



ECONOMY OF TOMORROW

## Fighting corruption in transformation societies

Marc Saxer  
May 2014

- Corruption is the abuse of power. As a symptom of the disparity of rights and opportunities between the powerful and the powerless, corruption is a problem of social justice.
- Corruption, cronyism and clientelism are not only individual moral failures, but symptoms of an outdated political operating system producing social disparity. To remove bottlenecks for social and economic development, the political operating system needs to be upgraded to a legal-rational order with merit-based, impersonal institutions and effective rule of law.
- Fighting corruption means to hold the powerful accountable. This is why the fight against corruption can neither be neutral nor technical, but must be part of the greater struggle between those who benefit from the status quo, and those who seek democratic change.
- This struggle can only be won by the political muscle of a broad societal coalition. Allowing social groups with diverging interests and opposing beliefs to join forces, a common platform is needed which unites the fight against corruption with the struggles for social justice and deeper democratization. In order to do this, the false discursive equation of democracy with corruption needs to be replaced with an anti-corruption narrative firmly rooted in the struggle for deeper democratization.
- The common vision, of a “Legal-rational order as the basis for a Good Society with full capabilities for all”, shows the way out of the transformation conflict. Such a social compromise between those who seek a merit-based order and those who struggle for equal opportunities enables the laying of the social foundation for a new social contract.



# Table of Content

<b>I. Introduction</b>	<b>1</b>
<b>II. A short history of corruption</b>	<b>1</b>
2.1 Setting the Default: Kinship and reciprocity as evolutionary strategies	2
2.2 Scaling up: patron-client cooperation in agricultural societies	2
2.3 Cultural Embedding: Patrimonial order and Patronage Systems	2
2.4 Fighting decay: "Moral Corruption" as an ethical problem	3
2.5 Increasing effectiveness: the impersonal state	3
2.6 The invention of political corruption: the legal-rationalist political order	4
2.7 Exposing Euro-centricity: Corruption is a universal phenomenon	4
<b>III. The effects of corruption on political and economic development</b>	<b>4</b>
3.1 (Dys)-functional influences of corruption on economic growth?	4
<i>Early Developmentalism</i>	5
<i>The devil's advocate: Revisionism</i>	5
<i>Investment and Rent Seeking: the emergence of the Washington Consensus</i>	5
<i>Threshold between functionality and dysfunctionality</i>	6
3.2 The impact of corruption on political development	7
<i>Political economy: struggle between emerging and declining classes</i>	7
<i>Institutionalization</i>	9
<i>Corruption and Legitimacy</i>	11
<i>Imagining the state: Corruption narratives in the construction of the political and moral order</i>	12
<i>In the vertigo of change: Transformation drives Corruption</i>	12
<i>Corruption as a catalyst for change</i>	13
<i>Corruption in transformation societies</i>	13
<b>IV. The Politics of (Anti-) Corruption</b>	<b>14</b>
4.1 Handle with Care: The ideological baggage of 'Global Anti-Corruptionism'	14
4.2 Corruption in Transformation Conflicts: The case of Thailand	16
<i>Corruption as a transformation catalyst</i>	16
<i>The role of corruption narratives in Thailand's transformation conflict</i>	17
<b>V. Anti-corruption strategies for transformation societies</b>	<b>24</b>
5.1 Handle with care	25
5.2 Curbing corruption in transformation societies means to finalize the legal-rational order	26
5.3 The fight against corruption must be part of the struggle for democracy	27



## I. Introduction

Few social practices have had such a turbulent history as corruption. Outrage over corruption may well be as old as human civilization itself. From the Sanskrit Samaveda to the Bible, from classical Greek philosophers to the teachings of Confucius and the Buddha, moral weakness was condemned for “corrupting” society. Then again, feudal myths are full of praise for the loyalty of tribute paying clients and the generosity of patrons sharing spoils. To this day, the practice of gift giving is an integral part of many cultures.

Today, outrage over corruption is boiling in all corners of the world. Anti-corruption movements are taking to the streets, shaking regimes and bringing down governments. Although not always successful, anti-corruption policies are being implemented with fervor. The fight against corruption has made it to the top of the global agenda.

Let it be made clear that corruption, clientelism and cronyism can indeed undermine sustainable development, democratic consolidation and social justice. Corrupt officials loot public coffers, distort policy making and strangulate private initiative. The poison of corruption turns political visions into a two faced rhetoric, justice into double standards and bold plans into laughingstocks. The patronage system turns the potential of future entrepreneurs, scientists and administrators into sleaze. Therefore, any society that seeks to develop must purge corruption, clientelism and cronyism. This is a herculean task which can only be achieved with enlightened and unwavering leadership encouraged by a strong pressure from below. Even then, corruption, clientelism and cronyism can only be curbed, but never fully rooted out. Preventing patrimonialism from creeping back in is a challenge for every new generation.

The fight against corruption must fail if the nature of the obstacle is not fully understood. After decades of research, many questions remain. How do patterns of corruption vary in different environments? Is corruption really on the rise, or only the awareness of it? What are its effects on development? And why are anti-corruption efforts more successful in some societies than in others? In order to fight it, one has to understand the incentives which induce individuals to participate in corruption.<sup>1</sup> A quick historical review of the shifting perspectives on “corruption” may be a good starting point to put our contemporary beliefs into perspective. Deconstructing ideological biases and hidden agendas helps to avoid blind spots and political minefields. The role of corruption in Thailand’s conflict can offer important insights. Finally, lessons will be drawn to make the fight against corruption in transformation societies more successful.

## II. A short history of corruption

The notion of political corruption as we commonly understand it today is by definition ‘modern’, because only after the division between public and private was introduced, the concept of “abusing public funds for private gains” makes any sense. However favoring kinship, dividing spoils amongst loyal followers, or building regimes based on personal relationships are older than mankind. This indicates that these behaviors fulfill certain social functions. If corruption fighters seek to replace these behaviors with less obstructive ones, they first need a clear understanding which social functions corrupt behaviors fulfill. In an effort to better understand why humans engage in activities such as corruption, nepotism, racketeering, bribery, and favoritism, it is helpful to identify what social functions these behaviors fulfilled, and how they were perceived in different historical periods.



## 2.1 Setting the Default: Kinship and reciprocity as evolutionary strategies

Francis Fukuyama defines “patrimonialism” as political recruitment based on the two principles of kin selection and reciprocal altruism. Biologists recognize kin selection and reciprocal altruism as sources of cooperative behavior. Behaving altruistically toward kin in proportion to the number of shared makes perfect sense from an evolutionary perspective as it is not the survival of the individual that matters, but the procreation of those who carry on most of those genes, i.e. parents and children, brothers and sisters. Reciprocal altruism does not depend on genetic relatedness, but on repeated, direct personal interaction. Building relationships of mutual benefit and mutual trust allows societies to overcome problems of collective action and paves the way for more complex forms of cooperation and political order. Since pre-human times, band level societies based on kinship and reciprocal altruism have been the most basic forms of political order, and the default form of social cooperation that always re-emerges should impersonal institutions break down. The tendency to favor family and friends is one of the most basic human conditions that linger on as the foundation of sociability. Given this default human condition to favor one’s own kin, patrimonialism may at best be curbed, but never fully rooted out.

## 2.2 Scaling up: patron-client cooperation in agricultural societies

Kinship as an organizational principle reaches its limits once populations grow well beyond families and neighbors. Agricultural production necessitates professional specialization, while warfare requires the cooperation of thousands. A new form of societal organization was needed to extend political order beyond the realm of everyday direct interaction. Tribal societies started to build monarchies, with steep social hierarchies replacing the egalitarian organization of kinship

based polities. In ancient absolute monarchies, the state was considered the property of the king, and all the resources of the country were claimed for the glorification of the ruler. Therefore in ancient times, corruption meant to steal from the king.

Medieval feudalism, while still based on the personal relationship between a patron and a client, no longer required kinship. The feudal lord was assigned land for “his own use in the manner of a fief” , with the entitlement to collect “the fat of the land” in the form of tributes from the peasantry. In return for loyalty, the feudal patron offered protection. Feudalist rulers emphasized their role as ‘paternalistic fathers of the people’. Their ostentatiously lavish lifestyles symbolized their ability to look after their ‘inferiors’. “Noblesse oblige”, the willingness to help the unfortunate reflected the code of honor of the ruling warrior caste: sense of hierarchy and status, camaraderie between brothers-in-arms, pride, heroism and paternalism. Aristocratic generosity to cultivate loyalty and brutal coercion to uphold the feudal order were two sides of the same coin. Today, the sense of entitlement of ruling elites is an echo of the feudal order.

## 2.3 Cultural Embedding: Patrimonial order and Patronage Systems

Contemporary patronage networks work upon very similar rules. In exchange for loyalty, patrons are wise to reward supporters, distribute spoils, protect clients and favor their own kin. Corruption, clientelism and cronyism, then, are not diseases or degenerations, but the very DNA of a patrimonial order.

Patrimonial orders are deeply embedded into political and social culture. Olivier de Sardan identifies five logics of corruption in African patrimonial cultures: First, the logic of negotiation, which makes everything negotiable, even the rules of the game. Second, the culture of gift giving as a show of respect or loyalty, which is



often hard to distinguish from a bribe. Third the logic of solidarity networks, in which members cannot refuse to give a favor asked. Fourth, the logic of predatory authority, a direct echo of the feudal right to extract ‘the fat of the land’. Finally, the logic of redistributive accumulation, or the obligation to provide for the members of your network.

Many Asian patronage networks work along very similar cultural logics. The imperative to ‘save face’ is predominantly motivated by the imperative to safeguard reputation in lifelong personal networks, which being a member of is vital for almost every aspect of life. As the short Thai case study in Chapter IV.2 will show, these cultural logics are even ingrained into emotions and the construction of the Self. In order to understand why individuals engage in corruption behaviors, it is important to understand the incentive system of a patrimonial order.

## 2.4 Fighting decay: “Moral Corruption” as an ethical problem

In classical philosophy, corruption was not a political, but primarily a moral problem. Thucydides, Plato and Aristotle employed the notion of “the corruption of the bad polity” for situations marked by the decay of the moral and political order.<sup>11</sup>

“Corruption will often take the form of a perversion of legal rules by misinterpretation. Such a perversion, like a breach, challenges the intended generality of the rule. [...] This sort of “moral corruption” is what concerned political philosophers in the past. Aristotle, and after him Machiavelli particularly, but basically Plato in his theory of the “corrupted” or “perverted” constitutions [...] stressed the point that these regimes instead of being guided by the law (we would say public interest) were serving the interest of the rulers. [Corruption is seen as] a disintegration of the

belief system upon which a political system rests, [...] destructive of a particular political order. The classic conception of corruption as a general disease of the body politic persisted into modern times, and is central to the political thought of Machiavelli, Montesquieu and Rousseau.”<sup>12</sup>

Concerned with moral decay, all of the world’s religions propose moral compasses for individual “good” behavior. From the tale of Noah to the destruction of Sodom and Gomorrah, the Bible imposes horrifying sanctions for moral decay. Seeking an antidote to the corruption of his society, Confucius developed an educational system that was intended to train government officials not only to be wise, but more importantly to be “good”. Buddhists consider corruption as an unwholesome state of mind contributing to an unhealthy society. Greed (lobha, also tanha – craving) is one of the three poisons which, accompanied by a lack of moral shame (ahirika) and moral dread (anottappa), may lead to suffering (dukkha). In other words, an individual who engages in corruption is suffering from a serious absence of moral insight or wisdom. Corruption is seen as both a manifestation of previous bad karmic forces as well as generating fresh bad karma. If corruption is not rooted out, the cycle that has haunted relationships and quality of life is continually renewed. Thus eliminating corruption, either by suppressing it or by awakening greater morality, is inherently important.<sup>13</sup>

## 2.5 Increasing effectiveness: the impersonal state

Under the existential pressure of constant warfare, state builders throughout history have come to realize that patrimonial orders are not effective enough. In order to extract and use resources more efficiently, the Qin Chinese, Mameluk, Ottoman and Western European states replaced patrimonial structures with impersonal, merit-based institutions.<sup>14</sup> However, patrimonial elites



do not give up their status, power, and access to resources without a fight and will always try to reinsert themselves. Where the power of patrimonial elites could not be decidedly broken, the modernization of the state fell short, or was rolled back after the modernizing emperor vanished.

## 2.6 The invention of political corruption: the legal-rationalist political order

The notion of political corruption as commonly understood today is an invention of the legal-rational state. It rests on two political innovations, the division between 'public' and 'private', and the broad acceptance of rational-legal norms of behavior in the public sphere.<sup>15</sup> Max Weber famously described how professional bureaucracies formalized and regulated the relationship between citizens and officials.<sup>16</sup> With roles and duties of the public official clearly defined, the dereliction of these duties would be considered "corruption". While in a pre-modern order "stealing from the sovereign" meant to steal from the king, the victim in a modern political order is the people. Hence the emergence of a public sphere devoted to the public interest makes corruption a 'crime against the public'.

The scope and depth of corruption varies widely between societies. David Lowell even conceives a different kind of problem in 'developed' and 'transitional' societies:

"Incidental corruption takes place against a background of established rational-legal authority: endemic corruption takes place where rational-legal authority is not yet predominant."<sup>17</sup>

## 2.7 Exposing Euro-centricity: Corruption is a universal phenomenon

The Weberian model presumes an extensive and anonymous society in which individuals, not

families, are the basic units. It struggles to describe societies with substantial traditional and kinship structures, where rigid distinctions between politics and administration do not exist.<sup>18</sup> In many developing societies, the difference between public role and private interest of a state official is blurred. In fact, traditional codes may require officials to take responsibility for their families and provide rewards and employment to them.

Post-colonialist scholars criticize the assumption that all societies are on a transition towards a "modernity" defined by Enlightenment ideas, liberal democracy and capitalist economies. Edward Said exposed how Western scholars describe the Global South through the lens of "orientalism", establishing a global hierarchy of developed vs. underdeveloped societies.<sup>19</sup> Rose-Ackermann pointed out that the association of corruption with "weak" or "developing" states systematically overlooks the endemic corruption in stable and hegemonic political structures, such as state and private sectors in core industrialized countries.<sup>20</sup>

The transition paradigm needs to be abandoned.<sup>21</sup> Not all societies move towards a legal-rationalist order, and if they do, the development paths may differ greatly from those of Western countries. Nevertheless the Modernization theory still has important insights to offer on how the change of economic regimes transforms the social fabric of society and puts pressure on established political and moral orders.<sup>22</sup>

## III. The effects of corruption on political and economic development

### 3.1 (Dys)-functional influences of corruption on economic growth

The debate over the relationship between political corruption and economic growth has been the subject of fierce debates for decades.



### **Early Developmentalism**

Early development scholars were mostly concerned with the direct impact of corruption on the capacity to carry out development projects. A major concern was the impact of political corruption on investment.<sup>23</sup> Government resources may be channeled away from development project and into foreign bank accounts. Development Aid projects may go to waste. Private sector investment decisions may not be guided by economic profitability, but instead by the interests of both public and private decision makers in corrupt kickbacks. At the same time, political corruption may undercut government revenue and inflows of money. Corrupt tax collectors may significantly distort the amount of taxes paid. Foreign Direct Investment may be discouraged by the prospect of administrative sleaze, delays, and corruption.

A second concern was the waste of human resources.

“If the top political elite of a country consumes its time and energy in trying to get rich by corrupt means, it is unlikely that the development plans will be fulfilled.”<sup>24</sup>

The career choices of young talents may not lead them to dynamic economic sectors, but to administrative posts with the prospects of graft. On the other hand, young talents may be appalled by the prospect of making a living by corruption, leading to a brain drain in the underpaid public administration, or even the entire country.

### **The devil’s advocate: Revisionism**

These views were challenged by ‘revisionist’ scholars. If development is driven by the investments of private entrepreneurs and free markets, so the argument went, then everything which unleashes market forces is good for economic development. Huntington pointedly articulated the liberal fear of the bureaucratic monster:

“In terms of economic growth, the only thing worse than a society with a rigid, over-centralized, dishonest bureaucracy is one with a rigid, over-centralized and honest bureaucracy.”<sup>25</sup>

Bribery was therefore interpreted as the weapon of weak but clever entrepreneurs against the omnipotent but reckless Leviathan. Myron Weiner asserts that without the flexibility of backshish, bureaucratic red tape would strangle economic activity. Nathaniel Leff touts that every penny saved from the tax collector may be a penny better spent by private entrepreneurs for investment.<sup>26</sup> With a view to the socially precarious position of ethnic minority entrepreneurs in Southeast Asia and East Africa, corruption may provide the means to overcome discrimination.<sup>27</sup> From the micro perspective of the individual entrepreneur, corruption may be conducive for economic growth.

### **Investment and Rent Seeking: the emergence of the Washington Consensus**

In the 1980s, the debate shifted back to the corruption skeptics when IMF economist Paolo Mauro linked high levels of corruption with lower levels of investment, both in terms of government expenditure for developmental aims as well as private sector investment.<sup>28</sup> From a macro perspective, corrupt ‘lubricants’ work as an incentive system which encourages more bureaucratic “toll posts” and in the end encourage delays in the system as a whole.<sup>29</sup>

Corruption may disrupt the vital function of states in laying the foundations for growth by providing infrastructure and public goods. Consequentially, Rose Ackermann linked corruption to the overall paradigm of good governance:

“Stable states that operate under the rule of law have a developmental advantage [...] Thus since corruption undermines this



commitment, it undermines state legitimacy and in the process harms the prospects for growth.”<sup>30</sup>

The second paradigm shift in the academic discourse on corruption and economic growth came from the ‘rent-seeking’ literature. Rent seeking is capaciously defined as any redistributive activity which takes up resources.<sup>31</sup> By definition, rent can only occur when the state restricts the market.<sup>32</sup> Rent economies not only occur in the deeply intertwined state-private run sector of commodities extraction, but similarly by monopolies build on exclusive licenses, e.g. in the telecommunication and media sector. Political economists point out that at the root of every “rent economy” lies a patronage system between rulers and their cronies. Vice versa, by providing resources for distribution in client networks, rent seekers stabilize patronage regimes.

All of these arguments resonated well at the onset of globalization of financial capitalism and the emergence of neo-liberal ideology. Chapter IV.1 will trace how ‘anti-corruptionism’ became part of the Washington Consensus and the good governance agenda.

However, despite decades of economic liberalization, systemic corruption persists. A recent comparison of six transformation countries from different world regions concluded that there is no direct link between the level of economic liberalization and systemic corruption.<sup>33</sup> On the contrary, privatization of state property has often created a gold rush for ‘crony capitalists’.<sup>34</sup> Deregulation has opened new opportunities for corruption in the private sector. Corruption scandals involving private corporations showed that corruption is not a problem of “overregulated states and the absence of markets”.<sup>35</sup> Despite all this evidence, “Crony Capitalism” is about to make a comeback as part of the neoliberal struggle to lay the foundations for global financial capitalism.<sup>36</sup>

### ***Threshold between functionality and dysfunctionality***

More recent research attempts to paint a more balanced picture between the functionalities and dysfunctions of corruption for economic development.<sup>37</sup> Given the economic boom in countries with endemic corruption, corruption cannot be all out detrimental to economic growth.<sup>38</sup> In the context of transformation, corruption may even temporarily play a beneficial role in substituting or complementing the functions of effective institutions. New research tries to determine the threshold when functionality turns into dysfunctionality.<sup>39</sup> In China with its deficiency of formal institutions, for instance, corrupt networks may provide a framework for transactional security where political risks can be mediated, temporarily leading to a more efficient allocation of resources:

“Corruption in early stages of transformation might partly contribute to overcoming the problems of a hybrid system of order [...] However as corruption transforms its quality from ‘entrepreneurial’ to ‘predatory’, the institution becomes increasingly dysfunctional with respect to economic growth and the efficient allocation of resources.”<sup>40</sup>

In other words, the relationship between corruption and economic growth is not merely black or white. Under certain conditions, corruption can be functional, while at a later point, it may have dysfunctional influences on economic growth.

In sum, the relationship between political corruption and economic growth continues to be hotly debated. Assessments on the scope and depth of the negative impact differ widely, and seem to be correlated to the economic development model an author subscribes to. This may imply that corruption literature is not free of underlying ideological biases.





### 3.2 The impact of corruption on political development

Economic innovation changes the fabric of society. However, while society is changing quickly, political and moral orders tend to be sticky. Resistance to change stems from declining elites struggling to uphold their supremacy as well as individuals anxious to lose their identity. Structurally speaking, transition periods are characterized by the co-existence of two rival economic, social, political, normative and moral orders.

If 'political development' can be understood as the growth (or decline) of the capacity of a society's structures and processes to maintain their legitimacy over time, then the key challenge of transitional societies is to build political structures and processes capable of coping with social change.<sup>41</sup>

There is little doubt that corruption, clientelism and cronyism play an important role in transformation processes. But what exactly is the structural impact of corruption in such an instable and conflict-prone transitional period? For decades, scholars have debated if corruption works as an obstacle or driver of political development.

#### ***Political economy: struggle between emerging and declining classes***

From a political economy point of view, transformation processes are not an anonymous change of underlying structures, but a fierce political struggle between winners and losers over the control of the country.

"The contest over public resources is particularly severe because the early beneficiaries of these contests are winners in a game of class evolution that is likely to have consequences for generations to come."<sup>42</sup>

Mushtaq Khan argues that while corruption is a key factor in shaping a capitalist political economy, the way how this transformation happens creates the need for corruption to 'buy off' groups opposing this process:

"In many cases, the individuals who succeed in establishing themselves at this critical stage only do so as a result of a great deal of fortune, political connection, some initial wealth and corruption. None of these characteristics can legitimize the large differences in income and wealth that subsequently emerge. Given the inherent unfairness involved in these processes it has been relatively easy to organize opposition to these characteristics [...] Opposition has typically been organized by members of the emerging middle class groups who have been left behind [...] Paradoxically, the opposition of these groups has often resulted in a second set of structural pressures generating high levels of corruption [...]. The opposition of organized groups has often had to be bought off by payoffs [...] to the most troublesome or vociferous opponents in an attempt to 'purchase' support or legitimacy. [...] Here the state allocates resources to those with the greatest ability to create political problems..."<sup>43</sup>

Huntington points to the complex interplay between corruption and class conflict. While emerging classes use corruption as a means to smoothen their rise into the political sphere, corruption works as an anti-inflammatory catalyst, preventing the delicate balance of the social hierarchy escalating into (violent) class war:

"Corruption in this sense is a direct product of the rise of new groups with new resources and the efforts of these groups to make themselves effective within the political sphere. Corruption may be a means of assimilating new groups into the political system by irregular means because the system has been unable to adapt



sufficiently fast to provide legitimate and acceptable means for this purpose. [...] The new millionaires buy themselves seats in the Senate [...] and thereby become participants in the political system rather than alienated opponents of it, which might have been the case if this opportunity to corrupt the system were denied them.

So also the recently enfranchised masses [...] use their new power of the ballot to buy themselves jobs and favors from the local political machine. There is thus the corruption of the poor and the corruption of the rich. The one trades political power for money, the other money for political power."<sup>44</sup>

Joseph Nye looks at class conflicts triggered by social change from the perspective of the newcomers which seek a place at the table:

"Corruption may help to overcome divisions in a ruling elite that might otherwise result in destructive conflict [...by bridging] the gap between groups based on power and those based on wealth. [...] For new urban residents, a political machine based on corruption may provide a comprehensible point at which to relate to government by other than pure ethnic or tribal means."<sup>45</sup>

In the economic transformation of China, arbitrage processes between the powerful but poor old elites and the rich new elites without any political influence stabilized the reform process by keeping the old elites 'on board':

"Corruption may even be understood as a stabilizing element for the reform process as it kept politically the influential old elite, which was now quickly deprived of its social status and relative 'wealth' position, satisfied and prevented it from obstructing the reform movement."<sup>46</sup>

While corruption may be a means for ruling elites to 'buy off' emerging classes and opposition groups, it also gives those groups access to spheres which used to be exclusively controlled by these elites. Accordingly, Nathaniel Leff observes that swelling criticism of corruption is often informed by the interests of powerful and articulate groups:

"Graft may be the only institution allowing other interests to achieve articulation and representation in the political process. Therefore, if the ruling elite are to maintain its exclusive control of the bureaucracy, it must cut off or control this channel of influence."<sup>47</sup>

Nye points to the particular difficulties of weak states to cope with change. Lacking the means to project power, elites may have to rely on corruption to be able to govern:

"The capacity of the political structures of many new states to cope with change is frequently limited by the weakness of their new institutions and (often despite apparent centralization) the fragmentation of power in a country. [...] Leaders in such a country have to rely (in various combinations) on ideal, coercive and material incentives to aggregate enough power to govern. Legal material incentives may have to be augmented by corrupt ones."<sup>48</sup>

At the same time, ruling elites may use corruption as a valve to release class pressure for structural change. Huntington already pointed to the similarities in the functions of corruption, violence and reform. All are encouraged by modernization and are all symptomatic of the weakness of political institutions. In some measure, one form of deviant behavior may substitute for the other:

"Like machine politics or clientelistic politics in general, corruption provides immediate, specific, and concrete benefits to groups which might otherwise be thoroughly alienated from



society. Corruption may thus be functional to the maintenance of a political system in the same way that reform is. Corruption itself may be a substitute for reform and both corruption and reform may be substitutes for revolution. Corruption serves to reduce pressure for policy changes, just as reform serves to reduce class pressure for structural changes."<sup>49</sup>

In sum, the interplay between power, corruption and change is enormously complex. On the one hand, corruption can work as a means to shore up a lack of ruling power, to buy off opposition and co-opt emerging classes into the political order and on the other, corruption works as a grapple for emerging and excluded classes to gain access to the political sphere.

### ***Institutionalization***

Huntington interprets corruption as a lack of political institutionalization:

"Corruption is, of course, one measure of the absence of effective political institutionalization. Public officials lack autonomy and coherence, and subordinate their institutional roles to exogenous demands. Corruption [...] seems to be most prevalent during the most intense phases of modernization. The differences in the level of corruption which may exist between [...] societies [...] in large part reflect their differences in political modernization and political development."<sup>50</sup>

When societies manage to institutionalize the political negotiation process over distribution, the need for informal mechanisms such as corruption will wane. Writing in the 1960s, Huntington puts his hopes on the emergence of effective political parties as the vehicles of all groups to participate in the political process:

"Corruption is most prevalent in states which lack effective political parties, in societies

where the interests of the individual, the family, the clique or the clan predominate. In a modernizing polity the weaker and less accepted political parties, the greater the likelihood of corruption. In countries like Thailand and Iran where parties have had semi-legality at best, corruption on behalf of individual and family interests has been widespread."<sup>51</sup>

The historical experience of the West also reflects this pattern.

"The parties which at first are the leeches on the bureaucracy in the end become the bark protecting it from more destructive locusts of clique and family. Partisanship and corruption, as Henry Ford argued, are really antagonistic principles. Partisanship tends to establish a connection based upon an avowed public obligation, while corruption consults private and individual interests which secrete themselves from view and avoid accountability. The weakness of party organization is the opportunity of corruption."<sup>52</sup>

The emphasis on the systemic function of political parties helps to understand the paradigm shifts introduced by modernization. From a traditional perspective, conflicts endanger societal unity. Accordingly, competition in electoral democracy is seen as fueling corruption and populism, as political parties try to gain or maintain their grip on the feeding trough. From a modern point of view, open competition under the scrutinizing eyes of the public constrains corruption. More so, a competitive political system leads to frequent changes of administrations, punishing incompetence and corruption, hence effectively cleaning out the sleaze. The echo of Adam Smith's invisible hand of the market, aggregating the behavior of egoistic individuals into the benefit of the public, cannot be overheard.



Given their vital role in patronage systems today, political parties in developing countries are seen much more critical light.<sup>53</sup> This echoes the anger and frustration with “political party machines” in the United States and Europe at end of the 19th century. Frustration with political corruption gave rise to a liberal reform movement which sought to strengthen impartiality as an anti-dote to political corruption:

“To battle party hegemony and compensate for the weakness of the state, various federal courts tried to exert their influence. Their decisions were intended to fulfill a social regulatory function and reaffirm a notion of the common good. [...] The judges were so disgusted by the incompetence and corruption of the politicians that they became champions of business and *laissez-faire* capitalism. In their eyes, it was progress to deny a corrupt political system control over society’s activities.”<sup>54</sup>

Public distrust of an executive deemed to be partisan gave birth to the independent commissions and a strong judiciary.

“The executive recognized that there was a public suspicion that a partisan government could not be trusted to be an impartial agent of the general interest. Aware that this suspicion of partiality amounted to a denial of legitimacy, the executive actively passed some of its responsibilities to independent agencies. Hence as a reaction to rampant political corruption, the institutional architecture of the United States was rebuilt to reflect a distinction between electoral legitimacy and the legitimacy of impartiality.”<sup>55</sup>

The push for anti-majoritarian to majority rule tends to be driven by class interests. Alexis de Tocqueville’s warning against the ‘Tyranny of the Majority’ was always popular with elites and middle classes fearful of being at the mercy of the majority population.

Against the hopes of promoters of liberal democracy and free markets, systemic corruption persists in many countries. Hence more recently, the calls of modernization theorists to conclude the transition to consolidated democracy have made a comeback. Christian van Soest concludes that despite the build-up of democratic institutions and considerable pressure for good governance, democratization has not been ‘deep enough’ to decisively influence the level of corruption:

“The level of democratization is the decisive factor determining the extent of systemic corruption, clientelism, and – in particular – informal power concentration [...] Only systems with strong democratic features seem to exert a positive effect on systemic corruption, clientelism and informal power concentration. This democratic threshold [...] is high.”<sup>56</sup>

In countries which have not passed this threshold of democratic maturity, lower repression may lure more actors to enter into corrupt and clientelistic exchanges, therefore decentralizing personal rule. The threshold of democratic maturity is not temporal but qualitative. It is not the ‘endurance’ of democratic rule (e.g. continuous elections) does not affect the level of systemic corruption, but its ‘deepness’ – the level of electoral competition, political rights, and civil rights which makes the difference.<sup>57</sup>

All things considered, corruption is interpreted as a lack of political institutionalization by some and as the result of it by others. Some recommend strengthening the role of political parties, others seek to curb it. Both solutions have proven to be flawed by recent developments. Again, it seems impossible to analyze the complex interplay between corruption and institution building without the political and social context.



### ***Corruption and Legitimacy***

The relationship between corruption and legitimacy was fiercely debated between 'Moralists' and 'Revisionists'. Moralism is rooted in the Weberian view found in modernization theory which holds that, corruption by nature, is detrimental to developing societies.<sup>58</sup> 'Moralists' believe that "when legislation and regulation are considered arbitrary in a society, public support ceases to exist and people are no longer willing to live by the rules".<sup>59</sup> As a result, corruption causes the decline of a regime's legitimacy.

This approach was challenged by 'revisionist' scholars in the 1960s, who regarded corruption as potentially beneficial to state legitimacy. Arnold Heidenheimer claimed that:

"In the early stages of political-administrative development ... nepotism, spoils and graft may actually promote national unification and stability, nation-wide participation in public affairs, the formation of a viable party system and bureaucratic accountability to political institutions."<sup>60</sup>

By destroying the legitimacy of the political structures, corruption can contribute to instability and possible national disintegration. It is not clear if corruption of the old regime is a primary cause for social revolutions. If corruption causes a loss of legitimacy in the eyes of the military, it may be a direct cause of instability and national disintegration.<sup>61</sup>

"Generally speaking, the habitual practice of bribery and dishonesty tends to pave the way for an authoritarian regime, whose disclosures of corrupt practices in the preceding government and whose punitive action against offenders provides a basis for its initial acceptance by the articulate strata of the population. [...] The elimination of corrupt practices has also been advanced as the main justification for military takeovers."<sup>62</sup>

Despite its prominence in post-coup rationalizations, Joseph Nye suspects that [corruption] is only a secondary cause in most cases:

"Perhaps more significant is military leaders' total distaste for the messiness of politics—whether honest or not— and a tendency to blame civilian politicians for failures..."<sup>63</sup>

Accordingly, Crozier sees "revulsion against civilian incompetence and corruption" as a major cause of coups in several Asian countries.<sup>64</sup>

Huntington also made the observation that attitudes towards corruption in transitional societies are more influenced by politics and psychology than by facts:

"The initial exposure to modernism tends to give rise to unreasonable puritanical standards [...] This escalation in values leads to a denial and rejection of the bargaining and compromise essential to politics and promotes the identification of politics with corruption. To the modernizing zealot a politician's promise to build irrigation ditches for farmers in a village if he is elected seems to be just as corrupt as an offer to pay each villager for his vote before the election. [...] In the extreme case the antagonism to corruption may take the form of the intense fanatical puritanism [...] Paradoxically, this fanatical anticorruption mentality has ultimate effects similar to those of corruption itself. Both challenge the autonomy of politics: one substituting private goals for public ones and the other replacing political values with technical ones."<sup>65</sup>

However, different groups may judge the corrosive effect of corruption on the legitimacy of the political order quite differently. In the eyes of "modern" groups such as students or middle classes (who have profited from achievement and universalism), the absence of honesty may destroy



the legitimacy of the system.<sup>66</sup> Intellectuals often attribute sacral value to the government sphere, hence their hostility to the venality that would corrupt it.<sup>67</sup> Others may perceive graft as an integral part of the political culture and system of the ancient regime which they want to destroy.<sup>68</sup> The often idealistic streak which pervades radicals and reformers may echo the Jacobins in their seeking after virtue.<sup>69</sup>

### ***Imagining the state: Corruption narratives in the construction of the political and moral order***

Apart from the structural impact of corruption, there are social functions of corruption narratives in the construction of social reality and social struggles.

Corruption and society's reaction towards corruption scandals may play a role in the construction and reproduction of the normative order. Corruption typically functions as an idiom through which people try to make sense of the political world they inhabit. Anthropologists have shown how discourses of corruption not only construct 'proper' or 'improper' moral behavior, but have also enabled rural citizens and bureaucrats to imagine the state. Corruption narratives splay a fundamental role in the very constitution of the state and what it can and should do for its citizens.<sup>70</sup> Periodic scandals can sometimes lead to the affirmation of general principles about how the country should be run. These inquiries may not alter what actually happens, but they affirm an ideal condition of unity and justice.<sup>71</sup>

To exemplify the catalytic and symbolic roles of corruption narratives, Chapter IV will examine the emergence of global 'Anti-Corruptionism', and the political conflict in Thailand.

### ***In the vertigo of change: Transformation drives Corruption***

While political corruption *avant la lettre* was pervasive all over human history, some scholars argue it becomes a particular problem in times of transition from one political, cultural and organizational structure to another.<sup>72</sup> In the complex interplay between historical path dependencies and transformational pressures for change, hegemonic norms and values influence political and economic development, while the functional necessities of emerging economies and societies encourage the redefinition of norms and values. Changing norms explain why behaviors that were socially accepted or even encouraged for centuries are suddenly seen as deviant and even criminal. For Samuel Huntington, the emergence of a new moral order reframes behavior as 'corrupt' which used to be perfectly acceptable in the traditional moral order:

"Corruption in a modernizing society is thus in part not so much the result of the deviance of behavior from accepted norms as it is the deviance of norms from established patterns of behavior."<sup>73</sup>

However, the widely perceived increase in corruption is not only due to "re-labeling" of behavior, but reflects the 'normative chaos' typical for transformation societies. People in positions of authority in transformation societies are caught between two value systems<sup>74</sup> :

"The calling into question of old standards, moreover, tends to undermine the legitimacy of all standards. The conflict between modern and traditional norms opens opportunities for individuals to act in ways justified by neither."<sup>75</sup>

Hence the co-existence of normative orders encourages corrupt behavior, or even 'invents' it. Simply put: transformation drives corruption.



### ***Corruption as a catalyst for change***

The relationship, however, goes two ways: corruption also encourages social and political change. Political and moral orders are to provide the foundation of economic life: trust in personal interactions. From everyday life to complex business operations, economies only work if the transaction costs between individual agents are not too high. Simply put, whenever we buy a good or use a service, we need to have trust that dozens of unexpressed conditions are met; the product must not be hazardous, the service provided with due care, the contract obligations complied. As we cannot verify these basic terms by ourselves for every transaction, we are dependent on public institutions to regulate the behavior of all agents.

For relatively simple agricultural societies, the political system based on personal relationships between feudal lord and loyal tribute was good enough. With the emergence of vast industrial societies integrated in global division of labor, individuals can no longer rely on personal relationships to provide trust. Corruption and sleaze further undermine the performance of patrimonial systems. The failure to satisfy the needs of complex economies and pluralistic societies erodes the output legitimacy of the patrimonial order.

The necessities of modern life change how people define their interests, frame their beliefs and set their aspirations. No longer dependent on the protection of a personal patron, emerging classes start to question the necessity of 'tributes' in the form of bribes. Citizens are outraged over corruption and nepotism, and demand clean and effective institutions. In the struggle over the future order, the patrimonial social contract is terminated.

All things considered, corruption and nepotism work as a transformational catalyst, speeding up the decline of patrimonial order, and highlighting the need for a legal-rational order.

### ***Corruption in transformation societies***

Corruption is then located at the breaking edge between the eroding patrimonial and the emerging new order. It is at the same time the working principle of the patronage system and the lubricant for the social rise of new classes. It is a ruling technique of coopting new elites into the patrimonial order, as well as a subversive tactic by emerging classes to gain access to the political field. It reflects the lasting validity of patrimonial norms, as well as the normative void created by the co-existence of rival moral orders. Corruption helps to conserve the dominance of the patronage system, and fills the functional gaps left uncovered by ineffective legal-rational institutions. Simply put, corruption has a catalytic function in the transformation of the political, social and economic order.

The exact role of corruption is highly ambivalent. Corruption seems to simultaneously slow down and speed up transformation. As the literature discussion has already shown, this ambivalence allows for many contradictory readings and interpretations. At the same time, it sees as if the ambivalence of corruption mirrors the Janus faced character of co-existing orders typical for transformation societies. Therefore, it may not come as a surprise that corruption narratives play a central role in the way societies try to make sense of the vertigo of change and construct the struggle over the future order.

***In sum***, the impact of corruption on political development is anything but clear. Corruption may help to integrate excluded groups into the polity but it may also upset ethnic balances. Corruption seems to both stabilize authoritarian regimes as well as erode their legitimacy. Additionally corruption may be the lubricant to ease the political transition; however it may also trigger rollbacks by established elites. In the eyes of some, corruption reflects the rot of the ancient regime, while others equate it to the emergence



of a capitalist society. By looking at it through the perspective of different schools of thought, 'corruption' serves a variety of social functions, and affects political development in highly ambiguous ways. Nonetheless, there seems to be a consensus that corruption is particularly damaging to the legitimacy of nascent democracies.

#### IV. The Politics of (Anti-) Corruption

Reviewing these historical and academic perspectives on corruption, it becomes obvious that we are dealing with a multi-faceted and complex phenomenon influenced by a wide variety of political, economic and cultural factors. In turn these factors will impact the political and social development. It consequently comes as no surprise that different schools of thought have come forward with very diverse views on corruption.

Alternately, what views came to dominate the scholarly field and in turn shape the domestic and international anti-corruption policies? Here, we have to take a deeper look on the political economy of the fight against corruption, as well as the (hidden) agenda of those who loudly promote anti-corruption policies.

##### 4.1 Handle with Care: The ideological baggage of 'Global Anti-Corruptionism'

The fight against corruption has made an astonishing career from obscurity to the top of the global policy agenda.<sup>76</sup> Beginning as an American legal standard for businesses, anti-corruption evolved into a global norm as part of good governance agenda. Early anti-corruption strategies limited their focus to the public administration, aiming to reduce or remove the opportunities for corruption, raising salaries of civil servants and political leaders, and ensuring a high degree of policing and supervision.<sup>77</sup> The initial Five Point Anti-Corruption Program by Transparency

International founder Peter Eigen was more comprehensive, adding commitment by leaders, anti-corruption legislation and enforcement and a wider review of government procedures.<sup>78</sup> USAID advisor Keith Henderson expanded these to an Eight Point Action Plan, adding ways to improve government accountability and the transparency of democratic processes, to increase trade, investment and economic growth, to encourage the building of capacity and public confidence in governmental institutions while fostering public respect for rule of law societies.<sup>79</sup> From there, it was only a small step to the wider good governance agenda of the IMF and World Bank. In 1998, then President of the World Bank James Wolfensohn declared a "Crusade against the Cancer of Corruption"<sup>80</sup>, while others called for a "World War on Bribery".<sup>81</sup>

Where did this sudden prominence of the fight against corruption come from? For once, the relationship between political corruption and a decline in investment, in particular Foreign Direct Investment, became a concern at the onset of the globalization of financial capitalism. Moreover, the focus on the deficient relationship between state and market introduced by rent-seeking literature resonated well with the emerging neoliberal ideology. If rent-seeking was by definition created when the state restricted the market, then the solution was seemingly self-evident.<sup>82</sup>

"The state's sphere should be reduced to the minimum, and bureaucratic control should be replaced by market mechanisms wherever possible."<sup>83</sup>

Is it only a coincidence that the neoliberal reading of rent-seeking sounded like the blueprint of the Washington Consensus? Development was now almost unanimously understood as driven by free markets unburdened by the restraints of kleptocratic bureaucracies, legal red tape, inefficient state sectors and greedy tax collectors.





Corruption was reframed from a secondary but somewhat useful “lubricant benefitting entrepreneurs” into a major spoiler to development. The medicine prescribed by IMF and World Bank are subjecting public officials to the regulatory discipline of the market, to cost-consciousness and to entrepreneurial ethics.<sup>84</sup> In the framework of “good governance” and “accountability”, the fight against corruption was placed at the top of the global political agenda at the end of the 1990s.

Michel Foucault exposed the ruling technique to present policies as ‘above politics’.<sup>85</sup> In this sense, the postulation of good governance as the epitome of modernity is a powerful discursive strategy. Stripping away the neutral and technocratic language, critics point to the ideological bias of and vested interests behind the global good governance agenda. Steven Sampson puts it bluntly:

“The “global anti-corruption agenda is not a reaction to the neoliberal agenda, it is the neoliberal agenda.”<sup>86</sup>

Seen from this perspective, the objective of good governance agenda is to lay the normative foundations for the emerging global financial capitalist regime. Accordingly, some have criticized the good governance agenda as the “new stick to beat non-Western governments into compliance with the economic and political agenda of the United States and the dictates of capitalism”.<sup>87</sup> Others slam the anti-corruption agenda as the battering ram to open emerging markets for global financial capitalism.<sup>88</sup>

The global financial crisis gave a new boost to the anti-corruption agenda. Unable to identify the internal flaws of capitalism, conservatives blamed the crisis on the immoral behavior of individuals, be it the regulator “sleeping at the switch” or the ‘greedy’ investor. Under the label of ‘crony capitalism’, The Economist conveniently locates

corruption and nepotism in developing countries again:

“In the emerging world, the past century has been great for rent-seekers [...] The larger problem, though, lies in the emerging world...”<sup>89</sup>

Unsurprisingly, the recipes of the Washington Consensus are warmed up again:

“Governments seeking to make their countries rich and keep people happy need to make markets work better.”<sup>90</sup>

In other words, governments need to build the political infrastructure for market economies and then get out of the way.

However, the global anti-corruption community also promotes an emancipatory, even anti-global-capitalist vision. Steven Sampson detected this moralist streak in what he calls the “ideology of anti-corruptionism”:

“Anti-corruption is not just a set of policy measures enacted by governments to prevent bribery and punish nepotism. It is also a moral force, reflecting the indignation of ordinary people and among articulate elites that things are not right. Anti-corruption entails not only making governments or aid programs more effective, but also making people more honest, raising people’s consciousness to a new level. Anti-corruption is thus a moral, even religious force [...] This is why some activists within Transparency International, the leading anti-corruption organization, see themselves as ‘integrity warriors’. Responding to unscrupulous transnational forces of immorality and profiteering, the struggle against corruption is an effort to restore standards that were lost, the standards of morality and responsibility which connote what we call ‘community’ [...] The fight



against corruption is thus more than just the ‘tactics’ of governments or corporations who want to look good: it is a moral crusade.”<sup>91</sup>

One does not have to share these extreme criticisms of the good governance agenda in general, and the anti-corruption agenda in particular to see that anti-corruption programs, despite their technocrat language, are neither neutral nor innocent. To be perfectly clear, this does not make anti-corruption measures wrong; it simply means one has to be aware of the ideological baggage that comes with it. The Washington Consensus heritage makes anti-corruption strategies ill-equipped to deal with the political challenges of transformation conflicts. Therefore, corruption fighters in transformation societies need to adapt anti-corruption measures to the conditions of transformation to make them work.

#### **4.2 Corruption in Transformation Conflicts: The case of Thailand**

The raging transformation conflicts from Egypt to Turkey, from Ukraine to Venezuela pose a puzzle to the (vulgarized) expectation of democratization theory that middle classes are the main drivers for democratization.<sup>92</sup> Indeed, the middle class protesters in Caracas, Kiev and Istanbul are outraged by rampant clientelism, cronyism and corruption. However, amongst the calls for greater democratization, many anti-democratic and sometimes even fascist voices can be heard. Protesters deny the legitimacy of elected governments and deride their fellow citizens as too uneducated to vote. Some even call for the end of electoral democracy, and the establishment of an authoritarian regime. In Egypt, the military has seized the opportunity to justify their authoritarian roll-back as saving the nation. In Ukraine, many question the role of fascist militias in the overthrow of an elected government. In Thailand, anti-government protesters openly call for a coup d’état and the installation of an unelected ‘people’s council’.

In all of these transformation conflicts corruption narratives play a central role. What is the function of corruption discourses in transformation crises? How do the corruption narratives of conflicting parties differ? And what are the hidden agendas of anti-corruption bodies and the judiciary?

Looking into the case of Thailand may offer some preliminary answers to these questions. The protracted conflict in Thailand has at least two interrelated dimensions. On the elite actors’ level, it is a conflict between two elite factions over the political, social and economic control of the country. On the structural level, it reflects the transition from a patrimonial order and a legal-rational order. What makes the Thai conflict interesting is how the so-called ‘red’ and ‘yellow’ alliances are composed, and which cleavages are used to construct two self-referential and hermetically sealed discourse community. In order to explain this conflict formation one has to understand (1) the catalytic function of corruption in political development and (2) the symbolic role of (anti-)corruption discourses in the construction of the conflict.

#### ***Corruption as a transformation catalyst***

On a structural level, corruption is endemic in Thailand. Thais’ perceive corruption in their country as relatively high (CPI Score of 35, ranking 102 out of 177 countries)<sup>93</sup>. Corruption is an everyday life issues for Thais. Frequent corruption scandals shake the society and have often been used by the military to justify its 18 coups. Corruption is closely related to Thailand’s entrenched patronage system which still dominates political and economic life behind the facades of democratic institutions. Personal relationships between patrons and clients dominate Thai society and culture, to a point where every member of society has a distinct lace in social hierarchy. In Thai language, different personal pronouns reflect the social relationship between speakers, thereby inscribing the social status deep into the construction of the



Self. Even emotions (kraeng-jai, noi-jai) regulate the vital need to keep personal relationship intact at all cost. The urge to prove one's loyalty makes it socially and emotionally close to impossible to refuse a request or turn down a 'gift' from a senior "big man" (phoo-yai). On the other hand, it is expected of a patron to share the spoils of corruption within his personal network. Failure to do so may result in the withdrawal of goodwill and may end the career of the "too greedy" political entrepreneur, with a sudden raid by the police. In other words, the distribution of resources and favors in personal networks is not degeneracy, but instead it is the very working mechanism of patronage systems.

This patronage system and the ruling 'network monarchy' have come under pressure by the emergence of a capitalist economy. In a bit more than one generation, Thailand has become an upper middle income country. The outsourced manufacturing industries are so deeply integrated into the global division of labor that the crippling floods of 2011 broke global chains of supply for entire industries. Millions have been lifted out of poverty and demand equal political rights. Changing lifestyles, interests, identities and values create a pluralist society.<sup>94</sup> Despite all its flaws and inefficiencies, an elaborate system of legal-rational institutions has been built. Disseminated by community radios and social media, Universalist discourses on electoral legitimacy, human rights, the rule of law and good governance are gaining ground even in the remotest villages. Capitalist elites and new rural and urban middle classes challenge the dominance of the 'network monarchy', and have effectively terminated the old social contract. While the patrimonial political, social and moral order is eroding, the struggle over the future order is raging.

By creating bottle necks and sleaze, promoting incompetence and inaptitude, corruption, clientelism and crony capitalism are corroding the output legitimacy of public administration. Public awareness of corruption is so high that "monkey

business" is assumed in every major policy initiative. As exemplified by the judicial strike down of a much needed infrastructure initiative, the patrimonial system is no longer capable to satisfy the needs of a complex economy. By highlighting the fatal flaws of the old system, and nurturing demands for a general overhaul of the political order, corruption is working as a catalyst in the transformation crisis.

### ***The role of corruption narratives in Thailand's transformation conflict***

The Thai case is helpful in understanding how corruption narratives play a major role in structuring transformation conflicts. Again, the Thai conflict poses a puzzle for conventional wisdom. Under the (obsolete) transition paradigm, societies were expected to inevitably and irreversibly develop from personalistic to legal-rational to democratic orders.

The transformation conflict in Thailand shows that such a transition path is by no means predetermined, but dependent on the outcome of a struggle between those who seek to uphold the status quo, and those who want change. More so, not all of those who work toward a legal-rational order also want further democratization. In the Thai conflict, change agents are divided into those who prefer to uphold social stability by authoritarian means and those who strive for an egalitarian society in a democratic order. Even those who want democracy stress different dimensions of it, with some promoting accountability and rule of law and others focusing on elections and majority rule.

To understand how these different visions of the future, as well as the political alliances struggling for them are constructed, one needs to look into the role of corruption narratives.

Given the prominence of corruption narratives in the Thai discourse, it is not surprising that a wide



spectrum of corruption discourses exists. I will limit the analysis to four key discourses, and show how they are combined to form the nucleus of larger discourse alliances.

### **Five corruption discourse worlds**

#### *Moralistic fear of moral decay*

The moralist cosmology is static, so change is perceived as social decay. Unable to decipher the underlying economic and social changes, moralists blame structural problems on individual moral failure.<sup>95</sup> Deeply rooted in the culture of Theravada Buddhism, moralists explain high social status with the moral authority reflecting kamma acquired in prior lives. Hence, corruption by “bad people” at the top must be seen as a perversion of the ideal social-moral order. The solution is clear: “bad people” need to be replaced by “good people” whose virtue is assumed due to their membership in the ‘network monarchy’. “Vile” critics of the social order “have no place in decent society”<sup>96</sup>; they cannot be “real Thais” and should leave the country “to live somewhere else”<sup>97</sup>. Moralists aim for a political system led by “neutral people of virtue”. With reference to Plato’s “philosopher king”, this can be a monarchy administered by loyal technocrats.

#### *Fascist fear of biological decay*

The fascist discourse eclectically combines terminology and topoi from different ideological sources, ranging from royalism, communism and historical fascism.<sup>98</sup> At its core, fascism is driven by the fear of societal decay. Looking back to the (imagined) Golden Past, the fascist project is to regenerate morality and the nation by transforming human consciousness rather than social structures.<sup>99</sup> While the elitist social hierarchy is to remain untouched, society needs to be purged from those who corrupt it. Corruption is therefore not only understood as a moral problem, but as a biological one: it is the very existence of “bad

people” that poisons society. Accordingly, ‘The Other Within’ is de-humanized<sup>100</sup> as “buffalos”<sup>101</sup>, “rubbish”<sup>102</sup>, or “germs infecting the Thai political body”<sup>103</sup>, and therefore must be “hunted down and exterminated”.<sup>104</sup> In order to “root out the rotten regime”, the economic base of those in power needs to be “purged”<sup>105</sup>, including the system of “Parliamentary dictatorship”<sup>106</sup> which allowed them to attain their positions. Contrary to the Weberian legal-rational authority which operates within a framework of laws and rules, the charismatic authority of a fascist leader is potentially unlimited. Because of the unmediated relationship between leader and his people, the leader defines the ‘real will of the people’, or Rousseau’s ‘general will’. Hence the fascist vision “understands ‘genuine democracy’ as an absolute dictatorship, absolutism and popular sovereignty being fused into a form of ‘totalitarian democracy’”.<sup>107</sup> Accordingly, protesters simultaneously call for “absolute monarchy” and “Absolute Democracy with the King as Head of State”. Where the distinction between ‘public’ and ‘private’ as well as ‘state’ and ‘civil society’ is obliterated<sup>108</sup>, corruption – defined as the use of public means for private gain – does not exist.<sup>109</sup>

#### *Legalistic-technocratic institutional engineering*

The legalist-technocratic discourse understands corruption as a governance problem threatening economic growth, the rule of law, or democratic legitimacy. The solution is to install institutional safeguards, if necessary by imposing them onto society.<sup>110</sup> This sense of urgency is sometimes rooted in a Jacobin reformist zeal which strives to promote the absolute “Truth”, which needs to be enforced to save society from decay.<sup>111</sup> Legalists tend to be concerned with an erosion of the Rule of Law. Technocrats are afraid that “populism” could lead to state bankruptcy.<sup>112</sup> ‘Yellow’ and ‘red’ versions of ‘The Truth’ lead to diverging political visions, dividing the legalist-technocratic discourse community between two camps.



*Neoliberal faith in the market*

Neoliberals understand corruption as a problem of the inefficient and overstretched state. By strangulating dynamism of the private sector, the bureaucratic monster is a bottleneck for economic growth. To unleash the dynamism of competitive markets, the private sector needs to be freed from bureaucratic red tape. To prevent the inefficient allocation of resources due to political motivations, the role of the state needs to be cut back. Under the regime of fiscal austerity, the cash strapped state needs to be relieved of some of some of its burdens by privatizing the provision of social services and infrastructure.

*Progressives push for change*

The ancient regime discourse understands corruption as a problem of the "feudal order"<sup>113</sup>

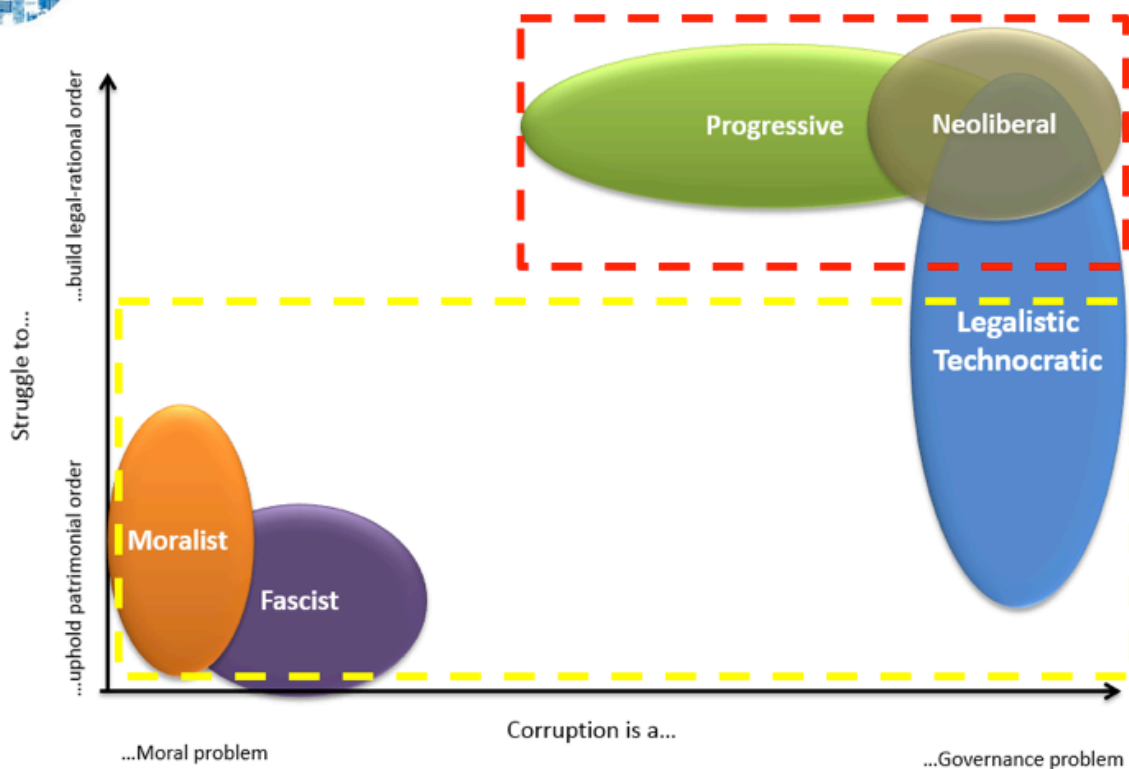
led by traditional elites (ammaart). Hence corruption is primarily seen as a problem of social justice, especially of double standards in the judicial system. The solution is to complete democratization and promote social equality.<sup>114</sup> Corruption of elected politicians is dismissed as leftovers from the feudalist culture. Progressive political visions vary, but usually have a strong emphasis on electoral majority rule in common.

*Fear of change*

The common thread running through all these discourses is fear. Fear of moral decay, fear of the poison of bad people, fear of monopolization of power, fear of identity loss, fear of economic decline, state bankruptcy or state failure, or fear of an ammaart rollback of democracy. What is striking is the absence of any positive vision for a better future.



Corruption Discourses in Thailand





### **Four functions of corruption narratives**

In the political conflict, these corruption narratives determine how people see and interpret the social and cultural changes driven by transformation. In the Thai conflict, four functions of corruption discourses can be identified.

#### *What's going on? Explaining the world*

First, corruption narratives help to explain what is going on. For most people, the complex and deeply rooted structural transformations are not visible or understandable, they need a symbolic representation to make these changes tangible and actionable. With its far-reaching political, cultural and philosophical implications, corruption narratives help to boil down the bigger process of social change into a nutshell. Therefore, it seems to be no coincidence that corruption narratives play such a central role in many different transformation societies around the world. Corruption narratives explain in simple terms what is at stake in the bigger struggle over the political and moral order. Thus, many transformation conflicts are being discursively constructed around corruption cleavages.

In the Thai conflict, the topoi “corruption causes social decay” works as rallying cry for those who are wary of change, those who feel that something is not right in the new state of capitalism, those who are concerned about state failure or bankruptcy, and those who seek to reaffirm the traditional order. “Social decay causes corruption”, appeals to all who feel the current order violates their dignity, those who see the social order as unjust and those who feel excluded and seek a place at the table, those who demand equal rights and those who seek to consolidate democracy.

Most Thais still believe that there can only be one undividable and universal truth. Hence those who live by it are righteous, and anyone believing in another truth must be wrong and immoral.

#### *The raging middle classes: Mobilizing social pressure*

Second, corruption narratives are striking a cord with social groups, making them the ideal rallying cry to mobilize mass political support. Corruption narratives particularly seem to be at the core of Bangkok's middle class rage, echoing similar phenomena in transformation conflicts around the world.

The origin of middle class rage lies in a political formation typical for many flawed democracies. In order to win elections with the support of the rural vote, political entrepreneurs forged alliances with local power-brokers. Once elected, local politicians tend to bring the feudalistic logic of the province into the realm of national politics. Patronage politics dictates that allies have to be nurtured, loyalties rewarded, support bought and clients protected.

Seen from the perspective of the middle class, patrons distributing spoils into their personal networks is degeneration back to “primitive times” thought to be long gone. Rich kids let of the hook after committing crimes fuel a feeling of double standards and endemic nepotism. More generally, middle classes feel like they are “being robbed” by corrupt politicians, who use their tax revenues to “buy votes” from the “greedy poor”. In a more subtle language, the “uneducated rural masses are easy prey for politicians who promise them everything in an effort to get a hold of power”. From this perspective, policies delivering to local constituencies are nothing but “populism”, or another form of “vote buying” by power hungry politicians.<sup>115</sup> The solution is then clear: To suspend the mechanism which allows the rule of the “corrupt provinces” over the “decent capital” — elections.

This discursive equation of electoral democracy with corruption is crucial to the construction of the political conflict alongside the dichotomy



between “reforms” and “elections”.<sup>116</sup> In a narrower sense, it helps to explain the puzzle why in many transformation conflicts, middle classes seem to act against their presumed class interest. Looking at their position in the political economy, conventional wisdom would assume middle classes should be on the forefront of the struggle for a legal-rational and democratic order. Middle classes gain their social status based on personal achievement such as success in business, academic merit, artistic talent or engineering skills. This should alienate middle classes from the patronage system, where social status and mobility largely depend on personal relationships. However, in Thailand like in many other transformation conflicts, middle classes have forged alliances with those who seek to uphold the patrimonial order, and hundreds of thousands come out to demand the ousting of elected governments.

Hence, the political posture of established urban middle classes cannot only be explained by their supposed ‘class interest’, but is largely determined by the intermediary role of discourses in defining interests, identities and visions. The narratives equating electoral democracy with corruption (“vote buying”, “populism”, “mafia rule”) superimpose the structural alienation of middle classes from the patrimonial order. Combined with social fears to be squeezed between “greedy poor” and “abusive elites”, the narratives equating elections with corruption mobilize the urban middle classes in their struggle to curb, suspend or overthrow electoral democracy.<sup>117</sup>

In general, the toxic combination between fear of social change, the lack of imagination to find a way out of the mess of the political conflict, and the absence of any vision for a better future induces people to cling on to what they know, and mobilizes the masses to defend their the social order their identities are built upon.

### *Platform for discourse alliances*

Third, corruption narratives function as a common platform for broad and heterogeneous societal coalitions. What is striking about the rival alliances in the Thai conflict is their enormously broad political, social and ideological spectrum. In the ‘yellow’ alliance, royalist aristocrats, Bangkok’s conservative middle class, military men and Southern farmers march side by side with workers and former communist insurgents. The ‘red’ alliance includes capitalist tycoons, progressive academics and civil society, police men, peripheral middle classes and Northern and North-Eastern “political peasants” and Bangkok’s “urbanized villagers”.<sup>118</sup> Bringing these alliances together despite diverging class interests, personal rivalries and opposing ideologies needs a strong common cause. Because of their broad appeal to many different social groups, corruption narratives are ideally placed to work as discursive platforms for such heterogeneous societal alliances. “Saving the nation from moral corruption” is what royalists and former communists, military men and workers, southern farmers and Bangkok’s middle class can agree on, despite all their differences. Whereas “overcoming a corrupt and unjust system” is the battle cry for the red alliance between capitalist tycoons and the poor, academics and taxi drivers, rural farmers and Bangkok’s cosmopolitan bohème.<sup>119</sup>

### *Formatting the political field*

Finally, corruption discourses structure the political battlefield by framing issues, empowering actors, but also setting limits to their room for maneuver. The discursive juxtaposition of “reform before election” versus “reforms are not democratic” defines the battle lines of the political conflict, leaving very little room for compromise. The yellow discourse rages against the “Villain Thaksin”, cheers for the “Hero Kamnan Suthep” and bemoans the “Great Mass of the People” as the victim of “Thaksin regime”. The red discourse



despises the “Villain Suthep”, celebrates the “Democracy Heroine Yingluck” and points to the “betrayed 20 million voters” as the victims of the “ammaart coup”. Corruption narratives largely determine the political solution a speaker has in mind. Those who fear corruption as moral decay will seek to strengthen morality. Those who blame it on “bad people” will aim to “exterminate” this “rubbish”. Those who identify it as a problem of governance will install new laws and institutions, and those who see it as the decay of the ancient regime will strive to overcome it.<sup>120</sup>

Corruption narratives are also central for the construction of the deeper transformation conflict. The “all politicians are corrupt” narrative negatively frames the elected representatives of social groups, and erodes the critical resource of trust, in effect undermining the ability of political actors from all sides to broker a deal to resolve the current stand-off.<sup>121</sup>

The “vote buying”, “populism” topoi equates democratic elections with corruption. The Thai Constitutional Courts in its seminal ruling on the constitutional amendment seeking to have a fully elected Senate, used the “Spouse Parliament” narrative to equate elections with nepotism, arguing that “It is an attempt to draw the Nation back into the canal, as it would bring the Senate back to the state of being an assembly of relatives, assembly of family members and assembly of husbands and wives.”<sup>122</sup> Consequently many of the “reforms” of the past decade were aimed at curbing the influence of elected politicians by checking them with “neutral” institutions. More generally, the discursive equation of the democratic process of negotiation, compromise, and trade-offs between interest groups with “moral corruption” deepens the legitimacy crisis of the political system.

### ***(Anti-)Corruption discourses in Thailand's conflict***

Given the centrality of corruption narratives in the construction of the conflict, it comes as no surprise that allegations of corruption have indeed been front and center in the political conflict over the past nine years. Elected Prime Ministers Thaksin Shinavatra and Somchai Wongsawat were removed from power on highly controversial corruptions allegations. The military coup in 2006 was partly justified by “widespread corruption and nepotism”.<sup>123</sup> Despite ideological, personal and political differences, all Anti-Thaksin street protests voiced strong grievances over political corruption. Amidst controversy, a military junta-appointed drafting assembly wrote a new constitution :<sup>124</sup>

“Some of the most important provisions, however, are the different agencies created in the Constitution to oversee the politics of Thailand. Each of these agencies is directed at ensuring the allegations of rampant corruption which sparked the 2006 coup do not reoccur.”<sup>125</sup>

Other observers interpret the fight against corruption as a pretext to strengthen the electoral minority by anti-majoritarian instruments:

“Thaksin’s unprecedented electoral popularity among the rural poor and an emerging rural middle class favoring his populist policies was seen as a threat to the old establishment. [...] The current constitutional amendment struggle is part of the larger ongoing tug of war that started even before the 2006 coup between the old establishment aligned with the military, the judiciary, independent agencies and the opposition party with the backing of the conservative urban elite and the old middle class on one side, and the new anti-establishment forces personified by Thaksin and represented by his party with the broad-based support of the rural poor, a





new middle class and democracy advocates on the other. The clashes of the old and new forces came to a breaking point with the 2006 coup, with the old establishment reasserting its power. [...The 2007 Charter] increased the power of independent state agencies and the judiciary, while curbing the power of elected politicians. With increased power, the role of the judiciary and independent agencies would become politically dominant under the 2007 Constitution."<sup>126</sup>

In the current stand-off, the political formation has so far prevented both sides from using a militant approach to win this conflict round.<sup>127</sup> Despite being under heavy pressure to stage a military coup d'état, the military top brass seems wary of any direct intervention. The incalculable risks of a "red" insurgency, deserting Isan recruits and defecting "watermelon" ("green outside, red inside") officers, international pressure and even criminal prosecution seem to worry the armed forces. Nonetheless, in a country with a history of 18 coups d'état, warning by the military top brass to interfere if substantial bloodshed occurs will always be credible enough to deter the government side from cracking down on the protesters. As the tragic track record of more than 20 dead and hundreds wounded shows, this does not prevent small-scale violent attacks as a tactical instrument, nor does it suggest that a changing situation may not force the hand of hesitant decision makers to reconsider a militant approach. In fact, remarks by the Army Chief about a "special option" suggest that the military leadership considers a coup as a last resort.<sup>128</sup> In order to explain the conflict dynamic over the last six months, though, the inability to decide this conflict round by a coup or a crackdown played an important role because it changed the opportunity structures. Simply put, the battlefield was moved from the backroom strings-pulling of the patronage system into the field of discourses, where different rules apply.

The changing rules of the game explain the strategic blunders by the shrewd master players of both sides.<sup>129</sup> Under the changing rules of the game, domestic and international opinion, especially of one's own supports, matter. Over the past six months, success or failure of political actors were partly determined by their ability to play by the rules of a discursive struggle.

In the discursive game of power, legitimacy claims are front and center. And indeed, the main strategies of both camps aimed at establishing their own legitimacy, while undermining the legitimacy claims of the other side. The very fact that such a fierce struggle over legitimacy claims is raging shows that the "royalist" discourse community has lost discourse hegemony. Only a few years back, the network monarchy had the discursive power to explain "what is going on" and "what needs to be done about it". Today, reflecting the increased political awareness in every corner of country, more and more people openly challenge this authority. Consequently, the international media coverage of the Constitutional Court ouster of Prime Minister almost unanimously echoed the "red" topoi of a judicial coup. As long as this conflict round is fought over rival legitimacy claims, the 'invisible power' of discourses is a decisive resource. In a political formation characterized by the inability to use large-scale force, the royalist loss of discourse hegemony accelerated the ongoing shift in the balance of power.<sup>130</sup>

In sum, in the current political formation, as instable as it may be, discourses play a major role in constructing the conflict, determining the strategies of players, and affecting their chances of success or failure. Consequently, corruption discourses play a central role in empowering actors, namely the People's Democratic Reform Committee (PDRC), the Constitutional Court and independent commissions such as the National Anti-Corruption Commission (NACC), while limiting the room for maneuver of the government.<sup>131</sup> Interestingly, while none of the pending charges



directly accused the caretaker government of corruption, in the public discourse these charges were almost exclusively framed as political corruption.<sup>132</sup> In a semiotic reading, corruption allegations thus can be interpreted as empty signifiers. Politically, by mobilizing hundreds of thousands of protesters over several months, corruption narratives provide enormous convening power.

In sum, as the Thai case has illustrated, corruption can play a key role in transformation conflicts. On a structural level, it works as an (ambivalent) catalyst in the transition between a patrimonial and a legal-rational order. In the discourse field, corruption narratives offer explanations for the anonymous and sometimes frightening forces of change, and offer common platforms for broad discourse alliances. Given the vital function of corruption in patronage systems, corruption narratives are ideally suited to spark middle class outrage and mobilize mass protests against governments. Finally, anti-corruption bodies can be useful tools for electoral minorities to strengthen their position.

## V. Anti-corruption strategies for transformation societies

Corruption, cronyism and clientelism are social practices that have had important functions in pre-modern societies. Today, in the absence of effective modern institutions, they continue to fulfill the same social functions. With the emergence of complex modern economies and pluralist societies however, these social practices can become obstacles to development, democratization and social justice. Misunderstanding corruption as an individual moral failure of “bad people”, leads to the wrong therapy, reverting back to the traditional order which works on the basis of distributing spoils within personal networks. To effectively curb corruption the exact opposite is needed and the governance operating system must be upgraded, from personal relationship-

based, to merit-based institutions. To escape the trap of a corrupt equilibrium, societies need to complete Weber’s modernization program. In other words, societies need to leap forward from patrimonialism to a legal-rational order, which can satisfy the needs of a complex economy and a pluralist society.

The United Nations Convention against Corruption reflects a global consensus on what needs to be done on the technical side:

“An entire chapter of the Convention is dedicated to prevention, with measures directed at both the public and private sectors. These include model preventive policies, such as the establishment of anticorruption bodies and enhanced transparency in the financing of election campaigns and political parties. The Convention requires countries to establish criminal and other offences to cover a wide range of corrupt acts. The Convention goes beyond previous instruments of its kind, criminalizing not only basic forms of corruption such as bribery and the embezzlement of public funds, but also in trading of influence and the concealment and laundering of the proceeds of corruption. Offences committed in the support of corruption, including money-laundering and obstructing justice, are also dealt with. Convention offences also deal with the problematic areas of private-sector corruption. Countries are bound by the Convention to render specific forms of mutual legal assistance in gathering and transferring evidence for use in court, to extradite offenders. Countries agreed on asset-recovery, which is stated explicitly as a fundamental principle of the Convention.”<sup>133</sup>

However, as revealed by the disappointing track record of many anti-corruption programs, curbing corruption is easier said than done.<sup>134</sup> Technocratic instruments are doomed if they fail to take into account the context of the political



economy, social functions and cultural roots of corruption. Without a proper conceptual framework, anti-corruption policies may possibly do even more harm than good. Particularly in transformation societies anti-corruption strategies need to be embedded into broader strategies to tackle the broader challenges for political and economic development. Nevertheless given the rapidly shifting economic, political and cultural opportunity structures of transformation societies, fighting corruption would mean hitting a moving target. Corruption fighters can easily get embroiled in political conflicts. Given the public outrage over corruption, as well as the resistance from those who benefit from the status quo, designing successful anti-corruption strategies is a delicate task.<sup>135</sup>

Three lessons learnt may be helpful at the onset of the long and cumbersome struggle against corruption:

- Beware the ideological baggage. The fight against corruption is neither neutral nor innocent. To make good governance reforms work, they have to be stripped off the conceptual flaws and hidden agendas of the Washington Consensus.
- Beware the social functions of corruption. In the absence of functioning legal-rational institutions, corruption often fills the gap in fulfilling crucial social functions. Hence, the fight against corruption can only succeed if it does not simply build institutional facades, but seeks to lay the political, social and cultural foundations necessary to make the legal-rational system work. Similarly anti-corruption strategies need to be more than institutional engineering, and contribute to the renegotiation of the social contract.
- Beware the role of corruption narratives. In many transformation conflicts, corruption discourses play a central role because they

symbolically represent the larger, yet difficult to understand struggle between a patrimonial and a legal-rational order. If corruption can only be curbed by completing the legal-rational order, then the fight against corruption means to take sides in the transformation conflict between those who seek to uphold the patrimonial order, and those who seek democratic change. The fight against corruption can only be successful as part of the larger struggle for democratization.

### 5.1 Handle with care

The Washington Consensus disguised its political agenda for building the institutional infrastructure for a capitalist economy into technical language. This is not to say that the good governance agenda is wrong; on the contrary, it is indispensable to build a legal-rational order. However, these seemingly technical programs are cloaking stark political choices. Those who believe that only the fire and fury of the capitalist monster can break the chains of traditional feudal orders will follow its advice and let markets run free. Those who are fearful of replacing one devil with another will have to carefully watch how the institutional cage is constructed. Hence, it is important to understand that anti-corruption programs are always political.

Anti-corruption strategies unaware of political and discursive minefields can easily be entangled in political conflicts, or end up doing someone else's bidding:

"Anti-corruption is not innocent. Insofar as anti-corruption is one tool for controlling resources and maintaining control over others, we should expect that even the most unscrupulous regimes and leaders will develop anti-corruption agencies and strategies to please donors and obtain funds [...] One should assume that anti-corruption agencies can themselves be corrupt, just as we find



those organs fighting what is called ‘organized crime’ can themselves be linked to organized crime. Anti-corruption is not innocent.”<sup>136</sup>

As shown in the case of Thailand, corruption narratives play a major role in the construction of the conflict, while anti-corruption bodies are being used by elite minorities to defend privilege and status against the will of the electoral majority. Technical anti-corruption programs are in danger of confusing form with substance:

“People [...] mistake the outward forms of the rule of law for its substance. Thus, for example, “checks and balances” is taken to be a hallmark of a strong rule-of-law society, since the branches of government check the behavior of one another. But the mere existence of a formal check is not the same thing as strong democratic governance. Courts can be used to frustrate collective action, [...] prolonged judicial appeals can bog down critical infrastructure projects, or can be used to protect the interest of the elites against the will of the government. Thus the form of separated powers periodically fails to correspond necessarily to the substance of a law-abiding society.”<sup>137</sup>

Caution is also recommended with the understanding of corruption as a moral problem. Corruption is indeed a moral problem to the extent that it erodes the normative barriers and impersonal institutions erected to hold the powerful accountable. Without these barriers, humans will revert to the default mode of governance: building trust based on personal relationships. Moral outrage over corruption can also be a powerful driver for reform, or at least work as a social cleansing process with the effect of reaffirming ‘what is right and wrong’. If corruption means the abuse of power by unconstrained ruling elites, however, then calls to strengthen morality by ethical self-restraint, education or awareness campaigns seem ill equipped for the task. In an

ironic twist, the moralistic discourse of corruption as individual moral failure (“bad people”) in effect reaffirming the exact same patronage system which functions by distributing spoils into personal networks.<sup>138</sup>

In short, anti-corruption policies which are unaware of ideological biases and hidden agendas may end up creating facade institutions, and can do more harm than good.

## **5.2 Curbing corruption in transformation societies means to finalize the legal-rational order**

Over the last decade, the recommended anti-corruption policy mix has been largely consolidated. However, success stories remain scarce. Corruption fighters have understood that given the vast variety of corruption syndromes in countries with contrasting contexts, there cannot be any blueprints for reform:

“This reformers must have political strategies as well as good ideas for corruption control-; and as for the latter, what might seem to be a good reform idea in country A may well be impossible in B, irrelevant in C and downright harmful in D.”<sup>139</sup>

Curbing endemic corruption in transformation countries, in particular, seems to require a different approach from fighting incidental corruption in established legal-rational polities.

“The procedural approach to reducing the problem of corruption in rational-legal systems is now well-established. But the large problems associated with endemic corruption occur where tensions exist between different types of social relationship which are assumed by traditional and modern forms of ruling.”<sup>140</sup>

The over-reliance of anti-corruption policies on procedural means has been attributed to a flawed understanding of the nature of corruption:



“Existing Anti-Corruption Programs fail because they conceptualize corruption as a principal-agent problem, when in fact, in situations of systemic corruption, it is actually a collective action problem. [...] On the basis of this [flawed] understanding of corruption, anti-corruption programs have taken the form of institutional reforms aimed at increasing oversight by principals and reducing the opportunities and incentives of the agents for corruption: reducing the discretion of bureaucrats, improving their salaries, improving transparency and information flows, etc. [...] Corruption is more accurately viewed as a collective action problem: although in the long-term everyone would benefit from a corruption-free environment, in the short-term no-one has immediate incentives to change their behavior. As one respondent says ‘It is that feeling that if I don’t take it, it is going to be taken by somebody else’. In this kind of context, society is trapped in a corrupt equilibrium where no one has an incentive to change, and there a few reasons to expect any change.”<sup>141</sup>

To overcome the “corrupt equilibrium” that has been holding many transformation societies hostage, anti-corruption strategies need to go well beyond the procedural measures. Procedural measures are insufficient to break the pertinacious patronage structures and are incapable of facilitating the necessary changes in the normative foundations and the mindsets of citizens. By definition, transformation crisis occur in the transition between an eroding but still powerful patrimonial order and an emerging, but yet to be effective legal-rational order. As long as new governance institutions are not yet effective, the rule of law incomplete and the clash between traditional and new values and norms ongoing, there is still room and even a need for patrimonial modes of social organization. This is why transformation crises offer a fertile breeding ground for corruption. To avoid creating

institutional facades, anti-corruption strategies need to identify the social functions corrupt behaviors fulfill, and replace them with less obstructive, yet functionally equivalent social practices and institutions.

In transformation societies, the struggle against corruption must be understood as part and parcel of the larger challenge of building the political, legal and moral order necessary to satisfy the needs of a complex economy and pluralist society. To overcome transformation crisis, society needs to make an ultimate choice between going “backward” to the old order or “forward” towards modernization.

While the path towards modernization may widely vary from one society to another and the resulting “modern state” may look decidedly different between one culture and another, building a Universalist legal-rational order is only possible way of curbing corruption. Building a legal-rational state is not “Westernization in disguise”, but the finalization of a process which started with the emergence of a capitalist economy, is driven by social changes, and is being articulated in the political demands and aspirations of emerging classes. In other words, the problems triggered by the rationalist re-organization of the economy have to be tackled by a rational re-organization of the political order. This re-organization goes well beyond the institutional architecture and the legal framework and must include a redefinition of norms and values, organizational and political cultures, collective identities and legitimizing ideologies.

Curbing corruption in transformation societies means to finalize the transition to a legal-rational order with effective, merit-based, impersonal institutions. However, institutions are only strong if they are recognized and accepted by all sides. If one side imposes rules onto the other, they will be resisted. The “fruit of the poisonous tree” of imposed rules, no matter how well



crafted, severely damages the legitimacy of anti-corruption institutions, and spoils their ability to tackle politically sensitive cases of corruption. Put differently, it is not only the design of the legal-rational order which matters, but the way it comes into being. Only an inclusive and participatory process of renegotiation of the social contract can lay the social foundations for the legal-rational order.

### 5.3 The fight against corruption must be part of the struggle for democracy

Transitions from patrimonial to legal-rational orders are neither natural nor technocratic. They can only be the outcome of a protracted political struggle over the future order:

“Corruption cannot be properly studied outside the context of capitalist accumulation and the political contests that it faces from other emerging classes in the surrounding social milieu. [...] This approach raises fundamental problems for policy approaches to corruption. The public face of corruption is clearly unacceptable and in the long run it may destroy the limited legitimacy of some developing country states. On the other hand, the visible face of corruption is often an integral part of processes of accumulation and social compromise that are no less ugly in themselves... [...] The patterns of corruption are [...] determined by the distribution of power between the state, capitalists and intermediate classes. The economic (as opposed to moral) problem is not corruption per se but the political structures that generate growth-retarding corruption.”<sup>142</sup>

Anti-corruption is at the heart of the construction of a political and normative order fit to serve the needs of a complex economy and pluralist society. Simply put, it means to effectively change the rules of the game for everyone, including the rich and powerful.

This is where the core political challenge of the fight against corruption lies. Most political, social and economic elites owe their position to the patrimonial order. Beneficiaries from the patronage system are not limited to traditional feudalist elites; emerging capitalist elites also have a stake in it. There must not be any illusions that the fight against corruption, as part of the larger project of building a legal-rational order, will face stiff resistance from this status quo alliance.

In other words, the fight against corruption takes place right in the middle of a transformation conflict between those who seek to uphold the traditional order, and those who struggle to change it. Deeply entrenched in the political economy, the social order and the hegemonic ideology, these elites are a powerful political force. How can the powerful and wealthy be brought within limits, to be made answerable to others?<sup>143</sup> To make things even more challenging, the case of Thailand has shown how anti-corruption bodies can be used as tools to defend elite interests, and anti-corruption narratives are instrumental to build broad societal alliances struggling to uphold the status quo. So if a large part of society opposes the idea of change, how can the legal-rational order indispensable for curbing corruption come into being?

This is why the fight against corruption cannot be neutral, but is part and parcel of the larger struggle for democratic emancipation and social justice:

“It may be utopian to believe that the transition to capitalism can be entirely just. Yet unless the transition process is widely perceived to be just, it is difficult for it to be organized in a legally regulated way in an open polity. External pressure to tackle corruption may help development only if such pressure contributes to the legitimization of the processes through which capitalism is being created. On the other hand, it is very likely that anti-corruption strategies may sometimes



make the problem of organizing internal political stability more difficult during the processes of capitalist transition that could in turn prolong instability and the perpetuation of underdevelopment.”<sup>144</sup>

Hence, Johnston places the fight against corruption into the struggle for deeper democratization:

“Corruption will continue [...] until those with a stake in ending it are able to oppose it in ways that cannot be ignored. [...] Even the best anti-corruption ideas need strong political and social foundations- the support of people and groups with lasting reasons, and the ability, to defend themselves politically against abuses by others [...] Lasting corruption control is more likely to succeed as a part, and outcome, of deep democratization. ‘Deep democratization’ does not mean that democracy itself, or processes like competitive elections, will control corruption [...] Deep democratization is a continuing process of building workable rules and accountability by bringing more voices and interests into the governing process. It is ‘deep’ in a double sense: it draws force from many levels of society, reflecting the lasting interests of the humblest as well as the elites; and it extends deep into the institutions and processes of government, making those interests a factor in policy making and implementation, not just slogans at election time.”<sup>145</sup>

Contrary to traditionalist fears that conflict drives social decay, or reactionary concerns that electoral competition encourages corruption, it is the very noise and contestation of a pluralist society which helps to check corruption:

“The clash of interests and values; contestation over the acceptable sources and uses of wealth and power, and over accountability; and the disputes over the nature and significance of rights are of the essence in deep democratization and [...] in checking

corruption. [...Deep democratization’s] four key tasks involve increasing pluralism, opening up safe political and economic space, reform activism, and maintaining accountability.”<sup>146</sup>

Deep democratization aims to overcome social conflict not by moral appeals, but by political settlements:

“In extensively corrupt societies deep democratization is unlikely to attain breakthroughs in political morality or anything like fully open, rational government. It can (though by no means must) culminate in settlements and accommodations that institutionalize accountability and limits on power.”<sup>147</sup>

Fighting corruption means to empower the people to stand up to the rich and powerful. To achieve this herculean task, Johnston does not put his hopes on morality, but on more profane motivations of self-interest:

“Those sorts of political energy are not easily sustained solely through appeals to virtue; the defense of one’s own interests – property, rights personal safety, the chance to earn a living- is a more lasting motivation when it comes to confronting the wealthy and powerful.”<sup>148</sup>

However, given the political, economic, ideological and coercive power of the entrenched patrimonial elites, individuals struggling to defend their rights and interests are fighting an uphill battle. The epic struggle over the political order can only be won by the political muscle of a broad societal change coalition.

Given the heterogeneous and often divergent interests of social groups, such a broad societal coalition needs a common discursive platform on which actors can join forces. How that can be done can be learned from one of the most



successful coalition builders in the global fight against corruption, Transparency International (TI). The success of TI is rooted in its ability to mobilize players with a common mission, despite the obvious varying differences of interests between them. To effectively isolate or shame corrupt politicians or unaccountable institutions into better governance, a vast coalition of international donor organizations, the international business community and local politicians has to be brought 'on board'.<sup>149</sup> The global anti-corruption community is an impressive example of how alliances between politically, socially and ideologically diverse groups can be formed on the basis of a common cause.

"The anti-corruption community [...] is now so extensive that it includes groups normally at odds with each other: grassroots activists pursuing social justice, enlightened corporations who believe ethics is good business, neoliberal governments who see corruption as a brake on trade, and international aid organizations who want their donor funds to be more effective [...] In the world of anti-corruption, diverse actors normally at odds with each other can come together in the same moral crusade. The movement against corruption is one of the few platforms which can bring virtually all of us together. After all, who can be for corruption?"<sup>150</sup>

The case of Thailand, on the other hand, should be seen as a warning that anti-corruption movements are not necessarily democratic. Conflicts over the right way to curb corruption may even split the democratic camp by pitting those who prioritize the rule of law against those who focus on electoral majority rule. The appeal of anti-corruption platforms to authoritarian players, to be sure, is a global phenomenon:

"[Anti-corruption] can also constitute a political platform for ambitious politicians and ex-military officers who want to 'clean up' government. Anti-corruption is invariably part of most military coups."<sup>151</sup>

If the fight against corruption can only be won by installing a legal-rational order, it must not be carried by a reactionary alliance, but by a coalition struggling for democratic change. Consequently, corruption fighters need to forge alliances with those who seek a politically democratic, socially just and symbolically pluralist order.<sup>152</sup>

To form a discursive platform for a 'Grand Rainbow Coalition for Democratic Change', democracy and anti-corruption narratives need to be combined.<sup>153</sup>

The history of democratization suggests the themes around which such a narrative could be built. In Europe, temporary coalitions between middle class and working class were instrumental to end aristocratic rule. Their common vision bridging vast differences of interests and culture was a social order which allowed social rise based on personal achievement, as opposed to aristocratic heredity.<sup>154</sup> Equal opportunities for all, combined with effective rule of law protecting the minority from the electoral majority was the formula many could agree on. Social democratic compromises between all classes finally ended decades or even centuries of social conflict. At the heart of the new social contract was the promise that society would provide full capabilities for all, empowering everyone to 'make it' based on talent, hard work, and merit. This dynamic and egalitarian social order was radically different from patrimonial order with their static social hierarchies and personal relationship based governance systems. By combining the quest for a legal-rational order with the struggle for social justice and political emancipation, the social democratic compromise provided the social foundation for political and economic development, and decades of social stability.





In today's transformation societies, the key challenge for political and economic development is the renegotiation of the social contract to lay the social foundation for a democratic legal-rational order. To marginalize extremists, and win the struggle against those who benefit from the status quo, those who seek to fight corruption and those who want social justice need to join forces in a broad societal Grand Rainbow Coalition. In order to allow social groups with diverging interests and opposing beliefs to come together, a common platform is needed which unites the fight against corruption with the struggles for social justice and deeper democratization.

Building a strong political center for a social democracy, however, can only work if it is supported by the middle classes. Therefore, it is indispensable to bring the raging middle classes back into the democratic flock. As shown above, the political attitude of middle classes is less based on interest, but framed by narratives which equate electoral democracy with corruption. Therefore, a new corruption narrative is needed which reframes how society at large, and the middle classes in particular think and talk about corruption.

If corruption means the abuse of power, then fighting corruption means to empower people to defend their rights and interests against the powerful and wealthy. In other words, to fight corruption, more democracy, not less, is needed.

Deepening democratization in the provinces will help reconcile the middle class with elections. Deeper democratization will help to strengthen the rule of law, making political parties more responsive and elected leaders more accountable.

In order to effectively curb corruption, checks and balances, limits and controls of powerful are needed. However, the false equation between democracy and corruption nurtures mistrust over "ultimate motives" of corruption fighters, fueling ideological proxy battles and paralyzing the policy

making process. An escalating transformation conflict can even result in the total breakdown of the political system and violent conflict. Hence, in order to allow the implementation of effective anti-corruption policies, the fight against corruption needs to be purged of "hidden agendas" by firmly and unmistakably embedding it into the struggle for deeper democratization.

In order to unite the fight against corruption and the struggle for deeper democratization, corruption needs to be redefined from an individual moral failure into a collective problem of social justice. Again, Transparency International has taken the lead by reframing the anti-corruption agenda as the common struggle for social justice and the rule of law:

"Popular movements do not distinguish between anti-corruption or human rights in their demand for social justice and the rule of law. Policymakers need to follow suit by breaking down the conceptual and institutional barriers and better synergizing anti-corruption and human rights efforts."<sup>155</sup>

Combining the struggles for social justice, the rule of law and deeper democratization is a winning formula which offers a way out of deadlock of transformation conflicts. A social compromise between those who seek a merit-based order and those who struggle for equal opportunities enables the laying of a social foundation for a new social contract. The common vision of a "Legal-rational order as the basis for a Good Society with full capabilities for all" helps to transcend fears and conflict by opening a new path into the future.<sup>156</sup>



<sup>1</sup> Shleifer, Andrei, and Vishny, Robert W. "Corruption". In: *Quarterly Journal of Economics*. Vol. 108, 1993, pp. 599-617; Taube, Markus. "Relational Corruption in the PR China: Institutional Foundations and its (Dys)-functionality for economic Development and Growth".

In: *(Dys)-functionalities of Corruption, Comparative Perspectives and Methodological Pluralism, Comparative Governance and Politics Special*. Tobias Debiel and Andrea Garwich (eds.). Issue 3, Wiesbaden: Springer VS, 2013.

<sup>2</sup> Hamilton, William as cited in: Fukuyama, Francis. *The Origins of Political Order: From Prehuman Times to the French Revolution*. London: Profile Books Ltd., 2011, p. 30.

<sup>3</sup> Fukuyama. *The Origins of Political Order*, pp. 51, 81.

<sup>4</sup> Fukuyama. *The Origins of Political Order*, pp. 51, 81.

<sup>5</sup> van Klaveren, Jacob. "Corruption as a Historical Phenomenon". In: *Political Corruption: Concepts & Contexts* Arnold J. Heidenheimer and Michael Johnston (eds.). New Brunswick: Transaction Publishers, 2007, p. 83.

<sup>6</sup> Lovell, David. "Corruption as a Transitional Phenomenon: Understanding Endemic Corruption in Postcommunist States." In: *Corruption: Anthropological perspective*. Dieter Haller and Cris Shore (eds.), Pluto Press, Ann Arbor, 2005, p. 77.

<sup>7</sup> Bloch, Marc. *Feudal Society*. Chicago: University of Chicago Press, 1968.

<sup>8</sup> Heidenheimer, Arnold J. and Johnston, Michael. "Introduction to Part II". In: *Political Corruption*, Heidenheimer and Johnston, pp. 77f.

<sup>9</sup> Priestland, David. *Merchant, Soldier, Sage: A New History of Power*. London: Penguin Books, 2012, p. 26.

<sup>10</sup> de Sardan, J. P. Olivier. "A moral economy of corruption in Africa?". In: *The Journal of Modern African Studies*. Vol. 37, 1999, pp 25-52, [http://journals.cambridge.org/abstract\\_S0022278X99002992](http://journals.cambridge.org/abstract_S0022278X99002992).

<sup>11</sup> Heidenheimer, Arnold J. and Johnston, Michael. "Introduction to Part I". In: *Political Corruption*, Heidenheimer and Johnston (eds.).

<sup>12</sup> Friedrich, Carl. "Corruption Concepts in Historical Perspective". In: *Political Corruption*, Heidenheimer and Johnston, pp. 17f.

<sup>13</sup> Crawhall, Nigel. "Corruption. A Buddhist perspective on causes, impacts and solutions". <http://www.inebnetwork.org/news-and-media/6-articles/409-corruption-a-buddhist-perspective-on-causes-impacts-and-solutions>, accessed on April 12, 2014.

<sup>14</sup> Fukuyama. *The Origins of Political Order*. p. 208f, 227,312.

<sup>15</sup> Lovell, David. "Corruption as a Transitional Phenomenon." In: *Corruption*, Haller and Shore (eds.),

<sup>16</sup> Weber, Max. *Parlament und Regierung im neugeordneten Deutschland: Zur politischen Kritik des Beamtentums und Parteiwesens*. München: Duncker and Humblot, 1918.

<sup>17</sup> Lovell, David. "Corruption as a Transitional Phenomenon". In: *Corruption*, Haller and Shore (eds.), p.79.

<sup>18</sup> Lovell, David. "Corruption as a Transitional Phenomenon". In: *Corruption*, Haller and Shore (eds.), p.70ff.

<sup>19</sup> Saïd, Edward W. *Orientalism*, New York: Pantheon Books, 1978.

<sup>20</sup> Ackermann, Susan Rose. "Democracy and 'Grand' Corruption". In: *International Social Science Journal*. Vol. 48, Issue. 149, 1996, p. 365-381.

<sup>21</sup> Carothers, Thomas. "The End of the Transition Paradigm". In: *Journal of Democracy*. Vol. 13, No. 1, 2002, p. 5-21.

<sup>22</sup> Inglehart, Ronald and Welzel, Christian. *Modernization, Cultural Change and Democracy: The Human Development Sequence*. New York: Cambridge University Press, 2005.

<sup>23</sup> Nye, Joseph. "Corruption and Political Development: A Cost-Benefit Analysis". In: *Political Corruption*, Heidenheimer and Johnston, p. 288.

<sup>24</sup> Leys, Colin. "What is the Problem About Corruption?". *Journal of Modern African Studies*. Vol. 3, Issue 2, 1965, p. 224-225.

<sup>25</sup> Huntington, Samuel. "Political Order in Changing Societies". Yale University Press, 1968. "Modernization and Corruption". In: *Political Corruption*, Heidenheimer and Johnston, p. 69.

<sup>26</sup> Leff, Nathaniel H. "Economic Development through Bureaucratic Corruption". In: *Political Corruption*, Heidenheimer and Johnston.

<sup>27</sup> Nye, Joseph. "Corruption and Political Development". In: *Political Corruption*, Heidenheimer and Johnston.

<sup>28</sup> Mauro, Paolo. "Corruption and Growth". In: *Quarterly Journal of Economics*. Vol. 109, 1995, p. 681-712. "The Effect of Corruption on Growth, Investment, and Government Expenditure: A Cross-Country Analysis". In: *Corruption in the World Economy*. Fred Bergsten and Kimberly Elliott (eds.). Institute for International Economics, Washington DC, 1996.

<sup>29</sup> Root, Hilton. "Corruption in China: Has it become systemic?". In: *Asia Survey*. Vol. 35, No. 8, 1996, p. 752; and Hutchcroft, Paul D. "The Politics of Privilege: Rents and Corruption in Asia". In: *Political Corruption*, Heidenheimer and Johnston.



- <sup>30</sup> Ackermann, Susan Rose. "When is Corruption Harmful?". In: *Political Corruption*, Heidenheimer and Johnston.
- <sup>31</sup> Murphy, Kevin M., Shleifer, Andrei, and Vishny, Robert W. "Why Is Rent-Seeking So Costly to Growth?". In: *The American Economic Review*. Vol. 83, No. 2, 1993, pp. 409-414.
- <sup>32</sup> Hutchcroft, Paul D. "The Politics of Privilege: Rents and Corruption in Asia". In: *Political Corruption*, Heidenheimer and Johnston, p. 490.
- <sup>33</sup> von Soest, Christian. "Persistent systemic corruption: why democratization and economic liberalization have failed to undo an old evil". In: *(Dys)-functionalities of Corruption*, Debiel and Garwich (eds.).
- <sup>34</sup> Mauro, Paolo. "Corruption: Causes, Consequences, and Agenda for Further Research". In: *Finance and Development*. Vol. 385, No.1, 1998; Sokolov, V. "Privatization, Corruption, and Reform in Present-day Russia". In: *Demokratizatsiya*. Vol. 6, No. 4, 1998, p. 664-80. Lovell, David. "Corruption as a Transitional Phenomenon". In: *Corruption*, Haller and Shore (eds.), p. 79. Khan, Mushtaq. "Patron-Client Networks and the Economic Effects of Corruption in Asia". In: *Political Corruption*, Heidenheimer and Johnston, p. 470.
- <sup>35</sup> Shore, Cris and Haller, Dieter. "Introduction". In: *Corruption*, Haller and Shore, (eds.), p. 9.
- <sup>36</sup> "The new age of crony capitalism". In: *The Economist*. March 15th-21st, 2014, p. 11; 54-55.
- <sup>37</sup> Debiel, Tobias and Garwich, Andrea, (eds.). "(Dys)-functionalities of corruption."
- <sup>38</sup> Svensson, Jakob. "Eight Questions about Corruption". In: *Journal of Economic Perspectives*. Volume 19, No. 3, 2005, p. 40.
- <sup>39</sup> Sindzingre Alice N. and Milelli, Christian. "The Uncertain Relationship between Corruption and Growth in Developing Countries: Threshold Effects and State Effectiveness". In: *EconomiX Working Papers 2010-10*. University of Paris West - Nanterre la Défense, EconomiX, 2010.
- <sup>40</sup> Taube, Markus. "Relational Corruption in the PR China: Institutional Foundations and its (Dys)-functionality for Economic Development and Growth". In: *(Dys)-functionalities of Corruption*, Debiel and Garwich (eds.).
- <sup>41</sup> Nye, Joseph. "Corruption and Political Development". In: *Political Corruption*, Heidenheimer and Johnston.
- <sup>42</sup> Khan, Mushtaq. "Patron-Client Networks and the Economic Effects of Corruption in Asia". In: *Political Corruption*, Heidenheimer and Johnston.
- <sup>43</sup> Khan, Mushtaq. "Patron-Client Networks and the Economic Effects of Corruption in Asia". In: *Political Corruption*, Heidenheimer and Johnston.
- <sup>44</sup> Huntington, Samuel. "Modernization and Corruption". In *Political Corruption*, Heidenheimer and Johnston, p. 255.
- <sup>45</sup> Nye, Joseph. "Corruption and Political Development: A Cost-Benefit Analysis". In: *Political Corruption*, Heidenheimer and Johnston, p. 286.
- <sup>46</sup> White, Gordon. "Corruption and the Transition from Socialism in China". In: *Journal of Law and Society*. Vol. 23, No. 1, p. 149-169. Cited in Taube, Markus. "Relational Corruption in the PR China". In: *(Dys)-functionalities of Corruption*, Debiel and Garwich (eds.).
- <sup>47</sup> Leff, Nathaniel H. "Economic Development through Bureaucratic Corruption". In: *Political Corruption*, Heidenheimer and Johnston, p. 310.
- <sup>48</sup> Nye, Joseph. "Corruption and Political Development". In: *Political Corruption*, Heidenheimer and Johnston, p. 287.
- <sup>49</sup> Huntington, Samuel. "Modernization and Corruption". In: *Political Corruption*, Heidenheimer and Johnston, p.257.
- <sup>50</sup> Huntington, Samuel. "Modernization and Corruption". In: *Political Corruption*, Heidenheimer and Johnston, p.253.
- <sup>51</sup> Huntington, Samuel. "Modernization and Corruption". In: *Political Corruption*, Heidenheimer and Johnston, pp. 262.
- <sup>52</sup> Huntington, Samuel. "Modernization and Corruption". In: *Political Corruption*, Heidenheimer and Johnston, pp. 262.
- <sup>53</sup> Saxer, Marc. "Parteiförderung als Instrument der Demokratieförderung". Interne Handreichung, Friedrich-Ebert- Stiftung, Berlin, 2006.
- <sup>54</sup> Rosanvallon, Pierre. *Democratic Legitimacy: Impartiality, Reflexivity, Proximity*. Princeton: Princeton University Press, 2011, p. 76.
- <sup>55</sup> Rosanvallon, Pierre. *Democratic Legitimacy*, p. 76.
- <sup>56</sup> von Soest, Christian. "Persistent systemic corruption: why democratization and economic liberalization have failed to undo an old evil". In: *Zeitschrift für Vergleichende Politikwissenschaft, Comparative Governance and Politics*. Vol. 7, 2013, p. 57-87.
- <sup>57</sup> von Soest, Christian. "Persistent systemic corruption: why democratization and economic liberalization have failed to undo an old evil". In *Zeitschrift für Vergleichende Politikwissenschaft, Comparative Governance and Politics*. Vol. 7, 5<sup>th</sup> Oktober 2013, p. 57-87.
- <sup>58</sup> Dix, Sarah, Hussmann, Karen and Walton, Grand. "Risks of corruption to state legitimacy and stability in fragile situations". U4 Anti-Corruption Centre. Issue No 3, May 2012.
- <sup>59</sup> Elders, J. L. M. "Legitimiteit en Recht". In: *Recht en Legitimiteit*. E. H. L. Brugmans and J. L. M. Elders (eds.).



Zwolle, 1987, p. 16. As cited in Bakker, H. E. "Corruption and Legitimacy: An Institutional Perspective." In: *Corruption and Legitimacy*. H. E. Bakker and N. G. S. Nordholt (eds.). Amsterdam, 2000, p. 24.

<sup>60</sup> Heidenheimer, A. J. *Political Corruption: Readings in Comparative Analysis*. New York, 1970, p. 479.

<sup>61</sup> Nye, Joseph. "Corruption and Political Development". In: *Political Corruption*, Heidenheimer and Johnston, p.288.

<sup>62</sup> Myrdal, Gunnar. "Corruption as a Hindrance to Modernization in South Asia". In: *Political Corruption*, Heidenheimer and Johnston.

<sup>63</sup> Nye, Joseph. "Corruption and Political Development: A Cost-Benefit Analysis". In: *Political Corruption*, Heidenheimer and Johnston, p. 289.

<sup>64</sup> Crozier, Brian. *The Morning After: A Study of Independence*. London, 1963, p. 62, 74.

<sup>65</sup> Huntington, Samuel. "Modernization and Corruption". In: *Political Corruption*, Heidenheimer and Johnston, p. 256.

<sup>66</sup> Nye, Joseph. "Corruption and Political Development: A Cost-Benefit Analysis". In: *Political Corruption*, Heidenheimer and Johnston.

<sup>67</sup> Shils, Edward. "Political development in the New States". In: *Comparative Studies in Society and History*. Vol 2., No.3., 1960, p.279.

<sup>68</sup> Leff, Nathaniel. "Economic Development through Bureaucratic Corruption". In: *Political Corruption*, Heidenheimer and Johnston, p.310.

<sup>69</sup> Leff, Nathaniel. "Economic Development through Bureaucratic Corruption". In: *Political Corruption*, Heidenheimer and Johnston, p. 310.

<sup>70</sup> Gupta, Akhil "Narrating the State of Corruption". In: *Corruption*, Haller and Shore (eds.).

<sup>71</sup> Gluckman, Max. *Customs and Conflict in Africa*. Basil Blackwell, Oxford 1955, p. 135.

<sup>72</sup> Lovell, David. "Corruption as a Transitional Phenomenon". In: *Corruption*, Haller and Shore (eds.), p.78ff.

<sup>73</sup> Huntington, Samuel. "Political Order in Changing Societies". Yale University Press, 1968. "Modernization and Corruption". In: *Political Corruption*, Heidenheimer and Johnston, p.254.

<sup>74</sup> Lovell, David. "Corruption as a Transitional Phenomenon". In: *Corruption*, Haller and Shore (eds.), p.78.

<sup>75</sup> Huntington, Samuel. "Modernization and Corruption". In: *Political Corruption*, Heidenheimer and Johnston, p.254.

<sup>76</sup> Jakobi, Anja P. "The Changing Global Norm of Anti-Corruption: from bad business to bad government". In: *Zeitschrift für Vergleichende Politikwissenschaft*.

<sup>77</sup> Quah, Jon S.T. "Responses to Corruption in Asian Societies". In: *Political Corruption*, Heidenheimer and Johnston, p. 515.

<sup>78</sup> Eigen, Peter. "Field Reports: Combatting Corruption around the World". In: *Journal of Democracy*. Vol. 7, No.1, p. 158-68.

<sup>79</sup> Henderson, K.E. "Corruption: What can be done about it?". In *Demokratizatsiya*. Vol. 6, No. 4, 1998. As cited in Lovell, David. "Corruption as a Transitional Phenomenon". In: *Corruption*, Haller and Shore (eds.), p.70.

<sup>80</sup> Wolf, Martin. "Corruption in the spotlight". In: *Financial Times*. 16<sup>th</sup> Sept. 1997; Walsh, James. "A World War on Bribery: The Costs of Corruption Have Reached Earth-shaking Proportions, Prompting Herculean International Efforts to Clear Out the Muck". In: *Time Magazine International*. 22<sup>th</sup> June 1998.

<sup>81</sup> Walsh, James. "A World War on Bribery". In: *Time Magazine International*.

<sup>82</sup> Hutchcroft, Paul D. "The Politics of Privilege". In: *Political Corruption*, Heidenheimer and Johnston, pp. 49f.

<sup>83</sup> Paraphrased by Evans, Peter. *Embedded Autonomy: States and Industrial Transformation*. Princeton University Press, 1995, p.24.

<sup>84</sup> Tanzi, Vito. "Corruption around the World: Causes, Consequences, Scope, and Cures". In: *IMF Working Paper*, May 1998.

<sup>85</sup> Foucault, Michel. *Power/ Knowledge: Selected Interviews and other Writings 1972-1977*. Colin Gordon (ed.). Brighton, Harvester, 1980, p. 133.

<sup>86</sup> Sampson, Steven. "Integrity Warriors: Global Morality and the Anti-Corruption Movement in the Balkans". In: *Corruption*, Haller and Shore (eds.), pp. 105ff.

<sup>87</sup> Shore, Cris and Haller, Dieter. "Introduction". In: *Corruption*, Haller and Shore (eds.), p.19.

<sup>88</sup> Bello, Walden. "From Melbourne to Prague: the Struggle for a Deglobalized World". Talk delivered at a series of engagements on the occasion of demonstrations against the World Economic Forum (Davos) in Melbourne, Australia, 6-10 September 2000., <http://www.ratical.org/co-globalize/WB0900.html#p2>, accessed 27.4.2014.

<sup>89</sup> "The new age of crony capitalism". *The Economist*. March 15<sup>th</sup>-21<sup>st</sup>, 2014, p. 11; 54-55.

<sup>90</sup> "The new age of crony capitalism". *The Economist*. March 15<sup>th</sup>-21<sup>st</sup>, 2014, p. 11; 54-55.

<sup>91</sup> Sampson, Steven. "Integrity Warriors". In: *Corruption*, Haller and Shore (eds.), pp. 105ff.

<sup>92</sup> Mason, Paul. *Why it's still kicking off everywhere: The new global revolutions*. Verson, 2<sup>nd</sup> ed., 2013.

<sup>93</sup> Transparency International Corruption perception Index 2013, <http://cpi.transparency.org/cpi2013/results/>



,accessed 20.4.2014.

<sup>94</sup> Saxer, Marc. "In the Vertigo of Change. How to resolve the Political Crisis". Friedrich-Ebert-Stiftung Thailand, Bangkok 2011.

<sup>95</sup> Kanchanalak, Pornpimol. "Thailand is swerving towards the edge of a moral, political precipice". *The Nation*, 20.3.2014.

<http://www.nationmultimedia.com/opinion/Thailand-is-swerving-towards-the-edge-of-a-moral-p-30229607.html>

; Sophie Poulsen. "Moral Decline in Thailand? Why the Government Always get it Wrong?". Chiang Mai City News, 19.7.2013,

<http://www.chiangmaicitynews.com/news.php?id=2093>

,all accessed 24.4.2014,

<sup>96</sup> Dawson, Alan. "The BIG STORY: Happy New Year?".

*Bangkok Post*, 20.4.2014.

<http://www.bangkokpost.com/lite/topstories/405721/the-big-story-happy-new-year> ,accessed 21.4.2014.

<sup>97</sup> Nanuam, Wassana and Bangprapa, Mongkol. "Prayuth takes aim at TV monarchy debate". *Bangkok Post*, 20.3.2013.

<http://www.bangkokpost.com/lite/local/341395/prayuth-takes-aim-at-tv-monarchy-debate> ,accessed 21.4.2014.

<sup>98</sup> Trevor-Roper, Hugh. As cited in Heywood, Andrew: *Political Ideologies*. Palgrave Macmillan, London, 5<sup>th</sup> ed., 2012, p. 201.

<sup>99</sup> Heywood, Andrew. *Political Ideologies*. pp. 213f.

<sup>100</sup> Phasuk, Sunai as cited in Samabuddhi, Kultida: "Call to stop lese majeste witch hunts. Rights Group warns of massacre risk". *Bangkok Post*. 20.4.2014.

<http://www.bangkokpost.com/lite/topstories/405686/call-to-stop-lese-majeste-witch-hunts> ,accessed 22.4.2014.

<sup>101</sup> Philip, Bruno. "Redshirts in Isan, North-East Thailand, keep Faith with Benefactor Thaksin". *The Guardian*, 24.3.2014.

<http://www.theguardian.com/world/2014/mar/24/thailand-redshirt-movement-isan-activists> ,accessed 21.4.2014.

<sup>102</sup> Samabuddhi, Kultida and Jikkham, Patsara.

"Monarchists vow to fight 'armed threat'". *Bangkok Post*, 21.4.2014.

<http://www.bangkokpost.com/news/local/405808/monarchists-vow-to-fight-armed-threat> ,accessed 21.4.2014.

<sup>103</sup> Winichakul, Thongchai. "The 'germs': The reds' infection of the Thai political body". *New Mandala*, posted May, 2010,

<http://asiapacific.anu.edu.au/newmandala/2010/05/03/thongchai-winichakul-on-the-red-germs/> ,accessed 21.4.2014.

<sup>104</sup> "Unwelcome Rise of Hatred". *Bangkok Post*.

22.4.2014,

<http://www.bangkokpost.com/opinion/opinion/405982/unwelcome-rise-of-hatred> ,accessed 22.4.2014.

<sup>105</sup> Vanijaka, Voranai. "Purging the Thaksin Regime".

*Bangkok Post*. 12.12.2013,

<http://www.bangkokpost.com/opinion/opinion/384445/purging-the-thaksin-regime> accessed 22.4.2014.

<sup>106</sup> "Dangerous nonsense about parliamentary dictatorship". *Bangkok Post*. 10.12.2013,

<http://www.bangkokpost.com/opinion/opinion/384022/dangerous-nonsense-about-parliamentary-dictatorship>

, accessed 22.4.2014.

<sup>107</sup> Heywood, Andrew. *Political Ideologies*, pp. 207,211.

<sup>108</sup> Heywood, Andrew. *Political Ideologies*, p. 211.

<sup>109</sup> van Klaveren, Jacob. "Corruption as a Historical Phenomenon". *Political Corruption*. Heidenheimer and Johnston (eds.), p. 83.

<sup>110</sup> Pathom, Sangwongwanich. "TDRI urges budget audit, transparency". *Bangkok Post* , 24.2.2014,

<http://www.bangkokpost.com/business/news/396776/t dri-urges-budget-audit-transparency>; Erich Parpart.

"Amid clamour for 'reform', TDRI elicits practical suggestions to tackle economic, political woes". *The Nation*, 3.3.2014,

<http://www.nationmultimedia.com/business/Amid-clamour-for-reform-TDRI-elicits-practical-sug-30228167.html> ; Pathom, Sangwongwanich. "Appeal for budget watchdog New body would fight graft, say academics".

*Bangkok Post*, 10.4.2014,

<http://www.bangkokpost.com/business/news/404222/appeal-for-budget-watchdog> ,all accessed 24.4.2014.

<sup>111</sup> Outline of Nitirat's Constitution Draft, [https://docs.google.com/document/d/1iqT\\_D4a7cs474vYV7z8VFYXpfsvm50ZJHP42LuM0q1Q/edit?pli=1](https://docs.google.com/document/d/1iqT_D4a7cs474vYV7z8VFYXpfsvm50ZJHP42LuM0q1Q/edit?pli=1) ; Prach,

Panchakunathorn. "Thailand: What's so controversial about Nitirat's constitution draft?". *Siam Voices Blog*. 2.2.2012, <http://asiancorrespondent.com/75049/whats-so-controversial-about-nitirats-constitution-draft/> ; Aim

Sinpeng. "Nitirat: monarchy, constitution and democracy". *New Mandala*. 17.10.2011.

<http://asiapacific.anu.edu.au/newmandala/2011/10/17/nitirat-monarchy-constitution-and-democracy/> ,all

accessed 24.4.2014.

<sup>112</sup> Phusadee, Arunmas. "Graftbusters set to pitch proposals". *Bangkok Post*, 2.4.2014,

<http://www.bangkokpost.com/business/news/402937/gr a ftbusters-set-to-pitch-proposals> accessed 24.4.2014.

<sup>113</sup> Vanijaka, Voranai. "The United Fiefdoms of Siam".

*Bangkok Post*, 6.3.2014,

<http://www.bangkokpost.com/opinion/opinion/398478/the-united-fiefdoms-of-siam> ,accessed 24.4.2014.

<sup>114</sup> Tejapera, Kasian et al, Manifesto of the Assembly for the Defence of Democracy, 10.12.2013,

<http://prachatai.com/quote/2013/12/50353> accessed 7.5.2014.



<sup>115</sup> Saxer, Marc. "How Thailand's Middle Class Rage Threatens Democracy". First published in *New Mandala*. 21.1.2014, <http://asiapacific.anu.edu.au/newmandala/2014/01/21/middle-class-rage-threatens-democracy/>, accessed 25.4.2014.

<sup>116</sup> Marc Saxer, "Deepen democratisation to end crisis". *Bangkok Post*. 2.5.2014, <http://m.bangkokpost.com/opinion/407744>, accessed 2.5.2014.

<sup>117</sup> Saxer, Marc. "How Thailand's Middle Class Rage Threatens Democracy". First published in *New Mandala*. 21.1.2014, <http://asiapacific.anu.edu.au/newmandala/2014/01/21/middle-class-rage-threatens-democracy/>, accessed 25.4.2014.

<sup>118</sup> Walker, Andrew. *Thailand's political peasants: Power in the modern rural economy*. University of Wisconsin Press, Madison, Wisconsin, 2012; Mishra, Pankaj. *From the Ruins of Empire: The Revolt Against the West and the Remaking of Asia*. Picador, 2013.

<sup>119</sup> Saxer, Marc. "Deepen democratisation to end crisis", *Bangkok Post*, 2.5.2014, <http://www.bangkokpost.com/opinion/opinion/407744/deepen-democratisation-to-end-crisis> accessed 7.5.2014.

<sup>120</sup> Saxer, Deepen Democratization.

<sup>121</sup> Pitsuwan, Surin. "Serious reform: A seven-point proposal", *Bangkok Post*, 5.5.2014, <http://www.bangkokpost.com/opinion/opinion/408152/serious-reform-a-seven-point-proposal> accessed 7.5.2014.

<sup>122</sup> "คำวินิจฉัยศาลรัฐธรรมนูญที่ 15-18/2556" [Constitutional Court Decision No. 15-18/2556] (PDF). Government Gazette (in Thai) (Bangkok: Cabinet Secretariat) 131 (5 A): 1-132.

<sup>123</sup> General Sonthi Boonyaratglin. TV address. 20.9.2014, [http://en.wikipedia.org/wiki/2006\\_Thai\\_coup\\_d%27%C3%A9tat](http://en.wikipedia.org/wiki/2006_Thai_coup_d%27%C3%A9tat)

<sup>124</sup> Kaemala. "Constitutional amendment and the guardians of Thai democracy – Part 1: Constitutional Court and constitutional amendment". <http://asiancorrespondent.com/113100/constitutional-amendment-and-guardians-of-thai-democracy-part-1/>, accessed 21.4.2014.

<sup>125</sup> Constitutional history of Thailand, Constitution.net, International IDEA, <http://www.constitutionnet.org/country/constitutional-history-thailand>, accessed 21.4.2014.

<sup>126</sup> Kaemala. "Constitutional amendment and the guardians of Thai democracy – Part 1: Constitutional Court and constitutional amendment". <http://asiancorrespondent.com/113100/constitutional-amendment-and-guardians-of-thai-democracy-part-1/>, accessed 21.4.2014.

<sup>127</sup> Saxer, Marc. "To overcome Thailand's deadlock, a democratic anti- corruption discourse is needed", In: Australian National University College of Asia and the Pacific, *New Mandala*, upcoming May 2015, <http://asiapacific.anu.edu.au/newmandala/>.

<sup>128</sup> Nanuam, Wassana. „Military waits as political ways out near dead end“, *Bangkok Post*. 8.5.2014, <http://www.bangkokpost.com/opinion/opinion/408669/> accessed 8.5.2014.

<sup>129</sup> Wongsatayanont, Chanon and Chan, Cattleya and Kurz, Sopaporn. "Thai protests against amnesty bill spread to other countries", *The Nation*, 9.11.2013, <http://www.nationmultimedia.com/politics/Thai-protests-against-amnesty-bill-spread-to-other-30219115.html>; Corr, Anders. "Election Boycott will Weaken Thailand's Democrat Party and the PDRC", *Journal of Political Risk*, Vol. 1, No. 8, December 2013, <http://www.jpolorisk.com/election-boycott-will-weaken-thailands-democrat-party-and-the-pdrc/>, accessed 6.5.2014.

<sup>130</sup> Saxer. „To overcome Thailand's deadlock“.

<sup>131</sup> McCargo, Duncan. "The Thai Malaise". *Foreign Policy*. 18.2.2014, <http://www.foreignpolicy.com/articles/2014/02/18/the-thai-malaise>, Paul Chambers, "Thailand in 2014: A Democracy Endangered by Juristocracy?". 3 April 2014, <http://www.fairobserver.com/article/thailand-democracy-endangered-juristocracy-69712>, both accessed 17.4.2014.

<sup>132</sup> In the "rice pledging" case, the Anti-Corruption Commission (NACC) investigates malfeasance in office charges against the Prime Minister. The Constitutional Court (CC) ruled the legislative bill to empower the Finance Ministry to seek two trillion baht in loans for infrastructure development projects violated Art. 160 and 170 Charter for lacking details and accountability. B2trln Infrastructure bill ruled unconstitutional". *Bangkok Post*. 12.3.2014, <http://www.bangkokpost.com/news/politics/399515/constitution-court-rules-against-b2-trillion-transport-infrastructure-bill>; The CC ruled the amendment of Art. 190 Charter (ratification of international treaties) violated Art. 68 Charter for bypassing the legislature, "Constitutional Court rules against Article 190 amendment bill". *The Nation*. 8.1.2014. <http://www.nationmultimedia.com/breakingnews/Constitutional-Court-rules-against-Article-190-ame-30223777.html>; Chomchuen, Warangkana. "Thai Court Rules Against Constitution Amendment". *Wall Street Journal*. 20.11.2013. <http://online.wsj.com/news/articles/SB10001424052702303653004579209584204486364>; "Constitution Court throws out Section 190 amendment". *Bangkok Post*.



8.1.2014.

<http://www.bangkokpost.com/news/local/388593/constitution-court-throws-out-section-190-amendment> ;

After the CC ruled the Amendment to make the Senate fully elected violated Art. 68 Charter by “destroying checks and balances”, the NACC National Anti-Corruption Commission (NACC) pressed charges against 308 former MPs and senators of misconduct in connection with the charter amendment and recommended to impeach the Senate Speaker for abuse of authority, “Nikhom forced to step aside Senate Speaker faces impeachment probe”. *Bangkok Post*. 21.3.2014.

<http://www.bangkokpost.com/news/politics/400953/senate-speaker-nikhom-wairatpanich-ousted-to-face-impeachment-trial> ;

The Election Commission is looking into the violation of election law by using state resources for election campaigns; Laohong, King-oua and Bangprapa, Monkol. “EC tables talks on broken laws”. *Bangkok Post*. 14.3.2014.

<http://www.bangkokpost.net/news/local/399796/ec-tables-talks-on-broken-laws> , all accessed 21.4.2014.

<sup>133</sup> UNODC. “United Nations Convention against Corruption, Convention highlights”.

<http://www.unodc.org/unodc/en/treaties/CAC/convention-highlights.html#Criminalization> ,accessed 19.4.2014.

<sup>134</sup> Persson, A. , Rothstein B. and Teorell, J. "Why Anticorruption Reforms Fail—Systemic Corruption as a Collective Action Problem". *Governance*. Vol. 25, No. 4, 2012; Debiel, Tobias and Garwich, Andrea, (eds.). “(Dys-)functionalities of corruption”. Johnston, Michael. *Corruption, Contention and Reform. The Power of Deep Democratization*. Cambridge, Cambridge University Press, 2014.

<sup>135</sup> Acemoglu, Daron and Robinson, James A. *Why Nations Fail: The Origins of Power, Prosperity and Poverty*. 1<sup>st</sup> ed. New York, Crown Publishers, 2012, p. 107.

<sup>136</sup> Sampson, Steven. “Integrity Warriors”. In: *Corruption*, Haller and Shore (eds.), p.127.

<sup>137</sup> Fukuyama, Francis. *The Origins of Political Order*, p. 251.

<sup>138</sup> Saxer, Marc. “Deepen democratisation to end crisis”. *Bangkok Post*. 2.5.2014, <http://m.bangkokpost.com/opinion/407744> ,accessed 2.5.2014.

<sup>139</sup> Johnston, Michael. *Corruption, Contention and Reform*, pp. 3f.

<sup>140</sup> Lovell, David. “Corruption as a Transitional Phenomenon”. In: *Corruption*, Haller and Shore (eds.), p.79.

<sup>141</sup> Persson, A. , Rothstein B. and Teorell, J. "Why Anticorruption Reforms Fail ". In: *Governance*.

<sup>142</sup> Khan, Mushtaq. “Patron-Client Networks and the Economic Effects of Corruption in Asia”. In: *Political Corruption*, Heidenheimer and Johnston.

<sup>143</sup> Michael Johnston. “Corruption, Contention and Reform”, p. 29.

<sup>144</sup> Khan, Mushtaq. “Patron-Client Networks and the Economic Effects of Corruption in Asia”. In: *Political Corruption*, Heidenheimer and Johnston.

<sup>145</sup> Johnston, Michael. *Corruption, Contention and Reform*, p. 1ff. Similar Acemoglu, Daron and Robinson, James A. *Why Nations Fail*.

<sup>146</sup> Johnston, Michael. *Corruption, Contention and Reform*, pp. 4f.

<sup>147</sup> Ostrom, Elinor. *Governing the Commons: The Evolution of Institutions for Collective Action*. New York, Cambridge University Press, 1990. As cited in Johnston, Michael: *Corruption, Contention and Reform*, p. 5.

<sup>148</sup> Johnston, Michael. *Corruption, Contention and Reform*, p. 4.

<sup>149</sup> Sampson, Steven. “Integrity Warriors”. In: *Corruption*, Haller and Shore (eds.), p.113.

<sup>150</sup> Sampson, Steven. “Integrity Warriors”. In: *Corruption*, Haller and Shore (eds.), pp.105,110.

<sup>151</sup> Sampson, Steven. “Integrity Warriors”. In: *Corruption*, Haller and Shore (eds.), p.110.

<sup>152</sup> Saxer, Marc. “How can Thailand overcome its transformation crisis? A strategy for democratic change”. Friedrich-Ebert-Stiftung Thailand, Bangkok 2012.

<sup>153</sup> Saxer, Marc. “How can Thailand overcome its transformation crisis?”.

<sup>154</sup> Blom, Philipp. *The Vertigo Years*. Basic Books, 2010: Priestland, David. *Merchant, Soldier*, Sage.

<sup>155</sup> Gareth Sweeney at the European Parliament DROI Committee’s workshop on “Corruption and human rights in third countries”.

<http://www.transparencyinternational.eu/2013/03/shiftng-perspectives-corruption-is-a-human-rights-issue/> ,accessed 27.4.2014.

<sup>156</sup> Saxer, Marc. *The Economy of Tomorrow. How to produce socially just, resilient, and green dynamic growth for a Good Society*. Economy of Tomorrow series, FES Thailand, 2<sup>nd</sup> edition, December 2013, <http://library.fes.de/pdf-files/bueros/thailand/10550.pdf> accessed 5.5.2014.



---

**Marc Saxer** is the Resident Director of Friedrich-Ebert-Stiftung Thailand and founding member of the Asian-European 'Economy of Tomorrow' project.

---

Friedrich-Ebert-Stiftung  
Thailand Office

Thanapoom Tower, 23rd Floor  
1550 New Petchburi Road,  
Makkasan Ratchathewi,  
Bangkok 10400  
Thailand

Responsible  
Marc Saxer, Resident Director  
Tel: + 66 (0) 2652 7178  
Fax: + 66 (0) 2652 7180

E-mail: [info@fes-thailand.org](mailto:info@fes-thailand.org)  
[www.fes-thailand.org](http://www.fes-thailand.org)