

Citizen Mobilization in the Fight Against Corruption: The Case of Health Care Funding in Thailand

by Somphon Potisophon
Chairman, ThinkCentreAsia

*This paper was written for the OPEN GOVERNMENT FORUM held in
Seoul, Korea on 6-7 February 2003. Organized by OECD, Public Management Office*

Abstract

On 9 October 2001, Mr. Jirayu Jarastsatien and Mr. Narongsak Hengchaisri, Advisor to former Deputy Minister of Public Health and Personal Advisor to former Minister of Public Health were the first politician to be found guilty of corruption by the National Counter Corruption Commission since its creation under the new constitution four years earlier.

This case study will examine an historical case of citizen mobilization to fight corruption by 30 non-government organizations, media, and local businesses against an organized and widespread corruption that reaches the ministerial level to the low-level bureaucrats in the Ministry of Public Health (MoPH) in the Kingdom of Thailand. The paper will first examine the systemic corruption of medicine and medical supply procurement, citizen's mobilization to expose and fight corruption, and key factor in the success of the movement as well as the reform that follows. We will also examine other circumstantial evidences that were not considered in the trial process of the National Counter Corruption Committee as well as their fault in the case. The difficulty of the Prime Minister in a weak coalition to solve the matters as the scandal was perform by another coalition party also makes the investigation slow and lack substantial reform.

It is a historical case that cause great disturbances to the public at large simply because is was committed in cooperation of medical doctors, a profession highly regarded and accepted in the community as one that is high in virtual and ethics. The budget in question is 1.4 billion Baht "Health Care Welfare Program for the Poor and Disadvantaged". Prime Minister Chuan Leekpai of the Democrat Party was the leader of the weak coalition government at the time.

August 1998, at the height of the Asian Crisis, Mathichon daily newspaper print a letter sends by "Poor Bureaucrat" about community hospital being force to purchase overpriced medicine and medical supply from certain company using 1.4 billion Baht supplemental budget, which was meant to be distribute to provincial and district hospitals to repay their pharmaceutical debts and/or to purchase medicine. Two days later, Dr. Yongyut Thammayuth, at the time Chairman of Rural Doctors Foundation, Dr. Wichai Chokwiwat, Scholar from Department of Disease Control and former Chairman of the Rural Doctors Foundation confirm corruption in medicine and medical supply procurement process. Permanent Secretary of MoPH denial such allegation and said that no one can force Provincial Doctors and Managing Directors Community Hospitals to purchase any thing.

From this point on many former Chairman of the Rural Doctors Foundation come out and confirm the story along with strong denial from the ministry. Formal request from the Foundation were sent to the Prime Minister to set up an investigation committee to look in to the matter specifying 2 politicians and 3 high-ranking bureaucrats as the mastermind behind the scandal.

While there was still no answer from the government, the media continues its investigation in more detail; their stories encouraged senior doctors in the ministry to confirm that political office holder was behind the scandal. Rural Doctors Foundation and Rural Pharmacist Foundation

continue mobilizing their fight through radio and television and distribute questionnaires to gather more information on the matter. At this point, a reliable and independent poll shows that eighty percent of the people believes that the accusation is true. Permanent Secretary of MoPH claims that the two Foundations mobilized because their 10% commission was lost. 30 more NGOs join the movement and got their first chance to test the new Constitution that support public participation. Their demands were simple, the ministers must resign and the wrong doer must be punished.

Description of Issue

In 1997, Thai Parliament passed the new people's constitution that will allow public participation and scrutiny in the government's affairs. The major contribution from the new constitution to this case are: National Counter Corruption Committee which allows investigation of political office holder, compare to the previous law that was geared towards bureaucrats; Freedom of Information Act; and Article 303 and 304 allowing 50,000 signatures to remove political office holder from his post.

Although this movement by the citizen mark a success in the fight against corruption, it is merely a part of over 30 years struggle for health care reform by the Rural Doctors Foundation and several other non-government organizations. Thought this is the first time in Thai history that corruption was exposed, supported, with continuous pressure and systematically organized by the public against high-level politicians and high-ranking bureaucrats. An extra ordinary case that started with those in side the organization, and previously involved in the scandal.

Thailand corruption scandals deal with either systems operating inside the departments of ministry to siphon funds or extortion in a systematic way and redistribute it across the board or it is schemes by politicians for kickback from large-scale contracts or expenditure. The case of health care funding introduced new and alarming method involving cooperation and collusion between politicians and high-ranking officials. It is a case where the ministers made a crucial change in the regulations and the officials implement the system to inflate the price. Everyone profited. This collusion is important to study because it makes it more difficult to expose and oppose. As long as the politician and bureaucrat sticks together, it is very difficult to uncover any real evidences and instigate an honest internal investigation. Various smokescreen of investigative committee, political tactics and loophole in the rules and regulation will allow the wrong doer to get away from prosecution for lack of evidences.

Corruption inside the ministry of pubic health has been going on since its creation. As Thailand economy developed, demands for better health care rises. This leads to increase budget for construction and procurement, very attractive to low income officials. Corruption in the ministry is also a tool for officials to favor the politicians for career advancement, as it is customary in Thai politics of coalition government, each political party specialized in specific sector.

To understand why in this case, the NGO were able to mobilize the society, we must examine the extent of the scandals.

Systemic corruption of medicine and medical supply procurement

Cancellation of the Ministry Median Set Price for Procurement

On 15 December 1997, Minister Rakkiat Sukthana announced that the ministry would stop using the median set price used for procuring medicine and medical supply. The median set price, in normal situation, should reflex the highest market price of the products or services. He sited the reason was the result of the flotation of the Baht currency causing its devaluation as well as the 3% increase in the Value Added Tax in September of the same year. This caused the price of some medicine to be much higher than the median set prices in the ministry list, marking the beginning of the large-scale corruption and the biggest shake-up in the ministry.

His act brought on many criticisms from people in the ministry and experts in the sector. They collectively stated that the price of only few medicines and medical supplies rises, and at much lower level than the devaluation of the currency because most medicine on the list is produce locally. The ministry still has the rights to purchase 20% of the medicine and medical supply by not referring to the ministry's list. If urgency arises, each hospitals still has budget that can go towards purchasing these supplies without the restrictions of the ministry's budget. In the past, when certain price of medicine or medical supply become higher than the set price, the ministry has the right to have an open bidding and readjust the median set price. Critic claims that there was not enough reasons for the cancellation of the median set price by the minister, though there may be problem to procure certain medicine, there are many ways to go about getting what was needed.

Channeling of Health Care Welfare Program for the Poor and Disadvantaged

Earlier in the 1998 fiscal year (which begins in September 1997), the Parliament approved 9.5 billion Baht for the "Health Care Welfare Program for the Poor and Disadvantaged", it is the biggest general fund in the ministry. This budget was cut twice to 7.0 billion. Later that same year, the government successfully persuaded the IMF to relaxed its fiscal requirement and 1.4 billion Baht was return to the program.

Minister of Public Health at the time, Rakkiat Sukthana, proposed to the Cabinet to channel this supplemental budget to provincial and district hospitals to repay their pharmaceutical debts or to procure medicine. Later, the minister added the word "and medical supply" to the proposal.

The channeling of the funding sends alarming signals to those involve in the budget allocation in the ministry as well as Dr. Yongyut Thammayuth, Chairman of Rural Doctors Foundation. He argue that the funds should be decentralized and sends out to their respected agencies around the country instead of being held at the ministry. Dr. Yongyut immediately sends out a letter to the Foundation's members to keep an eye on the usage of this fund. If the funding were send to the locals hospital, the decision making would have to be done by a board which consists of member of the provincials health departments, citizen representative of the community, and member of the local press, making the usage of fund more transparent and involve local participation.

By being able to channel the funding to be in control of the ministry, and with cancellation of the median set price for procurement, political office holders were able to force their deputies in the province to purchase a highly overpriced medicine and medical supply, up to 1220% times, from 5 specified companies.

The method of the scandals was: the provincial health department purchase the medicine and medical supply and sends to the local hospitals; The Government Pharmaceutical Organization purchased from specified companies for the hospitals; provincial health department transfer the money to the hospital and require 5 – 50% kickback and sends medical supplies to hospital that

did not requested it; some hospital received funding to purchased medicine and medical supply, but use the channeled funds to purchase from the specified companies instead.

These two acts of policy and procedure changes allow for great corruption in the ministry. Outcry pour from the public for immediate investigation. The ministry succumbs to the public demands and set up an investigative committee to investigate the 5 provinces discovered initially. The committee member was changed several times, as the public did not accept them. The final set was lead by Dr. Banlu Siripanich, Senior Doctor and former Permanent Secretary of the Ministry. The committee was ordered to finish its investigation within 20 days.

Findings of the first investigative committee and actions taken by the government

There were strong evidences and witnesses to indicate that there are corrupt practices in the procurement of medicine and medical supply by some provincial health department and hospitals. The corruption is lead by certain politician close to the minister and officials who suggesting, guiding, ordering through various non-written means, to public health doctors in many provinces to cooperate in purchasing medicine and medical supplies from recommended companies and shops at higher than normal prices which could credibly lead to illegitimate interest.

These acts includes the one that was finalized, in the process and stopped at the time of investigation and some that did not received cooperation from the local officials due to procedures obstacles or ethical reasons. Using the Median Set Price, 111 items was found overpriced up to 1220%. The committee made recommendation to the ministry that the procurement process needs reform to be more transparent and easily scrutinize and set up an independent committee to punish the wrong doer. These findings were then forwarded to the Counter Corruption Commission at the time.

Counter Corruption Commission investigation in to the matter was separated in to two parts.

1. Permanent Officials. With knowledge of the channeled funds, Deputy Permanent Secretary Mr. Yingkiat Pisarnachapong and Director of Provincial Heath Department Mr. Vorayuth Jiarasathawong took advantage of the cancellation of Median Set Price for procurement by ordering their deputies in the province to purchase medicine and medical supply from set of companies provided. Both were found to be guilty of corruption.
2. Political Office Holder. There were strong evidence and witness that Mr. Jirayu Jarastsatien and Mr. Narongsak Hangchaisri, Advisor to Deputy Minister of Public Health and Personal Advisor to former Ministry of Public Health collude with officials to take advantage of the state and demand 15% commission of the channel fund. The meeting took place on their official visits to the southern part of Thailand. In their hotel room, they made several phone calls to Provincial Health Chief and made the deal. But because of the exposure of the scandal, the fund was return and the order did not follow through. Both were found guilty of corruption.

The CCC, with no power to prosecute or punish corrupt officials must forward the findings to the Prime Minister for further action. Another committee was then set up to consider what action to be taken as the result of the CCC's finding. Two ministers from Social Action Party resigned as the details of the investigation were released, 2 advisors to the minister were charged in criminal court and was found guilty and now serving six years prison terms, Permanent Secretary of the

minister was transfer to an inactive post, 7 high-ranking officials was dismissed, 23 officials received 'minor' breach of discipline. Social Action Party, long time political party that specialized in the health care sector, is abandoned by its members and today lacks any substantial credits in the eyes of the public.

The CCC investigation was conducted like a police investigation and court proceedings that requires tangible evidence such as official documents and witnesses. There were also not able to determine that the scandal was systematic and rises all the way to the minister level. The CCC did not consider that both advisors were long-time associates of the minister, and that the channeling of the funds and cancellation of the median set price facilitated the scandal.

New Minister of Public Health took office after the resignation of Mr. Rakkiat, also from another coalition party. Minister Korn Dhapparansri set up another committee to investigate further in to the matter on the part of the Government Pharmaceutical Organization purchases in the scandal and found that the scandal reaches 34 more provinces costing 105 million Baht in damage and involve the chief director, deputy chief director, 2 purchasing director and logistic director of the organization.

The Government Pharmaceutical Organization (GPO) argue that it was not their duty to scrutinized the pricing or conduct the procurement process of the order in question. They were merely serving the request of other departments.

Because the minister only has direct authority with the Permanent Secretary, the investigation was forwarded to him, as he is the chairman of the GPO's board. Another investigative committee (GPO internal) was then setup and their findings contradict the minister's committee's result.

GPO's internal investigation found that their officials cannot be faulted as the responsibility of price stabilization belongs to the ministry of commerce, not theirs. They can only sustain the price of medicine or medical supply that they produce. It was also not their duty to investigate the specified companies requested by other agencies for the purchase. It was also in their rights to send the supplies directly to the end users in the provinces. The committee also added the devaluation effect to the Median Set Price and found that only 11 items was over priced (from 111 items in the original finding) and at the rate of only 81% above (from original 1220%). The committee did not consider the fact that the same medicine purchased from the same company with different prices was send to hospitals around the country. The findings from this committee cause widespread criticism in the community. It clearly shows that there was protecting their own peers.

Altogether 8 committees was setup to investigate this scandal after the initial committee lead by Dr. Banlu, and all their findings was that there were no corruption in the Government Pharmaceutical Organization, but there were breach in procedures and regulation and some officials was punish with 'minor' breach of discipline. Critics argue that it was the same scandal leads by the same group of people, so the findings and the punishment of the corruption acts founded in the initial 5 province and in the 34 provinces discovered afterward should not differ. There were no attempts on the part of the government to pursue further investigation of other politicians involve or to reform the public health sector.

On the November 9, 2001, the Rural Doctors Foundation and the Rural Pharmaceutical Foundation submit the request to the NCCC for further investigation under the changes in the rule of game provided by the new constitution.

Citizen's mobilization to expose and fight corruption

Although this mobilization by the non-government organization, people in the public health sector, and the press was successful, the role the press play was just as a reporter, no investigative effort was done on their part.

In this case study, we will look at the movement in 2 parts. The movement by the people in the public health sector with the Rural Doctors Foundation and Rural Pharmaceutical Foundation as the spearhead. Second, the mass movement by coordination of 30 NGOs against the scandal.

Rural Doctors Foundation and Rural Pharmaceutical Foundation

These two foundations have a lot of limitations when it comes to exposing corruption of their peers, as the members are government officials in the ministry of public health. Their roles are some time set by their superior inside the ministry which make it hard for them to scrutinize or go against the will of their superior.

By exposing the corruption, they risk their own career, as they were also involved from the beginning as the main mechanism of corruption by non-written orders from their superior. This means that if caught, they will be the only one responsible.

They had 3 choices:

1. Cooperate in the corruption, receive their share of the kickback and continuously advance in their career;
2. Refuse to cooperate and risk being transfer far from home with slow advancement in their career; or
3. Publicly expose the scandal, risking their life, risk assets investigation, uncertain of the public reaction and losing friends and ally in the ministry.

The first public exposure by the member of the Rural Doctors Foundation lack credibility as it was done through the newspaper unanimously. Their second attempt on 10 August 1998, Mathichon newspaper ran an interview with former Rural Doctors Foundation revealing high-level corruption in the ministry. Four days later, at the time Rural Doctors Foundation chairman at the time gave a press conference confirming the news story that the ministry is procuring supplies 2-3 times about market price.

Although in the eye of the public, corruption in the government is nothing new. What made this case disturbing to the people is that, it happens in the profession that they highly respect and regarded. The fact that it happens in the rural area around the country in extremely low-income communities by doctors whom they trusted builds more pressure from the people for the government to take action.

Rural Pharmaceutical Foundation members consisted of pharmacist in the community hospital duties including purchasing and stocking medicine and medical supplies in accordance to the demand and budget. This scandal directly affected the credibility of their profession. Their research found that 3-4 years previous, the purchase of overpriced supply only occurred in certain

area and not a widespread problem. In 1998, it became a national problem and they feel that they must take action. The Foundation then joined up with Rural Doctors Foundation in their fight, though their role was limited and not as clear.

The reasons Rural Doctors Foundation and Rural Pharmaceutical Foundation to expose the scandals are:

1. The scandal is systematic corruption that extends from top-level management all the way to the bottom and it occurs during the worst economic depression the country is facing.
2. They were being forced to be part of the corruption that is both ethically wrong and against the law. By cooperating the first time, they cannot refuse in the future and must remain part of the corrupt system.
3. Corruption leads to position buying in the ministry. Often unqualified persons get promoted and cause many obstacles for the people in their profession.

They realized that their profession and perception and those that are corrupt is hard to distinguish in the eyes of the public. To succeed, they had to do 2 things:

1. Gather as much information and facts as much as they can as well as analyzed the process of this scandal, technical information, regulations loopholes and its effect on the people. Also the extent of those involved in the scandals to show to the public the seriousness of the problem.
2. They must create strong publicity to support their movement. It must be coordinated and continuous as well as interesting in the eyes of the public.

They begin with collecting, from around the country, order forms, invoice, inventory list, etc. and systematically present the evidence to the public. Questionnaires were sent out to their members and community hospital around the country. The first set of questionnaires was sent out prior to the first news story. The result was that 90.7% of the respondents' claimed that corruption exists in the procurement process. Same questionnaire sent out a week later after the story came out and only 39.7% of the respondents' claim corruption exists. Two reasons this may occur: 1. Increase pressure from their superior to cover up the scandal. 2. Cancellation of orders in questions.

At the same time, they were convincing witness and those involved in the scandals, by means of being ordered by their superior, to come out and confirm their story and started a campaign called "Payan pan-din", which means sovereign witness.

The Foundations contacted the attorney general office to obtain immunity for those that are willing to testify. The attorney general office refused their request indicating that if they are part of the scandal, they must also be tried. So the Payan Pan-din campaign was a failure and no more witness came out with evidence to support their movement.

At this point their campaign received a lot of attention, but due to their status as government officials, working hours, and limited personnel, it was hard for them to continuously put pressure on the government. They also feel that the pressure should come from the public at large. Cooperation with local radio and polling organization was made, but they processes the same limitations and may only provide short period pressure.

The Foundations approach Campaign for Popular Democracy (www.thaidemocracy.org), a 22 years old organization, who is very active and highly regarded in Thai society. They has a stronger network and more staff, still it was not enough to mobilize the society in this case.

Coordinating committee of 30 NGOs

It was decided that the work needed the help of NGO Coordinating Committee for Development (NGO-COD) that consists of 30 NGOs in various sector and nationwide network.

The Foundations was responsible for the evidences and witness that was needed and the NGO-COD will be responsible for coordinating internally and with the press to built greater pressure on the government. Consumer Protection Foundation will act as secretariat of the committee. Mrs. Rosana Tositrakul was name the leader of NGO-COD at the time gave press conference and demanded four actions to be made by the government:

1. The committee that was set up by the ministry to report directly to the prime minister, increase in their investigative authority, independent in their decision making as well as their rights to disseminate information to the public.
2. The Government must provide immunity to the whistle-blower and others that came out to testify and provide evidence against those who gave the orders.
3. Demand that the minister and his deputy to resign.
4. Demand that the Permanent Secretary and his deputy to resign so they may not influence the investigation.

She stated that if these demands were not met, NGO-COD would seek 50,000 signatures as required in the Constitution article 304 to remove the minister from his post. The first two demands were aimed at the prime minister to take action and show his sincerity to solve the problem. The last tow was aimed at the minister and officials to take responsibility for their wrongdoing.

Article 304 of the constitution has never been tested or even trial. The government never set regulations on how the signatures were to be collected and used. It was a very difficult and tiring task, as many NGOs have to stop their activities completely just to gather signatures.

Surprisingly, the public support exceeded the expectations. Funds were pouring in, free printing was offered, volunteer gather to help, and more leads about corruption were sent to support the movement.

Within two months, NGO-COD was able to gather 52,554 signatures. At mid-point of the signatures drive, the ministers resigned making it harder for them to gather more. The public turned around and asked the committee what was the point to continue as their demand on this part was met.

The result of this 2 months campaign created strong public awareness and extent of the problem. Continuous public discussion was made to better understand what was going on, technical problems including laws, printed flyers were distributed. Many newspapers jumped on the ban-wagon as public interests intensify, which increase their sales as well as helping the campaign.

NGO-COD then had to go back to the drawing board and reposition their campaign. It was decided that they must continue since the resignation is not a punishment of the wrongdoer. The 50,000 signatures were then used to force the government to trial politicians and officials on the following account:

1. To convict the minister for canceling the Median Set Price. By law, it was not within his authority to do so, the authority belongs to the Office of the Prime Minister.
2. To convict the deputy minister for negligence by allowing his advisor to mastermind the scandal as founded by the investigating committee.
3. To convict Permanent Secretary as he once admitted knowing about the scandal but did not take action on grounds of negligence.

NGO-COD also put pressure on other government agencies that would be part of the investigation and to trial the accused. They demanded the minister to be considered in the investigation of the scandal, allow non-governmental organization, consumer protection organization to take part in the procurement process, and investigate management of the companies involved.

Freedom of Information Act

Following the investigation and decisions by the Counter Corruption Commission, faulting the advisors to the ministers and several officials but did not touch upon the ministers or the permanent secretary, NGO-COD seek to see the CCC's report. It was at first refused but later allowed once they refer to the Act.

As the result of publicized ruling stating the permanent secretary was not part of corruption but only minor negligence, he began pressing defamation of character charges, which is a criminal offence in Thailand, on Mrs. Rosana and several doctors who accuse him during the campaign. Mr. Surasee Kosolnawin, director of government information office was transferred for disclosing the CCC ruling without clear reasons.

Factors for success

Internal factors

What makes ministry of public health unique is that it consists of several independent professional associations. This means that they can use their skills to work with the government or for private business. Each professional association is in charge of their peers' ethical conduct, acting as license issuer and regulator. They have their own way of management and rarely will they allow bureaucratic system to interfere in their internal activities. The association is thus then not bureaucratic and their activities are geared towards social work.

Internal strengths of people in the public health sector:

1. Long history of fighting for reform, exchanging views and highly educated individuals. They are highly active in participation and since their profession is highly regarded in the society, they have high sense of pride.

2. Wide coverage of network on both horizontal (among their own peers through out the country) and vertical (with other senior or subordinate group around the country).
3. Its independent from bureaucratic system and lack of interest for power in the system.
4. Strong ideology for public health development and social movement without interest in politics.
5. Medical students on scholarship are required to work in the provincial or community hospital for a certain period, exposing them to the people and automatically become members of the rural foundations.

External factors

At the height of the economic crisis, budgets for large project construction and expensive equipments were drastically cut. At the same time, budget for medicine and medical supply was increase because people are now using government hospitals service more and more. Lack of supply is often the main problem in the province during the crisis. Corrupt politicians and officials thus turn toward supply budget for their interest. Extremely high procure price of medicine was sold at cost, still extremely high for trouble people in crisis.

The cost of high price was obvious to the doctors who has to face their patients daily as the procurement was done by central agency, they knew right away who was responsible for adding more suffering the their patients. It was a strong motivation for the doctors to get together and seek a solution.

The new constitution as mention earlier contributes greatly in this case that includes the creation of NCCC, Freedom of Information Act, and Article 304.

Following the 1992 military coup, radio and television has gone a major reform. New independent television channel was created, freed from government intervention. All mass media ran continuous stories of the scandal keeping the public interest and pressure.

Outcome of the citizen mobilization

1. It proves that the public is willing to participate and that legal and institutional mechanism work as it is intended, even though they were not able to convict the minister and permanent secretary.
2. This successful case added more strength to people in the health sector in their 30 years struggle for public health reform.
3. It proved that, with coordination, NGOs could expand their network and mobilize the whole society against corrupt politicians and officials.
4. It provides a lesson for the public and NGOs what factors are required for a successful mobilization.
5. Because this mobilization is a defensive measure against corruption, it was not able to create any substantial reform in the public health sector.

6. The creation of Public Media Against Corruption Funds, Institution for Rural Development, and Citizen's Network Against Corruption.
7. Later in 1998, ministry of Finance issue Regulation on Funding of the Health Care Welfare Program for the Poor and Disadvantaged. The regulations require more than 97% of the fund distributed to each province based on the number of eligible population (i.e., capitation).
8. MoPH set up a board responsible to set up rules and regulations for budget allocation and to devise a payment scheme for inter-province referrals. This board is made up of high-ranking administrator, representative from eligible group, media, and MoPH's provincial and district officials.

Background and History

Corruption in Asia may differ from elsewhere as not in the scale but the pervasiveness. It is the legacy of the old culture (Phongpaichit, 1999). Modern states tolerate corruption because it allows them to pay their bureaucrats less. Politicians tolerate and resist anti-corruption measures to ensure the flow of income to party members and their war chest for the next election. In late 1997 Thailand acquired a new people's constitution. This new constitution, some time called anti-corruption constitution, has many provisions to combat corruption and creates several new independent institutions such as the administrative court. In the past, Thailand lacked laws and institutions for challenging corruption. The previous counter corruption agency is nothing more than paper tiger with no access to prosecute political office holder. Of all the scandals, only small number of officials, and only the low level or scapegoat had been caught and found guilty and are often punished with 'minor' breach of discipline and retain their jobs. Since its establishment in the mid 1970s, it had only once succeeded in confiscating property from one senior official from a grand corruption scandal. Few politicians were force to resign, and that in itself a new phenomenon in Thai politics. And before we know it, they are right back in the same office after the election.

The new National Counter Corruption Commission (NCCC) was also created by the new constitution and for the first time, it provides mechanisms for impeachment of officials and political office holder who are found to be corrupt, as well as mechanisms for their criminal prosecution.

Without social pressure for enforcement, anti-corruption laws will remain a paper tiger. Public pressure is important in countries where corruption by politicians and officials is part of a culture. Recent years, there has been a phenomenon of exposing corruption scandals in Thai society such as the Salween log scandal, edible fence, Kanchanaburi and Si Nakharin dam, rice support scheme, new airport landfill, and recent fake compost scandals. The upsurge of scandals in recent years has three main causes.

First, the economic depression made people less tolerant of corruption, especially businesses who made regular payment are now facing unnecessary higher cost to their already failing business. This instigated their first attempt (and failed) to cut down bribes at the Bangkok port and mini-rebellion by truckers against the extortion by the highway police.

Second, the new constitution generate new hope among the public, it signal that the time of changes has arrive. Graft fighters, nation wide non-governmental organization, and the media were eager to test out the new mechanisms provided by the new constitution.

Third, the strength and freedom of Thai media. The gradual evolution since the successful fight of censorship in the 1980s and resisted the re-imposition of military dictatorship in the early 1990s, Thai media has gain more confident. They also discover that scandal sells. And to be able to sell, they must be clean themselves, so begin the act of house cleaning in their own industry from corrupt and unethical journalist. The electronic media, the Internet, has also contributed to the mobilization.

Now lets look at some of the positive sign.

First, the new National Counter Corruption Commission as mention above.

Second, although there has been few people legally punished for corruptions, but some has been publicly punished. The ministers resigned in the scandals have been outcaste from the political arena and their party is as good as dissolve.

Third, many civic groups are now organized with the aim to promote transparency and accountability and to expert pressure on the government to fight corruption. Thailand Development and Research Institute (TDRI), headed by Anand Panyarachun, ex-prime minister, is a research institution that provide knowledge and information for the people to use as ammunition to push for good governance and continue political and bureaucratic reform. Political Economy Centre at Chulalongkorn University created a project to assemble information on corruption and economic crimes. It has regular newsletter call Transparent Society, with the help of Asia Foundation, acts as a medium for people to exchange views and information, analyze problem dealing with corruption and promote awareness. There is also Thailand chapter of the Transparency International as well as the Coordinating Committee for Non-Governmental Organization that can quickly mobilize the public on specific issue as seen here in the case study.

Fourth, corruption studies initiated by the Counter Corruption Commission focus on the leakage of government revenue. The study was based on interviews with businessmen. The cabinet studied this report and Directives were sent out to specified departments to look in to the matter and report back on improvements within three months. This is the first time such a directives has been issued in Thailand.

Fifth, under the new constitution, petition with 50,000 signatures can oblige the NCCC to undertake an investigation of an official or a politician. There have been many attempts make this provision extremely difficult by the law and rules maker, shows just how effective it could become.

Key Actor

- The Government Pharmaceutical Organization (GPO)
 - o Government Organization under Ministry of Public Health
 - o Manufacture medicine and medical supply
 - o Research and development support
 - o Analyze medicine and medical supply as well as raw material used in the production

- o Purchase, sell, exchange and provide medicine and medical supply
- o Manage businesses that deals with medicine and medical supply
- o Maintain market price as well as quality
- o Procure and supply medicine and medical supply to other agencies in the ministry
- o Act as national medical reserve
- o Provide villages around the country with medical supply as directed in the policy plan.
- Mrs. Rosana Tositrakul
 - o Managing Director of Komol Keemthong Foundation that encourages villagers to collect or grow herbal medicines for their own use and as a source of income.
 - o Also headed the Traditional Medicine for Self-Reliance Organization.
 - o Act as leader of the NGO-COD.
- Dr. Yongyut Thammayut
 - o Rural Doctors Chairman
 - o First to come out to the press with the story of the scandal
- Minister Rakkiat Sukthana
 - o Minister of Public Health at the time of the scandal
 - o Cancel the Median Set Price for procuring medicine and medical supply.
 - o Social Action Party Leader
 - o Appointed an advisor, later convicted to prison term
 - o Resign from his posting on 15 September 1998 from public pressure.
- Deputy Minister Teerawat Siriwanasarn
 - o Deputy Social Action Party Leader
 - o Appointed an advisor, later convicted to prison term
 - o Resign from his posting on 20 September 1998 from public pressure.

- Mr. Jirayu Charatsathien
 - o Advisor to minister of public health
 - o Found guilty of corruption, banned 5 years from politics and serve 6 years prison term that began in April 2002.
 - o Witnesses testify that he gave verbal order to officials and conduct the scandal.

- Mr. Narongsak Hengchaisri
 - o Personal Advisor to former Ministry of Public Health Rakkiat
 - o Trial in criminal court by NCCC, acquitted for lack of evidence

- Dr. Prakom Vuthipongse
 - o Former Permanent Secretary to Ministry of Public Health
 - o Transfer during investigation and later resigned.

Discussion questions

- What would be sufficient motivation or factor for citizens to mobilize with such coordinated force again?
- How much influence does the crisis have on the public perception and their decision to participate in the mobilization?
- What could have been done, under the circumstances, to force the government to investigate the ministers more seriously?
- The NGO-COD agreed to assist, costing their 30 members time and money because of personal respect for the members of the doctors community, how can we ensure that NGO-COD willing to mobilize at such strength again in different case headed by different people?
- How could such mobilization be sufficiently finance and efficiently coordinated?
- Would the indictment of all involve be different if NCCC was active at beginning of the scandal?

Follow up documents

During August 2002, Mr. Jirayu Charatsathien has been question by the National Counter Corruption Commission for more evidence to bring charges against former minister Rakkiat. The

NCCC wants to convict Mr. Rakkiat with malfeasance for canceling median set price which lead to procurement of overprice medicine.

Mr. Narongsak Hengchaisri implicated the real mastermind was Mr. Preecha Rengsomboonsuk, former secretary to Mr. Rakkiat who asked him to go and meet with public health officials in his place and set up the deal. The only reason Mr. Preecha was left out of the investigation was that he was part of the group that met with officials.

Former minister Rakkiat is suing Mrs. Rosana, NGO-COD chairperson for defamation of character in her public accusation of his involvement in the scandal. He was also able to demand the government to investigate the 50,000 signatures as he claims that some are forgery.

October 31, 2002, the Prime Minister's Office and Ministry of Public Health reopen the case to conclude whether Public Health Inspector-General Thawat Suntharachan should be disciplined for corruption in the connection with the case.

NCCC founded 233 million baht in a bank account belonging to former minister Rakkiat, deposited at the time of the scandal. He claimed that he won in from gambling abroad.

The Supreme Court's political crime section accepted a suit by NCCC to seize the money from Mr. Rakkiat's account for being unusually rich.

Mr. Rakkiat is also being trial for taking 5 million baht bribe from an executive of a drug firm. He claims that it was a loan, but the contract has many fault and flaws. If convicted he could face five years to life in jail, or the death penalty, and/or fine of 2,000-40,000 baht.

Following the NCCC ruling, Mrs. Rosana, chairman of NGO-COD demanded the MoPH to reopen its case against the minister and several other officials who facilitated the scandal. Her request was rejected claiming that the Civil Servant Commission is still considering the previous investigation.

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