounted for 360,000 million baht. While in 2019, the Chairman of Thailand National Anti-Corruption

Commission (NACC) announced that the NACC had received a corruption complaint of 10,382 cases which amount to 236,240 million baht. Table 6 below shows the type of complaints on corruption, as well as the amount of money that have been accounted for in each type.

Table 6: the type of complaints and amount of money spent on corruption.

Corruption on public procurement	207,026,000,000 baht
Corruption due to misconduct	23,840,000,000 baht
Corruption due to neglect of duty	1,967,000,000 baht
Corruption due to public embezzlement	428,000,000 baht
Total amount of money from corruption	236,240,000,000 baht

Source: <https://www.prachachat.net/politics/news-570969> (Thai version)

The table above shows the amount of money estimated and accounted for on corruption complaints in 2019. In the category of ‘corruption due to misconduct’, the total amount of money accounted for was 23,840 million baht. The NACC chairman did not provide any explanation on the exact type of misconduct, but it is safe to assume that it involves receiving or asking for bribes or speed money. In a similar manner, on the category of ‘corruption on public procurement’, it is safe to assume that it involves kickbacks or bribery to secure public contracts. From taking these two categories into account, the amount of money lost to corruption is 230,866 million baht. These money can be seen as a possible alternative solution. As the findings show that business owners pay to avoid inefficient bureaucratic processes, and these processes in turn provide public officials with opportunity to acquire extra income, these two problems can both be solved by establishing a premium lane or a fast track for bureaucratic services. If the customers or entrepreneurs can wait for normal processing time, the premium

service charge is not necessary. However, this solution must come with an improvement in service transparency by giving public officials incentive to deliver their work within the committed deadline and not intentionally delaying the process to indirectly force the customers to use premium services. In the context of enhancing service transparency, a potential strategy could be implemented using a combination of incentives and penalties, commonly referred to as the "carrot and stick" approach. Under this approach, government officers may face consequences, such as loss of pay or job termination, if they fail to meet specific targets related to the timely processing of permits or the delivery of assigned tasks. Conversely, those who fulfil their obligations within designated timeframes could be rewarded or recognized for their exemplary performance.

While the problem of bureaucratic inefficiencies is recognized, this solution proposes a controversial solution that condones bribery, which is generally considered illegal and unethical. Legalizing speed money can lead to a culture of corruption and undermine the rule of law, as it sends a message that bribery is acceptable under certain circumstances. It sets a dangerous precedent that undermines the principles of equality before the law and creates a dual standard for acceptable and unacceptable behaviour. It may also create an uneven playing field for businesses, as those who can afford to pay bribes may gain an unfair advantage over those who cannot. The proposed solution raises ethical and legal concerns that could potentially lead to greater problems. It is important for governments to tackle bureaucratic inefficiencies and corruption through ethical and legal means. Legalizing speed money raises significant ethical concerns. Accepting bribes, even if they are small facilitation payments, fundamentally undermines principles of integrity, accountability, and fairness in public administration. It perpetuates a culture of corruption and erodes public trust in government institutions.

Moreover, regarding the benefits of long-term development, relying on speed money as a revenue source may lead to inefficient resource allocation. Instead of addressing systemic

issues related to budgetary constraints and fiscal management, legalizing bribery as a revenue source could perpetuate inefficiency and favouritism in public service delivery. It could also create adverse incentives for public officials to encourage bribery as a means of income generation. This can lead to a culture where public officials prioritize accepting bribes over performing their duties impartially and efficiently.

### **3. Fix the Patron-client Relationship.**

The findings show the importance of social relationship between business owners and public officials. The key concept of patron-client relationship fostered the environment for corrupt culture in Thailand (Sakulleaw, 2021). One solution is to legalise ‘signing fee’, ‘commission fee’ which would solve the issue of informal relationship networks, because no matter which contractors win, the government will get the percentage anyway. The main problem with corruption in Thailand is that practices which are condemned as corrupt by Western norms of public service are considered as legitimate within the framework of Thai patron-client relationship (Quah, 2011).

The patron-client relationship can be described as a special kind of mutual reciprocity relationship between two persons in which the ‘patron’, a person with higher social economic status, uses his own influence and resources to provide protection or benefits, or both for their client, a person with lower status, who has the obligation to reciprocate by offering general support, assistance, and personal services (Scott, 1972). The patron-client relationship can be distinguished from other forms of social arrangement by their basis in inequality, their face-to-face nature, and their flexibility. The patron-client relationship is characterized by a significant power asymmetry, where the patron wields influence, resources, and social capital that the client may lack. This power differential forms the foundation of the relationship dynamics. The patron assumes the role of a protector and provider for the client. They use their influence,

connections, and resources to offer protection, benefits, or both to the client. This assistance may come in the form of financial aid, political support, legal representation, or access to networks. The client, in turn, has an obligation to reciprocate the patron's support and assistance. This reciprocation typically involves offering general support and loyalty to the patron. The client may be expected to provide personal services, offer loyalty in political matters, or provide other forms of support as requested by the patron. The patron-client relationship is deeply embedded in the social and economic context of a society. It can be observed in various spheres, including politics, business, and community interactions. The relationship is often based on longstanding social and cultural norms and may be influenced by traditions and customs. The patron-client relationship contributes to the creation of networks of social and economic alliances. These networks facilitate the exchange of resources and support between individuals and can be influential in shaping power dynamics within a community or society. While the patron-client relationship can provide advantages to the client, it also carries the risk of exploitation. The patron may use their position to manipulate the client for personal gain or to further their own interests. In some contexts, the patron-client relationship can exist in both informal and formal settings. In formal contexts, it may be evident in political structures, where powerful politicians act as patrons to less influential constituents. In informal settings, it can be observed in personal relationships, family ties, or within small community groups.

This patron-client relationship in Thai society can be linked to the principle of 'gin muang'. The principle of 'gin muang', in short, although public officials in the Sukhothai era did not receive regular salary from the King for their services, the King allowed public officials to keep 10 percent of taxes for their own uses (Noisuwan, 2003). This implies that the main source of income for public officials was from keeping 10 percent of taxes that they collected (Sanit, 1991). This pattern of salary created opportunity for public officials to ask for money

or products in a form of taxes and led to numerous inefficiencies in tax collection. First, it could lead to unequal treatment of taxpayers. Officials might prioritize collecting taxes from individuals or businesses who can afford to pay more to increase their own share, neglecting those who may be unable to pay their taxes due to financial hardship. Second, the financial incentive to retain a percentage of taxes might encourage corruption and bribery among public officials. They may engage in illicit practices to inflate the tax amounts collected or invent more kinds of taxes to increase their personal gains. Third, it could potentially lead to a reduction in tax compliance. If taxpayers believe that a portion of their taxes will end up in the pockets of officials, it could lead to decreased tax compliance. People may be more likely to underreport their income, evade taxes, or engage in informal economic activities to avoid contributing to a system they perceive as corrupt.

While the relationship can be seen as public officials (patrons) providing services to Thais (clients) who subsequently provide money or product to public officials (patrons), the same pattern can also be used the other way around. For example, Thai traders can also become patrons to public officials by first giving them valuables and in return, public officials become clients of Thai traders, but at the same time as patron who are holding trade permission. As a result, they establish a mutual relationship consisting of formal duty and personal favour (Noisuwan, 2003). The patron-client relationship in Thailand has also been strengthened by the Thai value of gratitude. As the gratitude value consists of ‘bun khun’ and ‘tob thaen bun khun’. In Thailand, as the patron provides necessities or help to the client, it becomes ‘bun khun’ (gratitude) to the client. Hence, if the client ‘roo bun khun’ (feel grateful of/indebted to), the client must and always ‘tob thaen bun khun’ (repay the gratitude) to the patron. Such concept has been deeply valued in Thai society. Hence, it could foster an environment suitable for corruption if both the patron and client have ulterior motives.

To avoid the risk of establishing patron-client relationship that would create opportunities for corruption, reducing the direct engagement between the entrepreneurs and the public officials can be used as another option. The government should allow Thai business owners, or any customers, to request their permits, submit the applications, and make payments online to reduce the direct engagement between the patron and the clients. In many countries, online automation has been used to achieve both efficiency and transparency. For example, staff in shops and cafes do not handle cash and car park payments are now mostly being paid through machines. Automation creates an auditable trail of activities, making it easier to track and monitor transactions and processes. This transparency reduces opportunities for corrupt practices to occur unnoticed, as every action is recorded and can be reviewed by relevant authorities. Moreover, automated systems minimize the need for direct human interaction in administrative processes, reducing the potential for bribery or collusion between individuals. Transactions are conducted electronically, decreasing the likelihood of corrupt practices that might arise during face-to-face interactions. Aligned with the reduction of red tape discussed previously, automation streamlines administrative procedures, reducing bureaucratic inefficiencies that could create opportunities for corruption. Faster, more efficient processes leave less room for unnecessary delays or red tape, discouraging corrupt practices. In the Thai context, widely adopted automation could also reduce the gift-giving culture between the Thai business owners and government officials while not undermining the value of being Thai or the culture of giving gifts. Essentially, gift-giving, caring, and empathy should not exist between government officials and clients, because these government entities or permit issuers should, like any other service providers in any industry, deliver the services that the clients are paying for. Therefore, it is recommended to streamline the bureaucratic process to reduce the red tape and reduce the direct engagement between the officials and the clients by using more automation in the process. In the context of government and business, patron-client



relationships can lead to corruption if the powerful individual or group demands favours or bribes in exchange for benefits, such as permits or contracts. This approach might have several advantages. First, it reduces the need for face-to-face interactions, which can reduce opportunities for corruption. Second, it can save time and money for both entrepreneurs and public officials by streamlining the process. Third, it can increase transparency and accountability by providing a digital trail of transactions.

## **Conclusion.**

The thesis set out to explore the meaning of corruption that is situated in the Thai context and what institutional logics that corruption has institutionalised from. The finding has shown that the meaning of corruption in Thai context differs from that of the Western perspective. To a certain extent, it is true that corruption in Thailand also done out of self-interest and selfishness. But it is also true that corruption in Thailand is not only about self-interest and selfishness. One aspect of corruption in Thailand for Thai people has an alternative meaning of taking care of one another. Corruption as an act of caring has been institutionalised by the institutional logic of family and community. The values embedded in family and gratitude in Thai culture is the main driving logic that make an act of corruption not an act of corruption in Thailand. By understanding these two institutional logics (family and community) that institutionalised corruption, it is possible to design an anti-campaign that can appropriately address the issue.

The finding also shows that instead of focusing on petty corruption such as speed money and bribery, Thai government should focus its attention on grand corruption if the government wishes to entirely eradicate corruption situation. The reason that the Thai government should focus on grand corruption is because it is the grand corruption that do damage to the country while petty corruption does not result in any damage to anyone. Instead, it is petty corruption that make Thai public officials survive with their low salary. Therefore,

the finding recommends that the corruption problem in Thailand does not normally create by petty corruption but instead it is the grand corruption itself that foster more corruption. In other words, by moralising petty corruption as the finding has argued that speed money and bribery are not corruption in Thailand, it can be more beneficial to Thai society than condemning it.

The thesis recommends that the Thai government should redefine the notion of corruption in Thailand so that it can correctly address the corruption issue. The thesis also challenges the universally approved definition of corruption as the abuse of public power for private gain as the definition in itself does not reflect the alternative meaning of corruption as an act of caring. The thesis also recommends on providing Thai public officials with higher salary by legalising speed money or bribery in the form of fast-track or premium lanes where Thai business owners have agreed upon as one of the solutions to corruption in Thai public services.

The main contribution to knowledge of this thesis is twofold. First, the empirical work has shown new meaning of corruption in Thai context and positive connotations that are associated with it. Second, the thesis believes that it is one of the few research projects that use institutional logic perspective as a theoretical framework to understand corruption.

The limitation of this thesis is its generalisability. As the research is conducted in Thailand where it has its own culture and context. The research finding is only appropriate in Thailand therefore it is not yet known whether the same finding will occur in other settings. Nevertheless, at the same time, it is also act as a beacon for future research to explore whether the same finding will appear in other places with their own specific cultures or not. In the circumstances that the same result should appear, it will only further increase the generalisability of the research.

Additionally, limitations stemming from small sample sizes in this thesis are multifaceted and warrant careful consideration. Firstly, the restricted number of cases may

undermine the generalizability of findings. With a limited sample, the ability to make sweeping claims about broader populations or contexts becomes inherently compromised. This can lead to a potential overemphasis on idiosyncratic or outlier cases, potentially skewing the overall analysis. Moreover, small sample sizes may impede the ability to detect nuanced or subtle effects within the data. Complex interactions and patterns that might emerge with a larger and more diverse sample can easily elude detection when working with a restricted set of cases.

Furthermore, from quantitative analysis point of view, small sample sizes may also hinder the ability to conduct robust statistical analyses. The statistical power of tests may be severely diminished, making it challenging to draw meaningful conclusions from the data. This can result in a higher likelihood of Type II errors, where a true effect goes undetected. In addition, the small sample size may limit the range of analytical techniques that can be employed, potentially curtailing the sophistication and depth of the analysis. Complex statistical models or advanced methodologies may be unsuitable or yield unreliable results when applied to a limited dataset.

Additionally, small samples can introduce issues related to selection bias and non-representativeness. The cases included may not adequately capture the diversity and complexity of the phenomenon of corruption under investigation, leading to a skewed or incomplete understanding of corruption within specific institutional contexts. Moreover, small samples may struggle to account for confounding variables or alternative explanations, potentially leading to spurious or misleading conclusions. This thesis found it difficult to control for all relevant factors or establish causal relationships with confidence, given the restricted scope of the data. While small sample sizes may be a practical reality in certain corruption and institutional logic contexts, they introduce a range of limitations in the study of corruption and institutional logic. These limitations encompass challenges in generalizability, statistical power, analytical depth, and potential biases. Recognizing and addressing these

limitations is crucial for maintaining the rigor and validity of research findings in this field. Further researches should employ strategies such as careful case selection, robust methodological approaches, and transparent reporting to mitigate the impact of small sample sizes on their thesis.

To recommend further research in the field, expanding the scope of future research within the realm of corruption and institutional logic to incorporate participants from critical stakeholder groups, namely police and politicians, holds immense potential for enhancing the comprehensiveness and depth of our understanding in this domain. Including these key actors in studies on corruption is imperative for several compelling reasons. Firstly, police officers constitute a pivotal front-line component in the fight against corruption, and their perspectives are invaluable in unpacking the intricate dynamics at play within law enforcement agencies. Investigating their experiences, motivations, and challenges in navigating corruption within their ranks could shed crucial light on internal mechanisms and potential interventions. Additionally, politicians wield significant influence over the institutional frameworks and policies that either foster or combat corruption. By involving them in research endeavours, researchers can gain unparalleled insights into the systemic and structural factors that contribute to corruption within political spheres. This includes understanding the pressures, incentives, and ethical dilemmas that politicians face in their roles. Moreover, incorporating these stakeholders into studies on corruption can foster a more holistic and nuanced understanding of the interplay between institutional norms, individual behaviours, and broader systemic influences. It can provide a platform for a multifaceted examination of how corruption manifests, persists, and can be effectively mitigated within the intricate fabric of institutions and societies. Future projects should thus prioritize the inclusion of police officers and politicians as vital participants, employing methods that facilitate candid and comprehensive contributions from these critical stakeholders. Such an approach not only enriches the empirical

foundation of corruption studies but also bolsters the potential for developing targeted and contextually grounded anti-corruption strategies in the long run.

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## Tables.

Table 1: Type of business

Type of businesses	Number of interviewees
Government contractors	6
Alcohol beverage industry	3
Real estate and commercial space	6
Transportation	2
Wholesale/Manufacturing/Import and Export	3
Total	20

Table 2: Interinstitutional system

Y-Axis:	X-Axis: Institutional Orders						
Categories	Family 1	Community 2	Religion 3	State 4	Market 5	Profession 6	Corporation 7
<b>Root Metaphor 1</b>	Family as firm	Common boundary	Temple as bank	State as redistribution mechanism	Transaction	Profession as relational network	Corporation as hierarchy
<b>Sources of Legitimacy 2</b>	Unconditional loyalty	Unity of will Belief in trust & reciprocity	Importance of faith & sacredness in economy & society	Democratic participation	Share price	Personal expertise	Market position of firm
<b>Sources of Authority 3</b>	Patriarchal domination	Commitment to community values & ideology	Priesthood charisma	Bureaucratic domination	Shareholder activism	Professional association	Board of directors Top management
<b>Sources of Identity 4</b>	Family reputation	Emotional connection Ego-satisfaction & reputation	Association with deities	Social & economic class	Faceless	Association with quality of craft Personal reputation	Bureaucratic roles
<b>Basis of Norms 5</b>	Membership in household	Group membership	Membership in congregation	Citizenship in nation	Self-interest	Membership in guild & association	Employment in firm
<b>Basis of Attention 6</b>	Status in household	Personal investment in group	Relation to supernatural	Status of interest group	Status in market	Status in profession	Status in hierarchy
<b>Basis of Strategy 7</b>	Increase family honor	Increase status & honor of members & practices	Increase religious symbolism of natural events	Increase community good	Increase efficiency profit	Increase personal reputation	Increase size & diversification of firm
<b>Informal Control Mechanisms 8</b>	Family politics	Visibility of actions	Worship of calling	Backroom politics	Industry analysts	Celebrity professionals	Organization culture
<b>Economic System 9</b>	Family capitalism	Cooperative capitalism	Occidental capitalism	Welfare capitalism	Market capitalism	Personal capitalism	Managerial capitalism

Table 3: Seven Stories

Stories	Summaries
Mr. P – Real estate developer	Mr. P experienced corruption in the form of bribery with public officials in getting construction permits. He found the overall

	<p>process to be problematic because any small errors result in new application. He was guided by another applicant to provide public officials with ‘vitamin-M’ (bribe). Once he did as he was told, the permit was issued in less than a week.</p>
Mr. Phillip – Real estate developer	<p>Mr.J had a problem with land usage and went to see the decision maker at the land office for the recommendation. After a satisfying result, he gave the decision maker money as a gratitude for the insight. He viewed his action as a mutual dependency between himself and the decision maker.</p>
Mr. I – Import and export venture	<p>Mr.I often had problem with his products being denied to entry. He perceives bribery and a connection with senior public officials as a convenience pass to solve the problem. From his experience, this scenario of ‘I help you, you help me’ happen quite often and considered it to be normal.</p>
Mr. K – Agricultural manufacturer	<p>Mr.K experienced corruption when dealing with public officials from municipality office. Despite some dissatisfaction, he admitted that paying extra money cannot be avoided because it would jeopardize his</p>

	business. He perceived that it was a cultural practice within the municipality office to pay.
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Table 4: Number of procedures and times to obtain construction permit in Thailand.

Details - Dealing with Construction Permits in Thailand - Procedure, Time and Cost			
No.	Procedures	Time to Complete	Associated Costs
1	<b>Obtain a Soil Test for the Foundation</b> <i>Agency : Private Firm</i> A soil test is conducted prior to designing the foundation of the warehouse. Soil in Bangkok differs depending on the location and soil tests are considered important for adequately constructing the foundation as many areas are subject to flooding.	14 days	THB 60,000
2	<b>Request a building permit from the Bangkok Metropolitan Authority</b> <i>Agency : Bangkok Metropolitan Authority</i> An application for a permit to construct, modified, remove, or reallocate a building is required for any building. For buildings of no more than 23 meters in height or 10,000 square meters in area, the application must be submitted to the relevant District Office with the following documents attached: <ul style="list-style-type: none"> <li>• A copy of the applicant's corporate registration</li> <li>• A copy of the land title deed</li> <li>• The personal and tax identification cards of the applicant</li> <li>• Written permission of the architect and a copy of a valid professional license</li> <li>• Written permission of the design/calculation engineer and a copy of a valid professional license</li> <li>• Written permissions of the architect and engineer who will be the construction supervisors and copies of their valid professional licenses</li> <li>• Building plan</li> <li>• A calculation of building structure</li> <li>• For an industrial factory, hospital, fresh market, condominium, apartment, and any undesirable commercial building, details of the water treatment system and its calculation must be provided.</li> </ul> A notice to the local authority in lieu of the building permit could be made. The application could be submitted to the local authority in a situation where construction work must be commenced urgently. The following supporting documents must be attached to the application to the local authority: <ul style="list-style-type: none"> <li>• A copy of the applicant's corporate registration</li> <li>• A copy of the land title deed</li> <li>• Tax identification card of the applicant</li> <li>• Written permission of the senior professional architect and a copy of a valid senior professional license</li> <li>• Written permission of the senior professional design/calculation engineer and a copy of a valid senior professional license</li> <li>• Written permissions of the architect and engineer who will be the construction supervisors and copies of their valid professional licenses</li> <li>• Certificate of building design</li> <li>• Building plan</li> <li>• Calculation of the building area</li> </ul> Acknowledgement of the notification is normally granted within the day of filing the complete application. The cost is the same as for obtaining a building permit.	1 day	THB 2,601
3	<b>Receive pre-approval inspection from the Bangkok Metropolitan Authority</b> <i>Agency : Bangkok Metropolitan Authority</i> Before the plan approval, the municipal authority inspects the site to confirm that the drawings submitted accurately represent the project on site. The building control officers of the Bangkok Metropolitan Authority process this approval.	1 day	no charge
4	<b>Obtain a building permit from the Bangkok Metropolitan Authority</b> <i>Agency : Bangkok Metropolitan Authority</i> As of April 1, 2013 the Bangkok Metropolitan Administration (BMA) now allows district directors to act on behalf of the Bangkok Governor under Building Control Act B.E. 2522 (1979) for simple buildings. The district director can issue the building approval for buildings that are not more than 10,000 sq. m. and not taller than 23 meters. This fast-track option has significantly reduced the time to obtain the building permit.	30 days	no charge

5	<b>Notify the Bangkok Metropolitan Authority on the commencement of construction works</b> <i>Agency : Bangkok Metropolitan Authority</i> After the building permit has been granted, the builder must inform the Bangkok Metropolitan Authority of the commencement of construction and at the same time provide them with the name of the construction supervisor. It is assumed that BuildCo's in-house engineer has the required qualifications to be the construction supervisor.	1 day	no charge
6	<b>Receive unscheduled inspection of foundation works</b> <i>Agency : Bangkok Metropolitan Authority</i> The Bangkok Metropolitan Authority will inspect the site at the foundations works stage to ensure that work complies with the building code and approved plans. A report is prepared by the BMA inspector to certify compliance.	1 day	no charge
7	<b>Receive unscheduled inspection of structural works</b> <i>Agency : Bangkok Metropolitan Authority</i> The Bangkok Metropolitan Authority will inspect the site at the structural works stage to ensure that work complies with the building code and approved plans. A report is prepared by the BMA inspector to certify compliance.	1 day	no charge
8	<b>Request water connection</b> <i>Agency : Metropolitan Waterworks Authority (MWA)</i> BuildCo must contact the local office of the Metropolitan Water Work Authority (MWA) to request a water connection. MWA will then conduct an on-site inspection a few days later.	1 day	no charge
9	<b>Receive onsite inspection for water connection</b> <i>Agency : Metropolitan Waterworks Authority (MWA)</i> The Metropolitan Waterworks Authority (MWA) will inspect the construction to assess the works that are necessary to ensure that the building will connect to the water grid and check technical conditions such as size of connection and feasibility of water discharge requested.	1 day	no charge
10	<b>Request and obtain sewage connection</b> <i>Agency : Wastewater Management Authority (WMA)</i> The sewage connection is conducted by the Wastewater Management Authority (WMA). There is no inspection that is needed. The fee is THB 1 per meter.	30 days	THB 150
⇄ 11	<b>Obtain water connection</b> <i>Agency : Metropolitan Waterworks Authority (MWA)</i> If construction project was carried out according to submitted drawings and standards, the Metropolitan Waterworks Authority will install water meters and complete the final water connection.	10 days	THB 9,500
12	<b>Request occupancy permit</b> <i>Agency : Metropolitan Bangkok Authority</i> The occupancy permit needs to be requested from the Metropolitan Bangkok Authority prior to the final inspection by the building owner or a representative acting in his behalf.	1 day	no charge
13	<b>Receive final inspection</b> <i>Agency : Bangkok Metropolitan Authority</i> At the end of construction, the Bangkok Metropolitan Authority will visit the site to ascertain if the construction was carried out according to the master plans and current regulations. A report is submitted which can be utilized to obtain the occupancy permit.	1 day	no charge
14	<b>Obtain occupancy permit</b> <i>Agency : Metropolitan Bangkok Authority</i> An occupancy permit is usually issued within one month of the request by the building owner and has a nominal cost of THB 20.	30 days	THB 20

⇄ Takes place simultaneously with previous procedure.

Sources: Doing Business 2020, Thailand

Table 5: Salary of Thai government officials

Level/Position	General	Academic	Administrative	Executive
C 1 – C 4	4,870 – 21,010	8,340 – 26,900		
C 5 – C 6	10,190 – 38,750	15,050 – 43,600		
C 7 – C 8	15,410 – 38,750	22,140 – 58,390	26,600 – 59,500	
C 9	48,220 – 69,040	31,400 – 69,040	32,850 – 70,630	51,140 – 74,320
C 10 – C 11		43,810 – 76,800		56,830 – 76,800

Source: <https://www.itax.in.th/media/%E0%B9%80%E0%B8%87%E0%B8%B4%E0%B8%99%E0%B9%80%E0%B8%94%E0%B8%B7%E0%B8%AD%E0%B8%99%E0%B8%82%E0%B9%89%E0%B8%B2%E0%B8%A3%E0%B8%B2%E0%B8%8A%E0%B8%81%E0%B8%B2%E0%B8%A3/>

(Thai version)

Table 6: the type of complaints and amount of money spent on corruption

Corruption on public procurement	207,026,000,000 baht
Corruption due to misconduct	23,840,000,000 baht
Corruption due to neglect of duty	1,967,000,000 baht
Corruption due to public embezzlement	428,000,000 baht
Total amount of money from corruption	236,240,000,000 baht

Source: <https://www.prachachat.net/politics/news-570969>

## Appendices

### Consent Form



Please use tick box after each statement to confirm it has been read and agreed to.

1. I have read and had explained to me by:

.....

the accompanying Information Sheet relating to the project on:

.....

2. I have had explained to me the purposes of the project and what will be required of me, and any questions I have had have been answered to my satisfaction. I agree to the arrangements described in the Information Sheet in so far as they relate to my participation. [    ]

3. I have had explained to me what information will be collected about me, what it will be used for, who it may be shared with, how it will be kept safe, and my rights in relation to my data. [    ]

4. I understand that participation is entirely voluntary and that I have the right to withdraw from the project any time, and that this will be without detriment. [    ]



5. This project has been reviewed by the University Research Ethics Committee and has been given a favourable ethical opinion for conduct.

6. I have received a copy of this Consent Form and the accompanying Information Sheet.

Names or Initials .....

Dates .....

.....

## Information Sheet



### **Title of the research project**

Understanding corruption as a social process: the case of Thailand

### **Important information**

Please read the following information that is being provided in order to help you to understand what the research is about, why it is being done and to decide whether or not you would like to be a part of this research.

### **What is the purpose of the project?**

The purpose of the project is to understand why corruption persists in Thailand and to understand how Thai business owners make sense of the meaning of corruption in order to formulate new theoretical ideas and new anti-corruption policy.

### **Why have I been chosen?**

You have been chosen because you may have direct and/or indirect experience of dealing with what can be perceived as corruption in Thai businesses. This research hopes that you could share your experiences and perspectives on how you personally define and make sense of corruption.

**Do I have to take part?**

The choice to participate in this project is entirely up to you. If you decide to participate in this project, you will be given this information sheet and consent form for safekeeping. As the choice to participate is yours, you have the right to withdraw from the project any time before, during or after the interview without the need to tell us reasons of withdrawal. All the data you provide will be stored securely on the university server and will be treated with utmost confidentiality.

**What do I have to do?**

You will be invited to an interview that will last between one to one and a half hour at the agreed upon location. A follow up interviews may be needed with your consent. The interview will proceed as a normal conversation about your works and experiences. The conversation will include questions about direct and/or indirect experiences on corruption, how you as well as people around you make sense of corruption, and how does corruption occur.

**Will I be recorded and how will the data be used?**

Interviews will be recorded in Thai or English and only key data will be transcribed into a printed version to generate meanings and sense-makings about corruption. Both data will be stored on university server which can only be accessed by the researcher. The transcribed data, for instance direct quotes, will only be used for the purpose to advance and support research's findings and in under no circumstances that the participants' names will be revealed or presented in the research project.

**What are the possible disadvantages and risks of taking part?**

The first risk that involves with this project is the possibility that you may incriminate yourself. However, please be informed that even if you happen to confess to a crime, the researcher has no obligation to report under the Thai laws. Nonetheless due to researcher's own ethical obligation, the researcher will have to report crime if your action results in damage or bodily harm to the third party. The second risk is the possibility of being identified by the public however please be noted that measures have been considered in order to minimise risks of being identified such as giving you a pseudonym name.

**What are the possible benefits of taking part?**

Your contribution for taking part in this research project will obviously help the researcher to complete the project. Yet, the main contribution of your times and efforts are to create new theoretical ideas about how Thai people's perspective on corruption. These ideas, meanings, and sense-making may be put to create new anti-corruption policy that can correctly address the corruption problem in Thailand. Hence, your contribution will have a significant impact on how we, as Thai people, come together to stand against corruption.

**Will my taking part in this project be kept confidential?**

All the data collect from interviews will be kept securely and confidentially. Any details that can identified participants will be pseudonymised, will never be mentioned or included in any

reports or publications. Results from the study will only be presented in the research report.  
Should you wish to know the results, please let the researcher knows.

Thank you for taking the time to read all relevant information

Contact for further information

Mr. Jiratdet Pumarin, PhD student, Henley Business School, Marketing and Reputation,  
University of Reading. Mobile: Email:  
[j.pumarin@pgr.reading.ac.uk](mailto:j.pumarin@pgr.reading.ac.uk)

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## Unstructured Interview Guide

Before the start of the interview session, remind participants about their consent and reaffirm them that if they are uncomfortable, they can withdraw anytime during and/or after the interview. At the start of the interview, ask them again for their verbal consent. As for the consent form, bring two copies to the interview and give participant one copy while you keep another after they have signed the consent form.

Since the interview is unstructured interview, it should proceed as a normal conversation. Interview should start with casual conversation about the topic of interest and follow up with prompt discussion such as “uh-huh”, “tell me more”, “that is news/interesting”, “what happen next” that drive into questions that the researcher wants to find out. At the end of the interview, note how much you appreciate for their helps and participation. Follow up with their reflection on interview and whether they would like to add anything or miss the chance to say anything. Hence if what they say afterward is interesting, ask them for consent to record.

The time limit is 1.5 hours. Be sure to be precise and straight to the point. Signpost when the time is at the limit but do not cut off the opportunity for participants who still want to share their experiences and stories. Do not forget to note about the start and end time, location, and anything that happen unrecorded and participant details.

The next page is a list of questions that are of interest to researcher. Since it is unstructured interview, there is no pattern to follow therefore ask questions that sound relevant to the current discussion and jump back and forth to topics. The main interests are highlighted in bold.

## Unstructured Interview Guide: questions

1. **General detail about participant** – in this section we would want to get to know about participant's world as well as to make the atmosphere more casual and friendly. Sample question: Please tell me a little bit about yourself.
2. **Information about their job** – in this section we would like to know about participant's job, what they like and dislike as well as how do they come to have this job. Sample questions: Please tell me about your job. How long have you been in this job? How did it all start? What do you like and dislike about your job? Can you give me some examples? Tell me more about it.
3. **How participant perceive corruption in Thailand** – in this section we would like to see how individuals define what do they mean by corruption and what type of practices are considered as corruption in Thai context. Sample questions: How pervasive is corruption in Thailand? How do you define the meaning of corruption? Based on your experiences, what practices can be defined as corruption?
4. **How participant think of corruption in Thai businesses** – in this section we would like to see how individuals make sense of corruption in Thai businesses and to understand its social process. Sample questions: There are bribery scandals about business owners and public officials , what are your thoughts? Do you have any stories/experiences to share? It can be direct experiences and indirect experiences. Any examples that you want to talk about? How does it happen? How do you feel about it?
5. **Rationalisation and Justification** – in this section we would like to discover the logics that individuals use to rationalise and justify when engage in what is perceived as a corruption. Sample questions: How do you feel about your action? How do you make

sense of the situation? Do you think it is a common practice in Thailand? Is it normal then? Can you give me more detail?

6. **End of the interview** – in this section we express our gratitude to our participant for sharing experiences and stories with us as well as to ask whether there is something that is left out and want to be add. Sample sentence: We are at the end of the interview, thank you very much for your time and effort to share with me your experiences and stories. There are all very interesting. Now I would ask for you to reflect on our interview and if there is anything that you have yet to mention.

\*\* The way of asking questions may be varied and adjusted to suit the participant in order to gain maximum amount of data. The main themes/interests remain the same.



## Sample of Transcript record of Miss.N (Thai)

- แล้วพอเราเรียนจบมา เราก็เข้ามาทำเรื่อง **import export** เครื่องสำอางเลยใช่ไหมครับ
- ใช่ค่ะ
- แล้วชอบไหมครับ ธุรกิจนี้ เห็นว่าควรจะมีการปรับปรุง หรือมันดีอยู่แล้ว หรือเราอาจจะทำอะไรให้ดีขึ้นนะครับ
- ถ้าเรื่องเริ่มต้น ก็เป็นช่วงแรกๆที่เราเริ่มทำ เรามีการส่งออกต่างประเทศ แล้วก็คือช่วงแรกๆ บินเองแล้วตามปกติโดยทั่วไปเราก็ต้องผ่านช่องเขียว ช่องแดง ที่ต้อง **declare** ของหรือไม่ต้อง แล้วพอเราไป ณ ประเทศนั้นๆ ครั้งแรกๆ ก็คือยังไม่มี บุคคลกรช่วย แต่พอตอนหลัง เราเริ่มไปบ่อย เริ่มมี **connection** มากขึ้นก็เริ่มมีคนพาเข้าช่อง **declare** โดยที่เราไม่ต้องเสียภาษีในการนำเข้าไป
- อันนี้คือตอนที่เรา **export** ไปต่างประเทศใช่ไหมครับ แล้วมันเกิดขึ้นได้อย่างไร ขบวนการ หรืออยู่ๆก็มีคนมาเสนอเราเอง
- เอ่อ เริ่มจากเพราะว่า ครั้งแรกๆที่ไม่มีเจ้าหน้าที่ช่วยค่ะ เลยทำให้โดนตรวจ พอหลังจากที่โดนตรวจไปหนึ่งครั้ง เราก็เริ่มปรึกษากับเจ้าหน้าที่คนที่ตรวจเรา แทนที่เค้าจะตรวจเรา เราก็ติดกับเค้าเอง เค้าก็ช่วยเรา ก็กลายมาเป็น **connection** ของเราเอง
- แล้วเหตุการณ์แบบนี้เกิดขึ้นที่เมืองไทยบ้างไหมครับ
- ก็มีค่ะ
- พอจะเล่าให้ฟังได้ไหมครับ
- ก็คือเหมือนกัน ในกรณีเดียวกัน พอเรานำของเข้ามา เราก็อาจจะต้อง **declare** ของต้องเสียภาษีแต่เราก็มีเจ้าหน้าที่ดูแลให้ ติดต่อให้ ก็กลายเป็น **connection** ของเราเองค่ะ

- แล้วมีความรู้สึกยังไงครับ เมื่อทำครั้งแรก อันนี้เราเรียนรู้มาจากคุณพ่อ คุณแม่ หรืออยู่ๆเราก็มาเป็นของเราเอง
- เรียนรู้มาจาก คุณพ่อ คุณแม่ค่ะ
- แสดงว่ามันก็ กระบวนการแบบนี้มีมาตั้งนานแล้ว ใช่ไหมครับ
- ใช่ค่ะ
- แล้วเคยสงสัยไหมครับว่า ทำไมหรือว่าจะอะไรที่ทำให้ คุณพ่อ คุณแม่ ทำแบบนั้น
- คือด้วยความที่เราก็คูญกับ คุณพ่อ คุณแม่ เราอยู่แล้ว ก็รู้ปัญหาตลอดเพราะช่วยคุณพ่อ คุณแม่มาตั้งแต่ต้น ก็เลยรู้ว่าที่ต้องทำแบบนี้เพราะมันทำให้ง่ายขึ้นและให้เราได้รับสินค้าในราคาที่ถูกกว่าเจ้าอื่น
- แสดงว่า ราคาก็เป็นผลสำคัญกับเรื่องสินค้าเครื่องสำอาง
- สำคัญค่ะ เพราะตลาดโดยทั่วไป การแข่งขันสูง เครื่องสำอางหรือ skin care เป็นปัจจัยหลักใหม่ ก็เป็นแต่ก็ไม่ใช่ปัจจัยสำคัญที่ทุกคนต้องมี แต่มันก็เป็น option เสริมว่า ถ้าทุกคนมีกำลังซื้อ ก็ถึงจะเลือกที่จะซื้อ ไม่งั้นเค้าก็ไม่ต้องซื้อก็ได้ ดังนั้น ราคาคือปัจจัยหลักในการซื้อของ เครื่องสำอาง
- ฉะนั้นการที่เรารู้จักคนภายในที่เค้าสามารถเคลียร์ให้เราได้ ก็ดีกว่าการที่เราต้องจ่ายภาษีหรือโดนปรับตามจำนวนเต็ม
- ใช่ค่ะ
- แล้วเราทำธุรกิจเครื่องสำอาง มีคนหลายๆคนทำแบบนี้ไหมครับ
- เท่าที่รู้จักก็ทำแบบนี้ ทั้งหมด
- แล้ว เค้าเคยมาเล่าให้เราฟังไหมครับ หรือเรารู้เอง

- ไม่เคยค่ะ แต่ว่าด้วยความที่เราเป็นผู้ขายเหมือนกัน เราก็จะมีวิธีที่คล้ายๆกัน เราก็รู้กันอยู่แล้วว่าแต่ละคนทำแบบไหน สิ่งไหน เพราะว่าเป็นลูกค้าหนึ่งเจ้า เค้าไม่ได้ซื้อกับเราเจ้าเดียว แต่เค้าก็ซื้อสามเจ้า
- แล้วการที่ทำแบบนี้ หลายๆเจ้าก็เป็นแบบนี้แล้วเรารู้สึกอย่างไร
- ก็พูดได้ว่าเป็นการคอร์รัปชั่น แต่ทางการปฏิบัติถ้าเราไม่ทำแบบนี้ การทำธุรกิจของเราก็คงยากขึ้นแล้วอาจจะสะดุดบ้าง ไม่ flow ไปตามที่เราต้องการ เช่นของส่งล่าช้า cost เราเพิ่มขึ้นก็ทำให้เราไปสู้ในตลาดไม่ได้
- แล้วอันนี้มีผลกระทบต่อครอบครัวไหมครับ ถ้าเราทำถูกต้องตามกฎหมาย หรือเลือกที่จะไม่ฟังพวกคนอื่น
- มีค่ะ มีอย่างยิ่ง เพราะว่า ก่อนอื่นเลยถ้าเราเสียภาษีอย่างถูกต้อง cost เราเพิ่มขึ้น จะทำให้ยอดขายต่ำลงแล้วก็อาจทำให้ไม่มีลูกค้ามาซื้อ
- ฉะนั้นก็แปลได้ว่า ขายของไม่ได้ ครอบครัวก็ไม่มีอะไรจะกิน
- ใช่ค่ะ
- ฉะนั้นการที่เราต้องดูแลครอบครัวเป็นสิ่งสำคัญกว่าการที่เราคิดถึงเรื่องที่ทำลงไปว่ามันถูกหรือผิด
- ใช่ค่ะ
- โอเคครับ อันนี้เป็นไอดีเดียวที่ตีมาก

## Sample Summary of Transcript Record (English)

Interview Summary: Mr.G

Date/Time/Location: 30 October 2019, 4pm, local coffee shop in Bangkok

Duration 1.30 hours

I was introduced to this participant by a mutual friend. My friend had dinner with him and told him about my project and that this participant found it interesting, since his main interest is on politics. My friend had given him my business card and on the next day the participant called me and expressed his interest to help with my project. Hence, I arranged to meet with him for the interview.

I arrived at the interview location early to prepare for the interview. The reason that I chose this coffee shop is because the atmosphere and location was well suited to have a conversation. At about 4.10pm, the participant arrived. I began by introducing myself as a doctoral researcher at the University of Reading and offered him a coffee before we began.

At the start of the interview, I informed him about the recording and how the interview would only be used as a data for interpretation. He signed the consent form and also responded verbally at the start of the recording. The participant casually introduced himself as Mr.G, a 30 years old real estate entrepreneur that specialises in building and managing local farmers' markets, flea markets and coffee shops. He is married to his wife who runs a construction company that primarily bids for government contracts. He happily told me that he is expecting his first-born in May or June 2020. After this casual introduction, I first asked him about his opinion on Thailand, Thai people, and Thai culture. He replied that Thailand is a unique country with distinct culture that has been inherited from generation to generation, but has also

been influenced by some Western cultures as well. He gave some cultural examples such as greeting gesture (wai) which is use as a common gesture to show respect; always show respect to people who are older and more senior than you; during Thai New Year and Western New Year you must bring gifts to your seniors to show your gratitude and appreciation. But his most interesting insight on Thai culture is that Thailand is a country where it is very important and crucial to **‘know who’, more than ‘know how’**. He further explained that unlike Western societies where if you are good at what you do, you will likely be able to acquire something; in Thailand being good alone is not enough without proper **connections**. [At this point, he seems to be very engaged He clarified that according to his eight yearw of experience, even if you have the best products but do not know someone on the inside or someone who knows someone on the inside, then your chance of selling the product will be very low. I then asked how he came into this business [He paused for a minute] and he replied that his business started out as a family-business with the Chinese gong-si style of management. He worked there for few years but left the management to open his own farmer markets and flea markets due to family’s internal conflict.

I moved on to ask him the about challenges, difficulties, and what he likes and dislikes of his business. He simply replied that the only difficulty that he faced was how to make the market become a hot destination and how to gain tenants’ confidence. While what he likes most about his business is that he gets the chance to meet new people from different parts of Thailand and the opportunity to learn new cultures from them. He explained that Thailand is a country that made up of different groups of people, therefore each region has their own beliefs and cultural practices. Hence, establishing good relationship can help both the owner and tenants to come into agreement and support one another. In term of his dislikes, he often has problems with local public officials. [His tone somehow reflects tiredness] He recalled a time when he opened his market and that there is a problem over the land. The problem is that two

local branches under the Department of Lands claimed to be the owner of where the market is located. Mr.G said this confusion brought lots of problems when it came to asking for building permits, council tax, etc. I further probed that due to this confusion, if the local authority was trying to shut the market down, and he replied that because he followed the rule of law, he had yet to be taken advantage off. I then asked whether other owners within the same industry follow the same rules or do some break the rules when ask for building permit and other authorisation. He hesitated for a moment and replied that he does not know whether they do or are not, but from what he has heard, there may be situation where owners or project constructors meet with local authority, perhaps suggesting bribery is involved. Nonetheless, he stated that even they meet with the local authority, it is much more in the form of **asking for courtesy/help** (kwam-anu-khroa). I asked for him to share about his opinion on courtesy call with local authority and bringing some gifts with them. [At this moment, he does not feel any hesitation and speak normally] He said business owners meet with the local authority in order to quicken the bureaucratic process, and the reasons they have to quicken the process is because; the investment money is from the bank where the interest rate is always running or they will have to use their own money as a support; due to our beliefs in superstition for auspicious time they may have to quicken the process or they will miss the exact time for opening. He jokingly suggested that these two reasons may be connected.

The next question that I asked was whether he believes giving things to local authority is right or wrong. He thought about it for a moment and said that it depends entirely for your project planning. At first it seemed like he tried to avoid the answer, but in the end, he said it is also **understandable if they come to an agreement** with the authority and give them something when their projects do not go according to plan. I reverted to asking him about how important **connection** in Thailand is. He replied that **connection is very important**, for example, if you don't know anyone in the authority and you forget your documents for your

permit, then you will have to go back and get it which will cost time. Instead, if you do know somebody, you can just tell them that you forgot but please proceed and will bring the documents later. He further added that **connection is not a bribe, it is more like a helping hand to facilitate easier transaction/interaction**. Moreover, asking for help is a normal thing in Thailand and many people do this on daily basis. So I asked him what is the different between a helping hand and a bribery, he quickly responded that “actually we have to look at it case by case, a helping hand that does not have any consequences on a third party is not an act of bribery; it is only a matter of making things easier, while bribery, in my opinion, is when you commit an offence and you try to get away with it”. [He strongly expresses his opinion here]

I asked whether an act of helping is part of a Thai culture. He nodded firmly and said that “in my family and in the environment that I have grown up in, we always help one another. In my entire life, there are many people who have help me till this day. Therefore, whether it is an act of altruism or for future benefit, it depends entirely on case by case. In Thailand, we have a thing call “**Boon-Khun**” (favour/gratitude) and “**Ka-tun-yu**” (grateful) when **boon-khun** and **ka-tun-yu** are together, the concept has become paramount. “When I had nothing and there is this person came and help me out, I am very grateful toward that person, and I will remember this act of kindness”. Then I asked what if this benefactor came and asked for help, he replied that if it is not beyond imagination and/or that the request is not entirely wrong (grey area) he will help his benefactor. The next question that I asked is whether this type of thing is acceptable in our society. He replied normally that it is very normal and common in Thailand; **connection is normal, helping hand is normal**. It is more like “**you scratch my back and I will scratch yours**”.

I moved on to converse about the corruption and bribery situation in Thailand. He replied that corruption is bad, it benefits certain groups of people and does not lead to any development as you can see that our CPI is still not improve at all. In his opinion, corruption

has spread to every part of the society both public and private sector. He took his time a bit to think and said that “well corruption is like a grass-root problem, it may be a problem because of our **patronage system**. Such problem can be traced back at least a hundred year or so”. He smiled and said that even at his own markets, there is corruption and bribery, although he did not provide me with any further detail. Afterward he recalled that local authority often came to ask for support, and he has no choice but to help. He did not give them money but instead give consumable goods that at least could help improve the community.

In the last part of the interview, we talked about how corruption and bribery can be prevented. He replied that the government improving the standard of living for public officials would be a good start. In addition, a stricter enforcement can also help reduce the severity of the issue. He further added that more usage of technology can help officials reduce their workload and bureaucratic process as well. At this point, he recalled that his colleague who work in a grey-area business paid a hefty sum of money each month to stay in business and made a suggestion that instead of money going out of the system, why not just re-write the law and make such transaction legal so that there will be more money within the system. Then I asked him why he thought public officials take bribes, he replied that from what he knew so far, some are forced by their superior, some view such thing as a benefit of a job, while others receive some to take care of their family as the cost of living in the capital is very high.



## Information on the participants

Participant	Age	Sex	Type of Business/Industry
Mr.A	27	Male	Government contractor
Mr.B	43	Male	Government contractor
Ms.C	35	Female	Government contractor
Ms.D	40	Female	Alcohol beverage industry
Mr.E	30	Male	Government contractor
Ms. F	39	Female	Alcohol beverage industry
Mr.G	30	Male	Real estate and commercial space
Mr.I	32	Male	Wholesale/Manufacturing/Import and Export
Mr.J	31	Male	Real estate and commercial space
Mr.K	32	Male	Wholesale/Manufacturing/Import and Export
Mr.M	32	Male	Alcohol beverage industry
Mr.O	33	Male	Transportation
Mr.P	31	Male	Real estate and commercial space
Mr.Q	38	Male	Real estate and commercial space
Mr.R	29	Male	Government contractor
Mr.S	32	Male	Wholesale/Manufacturing/Import and Export
Ms.T	24	Female	Real estate and commercial space
Mr.U	28	Male	Transportation
Ms.V	27	Female	Real estate and commercial space
Mr.X	31	Male	Government contractor